

INTEGRATED COASTAL ZONE MANAGEMENT PROJECT

WEST BENGAL

PEA: West Bengal State Rural Livelihood Mission (Anandadhara)

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Internal Audit Report for the quarter 1st April to 30th June, 2017

Section I: Audit Scope and Approach:

Objective and Scope

We have completed the Internal Audit of the Project Expenditure incurred by West Bengal State Rural Livelihood Mission (Anandadhara). Our work was carried out in accordance with the agreement dated June 21, 2013 with SPMU, ICZM Project and Scope of Work stipulated therein. Our report includes an overview, scope and our observations, together with our proposed recommendations.

The global objective of the assignment will be to provide a professional opinion on the

- adequacy of applicable internal control frame work and its adherence by the executing units, identifying areas of critical weakness and their improvement
- funds received and expenditure incurred by each Accounting Centre (AC) during the period under audit being in accordance with the laid down financial regulations, procurement procedure and other orders issued from time to time for this purpose.
- accuracy of Internal Unaudited Financial Reports (IUFRR) and compliance with the financing agreement.

The specific objectives of the Internal Audit are to:

- Provide the timely fiduciary assurance to State Project Management Unit (SPMU), ICZM Project, West Bengal that the Financial Management Systems and Internal Control procedures, as applicable to the Project Component IV, are being adhered to by the various executing units, and the financial reports being submitted by PEAs to the SPMU are in agreement with the books of account and can be relied upon to support the disbursements made by the Bank;
- Verify the procurement procedures adopted in the project;
- Obtain a professional opinion on the accuracy of the IUFRRs and compliance with financing agreements. The audit would cover all project activities including all sources and application of funds for the project. The Auditor will visit the various field offices for achieving the objective.

At the request of SPMU, conduct special review of SPMU itself or any PEA as desired.

Audit Approach

Our approach to the internal audit started with an overview of activities through a study and documentation of the existing systems and procedures. We then identified, evaluated and tested the adequacy, efficiency and effectiveness of internal controls including standard policies and procedures laid down by the management (where applicable), for each of the areas included in the Scope of Work.

Testing of internal controls was carried out by checking a limited number of transactions for the period covered by the audit.

Apart from the test of controls and samples we also carried out various types of analytical reviews to understand as well as highlight unusual or significant trends in the business.

Our observations, resulting from the audit tests performed on a sample of transactions, are set out in the Detailed Observations of the audit report.

Section II: Observations in Detail

A. Physical verification report of Cluster & SHGs

Name of the G.P	Rudranagar	Management Comment
Name of the Cluster	Sagar Saikat Sangha Prathamik Bahumukhi Mohila Samabay Samity	
Fund released from WBSRLM up to 30th November,2017	85,00,000.00	
Interest Income against SHG loan up to 30th November,2017(Rs.)	8,59,313.00	
Loan Amount Released to SHGs from cluster up to 30th November,2017(Rs.)	2,09,00,000.00	
No. of SHG Covered under Loan procedure	265	
Total Members in the SHG	3901	
Books of Account of cluster	Maintained	
Bank Pass Book updated up to	29 January 2018	
Bank Pass Book balance of Cluster as on 30th November,2017	7,47,387.00	
Bank Book balance of Cluster as on 30th November,2017	7,47,387.00	
Difference	-	
BRS prepared by Cluster	Not required	
Documents of loan disbursement to SHGs	Available	
Vouchers of operational expenditure of cluster	Available	
Loan application documents of SHGs	Available	
No. of SHGs selected for audit	27*	
No. of SHGs physically present for audit	25*	
No. SHG physically absent for audit	2*	

No. of Bank Pass Book available for physically present SHGs	25	
Specify name of SHG if Pass Book not Available	Not Applicable	
Resolution for selection of the authorised signatories of Bank operation	Available	
If not Available, mention the SHG Name with reason	Not Applicable	
Documents of loan disbursement to SHG members	Available	
Meeting resolution for loan disbursement	Available	
Other observations, if any	In case of Subechha SHG Dal, loan ledger for the F.Y.2016-17 was not available for our verification. Also in case of Raj Laxmi Swanirbhar Group, cash book was updated till October, 2017.	Loan ledger of Subecha SHG Dal for the F.Y 2016-17 was available during the visit of auditors for verification. Cash book of Raj Laxmi Swanirbhar Group has already been updated. Both the SHGs have been informed to keep books of accounts updated daily basis. This has been noted for future guidance.

* List of SHGs selected for audit (10% of total SHGs)

Sl. No.	Name of the SHG	CIF Amount Released (Rs.)	Date of Release	Physically Present for Audit
1	Trilotama Mahila SHG Group	50,000.00	23-Feb-16	Yes
2	Naboday Swarogjari Dal	50,000.00	23-Feb-16	Yes
3	Pragati Swyambhar Gosthi	1,00,000.00	28-Apr-17	Yes
4	Radha Joyguru Mahila SHG Group	1,00,000.00	11-May-17	Yes
5	Ram Rahim SHG	1,00,000.00	30-May-17	Yes
6	Maa Gagadhatri SGSY Group	50,000.00	27-Jun-17	Yes
7	Nayantara Maa SHG Group	70,000.00	27-Jun-17	Yes
8	Snehalata SHG Dal	50,000.00	27-Jun-17	Yes
9	Suchuna SHG Dal	50,000.00	16-Sep-17	Yes
10	Subechha SHG Dal	1,00,000.00	16-Sep-17	Yes
11	Maa Gostaburi mahila SHG Group	70,000.00	16-Sep-17	Yes
12	Parijat Mahila SHG Group	1,00,000.00	26-Oct-17	Yes

Sl. No.	Name of the SHG	CIF Amount Released (Rs.)	Date of Release	Physically Present for Audit
13	Maa Biswalaxmi Swanirbhar Dal	50,000.00	30-Nov-16	Yes
		1,00,000.00	26-Oct-17	
14	Agamani SHG Dal	1,00,000.00	29-Nov-17	Yes
15	Nibedita Swanirbhar Gosthi	1,00,000.00	30-Nov-16	Yes
		1,00,000.00	29-Nov-17	
16	Rupayan Swanirbhar Dal	1,00,000.00	26-Oct-17	Yes
17	Janani SHG Dal	1,00,000.00	31-Mar-17	Yes
18	Deepsikha SHG Dal	1,00,000.00	31-Mar-17	Yes
		1,00,000.00	26-Oct-17	
19	Maa Laxmi Mahila SGSY Group	1,00,000.00	27-Mar-17	No
20	Rudranagar Swami Vivekananda Swanirbhar Dal	60,000.00	27-Mar-17	Yes
21	Rajlaxmi Swanirbhar Group	10,000.00	20-Feb-17	Yes
22	Swarnachampa Swyambhar Gosthi	50,000.00	17-May-16	No
23	BaganKali Mahila SGSY Group	1,00,000.00	15-Jul-17	Yes
24	Netaji SHG Group	50,000.00	15-Jul-17	Yes
25	Priya Darshini SHG Group	50,000.00	15-Jul-16	Yes
		1,00,000.00	17-Aug-17	
26	Nightingale Mahila SHG Dal	50,000.00	15-Jul-17	Yes
27	Dipabali SHG Dal	80,000.00	25-Jul-16	Yes
		1,00,000.00	17-Aug-17	

For Mookherjee Biswas & Pathak
Firm Registration no.301138 E
Chartered Accountants

Pareng Chakrabarti

(P Chakrabarti)

Partner

Membership no. F61643



Kolkata

August 6, 2018