

Audited Project Financial Statements

Project Number: 38411-043

Loan Number: 3256

Period covered: 1 April 2015 to 31 March 2016

IND: Orissa Integrated Irrigated Agriculture and Water Management Investment Program - Project 2

Prepared by Department of Water Resources, Government of Odisha


For the Asian Development Bank

Date received by ADB: 21 September 2016

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Department of Water Resources, Government of Odisha

**CAD-PIM Directorate,
Project Management Unit (OIIAWMIP),
5th Floor, Rajiv Bhawan, Bhubaneswar**

Through Speed Post

 e-Despatch (for official use only) Government of Odisha			
WEB :	No <input type="checkbox"/>	Yes <input type="checkbox"/>	
Fax <input type="checkbox"/>	e-Mail <input type="checkbox"/>	SMS <input type="checkbox"/>	Local <input type="checkbox"/>
RP <input type="checkbox"/>	SP <input type="checkbox"/>	OP <input type="checkbox"/>	SM <input type="checkbox"/>
<small>RP-Regd Post SP-Speed Post OP-Ordinary Post SM-Spl Messenger</small>			

No. PMU – Acct. -141/10 (Part-1) -
From

304500

Dated -

20/9/2016

Er. P. K. Satpathy,
Chief Engineer-cum-Project Director,
Project Management Unit (OIIAWMIP).

To

Mr. Praveen Dudeja,
Under Secretary (ADB – II),
Department of Economic Affairs,
Govt. of India, North Block, New Delhi-110001.

Sub;- Submission of Audit Certificate along with ToR in shape of Audited Financial Statement for the year 2015-16 under OIIAWMIP.

Sir,

Extension, Renovation & Modernisation of existing Irrigation Project is implemented under Department of Water Resources, Govt. of Odisha in the name of Orissa Integrated Irrigated Agriculture and Water Management Investment Programme (OIIAWMIP) under ADB Loan Assistance - 2444-IND (Tr.1), OFID Loan Assistance – 1251 -P, ADB Loan Assistance - 3265-IND (Tr.2), and JFPR Grant No. 9134-IND. The relevant audit certificate along with ancillary documents for the year 2015-16 issued by Deputy Accountant General (Economic Sector-II, Odisha, Puri) vide his letter No. FINAT-(3)2-16-17-AC-318, Dt. 16.09.16 and ToR in shape of Audited Financial Statements (Annexure - 1 to Annexure - 10) are submitted herewith for your kind information and necessary action.

Yours faithfully,

Encl : 1. Audit Certificate for the year 2015-16.
2. ToR in shape of Audited Financial Statements (Annx- 1 to 10).

Memo No.

304600

/Dated,

20/9/2016

Chief Engineer-cum-Project Director.

Copy along with enclosures submitted to the Country Director, India Resident Mission, ADB, New Delhi for favour of kind information and necessary action.

Encl: As above.

Memo No.

304700

/Dated,

20/9/2016

Chief Engineer-cum- Project Director.

Copy along with enclosures forwarded to the Deputy Secretary to Govt. Finance Department (EAP) for information & necessary action.

Encl: As above.

C.C. through e-mail to :

- ryadav@adb.org / rnaduvinamani@adb.org.

Chief Engineer-cum- Project Director.



OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT) ODISHA,
BRANCH: ECONOMIC SECTOR-II, PURI

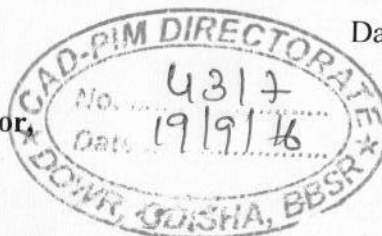
Ph: 06752-250468/FAX: 06752-250468/e-mail-id: seniorauditofficer@gmail.com

No.FINAT (3)2-(16-17) AC- 318

Dated: 16.09.2016

To

The Chief Engineer –cum-Project Director,
Project Management Unit (OIIAWMIP),
5th Floor, Rajiv Bhawan, Bhubaneswar.



Sub:- Audit Certificate with statement of Audited figure of expenditure in respect of Odisha Integrated Irrigated Agriculture & Water Management Investment Programme for the year 2015-16.

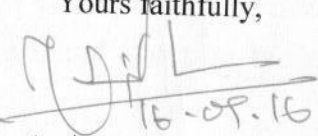
Sir,

Please find enclosed herewith the Audit Certificate in of respect Odisha Integrated Irrigated Agriculture & Water Management Investment Programme (OIIAWMIP) for the year **2015-16** (Loan/Credit No.2444-IND, 1251-P, 3265-IND & Project No. 9134-IND) along with the following documents.

1. Audit Certificate.
2. Management Assertion Letter.
3. Report on the Project financial Statements.
4. Statement – I, II, III, IV.

Yours faithfully,

Encl: As above


16-09-16
Deputy Accountant General
Economic Sector-II, Odisha, Puri.

Memo.No.FINAT (3)2-(16-17) AC-319(4)

Dated: 16.09.2016


Copies of the statements along with Audit Certificate forwarded for information and necessary action to:

- 1) The **Joint Secretary** to Government of India, Department of Economic Affairs, Ministry of Finance, Room No.34-C, North Block, New Delhi-110001.
- 2) The **Principal Secretary** to Government of Odisha, Water Resources Department, Rajiv Bhawan, Bhubaneswar.
- 3) The **Principal Secretary** to Government of Odisha, Finance Department, Bhubaneswar.
- 4) The **Engineer-in-Chief**, Water Resources, Odisha, Secha Sadan, Keshari Nagar, Bhubaneswar.


Senior Audit Officer/FINAT

Annexure - "D" 100

**CAD-PIM Directorate,
Project Management Unit (OIIAWMIP),
5th Floor, Rajiv Bhawan, Bhubaneswar**

 e-Despatch (for official use only) Government of Odisha			
WEB :	No <input type="checkbox"/>	Yes <input type="checkbox"/>	
Fax <input type="checkbox"/>	e-Mail <input type="checkbox"/>	SMS <input type="checkbox"/>	Local <input type="checkbox"/>
RP <input type="checkbox"/>	SP <input type="checkbox"/>	OP <input type="checkbox"/>	SM <input type="checkbox"/>

RP-Regd Post SP-Speed Post OP-Ordinary Post SM-Spl Messenger

From

Er. P. K. Satpathy,
Chief Engineer-cum-Project Director,
Project Management Unit (OIIAWMIP).

To

The Principal Accountant General,
(Economic & Revenue Sector Audit), Odisha,
Branch: (Economic Sector - II), Puri.

Sub: - Management Assertion Letter for Orissa Integrated Irrigated Agriculture and
Water Management Investment Programme (OIIAWMIP).

Sir,

This assertion letter is provided in connection with your audit of the expenditures under OIIAWMIP for the year ending **01.04.2015** to **31.03.2016**. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Government of Odisha, and we confirm to the best of our knowledge and belief, the following representations made to you during your audit.

The project financial statements are free of material misstatements, including omissions.

- Project funds have been used for the purposes for which they were provided.
- Project expenditures excluding Salary, Taxes and Land costs etc as per the list enclosed are eligible for financing under the Loan/Credit agreement.
- There have been no irregularities involving management of employees who have a significant role in internal control or that could have a material effect on the project financial statement.
- We have made available to you all books of account and supporting documentation relating to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Financing Agreement, the Project Agreement, the Project Appraisal document, the minutes of Negotiations, and the Borrower's Project Implementation Plan.

Mammy 10⁰⁸/16

Accounts Officer

PMU (OIIAWMIP)

CAD-PIM Directorate

Deptt. of Water Resources.

This sample Management assertion letter is based on ISA 580. "Management Representations." Handbook of International Auditing. Assurance and Ethics Pronouncements. International Federation of Accountants 2007.

[Signature] 10/08/16
(Chief Engineer-cum-Project Director)
PMU, OIIAWMIP.
CAD-PIM Directorate
Deptt. of Water Resources

[Signature] 16.09.16
Deputy Accountant General
(Economic Sector-II), Odisha, Puri

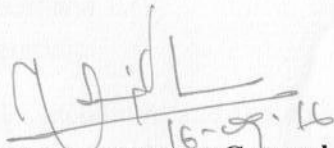
(b) Financial covenants in the loan agreement **Loan No.2444-IND** dated **25 February 2009**, **1251-P (OFID)** dated **12th March 2009**, Tranche-2 loan agreement **No. 3265-IND** dated **07th June 2016** and **JFPR Project No. 9134-IND** dated **17th July 2009** have been complied with.

(c) (i) (a) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the Asian Development Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditure as detailed in the audit observations, if any, appended to this audit report, expenditure are eligible for financing under the Loan Agreement.

(ii)(a) The Imprest Accounts give a true fair view of the receipts collected and payments made during the year ended **March 2016** and these receipts and payments support Imprest Account liquidations/replenishments during the year.

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

Dated:


Deputy Accountant General
Economic Sector-II, Odisha, Puri



**OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT) ODISHA,
BRANCH: ECONOMIC SECTOR-II, PURI**

Ph: 06752-250468/FAX: 06752-250468/e-mail-id: seniorauditofficer@gmail.com

AUDIT CERTIFICATE

The Expenditure Statement/Financial Statements (Statement I/II/III/IV) relating to the project **Orissa Integrated Irrigated Agriculture and Water Management Investment Programme (Loan/Credit No.2444-IND, 1251-P, 3265-IND & Project No. 9134-IND)** for the year **2015-16** of Government of Odisha attached hereto have been audited in accordance with the regulations and standards of Audit of the Comptroller and Auditor General of India and accordingly included such tests of accounting records, internal checks and controls; and other auditing procedures necessary to confirm;

- (a) That the resources were used for the purposes of the projects and
- (b) That the expenditure statements/financial statements are correct.

During the course of the audit referred to above, statements of expenditure and the connected documents were examined and these can be relied upon to support reimbursement under the aforesaid loan/credit agreement subject to the following details.

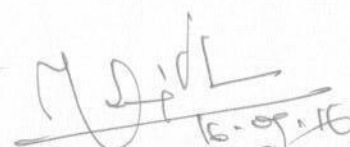
Application No.	Scheme-wise details	Audited Figures of Expenditure (Net) in ₹	Percentage reimbursable				Total amount Reimbursable (in ₹)
			Tr.-1		Tr.-2		
			ADB	OFID	ADB	JFPR	
TRANCH E-1 1. ADB Loan No.2444-IND 2. OFID Loan No.1251-P	03001-Work Charged Salaries	4324850	100		51.9		3484808
	02001-Wages Salaries	10348509	100		51.9		8936051
	04002-Salaries for NMR/DLR	492780	100		51.9		358360
	06001-Travel Expenses	80000	100		51.9		80000
	06004-Travel Expenses (Work Charged)	29000	100		51.9		29000
	12001-Consulting Charges	67351102	100		53.1		57460172
	20002-Other Charges	14011372	100		51.9		9206725
	31003-Tools and Plant	586931	100		51.9		313900
	32006-Machinery & Equipment	5701890	100		51.9		4035134
	32011-Survey and Investigation Expenses	9902865	75		70		7335691
TRANCH E-2 1. ADB Loan No.3265-IND 2. JFPR Grant	37029-Buildings	11812426	90				1122120
	37034-Canal and Branches-Major Work	204853968	21	63	83.5		171432552
	37240-Minor Lift Irrigation-Civil Works & Installation	78258975		70.4	87.5		55094318
	37241-Minor Lift Irrigation-(Procurement of Equipment)	76948784		70.4	84.5		54171944

No.9134- IND	37279-Canal and Branches- Minor Canal Works	172250623		90			155025561
	78107-Training Expenses	51190488	100		53.2		27790488
	37282- Strengthening of Saline/ River Embankment	208500000			83.5		111079215
	78382-Livelihood Support	16101785					0
	78405-Japan Fund for Poverty Reduction (JFPR)	34009999				100	34009999
	Total	966756347					700966038

Gross amount shown in the above mentioned statement of expenditure, includes advance paid to contractor/s Rs. 1,32,00,000 Rupees (One Crore and thirty two lakh only) which is still pending adjustments.

On the basis of the information and explanations that have been obtained as required and according to the best of our information as a result of the test audit, it is certified that the Expenditure Statements/Financial Statements read with the observations set out below represented a true and fair view of the implementation (and Operations) of the Project for the year **2015-16**.

Dated:


Deputy Accountant General
 Economic Sector-II, Odisha, Puri

STATEMENT - I

STATEMENT OF AUDITED FIGURE OF EXPENDITURE UNDER OIAWMP FOR THE YEAR 2015-16.


Sl. No.	Name of the Controlling Officer / Executing Divisions (DDO)	Demand NO. & Head of Account upto Sub-Head with Budget allotment on the Scheme/Project	Name of the scheme with Code No.	Statement of expenditure figure as reported by Project Authority	Annual Accounts figure / SoE figure of AG (A&E)	Audited figure of expenditure (Gross)	Amount withheld for Audit Objection (Details in statement - IV)	Audited figures of expenditure (NET) as certified by Audit	Remarks
1	2	3	4	5	6	7	8	9	10
1			03001-Work Charged Salaries	2369476	2369091	2369476	385	2369091	Less booked by A & E
2			04002-Salaries for NMR/DLR	244700	244700	244700	0	244700	
3			06001-Travel Expenses	21000	21000	21000	0	21000	
4			12001-Consultancy	3242517	3242517	3242517	0	3242517	
5			20002-Other Charges	2478200	2478200	2478200	0	2478200	
6			31003-Tools & Plants	118530	118530	118530	0	118530	
7			32006-M&E	1003439	1003439	1003439	0	1003439	
8			32011-Survey and Investigation	2581410	2581410	2581410	0	2581410	
9			37029-Buildings	2269925	2269925	2269925	0	2269925	
10			37034-Canal & Branches (MW)	110381159	110381159	110381159	0	110381159	
11			37218-CAD & WM	0	0	0	0	0	
12			37240-MLI (Civil Works)	7198388	7198388	7198388	0	7198388	
13			37241-MLI (PE)	19967484	19967484	19967484	0	19967484	
14			37279-Canal & Branches	20380895	20380895	20380895	0	20380895	
15			78107-Training	27280300	27280300	27280300	0	27280300	
16			78380-O&M	0	0	0	0	0	
17			78381-Agrl. Support	0	0	0	0	0	
18			78382-Livelihood Support	4495875	4495875	4495875	0	4495875	
19			37282-Advt	13000000	13000000	13000000	0	13000000	
20			78405-JFPR	416000	416000	416000	0	416000	

21	Chief Engineer-cum-Project Director, Project Management Unit, Bhubaneswar	Demand No.20-4701-COL-on-Medium Irrigation-SP-65-ADB(EAP)-796-2034	12001-Consultancy	10416812	10416812	10416812	0	10416812	
22			20002-Other Charges	3049175	3049175	3049175	0	3049175	
23			31003-Tools & Plants	181600	181600	181600	0	181600	
24			32006-M&E	1456447	1456447	1456447	0	1456447	
25			32011-Survey and Investigation	2358852	2358852	2358852	0	2358852	
26			37029-Buildings	3125224	3125224	3125224	0	3125224	
27			37034-Canal & Branches (MW)	65459969	65459969	65459969	0	65459969	
28			37218-CAD & WM	0	0	0	0	0	
29			37240-MLI (Civil Works)	9195623	9195623	9195623	0	9195623	
30			37241-MLIP	26992793	26992793	26992793	0	26992793	
31	Chief Engineer-cum-Project Director, Project Management Unit, Bhubaneswar	Demand No.20-4701-COL-on-Medium Irrigation-SP-65-ADB(EAP)-796-2034	37279-Canal & Branches	43391990	43391990	43391990	0	43391990	
32			78107-Training	6752000	6752000	6752000	0	6752000	
33			78380-O&M	0	0	0	0	0	
34			78381-Agrl. Support	0	0	0	0	0	
35			78382-Livelihood Support	8341379	8341379	8341379	0	8341379	
36			37282-Advt	57500000	57500000	57500000	0	57500000	
37			78405-JFPR	32229999	32229999	32229999	0	32229999	
38			02001-Wages & Salaries	10348509	10348509	10348509	0	10348509	
39			03001-Work Charged Salaries	1955759	1955759	1955759	0	1955759	
40			04002-Salaries for NMR/DLR	248080	248080	248080	0	248080	
41	Chief Engineer-cum-Project Director, Project Management Unit, Bhubaneswar	Demand No.20-4701-COL-on-Medium Irrigation-SP-65-ADB(EAP)-800-2034	06001-Travel Expenses	59000	59000	59000	0	59000	
42			06004-TE (Work Charged)	29000	29000	29000	0	29000	
43			12001-Consultancy	53691773	53691773	53691773	0	53691773	
44			20002-Other Charges	8483997	8483997	8483997	0	8483997	
45			31003-Tools & Plants	286801	286801	286801	0	286801	
46			32006-M&E	3242004	3242004	3242004	0	3242004	
47			32011-Survey and Investigation	4962603	4962603	4962603	0	4962603	
48			37029-Buildings	6417277	6417277	6417277	0	6417277	
49			37034-Canal & Branches (MW)	30528967	30528967	30528967	1516127	29012840	E.C. Vouchers
50			37218-CAD & WM	0	0	0	0	0	
51	Bhubaneswar		37240-MLI (Civil Works)	61864964	61864964	61864964	0	61864964	
52			37241-MLI (PE)	29988507	29988507	29988507	0	29988507	

53		37279-Canal & Branches	108477738	108477738	108477738	0	108477738	
54		78107-Training	17158188	17158188	17158188	0	17158188	
55		78380-O&M	0	0	0	0	0	
56		78381-Agriculture Support	0	0	0	0	0	
57		78382-Livelihood Support	3264531	3264531	3264531	0	3264531	
58		37282-Advt	138000000	138000000	138000000	0	138000000	
59		78405-JFPR	1364000	1364000	1364000	0	1364000	
		TOTAL	968272859	968272474	968272859	1516512	966756347	

AUDIT CERTIFICATE

- 1) Certified that the figure of expenditure exhibited in Col. (7) above have been duly audited and the figure exhibited in Col. (9) have been admitted in audited after excluding the amount held under objection in Col. (8).
- 2) This Audit Certificate is issued subject to reports of local audit and central audit and also without prejudice to the rights of the Comptroller and Auditor General of India to include in the reports any audit comments in regard to utilisation of Central Assistance by the State Government noticed as a result of Audit.


Deputy Accountant General
 Economic Sector-II, Odisha, Puri

STATEMENT - II

Audited Statement of Expenditure for the year 2015-16

Name of Scheme/Project : OIIAWMIP

Name of the Project Authority: Chief Engineer-cum-Project Director,

Statement of total expenditure during the financial year indicating Demand No./Major Head/Minor Head/Sub-head of accounts as reported by Project Authority with scheme-wise details.

Sl.No.	Head of Accounts	Name of the Scheme	Expenditure (in Rs)	Application No.	Remarks
1	2	3	4	5	6
1		02001-Wages & Salaries	10348509		
2		03001-Work Charged Salaries	4325235		
3		04002-Salaries for NMR/ DLR	492780		
4		06001-Travel Expenses	80000		
5		06004- TE (Workcharged)	29000		
6		12001-Consultancy	67351102		
7		20002-Other Charges	14011372		
8		31003-Tools & Plants	586931		
9		32006-M&E	5701890		
10		32011-Survey & Investigation	9902865		
11		37029-Buildings	11812426		
12		37034-Canal & Branches	206370095		
13		37240-MLI (Civil Works)	78258975		
14		37241-MLI(PE)	76948784		
15		37279-Canal & Branches (Minor Canal Branches)	172250623		
16		78107-Training	51190488		
17		78382-Livelihood Support	16101785		
18		37282-Advertisement	208500000		
19		78405- JFPR	34009999		
		Total	968272859		

Note:- Col (2) & (3) category indicate all items of expenditure as per Loan/ Credit Agreement of the Donor Agency along with amount of non-claimed expenditure as one category.

This is subject to any other information that the World Bank may require in respect of the project

Senior Audit Officer/FINAT

[Signature]
16/01/16

STATEMENT - III

Audited Statement of Expenditure for the year 2015-16

Name of Scheme/Project : OIIAW/MIP

Name of the Project Authority: Chief Engineer-cum-Project Director, PMU

Total verified actuals during the financial year indicating Demand No./Major Head/Minor Head/Sub-Head of accounts as reported by A.G(A&E) with scheme-wise details

Sl.No.	Head of Accounts	Name of Scheme	Verified actuals of AG(A&E) (in Rs)	Application No.	Remarks
1	2	3	4	5	6
1		02001-Wages & Salaries	10348509		
2		03001-Work Charged Salaries	4324850		
3		04002-Salaries for NMR/ DLR	492780		
4		06001-Travel Expenses	80000		
5		06004- TE (Workcharged)	29000		
6		12001-Consultancy	67351102		
7		20002-Other Charges	14011372		
8		31003-Tools & Plants	586931		
9		32006-M&E	5701890		
10		32011-Survey & Investigation	9902865		
11		37029-Buildings	11812426		
12		37034-Canal & Branches	206370095		
13		37240-MLI (Civil Works)	78258975		
14		37241-MLI(PE)	76948784		
15		37279-C & B (Minor Canal Branches)	172250623		
16		78107-Training	51190488		
17		78382-Livelihood Support	16101785		
18		37282-Advertisement	208500000		
19		78405- JFPR	34009999		
		Total	968272474		

Note:- Col (2) & (3) category indicate all items of expenditure as per Loan/ Credit Agreement of the Donor Agency along with amount of non-claimed expenditure as one category.

This is subject to any other information that the World Bank may require in respect of the project

Senior Audit Officer/FINAT

[Signature]
26/9/16

STATEMENT-IV

Audit Observation for the year 2015-16

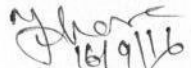
Total Expenditure as reported by Project Authority : 968272859

Total Expenditure Certified by Audit : 966756347

Amount held under objection : 1516512

Details of Withheld Amount:

Sl. No.	Category/Line of items	Amount held under objection	Remarks
1.	03001-Work Charged Salary	385	Less Booked by A&E
2.	37279-Canal & Branches	1516127	Electric Vouchers
	TOTAL	1516512	


16/9/16
Senior Audit Officer/ FINAT