

**INTEGRATED COASTAL ZONE MANAGEMENT PROJECT**

**WEST BENGAL**

**PEA: Institute of Environmental Studies and Wetland Management**

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## Internal Audit Report for the quarter July to September 2013

### Section I: Audit Scope and Approach:

#### Objective and Scope

We have completed the Internal Audit of the Project Expenditure incurred by Institute of Environmental Studies and Wetland Management (IESWM). 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 framework 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 (IUFR) 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 IUFRs 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 and include our recommendations for addressing these observations.

## Section II: Observations in Detail

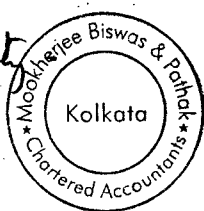
### A. Procurement

Sl. No.	Observation	Impact	Recommendation	Management Comment
1.	On verification of procurement process, delay in delivery was found in respect of procurement of 14" Prc Fishing Float against scheduled delivery period of 15 days of order receipts. <b>Please refer to Annexure- I for details.</b>	Violation of procurement norms.	Proper delivery schedule should be maintained as per purchase order.	The materials were transported from Chennai on 21.03.2013 and delivered at IESWM on 10.05.2013. The delivery time maximum used in transportation from Chennai to Kolkata.

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

*Pooja Chakrabarti*

(P Chakrabarti)  
Partner  
Membership no. F61643



Kolkata  
February 27, 2014

REVIEW ON PROCUREMENT PROCEDURE	
Sl. No.	1
Tally Voucher No.	44
Tally Voucher Date	7/8/2013
Voucher No.	34
Voucher Date	7/8/2013
Invoice/Bill No.	4794
Invoice/Bill Date	8/21/2013
Invoice/Bill Amount	32340
Name Of the Article	14" Prc Fishing Float
Vendor Name	Ravindra 'M' Link
Indent (Available/Not Available)	Not Applicable
Provision in Budget/Cost Table	Not Applicable
Notice Inviting Quotation (Available/Not Available)	Not Applicable
Number of Quotation Received	3
Validity of Quotations	15 days
Evaluation of Quotation /Comparative Statement	Available
Award	Ravindra 'M' Link (L1)
Purchase Order (Available/Not Available)	Available
Purchase Order Number	069A-IEASWM/3P-137/12-13 (394[2])
Purchase Order Date	2/11/2013
Order Value (Rs.)	35200
Delivery Schedule as per Purchase Order (Days)	Within 15 days.
Actual Delivery (Days)	88
Payment Schedule as per Purchase Order (Days)	Within 20 days of bill submission
Actual Payment (Days)	147
Delivery Challan (Available/Not Available)	Available
Any Other Observation	Nil
Remarks	

