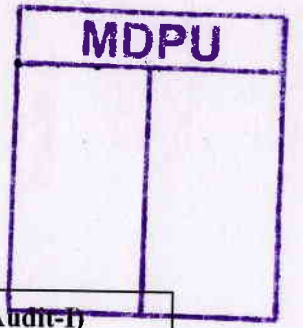




सत्यमेव जयते

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (Audit-I)

Tamil Nadu, LEKHA PARIKSHA BHAVAN
361, Anna Salai, Teynampet, Chennai 600 018



Lr.No.PAG (Audit-I)/AMG IV/AMS 43/2020-21/ 14

dated: 25/02/2021

To
The Principal Secretary & Project Director,
TN IAM Project (IAMWARM-II),
MDPU Office, Chepauk,
Chennai-05.

Sub: Issue of Audit Certificate in respect of Tamil Nadu Irrigated Agriculture Modernization Project (TN IAM) for the year 2019-20 reg.

I wish to state that the Audit Certificate in respect of Tamil Nadu Irrigated Agriculture Modernization Project (TN IAM) for the period of 2019-20 is enclosed herewith. Kindly acknowledge the receipt of Audit Certificate.

Yours Faithfully,


Deputy Accountant General/AMG IV



कार्यालय प्रधान महालेखाकार (लेखापरीक्षा-I)

तमिलनाडु

लेखापरीक्षा भवन

361, अण्णा सालै, तेनाम्पेट, चेन्नै - 600 018.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I)

Tamil Nadu

"LEKHA PARIKSHA BHAVAN"

361, Anna Salai, Teynampet, Chennai - 600 018.

सं/ No.

Pr. AG (Audit I)/AMG IV/AMS 43/2020-21/

Dated: 25/02/2021

Report of the Comptroller and Auditor General of India

To
The Project Director,
TN IAM Project (IAMWARM-II),
MDPU Office, Chepauk,
Chennai-05.

Report on Project Financial Statements

We have audited the accompanying financial statements of the Tamil Nadu Irrigated Agricultural Modernization (TN IAM) Project financed under World Bank Loan No. IBRD No. 8797-IN, which comprises the statement of Sources and Application of funds for the year ended March 2020. Preparation of these financial statements is the responsibility of 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. 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 examined on a test basis (32.06%) of total expenditure as per SoE in respect of MDPU office, covering all line departments in respect of Kancheepuram and Cuddalore districts, 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 source and application of funds of Tamil Nadu Irrigated Agricultural Modernization Project for the year ended March 2020 in accordance with the Government Accounting Standards.

In addition to our opinion (a) with respect to Statement of Expenditure (SoE) adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditure incurred and (b) except for ineligible expenditures incurred in respect of test checked districts (MDPU office, Kancheepuram, Cuddalore) as detailed in audit observation (Annexure A) appended to this report, expenditures eligible for financing under loan/credit agreement. During course of Audit, documents relating to expenditure of Rs.334.37 crore were examined and these can be relied upon to support reimbursement under loan Agreement as per Annexure A.

This report is issued without prejudice to the Comptroller and Auditor General's right to incorporate the audit observations in the report of Comptroller and Auditor General of India for being laid before Parliament/State of Union Territory legislature.

Audit Observations

1. Difference between expenditure furnished by department and booked by AG (A&E).
2. Non utilization of advance drawn.


Deputy Accountant General/AMG IV

Audit Observations: Annexure A

1. Difference between expenditure furnished by department and booked by AG (A&E).

It was observed that there were discrepancies in the amount of expenditure claimed for the year 2019-20 (under TN IAM project) as per the Multi Disciplinary Project Unit, Chennai and the expenditure booked by AG (A&E), Chennai. Department wise variations in the amount of expenditure is shown as under:

S.No	Department Name	Head of Account	Dept. figure(A) (Rs.)	Booked figure (B) (Rs.)	Difference (A-B) (Rs.)
1.	Agricultural Engineering Department	4402 00 102 PE	13012974	13006707	6267
2.	Fisheries Department	2405 00 101 PE	77629948	77629782	166
3.	Horticulture Department	2401 00 119 PG	202290725	201651201	639524
4.	Horticulture Department	2401 00 119 PF	1374756	1371592	3164
5.	Agricultural Marketing	2435 01 800 PB	5548948	5150628	398320
6.	Water Resources Department	4700 01 201 PA	194563548	193721029	842519
7.	--do--	4700 01 202 PF	2462828	2446828	16000
8.	--do--	4700 01 202 PI	13466475	1932644	11533831
9.	--do--	4700 01 210 PA	57519590	57513808	5782
10.	--do--	4701 01 217 PA	12575982	9902016	2673966
11.	--do--	4701 01 241 PB	19974085	11230413	8743672
12.	--do--	4701 01 248 PA	728810	728014	796
13.	--do--	4701 01 250 PA	3862370	3861194	1176
14.	--do--	4702 00 201 PA	8240418	5836585	2403833
15.	--do--	2701 03 204 PE	95495619	18855533	76640086
Excess of Department expenditure over & above the AG (A&E) booked figure					103909102

The department claim exceed the booked expenditure by Rs10,39,09,102 under the head of Accounts specified above.

2. Non Utilisation of advance drawn.

On perusal of the vouchers revealed that advances drawn on various occasions during 2019-20 were shown as expenditure in the SoE, which is to be disallowable. However the same were not adjusted in 2019-20, details of advances drawn were as under:

S.No.	Name of the Department	Head of Account	Description	Advance drawn (in Rupees)	Date of drawl of advance
1	Director of Agriculture, Chennai	2401-00-800-PE-5909	Issue of Shield Awards to the farmers and to the department officials during the year 2019-2020	29,750	16.3.2020
2		2401-00-800-PE-7201	Training Programme on Preparation of DPR of Phase-III sub-basins	25,000	13.3.2020
3	Director of Animal Husbandry and Veterinary Services, Chennai	2403-00-800-PD-1912	Purchase of UPS	40,000	26.3.2020
4		2403-00-800-PD-7612	Purchase of computer and accessories	90,000	26.3.2020
5	Regional Joint Director of Animal Husbandry, Kancheepuram	2403-00-102-PE-3392	Payment of professional services	14,83,600	20.3.2020
6		2403-00-102-PE-2400	Material & Supplies	16,200	14.3.2020
7	Joint Director of Agriculture, Kancheepuram	2401-00-109-PG-3102	Adoption of 20 Nos. of 'Integrated Pest Management' (IPM) villages of Lower Palar Sub-basin in Kancheepuram district (through National Institute of Plant Health Management (NIPHM), Hyderabad)	10,20,000	23.3.2020
8	Deputy Director of Horticulture, Cuddalore	2401-00-119-PE-7206	Village level training	2,46,000	11.12.2019
9		2401-00-119-PE-5404	Farmers exposure visit training	1,46,000	11.12.2019
10	The Executive Engineer, Coleroon Basin Division, Chidambaram	4700-01-210-PA-1601	Mobilisation Advance to Contractor	3,80,00,000	23.3.2020
11	Assistant Director of Fisheries, Parangipettai	2405-00-101-PE-7209	Training to 113 beneficiaries in Lower Pennaiyar and Lower Coleroon sub-basins in Cuddalore district	67,800	3.3.2020

12	Regional Director of Animal Husbandry, Cuddalore	2403-00-102-PE-7101	Printing charges	64,500	20.2.2020	
		2403-00-102-PE-2133	Motor vehicle Hiring charges	2,88,000	20.2.2020	
		2403-00-102-PE-7307	Transport charges	4,500	20.2.2020	
		2403-00-102-PE-3392	PPS	12,03,600	20.2.2020	
		2403-00-102-PE-0528	Other contingencies	1,22,000	20.2.2020	
		2403-00-102-PE-0813	Advertisement charges	1,44,000	20.2.2020	
		2403-00-102-PE-7209	Training	3,000	20.2.2020	
	Lower Vellar Sub-basin	Lower Coleroon Sub-basin	2403-00-102-PE-3392	PPS	1,02,800	17.3.2020
			2403-00-102-PE-0528	Other contingencies	94,400	17.3.2020
			2403-00-102-PE-7209	Training	1,75,400	28.2.2020
			2403-00-102-PE-7307	Transport charges	3,280	28.2.2020
			2403-00-102-PE-7101	Printing charges	49,200	28.2.2020
13	The Deputy Director of Agriculture (Agri Business), Cuddalore	2435-01-101-PE	Interface Workshop	3,00,000	6.3.2020	
		2435-01-101-PE	Farmers awareness meeting	4,05,000	27.3.2020	
		2435-01-101-PE	Farmers awareness meeting	3,30,000	27.3.2020	
14	Chief Engineer and Director, State Water Resources Management Agency, PWD/WRD, Taramani, Chennai	2701-80-004-PC-7204	Training Programme on "Efficient Irrigation Water Management"	75,000	4.3.2020	
15.	Director of Agricultural Marketing and Agri business, Chennai	2435-01-800-PB-7206	Documentation charges on "Mega event on Agricultural Thalaivasal"	2,00,000	03.02.2020	
Total					4,47,29,030	


 Deputy Accountant General/AMG IV

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II. NADU IRRIGATED AGRICULTURE MODERNISATION PROJECT

No. : IBRD No.8789-IN

No. : 40

Reconciliation of Claims to Total Applications of Funds Report for the year ended 31st March 2020

	Schedules	Amt (Rs.'000)		
		Current Year	Previous Years	Project to date
Funds claimed during the year (A)	I	2202637	3355725	5558362
Expenditure made during the year (B)	II	3393294	4977462	8370756
Expr. adjusted from the advance relating to		98524		98524
the difference between un-reconciled and reconciled to 2018-19		17486	131940	149426
the advance pointed out in the Audit Certificate for		0	0	0
the ineligible expenditure claimed in 2019-2020 as been explained in the previous Audit			-295	-295
Expenditure claimed during the year 2019-2020		3509304	5109107	8618411
Outstanding AC Bills (C) (details enclosed)	III	165530	165934	331464
Eligible Expenditures (D)	IV	0	0	0
Expenditure not claimed (E) @	V	-197149	-149280	-346429
Eligible Expenditures Claimed (F)		3146625	4793893	7940518
(F) - (C) - (D) + (E)				
Bank Share @ 70% of (F) above (G)		2202637	3355725	5558362

87/10/11/2020, 334377
 Financial Management Specialist
 RNPS 51

10-11-2020
 Date : .11.2020.

Expenditure made during the year (B above) must be the same as, as the Total Expenditure shown on the Statement of Sources and Applications of Funds (D on the Statement of Sources and Applications of Funds).

Outstanding Advance Bills (C above) reflect funds drawn against Advance Bills that have been booked as expenditure but not settled by the end of the year (i.e. unsettled advances). The Project should show in Schedule II the opening balance of Outstanding Advance bills, Advance bills drawn during the year, Advance bills settled during the year, and Advance bills outstanding at the end of the year.

Expenditure not claimed (E above) : The difference between the SOE Expr. for 2019-2020 and the Expr. claimed in 2020.

Items A and G above must be equal.

True copy attached.

25/2/2021

Summary of Sources & Uses of Fund
Abstract for 2019 - 2020

(in Rupees)

Sl. No.	Name of the Department	Expenditure upto 2018-19	Budget Estimate for 2019-20	Revised Estimate for 2019-20	FMA / AFMA for 2019-20	Expenditure for the year 2019-20	Cumulative for the project
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Water Resources Department	4,43,55,39,005	6,46,40,59,000	5,91,48,72,000	4,04,01,67,320	2,60,62,30,131	7,04,17,69,136
2	Agriculture Department	8,73,30,412	4,44,73,000	14,56,61,000	14,56,61,000	13,98,59,337	22,71,89,749
3	Agri. Marketing Department	4,19,49,130	30,09,44,000	15,48,24,000	11,07,68,000	6,66,53,952	10,86,03,082
4	Agri. Engineering Department	3,35,85,062	6,000	2,75,30,000	2,75,25,000	1,30,12,974	4,65,98,036
5	Horticulture	17,62,57,703	37,17,74,000	38,95,71,000	38,95,71,000	38,61,59,126	56,24,16,829
6	Animal Husbandry Department	4,88,12,712	1,71,00,000	9,65,09,000	8,76,81,000	6,68,77,142	11,56,89,854
7	Fisheries Department	10,06,22,729	10,04,73,000	17,22,12,000	13,03,70,000	7,76,29,948	17,82,52,677
8	Multi Disciplinary Project Unit	5,33,66,327	6,44,58,000	5,51,22,000	3,85,05,000	3,68,71,506	9,02,37,833
Grand Total		4,97,74,63,080	7,36,32,87,000	6,95,63,01,000	4,97,02,48,820	3,39,32,94,116	8,37,07,57,196

ASal
25/1/2021

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