



कार्यालय महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा), तमिलनाडु

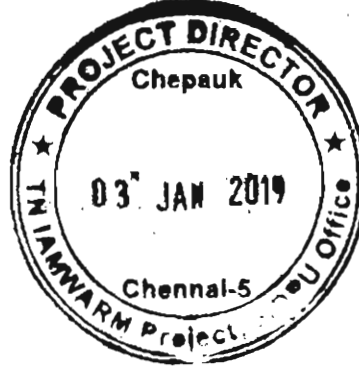
OFFICE OF THE ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT), TAMILNADU

AG (E&RSA)/WM©/CDN IV/2017-18/ 189

Dated 03/01/2019

To

The Project Director,
TN- IAM Project,
MDPU,
Chepauk,
Chennai 600 005



89
7/31/19

3/01/19

Sub: Issue of Audit Certificate for the year 2017-18 – Reg

Ref: Your DO letter No. MDPU /E1/479/2018 Dated 20/09/2018

addressed to Sr.DAG/ES-1

With reference to your letter cited, I wish to state that the Audit Certificate in respect of Tamil Nadu Irrigated Agriculture Modernisation for the years 2016-17 and-2017-18 is enclosed herewith.

Kindly acknowledge the receipt of the Audit Certificate.

Yours faithfully,

Senior Audit Officer/WM ©

Report of the Comptroller and Auditor General of India

To
The Project Director,
TNIAM (IAMWARAM-II) Project,
MDPU,
Chepauk,
Chennai 600 005

Report on the Project Financial Statements

We have audited the accompanying financial statements of the Tamil Nadu Irrigated Agriculture Modernisation (TN- IAM) Project financed under World Bank Loan No. IBRD 8797 INR, which comprises the Statement of Sources and Applications of Funds for the years ended 31.3.2017 and 31.03.2018. Preparation of these statements is 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 audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. We examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used and significant estimates made by management, and evaluated overall presentation of the statements. In our opinion, the financial statements enclosed present fairly, in all material respects, the sources and applications of funds of TN- IAM Project for the years ended 31.3.2017 and 31.03.2018 in accordance with Government of India accounting standards.

In addition to our opinion, (a) with respect to Statement of Expenditures, (SOE enclosed) adequate supporting documents are maintained to support claims to the World Bank for reimbursements of expenditure incurred, and (b) except for ineligible expenditures as detailed in the audit observation (Annexure A) appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, Statement of Expenditure (aggregating to Rs.65,64,41,766 (SOE enclosed) 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.


Sr. Deputy Accountant General /ES-1

Annexure -A

1. Inadmissible Expenditure

In respect of Cauvery Basin Sub-division, Thanjavur expenditure amounting to Rs.3,06,612/- pertaining to Packages -10 & 8 was found in-admissible due to payment made in excess of the quantity measured in respect of "Providing and placing plain cement concrete M15 grade" in the work "Rehabilitation and Modernisation of head sluices and bed dam of Manniyar River".

2. Internal audit not conducted

The Project Appraisal Document of the World Bank stipulates that the project will have an internal audit to review the internal control procedures and procurement procedures to be adhered to at the project level. It was noticed that the internal audit was not conducted.

3. Discrepancy in expenditure booked by O/o AG (A&E) & Department records

During 2016-17 and 2017-18, the amount incurred and claimed by the department varies from the amount booked by O/o AG (A&E). The discrepancy needs rectification.

A comparison of expenditure incurred by the department and the expenditure booked by AG (A&E) is as follows.

Years	Departments	Expenditure incurred By department Rs.	Expenditure booked By O/o AG(A&E) Rs.	Discrepancy Rs.
2017-18	WRD	57,62,78,474	57,50,42,712	(-)12,35,762
-do-	Agriculture	15,21,417	15,21,417	Nil
-do	Agriculture Engg	88,49,521	88,49,521	Nil
-do-	Agriculture Marketing And Agri. business	20,35,775	20,35,775	Nil
-do-	Animal Husbandry	4,08,44,400	4,08,44,400	Nil
2016-17	TN-IAM - Multi Disciplinary Project Unit (MDPU)	73,41,066	1,53,89,610	80,48,544
2017-18	-do-	1,95,71,113	1,92,93,748	(-) 2,77,365
	Total	65,64,41,766	66,29,77,183	65,35,417


Sr. Deputy Accountant General /ES-1

TAMIL NADU IRRIGATED AGRICULTURE MODERNISATION PROJECT
ANNUAL FINANCIAL STATEMENTS TO 2017-18

IBRD No. A777-IN

No. 140

Statement of Sources and Applications of Funds Report for the year ended 31.03.2018

Rs.000

Particulars	Current Year	Previous Year	Cumulative
	1	2	3
Opening Balance, (If cash balance are controlled by the entity) (A)	0		0
Receipts			
Funds received from Government through Budget (These will include external assistance received by Government for the Project)	656441	-	656441
Funds received directly by Project Implementing Authority through external assistance Beneficiary Contribution (if any)			
Total Receipts (B)			
Total Sources (C=A+B)			
Expenditures by Component			
Sources of Funds			
GOTN			
World Bank			
Total Sources	656441		656441
Uses of Funds			
A Irrigation and Water Management			
1 Institutional strengthening and capacity building for water management	5957		5957
2 Irrigation systems modernization	570321		570321
3 Participatory Irrigation Management			
4 Convergence for improved service delivery			
B Agriculture Productivity Enhancement, Diversification, Improving Livelihoods, Marketing and Value Addition			
1 Agriculture intensification and diversification			
1. Agriculture	1521		1521
2. Horticulture			
3. AED	8850		8850
2 Improving alternative livelihood sources through livestock and inland fisheries			
1. Animal Husbandry	40844		40844
2. Fisheries			
3 Agriculture marketing, value addition and post-harvest management			
1. Agri Marketing	2036		2036
C Project Management Support			
1 MDFU			
1. Salaries, Including salaries of Regular Government Staff posted in MDFU.	11766		11766
2. Other Operating Costs	15146		15146
3. Monitoring and Evaluation and Internal Audit Consultancies			
D Contingency Emergency Response			
Total Uses	656441		656441

24/12/18
Financial Management Specialist

Date:

Notes to Account & Accounting Policies

- The expenditure figures reported are reconciled/ with the AG (A&E)- please list departments which are reconciled
- Funds drawn against Advance bills, if any, and recorded as expenditure which are not settled amount of Rs.428.05 lacs; previous quarter Rs.NIL (please provide department wise summary)
- Security deposit/with-held deposit from contractors aggregate to Rs. NIL Previous quarter Rs. NIL (as per schedule 1)
- Grant to FPO amounting to Rs. NIL included in the above reported expenditure of Agri.Marketing Department

* To be supported by a sub basin wise/ district wise breakup

24/12/18
Financial Management Specialist

Date:

24/12/18
Sr. Audit Officer / LIM (C)

24/12/18

TN IAM Project

S. No.	Name of the Department	Budget Estimate for 2017 -18	Revised Estimate for	FMA / AFMA for 2017-18	Expenditure for the year 2017-18	Cumulative for the project
	Component A					
1	Water Resources Department	8137397000	2150753000	574532000	576278474	576278474
	Component B					
2	Agriculture Department	42555000	13638000	3311000	1521417	1521417
3	Agri. Marketing Department	244575000	244575000	2137000	2035775	2035775
4	Agri. Engineering Department	33000000	34155000	8921000	8849521	8849521
5	Animal Husbandry Department	62316000	57690000	40844000	40844400	40844400
	Component C					
6	Multi Disciplinary Project Unit					
	2016-2017	22098000	22098000	22198000	7341066	7341066
	2017-2018	0	33646000	33937000	19571113	19571113
	Grand Total	8541941000	2556555000	685880000	656441766	656441766