Report of the Comptroller and Auditor General of India

To

The Chief Project Director/D G Tourism
Government of Uttar Pradesh
Paryatan Bhawan, C-13, Vipin Khand, Gomti Nagar,
 Lucknow-226010

Audit Report on Project Financial Statements of U.P. Pro-Poor Tourism Development Project

We have audited the accompanying financial statement of the World Bank assisted Uttar Pradesh Pro-Poor Tourism Development Project financed under loan No. 8811-IN, which comprise the Statement of Sources and Applications of Funds and the Reconciliation of claims to total Applications of Funds for the period 1st April 2017 to 31st March 2018. 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 disclosure 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 applications of fund of Uttar Pradesh Pro-Poor Tourism Development Project of State Project Coordination Unit, Department of Tourism for the period 1st April 2017 to 31st March 2018 in accordance with Government of India Accounting Standards.
In addition, in our opinion, (a) with respect to Statement of Expenditure, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures of ₹ 4.92 crore incurred under the project; and (b) except for ineligible expenditure of ₹ 0.01 crore was as detailed in the audit observation, appended to this audit report, expenditures of ₹ 4.91 crore are eligible for financing under loan No. 8811-IN. During the course of the audit, Statement of Expenditure/Financial Statement amounting to ₹ 4.92 crore and the connected documents were examined and these can be relied upon to support reimbursement of ₹ 4.91 crore under the Loan Agreement as per Annexure.

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

Enclosure—Annexure-A (Details of expenditure incurred) and Audit observation

Place: Lucknow
Date: 19th November 2019

(Jayant Sinha)
Principal Accountant General
Annexure -A

Statement showing the details of expenditure incurred during the period 01 April 2017 to 31 March 2018 in respect of World Bank assisted Uttar Pradesh Pro-Poor Tourism Development Project, Department of Tourism, Lucknow

<table>
<thead>
<tr>
<th>Name of the Implementing Agency</th>
<th>Total Expenditure verified as per Financial Statement</th>
<th>Ineligible Expenditure</th>
<th>Reimbursement expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Project Coordination Unit, Department of Tourism*</td>
<td>4.92</td>
<td>0.01</td>
<td>4.91</td>
</tr>
</tbody>
</table>

Note - *Out of total expenditure of ₹ 8.51 crore for the year 2017-18, expenditure of ₹ 4.92 crore is verified as remaining expenditure of ₹ 3.59 crore was incurred by Agra Development Authority which was to be verified by a firm of Chartered Accountant to be hired by the Department of Tourism as prescribed in paragraph 9.1 of the Financial Management Manual.

Sr. Dy. Accountant General
Economic Sector-III
Audit observation on World Bank assisted Uttar Pradesh Pro-Poor Tourism Development Project, Department of Tourism, Lucknow for the period 01.04.2017 to 31.03.2018

The scrutiny of paid voucher and other allied records relating to implementations of Uttar Pradesh Pro-Poor Tourism Development Project, Department of Tourism, Lucknow revealed the following observations in audit:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Voucher no.&amp; Date</th>
<th>Expenditure Booked</th>
<th>Expenditure disqualified</th>
<th>Audit observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TB-23 dated 28.03.2018</td>
<td>43968</td>
<td>4515</td>
<td><strong>Component 4: Project Management</strong> The above head of expenditure includes an amount of ₹4515 was reimbursed to UP Tours and Travel Division of U. P. State Tourism Development Corporation on behalf of Ms Shalini Mahajan for journey performed beyond the provisions of agreement as Project Coordinator. There was no mention of reimbursement of such expenditure in the advertisement for the said recruitment. Hence, amount of ₹4515 is not eligible for reimbursement to this project.</td>
</tr>
<tr>
<td>2</td>
<td>Payment Voucher-02 dated 06.05.17</td>
<td>9905</td>
<td>4153</td>
<td><strong>Component 4: Project Management</strong> The above head of expenditure includes excess reimbursement of ₹85412 on account of TA/DA for stay in Hotels of Specialists of the Project. Hence, amount of ₹85412 is not eligible for reimbursement to this project.</td>
</tr>
</tbody>
</table>

Sr. Dy. Accountant General  
Economic Sector-III