भाषा कार्यालय: इलाहाबाद

विषय: विश्व बैंक सहायतित आई०सी०डी०एस० सिस्टम स्ट्रेचिंग एण्ड न्यूड्रोशन इम्पूर्नेंट प्रोजेक्ट (सिन्प Cr. No. 5150 IN) वर्ष 2013-14 एवं 2014-15 के लेखापरीक्षा प्रमाण पत्रों के संबंध में।

महोदय,

उपयुक्त विषयक आपके पत्र संख्या 15456/माथियोपरी/सिनियूर/2015-16 दिनांक 29 मई, 2015 के सामर्थ में अवगत कराना है कि विश्व बैंक सहायतित आई०सी०डी०एस० सिस्टम स्ट्रेचिंग एण्ड न्यूड्रोशन इम्पूर्नेंट प्रोजेक्ट (सिन्प Cr. No. 5150 IN) वर्ष 2013-14 एवं 2014-15 का लेखापरीक्षा प्रमाण पत्र को आयोगक कार्यवाही हेतु प्रेषित किया ज़ा रहा है।

संलग्नक: यथोपरिण।

उप निदेशक लेखापरीक्षा (केंद्रीय)

पत्रांक: ल.प.(के.)/ए.सी.से.ल/आई०एस०एस०एन०आई०पी०/2015-16/375 दिनांक: 19-01-2016

प्रतिलिपि सभिव, विश्व मंत्रालय आधिक मामलों का विभाग, भारत सरकार, नाथो राज्य, नई दिल्ली-110001 को सूचनार्थ एवं आयोजक कार्यवाही हेतु प्रेषित।

उप निदेशक लेखापरीक्षा (केंद्रीय)
Report of the Comptroller and Auditor General of India

To

The Director (Project),
ICDS Systems Strengthening and Nutrition Improvement Project,
(ISSNIP) UP,
Lucknow.

Report on the Project Financial Statements

We have audited the accompanying financial statements of the ‘ICDS Systems Strengthening and Nutrition Improvement Project’ (ISSNIP) UP, Lucknow, financed under World Bank Credit No. 5150-IN which comprise the statement of sources and applications of funds and the reconciliation of claim to total applications of funds for the financial year 2013-14 and 2014-15. 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 auditing standards promulgated by the Comptroller & Auditor General of India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Our audit examines, on a test basis, evidence supporting the amount 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 applications of funds of ICDS Systems Strengthening and Nutrition Improvement Project for the year ended 2013-14 and 2014-15 in accordance with the Government of India accounting standards.

In addition, in our opinion,

(a) With respect to SOEs, adequate supporting documentations has been maintained to support claims to the World Bank for reimbursements of expenditures incurred and
(b) except for ineligible expenditures as detailed in the audit certificate to this audit report, expenditures, are eligible for financing under the credit agreement 5150-IN.

During the course of audit, statement of expenditure and the connected documents were examined and these can be relied upon to support reimbursement under the aforesaid credit agreement.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Application No.</th>
<th>Year</th>
<th>Total expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>94-95/CDP/Account/2014-15 dated 02.05.2014</td>
<td>2013-14</td>
<td>0.29</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>20.88</td>
</tr>
</tbody>
</table>

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

**Audit Observations**

1. During the year 2014-15, a sum of ₹ 281.62 million was allocated by the Government of India under ISSNIP for executing different events but the project authorities could spend only ₹ 20.59 million which was 7.31 per cent of the total budget available. The
poor pace of expenditure of the project was attributable to delayed approval of revised Annual Action Plan for 2014-15 by the Government of India in the last week of January, 2015.

2. Similarly, ₹206.31 million was allocated under ISSNIP by the Government of India during 2013-14, but ₹0.29 million alone could be spent on Training and Workshop during the said year leaving a balance of ₹206.02 million. Non-utilisation of a sizable proportion of the budget reflected poor financial management. The slow pace of expenditure was attributable to non-receipt of guidelines for incurring expenditure for the other activities from the Government of India.

3. The project incurred ₹0.29 million under Training and Workshop during the year 2013-14. However, the Unit did not produce the adjustment vouchers of ₹0.0072 million. As such, ₹0.0072 million does not qualify for reimbursement by the World Bank.

4. Under the events of Annaprashan and Godbharai, the transactions had been carried out through Joint Bank account of Anganwadi Worker and President of Matri Samiti. However, no Cash Book/Statements in support of the transactions were produced for verification.

5. As per Ministry of Woman and Child Development, order (January 2013) contractual staff were to be hired at the Districts and Blocks level to provide support to the District Programme Officers (DPOs)/Child Development Project Officers (CDPOs) and the Sector Supervisors Consequently, the Government of Uttar Pradesh vide their letter no 2089/60-2-14-2/1(1)/06 dated 21.11.2014 had sanctioned the posts of officers/staff to be recruited on deputation/contract. This contradicted the order of the Ministry.

6. A State Empowered Project Steering Committee (SEPSC) was constituted (Memorandum No. 501/60-2-14-2/1(1)/06, dated 25.02.2014) by the Government of UP for effective implementation of the project. The committee was required to meet twice a year to approve Annual Action plan, Procurement Plan, Budget etc. and review the
progress of implementation of the Project. However, no documents relating to the above committee were produced for audit scrutiny.

7. A State Technical Assistance Agency (STAA) had been set up at the Headquarters and Regional/Divisional level to provide necessary technical assistance as well as implementation support to the State Government in carrying out Pilot study and other activities under the project. However, files regarding the performance report of the State Technical Assistance Agency was not provided. As such, the performance of the STAA could not be ascertained in audit.

(Nishi Kant Gautam)
Dy. Director of Audit (CE)