
To

The Project Director,
Kerala State Transport Project (KSTP),
TC11/339 Jagad Building, Keston Road, Nanthancode,
Kowdiar (PO), Thiruvananthapuram -03.

Sir,

Sub:- Audit Report on the accounts of World Bank assisted, Kerala State Transport Project-II (KSTP-II) for the year ending 31st March, 2015.

The Financial Statements of Kerala State Transport Project-II, (IBRD Loan No.8254-IN) for the year ending 31st March 2015 have been audited and the audit report is forwarded herewith. A Management Letter containing recommendations that require your attention and also for improvement of internal control is issued separately.

Yours faithfully,

(Dr. Mohammad Suhail Fazal)
Deputy Accountant General (SGS-II)

Copy to:-
1. The Secretary,
   Department of Economic Affairs, Ministry of Finance,
   Government of India, New Delhi.

2. The Principal Director,
   Office of the Comptroller and Auditor General of India,
   Pocket – 9, Deendayal Upadhyay Marg,
   New Delhi – 110 124

(Dr. Mohammad Suhail Fazal)
Deputy Accountant General (SGS-II)
Audit Report on the Project Financial Statements of Kerala State Transport Project-II (KSTP-II) for the year ended 31-03-2015

We have audited the accompanying revised financial statements of the Kerala State Transport Project-II financed under World Bank Loan No 8254 IN which comprise the Statement of Sources and Applications of Funds, and Reconciliation of Claims to Total Applications of Funds for the year ended 31-03-2015. These statements are the responsibility of the Project’s management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our 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 examines, on a test basis, 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 sources and application of funds of Kerala State Transport Project for the year ended 31-03-2015 in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) Expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs for Rs. 186.69 crore from Government of Kerala and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

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

Thiruvananthapuram
12th January, 2016.

(Dr. Mohammad Suhail Fazal)
Deputy Accountant General(SGS - II)