



**INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(AUDIT-I), WEST BENGAL**

Treasury Buildings, 2, Government Place West, Kolkata 700001

भारतीय लेखा परीक्षण और लेखा विभाग

कार्यालय प्रधान महालेखाकार (लेखा परीक्षा), पश्चिम बंगाल

ट्रेजरी बिल्डिंग्स, गवर्नमेंट प्लेस वेस्ट कोलकाता 700001

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**To
The Principal Secretary
to the Government of West Bengal,
Department of Water Resources Investigation & Development,
KhadyaBhawan, Block –A (5th Floor),
Kolkata-700 087.**

Report of the Comptroller and Auditor General of India on the Project Financial Statements

We have audited the accompanying financial statements of the West Bengal Accelerated Development of Minor Irrigation Project financed under World Bank Loan No. 8090-IN / IDA Cr. No. 5014-IN, which comprise the Statement of Sources and Applications of Funds, Reconciliation of Claims to Total Applications of Funds and Management Assertion letter as furnished by the Project Authority for the year ended 31 March 2020. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of West Bengal Accelerated Development of Minor Irrigation Project for the year ended 31 March 2020 in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to PFS, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures

incurred; and (b) except for ineligible expenditures as detailed in the audit observations, appended to this audit report, expenditures are eligible for financing under the Loan / Credit Agreement. During the course of the audit, PFS/FMRs and the connected documents were examined and these can be relied upon to support reimbursement under the Loan / Credit Agreement.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament / State Legislature.

Audit Observations :

A. Relating to Financial year 2019-20.

The expenditure incurred in respect of World Bank assisted West Bengal Accelerated Development of Minor Irrigation Project (Loan No. 8090-IN / IDA Cr. No. 5014-IN), for the financial year 2019-20 is **Rs. 2209472713/-** out of which expenditure met from World Bank Funds is **Rs 1500152859/-**. Of this, expenditure admitted in audit is **Rs 1488580300/-**, out of which amount eligible for reimbursement stands at **Rs 1296208072** as shown below:-


Category	Gross expenditure claimed as per PFS(Rs)	Expenditure by State Fund as per PFS(Rs)	Expenditure by World Bank Fund as per PFS(Rs)	Inadmissible expenditure by Audit(Rs)	Total admissible expenditure by Audit (Rs)	Percentage of reimbursement (Rs)	Amt. eligible for reimbursement (Rs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Goods, works, non-consulting services, consultant's services, training and operating costs under Part A, C and D of the Project.	699243042	116522968	582720074	10198003 <i>(Details in Annexure 'A')</i>	572522071	100%	572522071
Goods, works, non consulting services, consultants' services, training and operating costs under Part B of the Project	1510229671	592796886	917432785	1374556 <i>(Details in Annexure 'B')</i>	916058229	79%	723686001
Total:	2209472713	709319854	1500152859	11572559	1488580300		1296208072

B. "Adjustment in respect of earlier periods"—relating to Financial year 2018-19

Audit Report on the PFS pertaining to financial year 2018-19 had mentioned that an expenditure of **Rs. 5,21,26,262/-**, in respect of World Bank assisted West Bengal Accelerated

Development of Minor Irrigation Project (Loan No. 8090-IN / IDA Cr. No. 5014-IN) represented “expenditure not admitted in audit”. The amount has been claimed during the financial year 2019-20 as ‘Adjustment in respect of earlier periods’. On scrutiny, in course of current audit, the details of amount admitted are given below and the list of items held inadmissible in respect of claims for previous years is shown in Annexure - C :-

Initial year of expenditure	IBRD Loan No. & IDA Cr. No.	Part	Expenditure incurred (As per PFS) (Rs.)	Expenditure not admitted in audit (Details in Annexure C)	Expenditure admitted in current Audit (Rs.)	Percentage of reimbursement	Amount eligible for Reimbursement (Rs.)
2016-17 & 2018-19	8090 IN & 5014	A,C & D	48557086	40997196	7559890	100	7559890
		B	3569176	114966	3454210	79	2728826
Total			52126262	41112162	11014100		10288716



(Vinod Parihar)
Deputy Accountant General (AMG-IV),
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(Audit I), West Bengal,
2, Government Place (West), Treasury Buildings,
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[Date: 02.02.2021]

Annexure – A

List of items held inadmissible in respect of claims of financial year 2019-2020.

(All items pertain to Part A, C & D)

Sl. No.	Unit	Reasons for inadmissibility in audit	Amount
1.	Bankura DPMU	No supporting vouchers for supply of sapling, bio pesticide and fertilizer were available in DPMU and inadmissible local transportation charges as per provision of section 3.17.21(vi) of MSO (audit) (Vol. I) guideline for world Bank assisted projects under Horticulture scheme. Hence the payment against those works amounting Rs. 372689.00 stands inadmissible.	372689
		Unjustified payment was made on Corporate User Group phone connection to non DPMU staffs.	20220
		Remuneration to SAEs in excess of sanctioned strength in DPMU without approval of World bank.	2250000
		Excess nos. of Asstt. Engineers have been employed on contractual basis over sanctioned strength without approval of World Bank.	504000
2.	Bardhaman DPMU	Remuneration of SAE in excess of sanctioned strength by DPMU without approval of World bank.	432258
		A surveyor was engaged in the DPMU. No such post is approved by World Bank.	83000
3.	Birbhum DPMU	Rs.40000.00 house rent for Rampurhat camp office of CAD division has been disallowed due to discrepancies in claim and no approval was accorded by the department.	40000
		Payment of remuneration of 24000.00 for Karmabandhu from March to June 2019 without approval of World Bank.	24000
		Without AA & FS of Department the payment made against Electric bill of Mayurakhi CAD Division (not entrustment of work under WBADMIP for the year 2019-2020.	27069
		Salary to 2 no. AEs and 8 no. of SAEs in excess of sanctioned strength in DPMU without approval of World bank. Further there was no RLI scheme approved by World Bank for the same period but 1 AE and 3 SAE from mechanical branch was engaged in the Division without any agri mechanical nature of work executed during the year 2019-2020.	2255097
4.	Dakshin Dinajpur DPMU	Non-deduction of Income Tax (IT).	21060
		Non-deduction of Cess.	10530
5.	Howrah DPMU	Salary to SAEs in excess of sanctioned strength in DPMU without approval of World bank.	216129
6.	Jalpaiguri DPMU	Salary to SAEs in excess of sanctioned strength in DPMU without approval of World bank.	1447092
7.	Coochbehar DPMU	Three (03) Agriculture Field Assistants (AFAs) were engaged under this Project for the period 2019-20. No such post is approved by World Bank.	365391
8.	Malda DPMU	Non adherence to the payment schedule of Lump sum contract between SPMU and WATER.	165000
9.	Murshidabad DPMU	Non-deduction of Income Tax	2693

		Non deduction of Cess	8481
		Non adherence to the payment schedule of Lump sum contract between SPMU and WATER.	148875
10.	Nadia DPMU	Short deduction of Income Tax	261000
		The Statement of Expenditure furnished by the O/o the Project Director, SPMU, Ultadanga amount Rs. 1887918/- and the details of the Expenditure in same Major Head provided by the DPMU, Nadia amount Rs. 1852918/- . It was seen that there is difference between two is Rs. 35000/- (Rs. 18, 87,918/- - Rs 18, 52,918/-).	35000
11.	Darjeeling DPMU	Salary to staff in excess of sanctioned strength in DPMU without approval of World bank.	1508419
		Total	10198003

Annexure – B

List of items held inadmissible in respect of claims of financial year 2019-2020.

(All items pertain to Part B)

Sl. No.	Unit	Reasons for inadmissibility in audit	Amount
1.	Birbhum DPMU	Excess payment made to agencies on erroneous analysis of rate during preparation of estimate of different works.	751220
2.	Malda DPMU	As per Scheme feasibility report the nature of soil in Malda was sandy and clay ,where as in schedule of works marroom was considered and payment was done for excavation of work for marroom soil at higher rate resulting additional payment of Rs. 2,82,358/- and Rate schedule for WRIDD was considered for preparing the estimates. However, there is no provision for Sl. No. - 1 of schedule of work in WRIDD as prepared by DPMU, resulting additional payment of Rs. 3,40,978/-. Hence the payment against two works amounting Rs. 6, 23,336.00 stands inadmissible.	623336
		Total:	1374556

**List of items held inadmissible in respect of claims for previous years
(All items pertaining to Part A, C& D)**

Sl. No.	Name of the Division	Present status of the objection	Amount Inadmissible (in Rs)
1.	West Midnapore DPMU	Approval of the world bank in respect of sanction of the posts could not be produced.	706310
2.	EAST Midnapore DPMU	Approval of the world bank in respect of sanction of the posts could not be produced.	40000
3.	South 24 Parganas DPMU	Approval of the world bank in respect of sanction of the posts could not be produced.	405375
4.	Purulia DPMU	Approval of the World Bank of sanction of Agriculture Field Assistant and Fishery Field Assistant could not be produced.	794838
		Local transportation in case of World Bank assisted projects is not reimbursable as per CAG's MSO (T) Vol.I for audit of world bank assisted project.	11010
5.	Birbhum DPMU	No further development in F.Y.2019-20. Hence inadmissible	318155
6.	Hooghly DPMU	Monthly remuneration to GR D staff engaged through WB Agro Industries Corporation Ltd was beyond the scope of procurement manual and lacking specific AA & FS for such payment through the agency.Reply not furnished. Hence para stands.	102144
7.	SPMU	An advance was paid to Horticulture specialist for study tour. Till date adjustment bill was not submitted by the person concerned. Hence para stands.	60000
		Since there was no availability of traveler T1 vehicle for Geo physical logging, the reason for engaging the agency on the basis of monthly payment and paying whole amount for half done work is not clear to Audit. Hence para stands	98670
		Advance Deposit with Science and Technology for 5 th MI Census treated as expenditure. Vouchers and sub-vouchers in support of utilisation of said fund could not be produced to audit till 2019-20. Reply not furnished. Hence, disallowed.	18874213
	.	In violation of contract, part payment of Rs.49, 75,003/- was allowed to the agency without completion of the work as a whole (total 19 locations). In most of the DPMU location testing of the supply materials could not be done due to BSNL Link problem, so as the functioning of the system is not fully operational in all locations. As such release of payment of Rs.49, 75,003 stands not only irregular due to violation of the payment provision of the contract but also undue favour to the agency. No reason for, violation of contract and allowance of part payment without verification of the installation and functioning of the system in all 219 locations, has been furnished by the unit.	4975003
		Post facto approval of the Department could not be produced to audit.	14611478
	Total:		40997196

**List of items held *inadmissible* in respect of claims for previous years
(All items pertaining to Part B)**

Sl. No.	Name of the Division	Present status of the objection	Amount Inadmissible (in Rs)
1.	Birbhum DPMU	Reply not furnished. No further development in F.Y.2019-20. Hence inadmissible.	114966
	Total:		114966