



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.

MDPU		
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
13/4/22		13/4/22



Lr.No.PAG (Audit-I)/AMG IV/AMS 43/2022-23/ 1

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 2020-21 reg.

I wish to state that the Audit Certificate in respect of Tamil Nadu Irrigated Agriculture Modernization Project (TN IAM) for the period of 2020-21 is enclosed herewith. Kindly acknowledge the receipt of Audit Certificate.

Yours Faithfully,

*M.S. Rama*

Deputy Accountant General/AMG IV

*8.4.2022*



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सं/ No.

Pr. AG (Audit I)/AMG IV/2021-22/2

Dated: 8.04.2022

**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 2021. 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. 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 (27.8 per cent) of total expenditure as per SOE) in respect of MDPU office, covering all line departments in respect of MDPU- Chennai, Sale, Trichy and Villupuram Districts, evidence supporting the amounts and disclosures in the financial statements. 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 2021 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 expenditure incurred in

respect of test checked districts (MDPU office, Trichy, Salem and Villupuram) as detailed in audit observation (Annexure) appended to this report, the expenditure is eligible for financing under loan/credit agreement. During course of Audit, documents relating to expenditure of Rs.140.62 crore were examined, and these can be relied upon to support reimbursement under loan Agreement as per Annexure. The amount of Rs.491,62,79,253 is allowable for reimbursement under loan Agreement.

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) Advances paid claimed as expenditure
- 2) Excess claim of staff salary
- 3) Non-production of vouchers for the expenditure claimed in the SOE
- 4) Non-reconciliation of department figure with booked expenditure

*M S Rema*  
*8.4.2022*  
**Deputy Accountant General/AMG-IV**

## Audit Observations

### 1) Advances paid claimed as expenditure

Advances drawn on various occasions during 2020-2021 were included in the "Statement of expenditure". However, the same were not adjusted during 2020-2021. The details are as below:

Name of the Office	Head of Account	Description	Advance drawn (in Rupees)	Date of drawal of advance
Director of Horticulture, Chennai	2401-00-119-PE-6903	Collaborative Cornell Project towards research activities cum exposure visit of Officials to Cornell University	2,09,40,000	11.03.2021
Multi-Disciplinary Project Unit (MDPU) Chennai	2701-80-001-PD-33303	Advance payment for the Monitoring and Evaluation of TNIAMP	92,23,868	25.03.2021
Commissioner of Fisheries, Chennai	2405-00-101-PE-30502	Amount drawn and deposited in the personal deposit account of the Commissioner of Fisheries towards documentation of fisheries interventions	2,36,000	25.03.2021
	2405-00-101-PE-34702	Amount deposited in PD account for modernisation of Fish Kiosk 4 Nos at Lower Bhavani Sub-basin in Erode District	33,00,000	25.03.2021
Assistant Director of Fisheries, Villupuram	2405-00-101-PE-37201	Advance payment made towards Training	20,400	03.03.2021
Director of Animal Husbandry and Veterinary Services, Chennai	2403-00-102-PE-36901	Procurement of Fodder	11,65,280	March 2021
	2403-00-102-PE-36601	Procurement of medicines	55,71,900	March 2021
	2403-00-102-PE-31901	Advance given to TNLDA for procurement of breeding inputs	38,04,000	February 2021
	2403-00-102-PE-31901	Purchase of sterilizer, refrigerator, etc.	49,14,000	March 2021
	2403-00-102-PE-31901	Advance given to TNLDA for procurement of breeding inputs	22,23,000	March 2021



Regional Joint Director of Animal Husbandry, Villupuram	2403-00- 102-PE- 32401	Advance given to TNLDA for procurement of frozen semen straws	34,12,800	March 2021
	2403-00- 102-PE- 32401	Advance given to TNLDA for procurement of frozen semen straws	44,64,600	February 2021
	2403-00- 102-PE- 33309	Advance Payment made towards payment of Professional and Special Services – Other Payments	3,33,400	26.03.2021
	2403-00- 102-PE- 30502	Advance Payment made towards payment of Miscellaneous cost for Estrous Synchronisation Demos	62,400	26.03.2021
Director of Agricultural Marketing Board, Agri Business, Chennai	2435-01- 800-PB- 37201	Advance given to JDA, (Training), Tamil Nadu State Agriculture Marketing Board, Salem for the conduct of capacity building training programme	2,68,000	09.02.2021
	2435-01- 800-PB- 30209	Advance payment to the Executive Engineer, TNSMB, Guindy, Chennai towards conducting awareness meetings for FPO formation, interface workshops, seminars, etc.	9,10,000	22.3.2021
Deputy Director of Agricultural Marketing and Agri Business, Trichy	2435-01- 101-PE- 30903	Advance Payment of Rs.5,00,000 was sanctioned to Trichy Farmer Producer Company Limited towards start up grant for the year 2019-20 for which an expenditure of Rs.4,40,000 was made and the balance amount kept in the Savings Bank Account of the FPO	60,000	4.11.2020
	2435-01- 101-PE- 37201	Advance drawn towards training cost for conducting Farmers Training at Nandhiyar, Koolayar, Ayyar Sub-basins	7,90,000	24.03.2021

	2435-01-101-PE-30903	Advance Payment sanctioned to Trichy Farmer Producer Company Limited towards 2 <sup>nd</sup> year start up grant and Productive Investment capital	5,00,000 20,00,000	18.03.2021
Deputy Director of Agricultural Marketing and Agri Business, Kallakurichi	2435-01-101-PE-0932	Advance Payment made to Farmer Producer Company Limited towards start up grant and administrative expenditure was not incurred during 2020-2021	5,00,000	September 2020
	2435-01-101-PE-0932		20,00,000	February 2021
	2435-01-101-PE-0932		5,00,000	March 2021
	2435-01-101-PE-37201	Advance Payment for conduct of Training	50,000	29.03.2021
Deputy Director of Agricultural Marketing and Agri Business, Salem	2435-01-101-PE-30903	Start-up grant released to Sankagiri Farmer Producer Company Limited towards start up grant for the year 2020-2021	5,00,000	23.03.2021
Irrigation Management Training Institute, Trichy	2435-01-101-PE-37201	An amount of Rs.22,07,509 was sanctioned by the Engineer in Chief, WRD, Chennai towards conduct of Training on "PIM" under TNIAMP during 2020-2021. Expenditure incurred was Rs.15.11.509 during 2020-21 leaving an unspent balance Rs.6,96,000	6,96,000	30.03.2021
Engineer-in-Chief, Chennai	2701-80-800-PB-33303	Payment made to all District Collectors, in Tamil Nadu towards conduct of Water Users Association election-	Rs.6,18,42,335 (Booked figure)	Different for each division
		Total	Rs.13,02,87,98 3	

## 2) Excess claim of staff salary

A perusal of records relating to the expenditure incurred by the Director of Horticulture and Plantation Crops, Chennai under TNIAMP revealed that while making payment to contract staff, salary was not deducted for the leave on loss of pay availed by them. The details are as below:

Sl.No.	Name & designation	LLP availed for	Month and year	Head of account	Amount paid in excess (Rs.)
1	Shri Muthu Manickam	1 day	March 2020	2401-00-119-PF	645.00
		7 days	June 2020	2401-00-119-PF	4669.00
2	Shri Ramesh Data Entry Officer	8 days	June 2020	2401-00-119-PF	1336.00
	Total				6650.00

In reply it was informed by the MDPU, Chennai that the excess amount paid to the individuals have been recovered from the contract payments made to the individuals for the month of November 2021. As the Audit Certificate related to the year 2020-21 the above amount is inadmissible.

## 3) Non-production of vouchers for the expenditure claimed in the SOE

In WRD Headquarters office and in the Office of Joint Director of Agriculture at Trichy and Salem, vouchers were produced for Rs.8,45,73,074, while the expenditure in the three offices was Rs.8,57,50,981. The amount of Rs. 11,77,907 for which voucher were not available is therefore inadmissible

(Amount in Rupees)

Name of the department	Expenditure as per the SOE	Expenditure for which vouchers were produced	Difference
Water Resources Department	7,68,19,951	7,56,66,044	11,53,907
Joint Director of Agriculture (JDA), Trichy	65,62,047	65,44,047	18,000
JDA, Salem	23,68,983	23,62,983	6000
TOTAL	8,57,50,981	8,45,73,074	11,77,907



#### 4) Non-reconciliation of department figure with booked expenditure

The difference of Rs 84,457 between the booked figures in the AG(A&E) office and the SOE as shown below is inadmissible.

(Amount in Rupees)

S.No	Department Name	Head of Account	Dept. figure(A)	Booked figure (B)	Difference ((A-B))
1.	Water Resources Department	2701 80 004 PD	16,36,605	16,36,903	-298
2.	Agriculture Department	2401-00-800-PE	365	0	365
3.	Agriculture Marketing & Agri Business Department	2435-01-101-PE	13,49,89,182	13,49,93,095	-3,913
4.		2435-01-800-PB	51,66,738	51,40,418	26,320
5.	Agriculture Engineering Department	4402-00-102-PE	1,70,86,531	1,70,86,322	209
6.		2401-00-113-PF	3,33,000	3,32,863	137
7.	Fisheries Department	2405-00-101-PE-050001	16,278	16,252	26
8.		2405-00-101-PE-240001	3,44,90,336	3,45,40,056	-49,720
9.		2405-00-101-PE-470 002	1,30,29,342	1,30,24,592	4,750
10.		2405-00-101-PE-670009	96,59,726	96,07,076	52,650
	Total inadmissible amount	TOTAL			84,457

*M S Rema*  
8.4.2022  
Deputy Accountant General/AMG-IV