

# BIHAR AAPDA PUNARWAS EVAM PUNARNIRMAN SOCIETY



## BIHAR AAPDA PUNARWAS EVAM PUNARNIRMAN SOCIETY, BIHAR

### STATUTORY AUDIT REPORT

F.Y. 2017-18

KRA & Co.

Chartered Accountants

485/257 , Gorekhnath Compound , Behind Trishul Market

Boring canal Road , Near Hartali Mod , Bihar , Patna

Tel: 0612-2530030

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**EXTERNAL AUDITOR REPORT**

**FOR**

**BIHAR AAPDA PUNARWAS  
EVAM PUNARNIRMAN SOCIETY**

**CREDIT NO. 4802-IN**

**FOR**

**THE PERIOD 01/04/2017 TO 31/03/2018**

As Submitted By

**KRA & Co  
(Chartered Accountants)**

485/257, Goreknath Compound, Boring Canal Road, Patna, Bihar 800001

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## INTRODUCTON

BIHAR AAPDA PUNARWAS EVAM PUNARNIRMAN SOCIETY (BAPEPS), as a society is inclined towards implementation of Kosi Flood Recovery Project Phase I as funded by the World Bank. It is a multi-sector state-wide program. The Project has following below five components:

1. **Owner Driven Housing Reconstruction**
2. **Reconstruction of Roads and Bridges**
3. **Strengthening Flood management Capacity**
4. **Improving Emergency Response Capacity**
5. **Project Management and Technical Assistance**

### **Owner Driven Housing Reconstruction**

District Administration through the District Magistrate is the implementing agency for the same. The objective is to reconstruct the damaged houses. Funds provided to the Beneficiaries classified in three Housing Reconstruction Categories (HRC) –

- **HRC-1:** Beneficiaries belonging to Above Poverty Line - @ Rs. 60,000 per house.
- **HRC-2:** Beneficiaries belonging to Below Poverty Line, who constructed their houses with assistance from Indira Awas Yojana (IAY) and whose houses were subsequently destroyed in the floods - @ Rs. 60,000 per house.
- **HRC-3:** Beneficiaries belonging to Below Poverty Line, whose houses were destroyed and who have not availed assistance under the IAY scheme - @ Rs. 60,000 per house of which Rs. 15,000 will be funded under BKFRP and the balance Rs. 45,000 coming from IAY

**From 01/12/2014**, total amount to be disbursed increased to Rs 85,000. It means those beneficiaries who do not received any tranche before 01/12/2014, shall be covered under the increased limit.

The process as followed for the disbursement of funds is as per below steps:

1. Beneficiary is recognised as per available master beneficiary list and its classification as HRC 1/ 2 OR 3 is recognised
2. Mainly Proof of Residence, Land Ownership Documents, Bank Account Details and Ikranama are taken on record for release of first tranche
3. For release of 2<sup>ND</sup> tranche, foundation completion certificate from the engineer is taken on record
4. For final release of tranche, job completion certificate taken from the engineer.

Over the same above lines, additional fund for toilets is also made available to the beneficiaries amounting to Rs 10,000 and disbursed in two tranches.



### Reconstruction of Roads and Bridges

Bihar State Rural Roads Development Agency (BRRDA) under the Rural Works Department, for reconstruction of Rural Roads And Bihar State Bridge Construction Corporation (BRPNNL) under the Road Construction Department (RCD), for reconstruction of Bridges and Culverts on State Highways and Major District Roads are the implementing agencies under this component

BAPEPS finances payments incurred under Works Contracts pertaining to Roads and Bridges and approved by BAPEPS as per prescribed procedure and work contract formats as vetted by the World Bank.

### Strengthening Flood management Capacity

Water Resources Department (WRD) is the implementing agency for the same. Expenditure towards Knowledge Management and Capacity Building, Flood Forecasting and Early Warning and Structural Investments are to be financed through BAPEPS.

### Improving Emergency Response Capacity

BAPEPS itself is the implementing Agency towards the objective. Civil works, consultant services and goods included in the Operations Manual Public and private sector expenditures directly related to the emergency recovery program are the expenditures incurred by BAPEPS under this component.

### Project Management and Technical Assistance

BAPEPS itself is the implementing Agency towards the objective. Consulting services for Design, planning and implementation support Management, Quality, Financial and third party audits, Evaluation and Monitoring and related e-initiatives, Technical studies and other project preparation expenses required for the preparation of the Phase II project, Provision of necessary project offices, costs of equipment and associated incremental cost of state/district/block offices of BAPEPS and sub-implementing agencies, Training, exposure visits etc (domestic and foreign) are the heads for the expenditure to be incurred.

During Financial Year 2017-18, below amounts has been expensed towards five components of the project:

S No	Particulars	Amount (In Rs Crores)	Expensed By
1.	Owner Driven Housing Reconstruction	11.64	DM/BDO
2.	Reconstruction of Roads and Bridges		
	Road	4.82	BRRDA
	Bridges	8.22	BRPNNL
3.	Strengthening Flood management Capacity	69.89	WRD
4.	Improving Emergency Response Capacity	0	BAPEPS
5.	Project Management and Technical Assistance	6.37	BAPEPS
	<b>Total</b>	<b>100.94</b>	



Stages of Audit Adopted as per AAS – Standards of Auditing as promulgated by the Institute of Chartered Accountants of India (ICAI)

1. The Scope of Audit covers all the Project sources and applications of funds and the units that is SPMU, DPMUs and BPMUs of BAPEPS; and Nodal Offices and Divisional Offices of the sub-implementing implementing agencies namely the BPRNNL, BRRDA, WRD. Post Contract reviews as per the **Annexure VI**.
2. to the Financial Management manual appendix has been done on sample basis.
3. As per SA 530, Audit Sampling has been designed. According to the audit plan, out of the entire set of data available for auditing, a set of samples were selected based to draw conclusions for the total financial statements taken under the purview with the audit objective. Test of Controls for the payments and approvals have been checked and effectiveness of the same was confirmed with the pre designed financial manual which leads to the level of appropriateness of the audit opinion. Value Weighted Sampling has been done. Based on the samples selected, an audit procedure which includes confirmation to the audit checklist is applied. Auditor assessments has taken into record relevant controls, accounting records, documents related to the statutory compliances like deposit of TDS , Vat , Royalty , Service Tax, Labour Cess, ESI, PF and other statutory Acts and related returns thereof. The risk of material mis statements has been reduced with the appropriate audit sample taken during audit.
4. Audit Documentation includes Audit Programme; Analysis of observations, discussions with the auditee, Management Letter, Checklists and others related documents.
5. Opening balances has been taken based on the prior period audited financial statements. As per SA 510, any alteration to the same is applicable after discussion with the management charged with responsibility
6. As per SA 700, opinion and reporting on financial statements has been made.
7. Consolidated financial statements have been taken during the process of audit for financial analysis.





# K R A & CO.

## (Chartered Accountants)

485/257, Goreknath Compound, Boring Canal Road, Patna, Bihar 800001

[krapatna@gmail.com](mailto:krapatna@gmail.com), 0612-2530030

### INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS)

We have audited the accompanying financial statements of Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS) which comprise the Balance Sheet as at **31 March 2018**, and the Receipt and Payment Account and the Income and Expenditure Account for the year ended on that date, and a summary of significant accounting policies and other explanatory information under **Bihar Kosi Flood Recovery Project (IDA Credit No 4802-IN)**

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance of the society in accordance with the Society's Registration Act, 1860. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that provides a true and fair view and are free from material misstatement whether due to fraud or error.

Our responsibility is to express an opinion on these financial Statements based relevant sample audit. We conducted our audit in accordance with Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us the financial statements read in conjunction with significant accounting policies, notes to accounts and schedule (1 to 11), give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- I. In the case of Receipts and payments Account, the **Receipts and Payments** for the Society for the year ended on that date,



- II. In the case of **Income and Expenditure Account**, the income and expenditure of the Society for the year ended on that date,
- III. In the case of **Balance sheet**, of the state of affair of the Society as at March 31,2018,
- IV. In the case of a **Statement of Significant Accounting Policies** adopted for the preparation of the PFS and

Also subject to our audit observations annexed as **Annexure-A** with the report, in our opinion and to the best of our information and according to the explanations given to us, we confirm,

- I. The project funds were utilized for the purposes for which they were provided
- II. Expenditures, including assets created under the project, shown in the PFS are eligible for financing under the project legal agreements and there were exclusively financed through the project funds and no other sources of funds have been received by BAPEPS for incurring these expenditures
- III. Expenditures reported in the interim unaudited financial reports (IUFR) are in agreement with the books of account and IUFRs can be relied upon to support these claims
- IV. Procurement has been carried by BAPEPS in line with the agreed procedures as detailed in the project legal agreement and the procurement manual
- V. The project has an adequate internal control system (including its continuing implementation and effectiveness) and adheres to the provisions of the project legal agreements, the Financial Management, Procurement and operations manual in all material aspects
- VI. The books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the project, and are maintained by the implementation agency, the BAPEPS.

**For KRA & CO**

F.R.N.: 020266N

Chartered Accountants

  
Partner

M.No: 503150

Date: 29/12/2018

Place: Patna



## Schedule – 11

### Statement of Significant Accounting Policies:

#### 1. Overview of the project:

Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS) is implementing a USD-220mn World Bank assisted Bihar Kosi Flood Recovery project (BKFRP) in three Districts of Bihar I.e. Supaul, Madhepura & Saharsa. The project will support the efforts of the Government of Bihar (GoB) in helping Communities recover from the impacts of the flood & reduce vulnerabilities from flood hazard of affected population. To this effect, the project has five components which will be implemented through specialized state agencies as given below.

- ❖ Reconstruction of Houses, through the Owner Driven Reconstruction Collaborative (ODRC) Model, through the District Administration led by the District Magistrate (DM) and supported by the District/ Block units of BAPEPS.
- ❖ Reconstruction of Rural Roads, through the Bihar Rural Roads Development Agency (BRRDA) and reconstruction of Bridges, through the Bihar Rajya Pul Nirman Nigam (BRPNNL)
- ❖ Strengthening Flood Management Capacity, through the water Resources Department (WRD).
- ❖ Livelihood Restoration and Enhancement is implemented by Bihar Rural livelihood Project (BRLP)
- ❖ Improving Emergency Response Capacity, through Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS).
- ❖ Project Management and Technical Assistance through Bihar Apada Punarwas Evam Punarnirman Society (BAPEPS)

#### 2. Basis of preparation of Financial Statement :

The Financial Statements have been maintained on double entry system adopting cash basis of accounting except:

Those transaction which are done through non-dedicated bank accounts (i.e. accounts opened at district & block level where transaction of schemes/projects. Other than BAPEPS were also made by Block/District Administration) are accounted for through Block/District Administration Account. As a result the amount receivable from Block/District has been shown under Current Assets whereas the amount payable to Block/District administration has been shown under Current Liabilities.

Financial Statements are prepared in accordance with the Generally Accepted Accounting principles including Accounting Standards followed in India to the extent applicable

Preparation of the financial statements are in conformity with the Generally Accepted Accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Estimates are based on assumptions that management believes are reasonable under the circumstances.



3. Fixed Assets and Depreciation:

Fixed Assets are stated at their cost of acquisition including taxes, duties, freight and other incidental expenses relating to their acquisition and substantial expenditure on subsequent improvements thereto.

In case of Fixed Assets acquired through project grants and owned by BAPEPS, an amount equivalent to the cost of acquisition is credited to Capital Fund and shown in the Balance Sheet. On disposal of such fixed asset, equivalent amount is reduced from the Capital Fund.

Fixed Assets acquired through project grants but are owned by or vested in other line/departments/agencies are not accounted for as fixed assets and are shown as project Expenditure No depreciation has been charged on the fixed assets in the financial statements.

4. Revenue Recognition:

Fund received from Government of Bihar has been recognized as income to the extent of the revenue expenditure made during the year and the unutilized balance is carried forward in the balance Sheet.

Interest earned on balances in project bank accounts and other incomes (such as tender fees etc.) arising from the project are recognized as liability in the Balance Sheet and dealt with as decided by the Governing Body.

5. Fund Transfer under Housing Component

Fund released to beneficiaries against milestones under the housing Component of the project are recognized as expenditure at the time of release.

6. Classification of Beneficiaries:

Categorization of Beneficiaries under HRC I, II & III is based on the list approved by the respective block/district administration.

7. Bank Account:

Balance at Bank has been shown for dedicated bank accounts opened in the name of BAPEPS/housing. Advances Recoverable from/payable to Block/District Administration denotes Inter head expenses incurred at the block level means BAPEPS funds and other funds utilisation.

8. Previous year figures have been regrouped and reclassified wherever necessary.



## ANNEXURE A

1. During the course of audit we found that there are some cases of excess payment made to the beneficiaries. The same is also pending for adjustment. It has been accounted for as "Excess payment receivable from beneficiaries under the head Current Assets".
2. As required as per the scope of audit, we have conducted physical verification of houses and toilets completed during the financial year based on sampling strata as defined in the scope. Overall for the housing component, based on information and data as made available during the process of audit, adequate documentation found on record.
3. BAPEPS distributes funds under the HRC Scheme at each block level office as designed under the HRC Scheme and accordingly funds are further disbursed to the beneficiaries after follow up of prescribed procedures. There are some cases of adjustment between the block level administration and BAPEPS due to payment from non-dedicated bank accounts.
4. Bank Reconciliation Statements for each Bank Account checked and reported.
5. Statutory Compliances such as Deposit and filing of returns of TDS, Service Tax/Vat/GST Returns, Royalty deposits, Labour Cess, ESI, PF and Income Tax were checked and reported.
6. During the course of audit we have also checked the Procurements made by BAPEPS and other Implementing agencies during the F Y 2017-18. The same is conducted and reported on the basis of detailed checklist.



EXECUTIVE SUMMARY				
S.No	Observation	Implications	Relevant Annexure	Recommended Corrective Action
1	Excess payment made to Beneficiaries	Weak Internal Control	Annexures I	Adjustment or recovery as applicable to be made
2	Unexplained Differences as found in the Bank Reconciliation Statement for the Housing Scheme	Weak Internal Control	Annexures III & IV	Reconciliation between books of accounts and bank accounts need to be strengthened
3	Overstatement of Cash book balance	Weak Internal Control	Point no. 5 of the management letter	Casting error to be rectified
4	Advances as pending since more than one year needs to be adjusted	Procedural Delay	Point no. 6 of the management letter	Process of adjustment needs to be expedite
5	Bid security expired before executing agreement (BRPNL)	Procedural Non Compliance	Point no. 7 of the management letter	Validity period of Bid security should be ensured to avoid default on part of bidders
6	Performance security expired (BRPNL)	Procedural Non Compliance	Point no. 7 of the management letter	Performance security till the end of the defect liability period to be accepted at the time of agreement only
7	Agreement signing	Procedural Non Compliance	Point no. 7 of the management letter	Special attention is required while signing agreement with contractors
8	Late deposit of Statutory Liabilities	Statutory Delay	Point no. 8 of the management letter	Statutory dues must be deposited till due dates to avoid interest or penalty (if any)
9	Income Tax return filing	Statutory Non Compliance	Point no. 9 of the management letter	As applicable under the Income Tax Act, Society needs to file its income tax return
10	Adoption of Goods and service tax pending	Statutory Non Compliance	Point no. 9 of the management letter	Requisite guidelines to be issued to all as further compliances for TDS on GST shall also be applicable in future.



(Amount in Rs.)

As at 31 March, 2017	Liabilities	Schedule No	As at 31 March, 2018	As at 31 March, 2017	Assets	Schedule No	As at 31 March, 2018
5,646,850,924.70	Grant from Government of Bihar - Unutilized Grant at the beginning of the year		4,419,501,630.10	10,072,223.00	Fixed Assets	2	10,551,829.00
-	Add : Grant received during the year		-	301,911,827.00	Current Assets, Loans & Advances -	3	353,290,456.00
-	Less: Grant Return to Plan. & Dev. Dept.		-	5,620,026,238.87	Balance with Banks	4	4,742,339,389.03
1,226,910,797.60	Less : Project Revenue Expenditure during the year		994,430,367.04	4,680,000.00	Cheques in Hand/Funds in Transit		-
438,497.00	Less : Project Capital Expenditure during the year		479,606.00	87,585.00	Cash in Hand	5	129,208.00
4,419,501,630.10	Unutilized Grant at the close of the Year		3,424,591,657.06				
10,072,223.00	Capital Fund	1	10,551,829.00				
1,507,204,020.77	Current Liabilities		1,671,167,395.97				
5,936,777,873.87	Total		5,106,310,882.03	5,936,777,873.87	Total		5,106,310,882.03

Significant Accounting Policies & Notes to Accounts

11 & 12

In terms of our report of even date

For and on behalf of

For, KRA & CO

Chartered Accountants

Partner

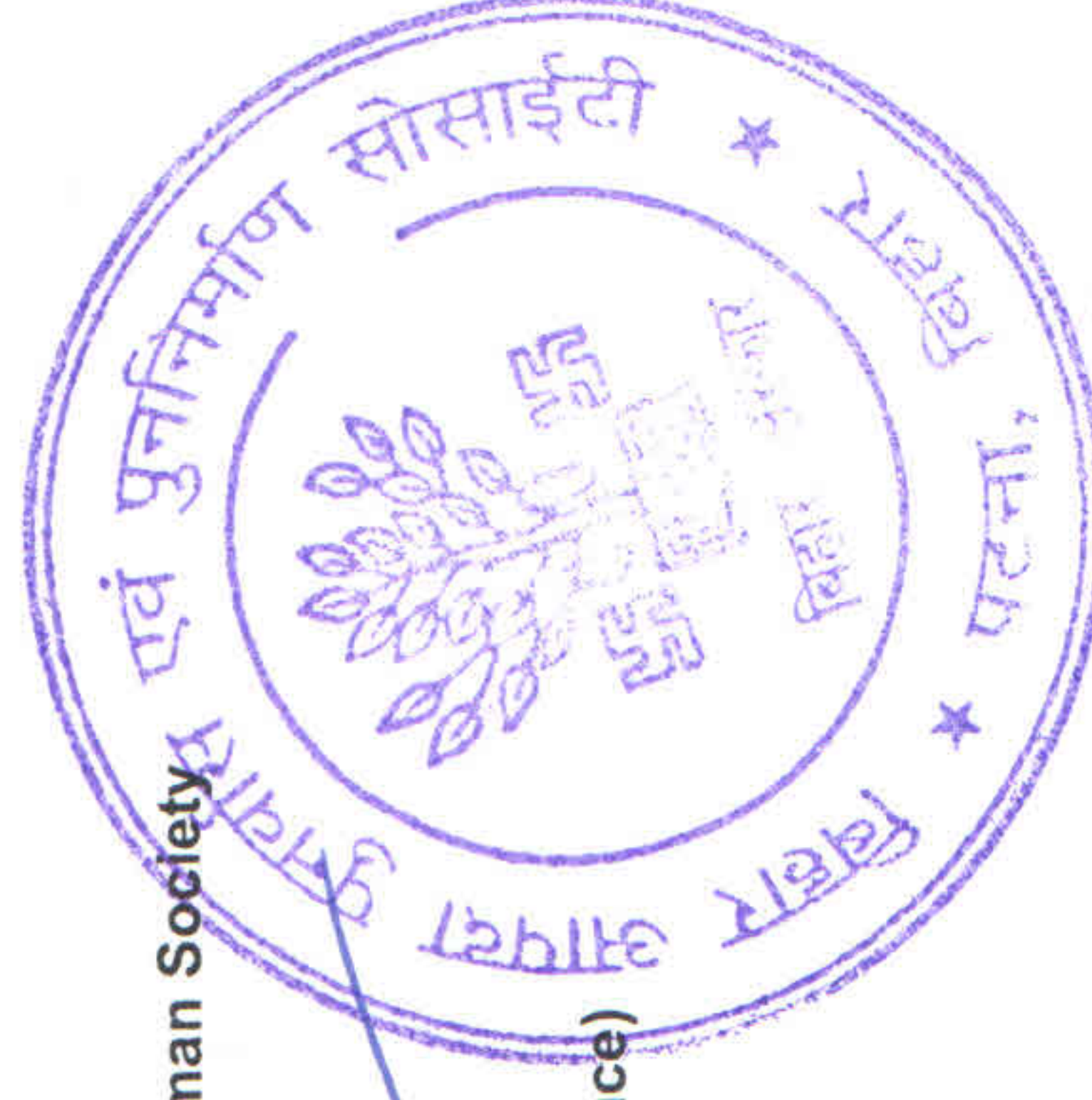
Place : Patna

Date : 29.12.2018

For and on behalf of

Bihar Aapda Punarwas Evam Punarnirman Society

(Deputy Director Finance)



Bihar Aapda Punarwas Evam Punarnirman Society  
Kosi Flood Recovery Project (Credit No. 4302-IN)

Income & Expenditure Account for the Financial Year ended 31st March 2018

For the Year ended 31 st March, 2017	Expenditure	Schedule No	For the Year ended 31 st March, 2018	For the Year ended 31 st March, 2017	Income	Schedule No	(Amount in Rs.) For the Year ended 31 st March, 2018	
499,275,500.00	Main Project Expenditure - Owner Driven Housing Reconstruction Expense	7	116,445,000.00	1,227,349,294.73	Fund Received to the extent utilised during the year		994,909,973.04	
302,997,656.00			698,913,964.00	71,217,200.00			Fund Received to the extent utilised during the year From Phed	14,996,000.00
384,713,779.00			48,165,027.00	-			Fund Received to the extent utilised during the year From Indira Awas Yojna	-
33,092,562.00			82,164,113.00	1,298,566,494.73				1,009,905,973.04
-	DPR Bridges		-					
-	Improving Emergency Response Capacity		-	438,497.00	Less: Expenditure in Fixed Assests transferred to Capital Fund Account	2	479,606.00	
78,048,500.73	Project Management and Technical Assistance	8	63,738,263.04					
-	Grant in Aid Jeevika		-					
1,298,127,997.73	Total		1,009,426,367.04	1,298,127,997.73	Total		1,009,426,367.04	

Significant Accounting Policies & Notes to Accounts

11 & 12

In terms of our report of even date

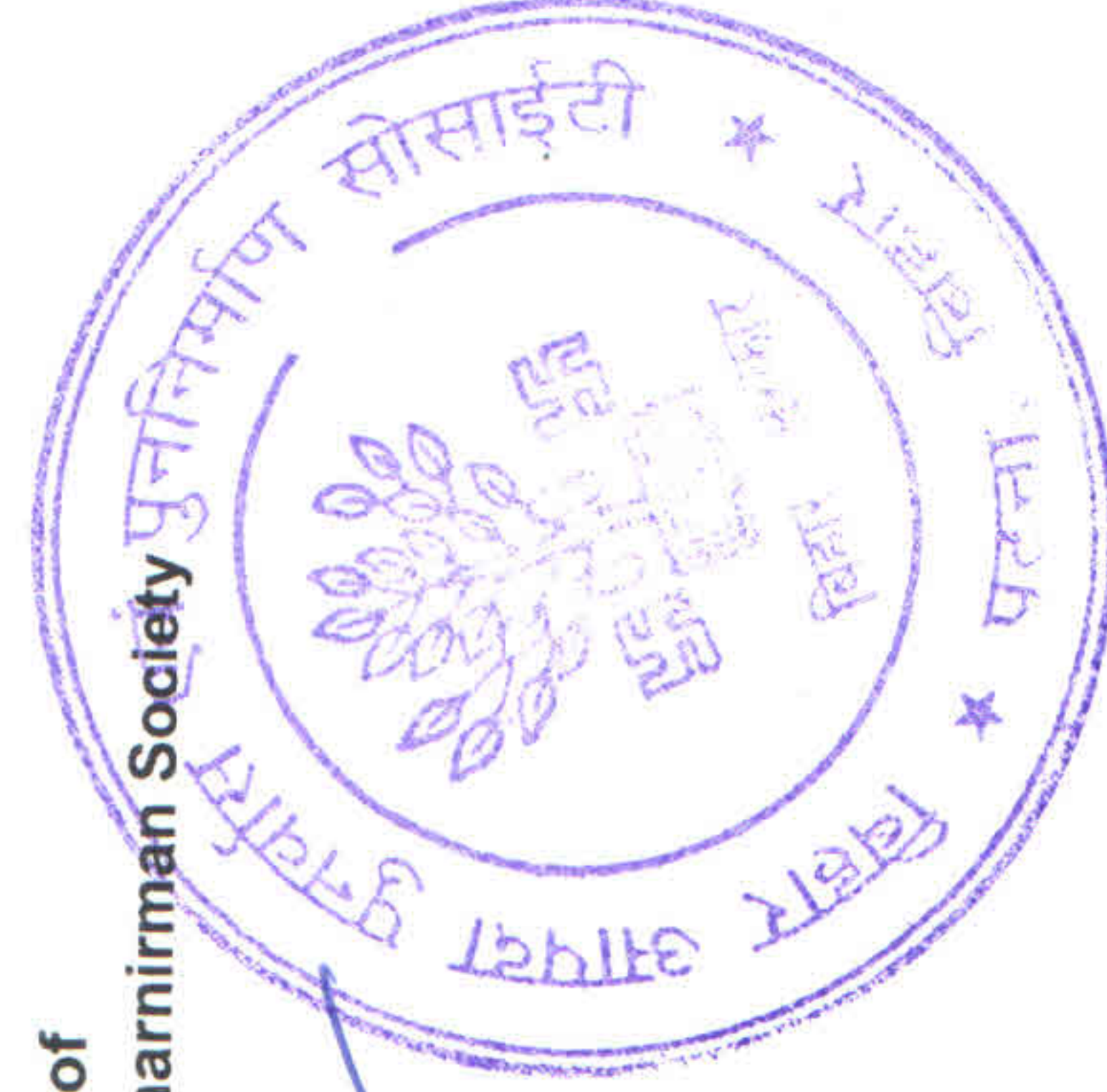
For and on behalf of  
For, KRA & CO.  
Chartered Accountants

  
Partner

Place : Patna  
Date : 29.12.2018

For and on behalf of

Bihar Aapda Punarwas Evam Punarnirman Society



  
(Deputy Director Finance)



**Bihar Aapda Punarwas Evam Punarnirman Society  
Kosi Flood Recovery Project (Credit No. 4802-IN)**

**Schedules to the Balance Sheet**

**Schedule 1 - Current Liabilities**

(Amount in Rs.)

Particulars	As at 31 March, 2017	During the year	As at 31 March, 2018
Tax deducted at Source (Supaul)	2,553.00	-	2,553.00
GIS	360.00	120.00	480.00
GPF	24,000.00	10,000.00	34,000.00
Labour Cess	124,780.00	23,737.00	101,043.00
Royalty	13,443,889.00	6,782,202.00	6,661,687.00
TDS on Contract	-	7,139.00	7,139.00
Royalty Seigniorage Fee	-	779,973.00	779,973.00
Security Deposite	-	-	-
Seigniorage Fee (BRPNL)	-	29,408.00	29,408.00
VAT	2,641,845.00	2,456,409.00	5,098,254.00
TDS on Salary	-	-	-
Retention Money	139,451,069.00	19,909,623.00	119,541,446.00
Maintenance Cost	158,160,727.00	12,814,092.00	145,346,635.00
Liquidity Damage	19,409,535.00	11,248,594.00	8,160,941.00
MD	352,176.00	8,940,542.00	9,292,718.00
Misc Deposit	3,360,000.00	-	3,360,000.00
Time Extention	-	-	-
Mobilization advance (BRPNL)	12.00	-	12.00
Other Receipts	110.00	11,145.00	11,255.00
Interest from Beneficiary Patherghat	8,750.00	-	8,750.00
BRPNL	1,441,685.00	-	1,441,685.00
Other Liabilities	14,999.57	-	14,999.57
<b>Refund from Beneficiary</b>	-	-	-
Basantpur	-	-	-
Chhatapur	404,000.00	140,000.00	544,000.00
Triveniganj	205,000.00	231,000.00	26,000.00
Kumarkhand	68,000.00	-	68,000.00
Pratapganj	12,000.00	7,000.00	5,000.00
Murliganj	-	660,000.00	660,000.00
<b>Payable To Block Administration Office:</b>			
Saurbazar	196,686.00	-	196,686.00
Madhepura	6,254,872.00	-	6,254,872.00
Udakishunganj	59,710.00	-	59,710.00
Kumarkhand	20,955,245.00	-	20,955,245.00
Bihariganj	1,508,000.00	-	1,508,000.00
Murliganj	25,414,578.00	-	25,414,578.00
Shankarpur	18,383,557.00	1,000,000.00	19,383,557.00
Singeshwar	2,440,146.00	-	2,440,146.00
Chatapur	10,260,830.45	10,281,347.00	20,516.55
<b>Bank Interest (SPMU)</b>	861,153,989.00	190,318,134.20	1,051,472,123.20
<b>Bank Interest (DPMU)</b>			
Saharsa	4,437,024.00	339,485.00	4,776,509.00
Madhepura	28,449,789.00	4,806,467.00	33,256,256.00
Supaul	41,514,281.00	3,362,827.00	44,877,108.00
<b>Bank Interest (BPMU)</b>			
Saharsa	20,080,386.00	2,313,017.00	22,393,403.00
Madhepura	71,068,909.00	6,928,060.00	77,996,969.00
Supaul	55,900,527.75	3,158,244.00	59,058,771.75
<b>Total</b>	<b>1,507,204,020.77</b>	<b>163,963,375.20</b>	<b>1,671,167,395.97</b>





**Bihar Aapda Punarwas Evam Punarnirman Society**  
**Kosi Flood Recovery Project (Credit No. 4802-IN)**  
**Bihar Aapda Punarwas Evam Punarnirman Society**  
**Kosi Flood Recovery Project (Credit No. 4802-IN)**  
**Schedules to the Balance Sheet**

**Schedule 2 - Fixed Assets**

(Amount in Rs.)

Particulars	As at 31st March 2017	Purchased during the Year	Adjustments/ disposal during the Year	As at 31st March, 2018
<b>a. Project Management</b>				
<b>Motor Car (SPMU)</b>	2,491,149.00	-	-	2,491,149.00
<b>Computer &amp; Printers (SPMU)</b>				
Computer & Printers	1,205,189.00	-	-	1,205,189.00
Computer software	31,001.00	-	-	31,001.00
Projector	37,107.00	-	-	37,107.00
iPhone	92,995.00	-	-	92,995.00
<b>Computer &amp; Printers (DPMU &amp; BPMU)</b>				
Computer & Printers DPMU	43,900.00			43,900.00
Madhepura DPMU	244,019.00	4,100.00	-	248,119.00
BPMU	1,492,600.00	-	-	1,492,600.00
Madhepura	6,399.00			6,399.00
Supaul DPMU	142,300.00	115,700.00	-	258,000.00
Saharsa DPMU	811,227.00		-	811,227.00
Chatapur BPMU	9,450.00		-	9,450.00
Triveniganj	38,825.00	-		38,825.00
Sonbarsa	22,215.00			22,215.00
Pattarghat	21,900.00			21,900.00
Alamnagar	11,000.00	17,500.00		28,500.00
Bihariganj	13,800.00			13,800.00
Puraini	13,500.00			13,500.00
Chousa	13,400.00	-		13,400.00
Singheswar	20,500.00	-		20,500.00
Murliganj	16,200.00	-		16,200.00
<b>Furniture &amp; Fixture</b>				
<b>Furniture &amp; Fixture (SPMU)</b>	1,013,120.00	259,743.00	-	1,272,863.00
<b>Furniture &amp; Fixture (DPMU)</b>				
Supaul	231,808.00	15,248.00	-	247,056.00
Saharsa	141,568.00		-	141,568.00
<b>Furniture &amp; Fixture (BPMU)</b>				
Sourbazar	13,215.00	28,855.00	-	42,070.00
Sonbarsa	15,770.00			15,770.00
Simri Bakhtiyarpur	16,600.00			16,600.00
Chattapur	214,099.00	7,500.00	-	221,599.00
Basantpur	37,800.00			37,800.00
Triveniganj	28,180.00		-	28,180.00
Raghopur	8,500.00			8,500.00
Alamnagar	45,100.00			45,100.00
Gwalpara	4,570.00			4,570.00
Udakishunganj	24,945.00		-	24,945.00
Prataganj	9,500.00			9,500.00
Madhepura	2,100.00			2,100.00
Singheswar	39,555.00			39,555.00
Pattarghatt	44,803.00		-	44,803.00
Murliganj	4,800.00	1,900.00		6,700.00
<b>Office Equipment (SPMU)</b>	701,732.00	17,060.00	-	718,792.00
Electric Equipment (SPMU)	528,270.00		-	528,270.00
Electric Equipment (DPMU)	102,897.00			102,897.00
Electric Equipment (BPMU)	64,615.00	12,000.00		76,615.00
<b>b. Emergency Response</b>				
<b>Total</b>	<b>10,072,223.00</b>	<b>479,606.00</b>	<b>-</b>	<b>10,551,829.00</b>



**Bihar Aapda Punarwas Evam Punarnirman Society  
Kosi Flood Recovery Project (Credit No. 4802-IN)**

**Schedule 3 - Advances & Other Current Assets**

(Amount in Rs.)

Particulars	As at 31 March,2017	As at 31 March,2018
<b>Receivable from Phed</b>		
Madhepura	98,122,600.00	102,994,000.00
Saharsa	43,065,200.00	45,241,000.00
Supaul	96,475,800.00	104,424,600.00
<b>Advance to Staff (SPMU)</b>		
Imprest Advance Ranjeet	59,652.00	112,775.00
Advance to Ravi Kumar Gupta	10,000.00	-
Puraini Md Minhaz Alam	19,000.00	19,000.00
Advance to Prakash Kumar Nazir (Bihariganj)	30,000.00	-
Advance to Abhisekh Kumar (Madhepura)	6,000.00	6,000.00
Puraini Avimanu Kumar	18,000.00	24,000.00
Block Nazir Nauhatta	35,000.00	35,000.00
Murliganj Sudhir Kumar	-	100.00
Madhepura	8,000.00	8,000.00
Bihariganj Staff	20,000.00	20,000.00
<b>Other Advance</b>		
Advance to Consultant (GPCL)	-	-
BRPNN Ltd. for Office Renovation	1,000,000.00	1,000,000.00
Mobilization Advance	23,529,037.00	13,903,114.00
BRRDA SPMU	124,799.00	124,799.00
EE Drainage Division	-	55.00
2nd Secured Advance WRD		40,944,397.00
DPMU Madhepura BREDA	400,000.00	400,000.00
BPMU Triveniganj	3,900.00	3,900.00
Koshagar	939,153.00	939,153.00
Advance to BIADA	200,000.00	200,000.00
Other Advance	424.00	2,622.00
Rent Advance	526,265.00	646,265.00
Advance to NGO	2,993.00	2,993.00
<b>Excess payment receivable from beneficiary</b>		
Saharsa	1,534,000.00	1,542,000.00
Madhepura	4,154,000.00	4,319,000.00
Supaul	2,498,000.00	2,646,000.00
<b>Advance to BDO</b>		
Sonbarsa	7,639,693.00	7,639,693.00
Simri Bakhtiyarpur	1,665,000.00	1,665,000.00
Patarghat	70,000.00	70,000.00
Alamnagar	8,949,933.00	8,949,933.00
Puraini	1,170,658.00	1,170,658.00
Raghopur	300,000.00	300,000.00
Triveniganj	9,334,875.00	13,935,875.00
<b>Total</b>	<b>301,911,827.00</b>	<b>353,290,456.00</b>



**Bihar Aapda Punarwas Evam Punarnirman Society  
Kosi Flood Recovery Project (Credit No. 4802-IN)  
Bihar Aapda Punarwas Evam Punarnirman Society  
Kosi Flood Recovery Project (Credit No. 4802-IN)**

**Schedule 4 - Balance with Banks**

Particulars	(Amount in Rs.)	
	As at 31 March,2017	As at 31 March,2018
<b>Balance with bank (SPMU)</b>		
BAPEPS Child A/c RWD SBI Madhepura	-	-
BAPEPS Child A/c RWD SBI Udakishunganj	-	-
BAPEPS Parent A/c Agriculture SBI	17,259.00	17,902.00
BAPEPS Parent A/c BRPNL SBI	132,570,056.00	138,644,491.00
BAPEPS Parent A/c RWD SBI	331,605,386.00	354,519,545.00
BAPEPS Parent A/c WRD CBI	128,486,585.00	724,932,053.56
CBI- A/C No-	2,972,102,620.00	1,813,482,532.00
State Bank of India A/c no.	1,484,036,693.25	1,234,180,404.75
State Bank of India A/c no.	-	-
CBI- A/C No-	1,490.00	4,618.20
<b>Balance with bank (DPMU)</b>		
CBI Saharsa A/c No3129813523	9,939,436.00	6,817,845.00
CBI Saharsa A/c No3398087318	163,572.25	169,771.25
CBI Madhepura	76,759,798.17	68,346,280.77
CBI Madhepura	48,855,462.00	42,899,292.00
CBI Supaul	33,682,303.80	38,738,095.20
CBI Supaul A/c 4668	43,951,654.00	45,736,267.00
UBGB Supaul	5,020,584.00	-
<b>Balance with Bank (BPMU)</b>		
SBI Sonbarsa A/c No 8221	186,868.00	4,103,335.50
SBI Sonbarsa A/c No 33737998518	8,505,216.00	8,598,866.00
SBI Saurbazar	6,542,438.00	5,291,982.25
SBI Saurbazar	24,413,073.00	19,090,056.30
SBI Simri Bakhtiyarpur	481,547.00	306,907.00
SBI Simri Bakhtiyarpur	1,012,226.00	433,438.38
CBI Nauhatta	400,830.00	3,236,846.00
CBI Nauhatta	1,284,334.00	545,430.00
CBI Pattarghatt	5,410,818.50	17,407,433.87
CBI Pattarghatt	10,694,300.00	7,458,053.50
CBI Aalamnagar A/C No-0058	7,934,828.00	6,716,388.80
CBI Aalamnagar A/C No-5516	4,106,456.50	3,055,048.60
CBI Bihariganj A/C	2,416,136.40	2,512,367.40
SBI A/c 35101172636	6,632,743.00	6,141,134.00
CBI Chausa A/c No 6787	815,221.00	569,225.20
SBI Chausa A/c No 33753961928	450,173.00	379,319.00
SBI Gwalpara A/c No 33744611986	2,480,500.00	2,253,768.00
SBI Bishanpur, Gwalpara A/c No 5893	3,733,294.00	7,404,968.00
CBI Kumarkhand A/C No- 3134440187	22,439,285.50	20,800,419.20
CBI Kumarkhand A/C No- 3361069164	7,727,244.00	6,362,233.05
Canara Bank Madhepura A/c No-4134	476,654.00	476,654.00
CBI Madhepura A/c 3355453423	6,316,338.10	8,824,326.25
CBI Madhepura A/c 7610	109,000.00	-
CBI Madhepura A/c 6812	11,160,073.50	10,110,543.65
CBI Murliganj A/C No- 5891	42,022,284.00	28,677,953.00
CBI Murliganj A/C No- 7047	4,438,139.00	2,792,947.00
CBI Puraini A/C No- 0753	8,134,024.50	3,540,738.80
CBI Puraini A/C No- 3359510592	7,444,082.50	5,995,032.80
SBI Shankarpur A/c no 317	6,979,891.00	3,486,973.00
SBI Shankarpur A/c no 7036	10,663,832.50	8,071,183.50
SBI Udakishunganj A/C No- 6400	603,666.00	10,201,208.50
SBI Udakishunganj A/C No- 3428	105,449.50	8,200,766.50
UBGB Udakishunganj	12,065,814.00	10,000.00
CBI Singheshwar A/c No- 7936	4,915,498.50	3,347,444.80
CBI Singheshwar A/c No-	9,111,570.50	8,465,683.10
Basantpur CBI A/C No- 3329857008	11,655,158.00	6,615,615.00
Basantpur CBI A/C No- 335309429	20,842,789.70	17,121,365.90
Chhtapur Account No. -----1941	10,281,347.00	-
ChatapurSBI A/C No- 0686	19,251,895.20	1,278,588.70
ChatapurSBI A/C No- 3372811776	17,567,273.00	7,832,489.50
SBI Triveniganj A/C No- 1927	12,862,010.00	4,318,136.50
SBI Triveniganj A/C No- 8860	16,023,445.00	10,486,505.25
SBI Triveniganj A/C No- 6708	261,940.00	-
BOI Triveniganj A/C No- 3529	270,098.00	-
CBI Raghapur A/C No- 0398	831,149.00	548,325.50
CBI Raghapur A/C No- 3345676780	75,748.00	70,744.00
CBI Pratapganj A/C No- 33722759940	433,122.00	446,143.00
SBI Pratapganj A/C No- 9153	263,515.00	283,703.00
<b>Total</b>	<b>5,620,026,238.87</b>	<b>4,742,339,389.03</b>



**Bihar Aapda Punarwas Evam Punarnirman Society**  
**Kosi Flood Recovery Project (Credit No. 4802-IN)**  
**Bihar Aapda Punarwas Evam Punarnirman Society**  
**Kosi Flood Recovery Project (Credit No. 4802-IN)**

Schedule 6 - IAY Gov. Contribution

(Amount in Rs.)

Particulars	As at 31 March, 2017	As at 31 March, 2018
<b>IAY State Govt Contribution</b>		
Sonbarsa		-
Alamnagar		-
Biharianj		-
Chausa		-
Gawalpara		-
Kumarkhand		-
Madhepura		-
Murliganj		-
Puraini		-
Shankarpur		-
Udakishunganj		-
Sigheswar		-
Chhatapur		-
Triveniganj		-
Raghopur		-
<b>Total</b>	-	-

**Bihar Aapda Punarwas Evam Punarnirman Society**  
**Kosi Flood Recovery Project (Credit No. 4802-IN)**

Schedule 5 - Cash in hand

(Amount in Rs.)

Particulars	As at 31 March, 2017	As at 31 March, 2018
<b>Cash in Hand (DPMU)</b>		
Madhepura	20,275.00	20,082.00
Puraini	24,000.00	42,000.00
Shankarpur	13,946.00	13,946.00
Saharsa	29,364.00	53,180.00
<b>Total</b>	<b>87,585.00</b>	<b>129,208.00</b>



**Bihar Aapda Punarwas Evam Punarnirman Society**  
**Kosi Flood Recovery Project (Credit No. 4802-IN)**  
**Schedules of Income & Expenditure Account**

**Schedule 7**

(Amount in Rs.)

Owner Driven Housing Reconstruction Expenses	For the Year ended 31st March, 2017	For the Year ended 31st March, 2018
HRC 1	122,067,500.00	23,621,000.00
HRC 2	50,125,000.00	9,450,000.00
HRC 3	177,351,000.00	43,004,000.00
Toilet	149,732,000.00	40,370,000.00
<b>Total</b>	<b>499,275,500.00</b>	<b>116,445,000.00</b>

**Schedule 8**

(Amount in Rs.)

Project Management and Technical Assistance	For the period Year 31st March, 2018	For the Year ended 31st March, 2017
Administrative & Salaries (SPMU)	13,353,601.00	
Consultancies & Technical Services (SPMU)	25,571,619.00	
Training and Exposure Visits/ Incremental Operating Cost (SPMU)	1,657,073.00	57,788,812.00
Administrative Salaries (DPMU)	1,023,783.00	
Administrative Salaries (BPMU)	16,182,736.00	
Contingency Expenses (SPMU)	3,452,696.00	
Contingency Expenses (DPMU)	183,398.00	4,122,433.58
Contingency Expenses (BPMU)	486,339.58	
Vehicle & Mobility Cost (SPMU)	406,592.00	
Vehicle & Mobility Cost (DPMU)	884,353.00	1,818,116.00
Vehicle & Mobility Cost (BPMU)	527,171.00	
Bank Charges (SPMU)	1,059.94	
Bank Charges (DPMU)	843.00	8,901.46
Bank Charges (BPMU)	6,998.52	
<b>Total</b>		<b>63,738,263.04</b>
		<b>78,048,500.73</b>



**Bihar Aapda Punarwas Evam Punarnirman Society  
Kosi Flood Recovery Project (Credit No. 4802-IN)**

**Schedules forming part of the Receipt & Payment as at 31st March 2018**

**Schedule 9 - Receipt During the Year**

(Amount in Rs.)

Particulars	As at 31 March, 2017	As at 31 March, 2018
BRRDA	168,298.00	-
Amount received from GPCL	1,158,378.00	-
E.E. Drainage Division Raghapur (Supaul)	1,540,055.00	-
BREDA Patna Triveniganj	-	-
Other Receipts	-	11,145.00
Duties and Taxes Supaul	2,520.00	-
Murliganj Sudhir Kumar	30,100.00	834.00
Singheswar Nazir Advance	2,570.00	-
Advance to Ranjeet Imprest	69,849.00	-
Advance to Lee Associates	169,636.00	-
Advance to BKBDP	577,941.00	-
<b>Refund by Bank from Beneficiary</b>		
Chatapur	294,000.00	-
Kumarkhand		
<b>Unidentified Beneficiary Receipts</b>		
Alamnagar		
Kumarkhand	-	-
Madhepura		
Triveniganj		
<b>Excess payment receivable from beneficiary</b>		
Alamnagar		
Gawalpara		
Udakishunganj		
Singheshwar		
Murliganj		660,000.00
Shankarpur	-	-
Pratapganj	-	-
Sonbarsa		
Pattarghat	8,750.00	-
Basantpur	-	-
Chatapur	-	140,000.00
Triveniganj		



<b>BDO Account</b>		
BDO Sourbazar		
BDO Sonbarsa	1,090.00	-
Pattarghat		
Basantpur	-	-
Triveniganj		
Chatapur	-	-
Bihariganj	-	-
Gawalpara		
Kumarkhand		
Madhepura		
Shankarpur		1,000,000.00
Singheswar		
Udakishunganj		
<b>Bank Interest (SPMU)</b>	253,697,882.00	190,318,134.20
<b>Bank Interest (DPMU)</b>		
Saharsa	610,401.00	339,485.00
Madhepura	8,880,899.00	4,806,467.00
Supaul	8,118,863.00	3,362,827.00
<b>Bank Interest (BPMU)</b>		
Saharsa	3,853,682.00	2,313,017.00
Madhepura	11,698,899.00	6,928,060.00
Supaul	6,227,970.00	3,158,244.00
<b>Staff Advance</b>		
Ajay Kumar Singh	-	-
Nitin Bharti	-	-
Prem Prakash	-	-
Raj Kumar	-	-
Ravi Kumar Gupta	-	10,000.00
Sudhansu Kumar	-	-
Madhepura DPMU		
SPMU		
Bharat Commercial Agency		
<b>Others</b>		
Royalty	2,095,008.00	-
TDS On Professional Service	-	-
TDS On Salary	-	-
VAT	2,449,919.00	2,456,409.00
Service Tax		
Time Extention Amount	-	-
GIS	240.00	120.00
GPF	16,000.00	10,000.00
Misc Deposite	3,360,000.00	8,940,542.00
Liquidity Damage	-	-
Labour Cess	-	23,737.00
Security Deposite		779,973.00
Royalty Seigniorage Fee		-
Seigniorage Fee (BRPNL)		29,408.00
Retention Money	-	-
Maintenance Cost	29,353,353.00	12,814,092.00
<b>Total</b>	<b>334,386,303.00</b>	<b>212,425,168.20</b>

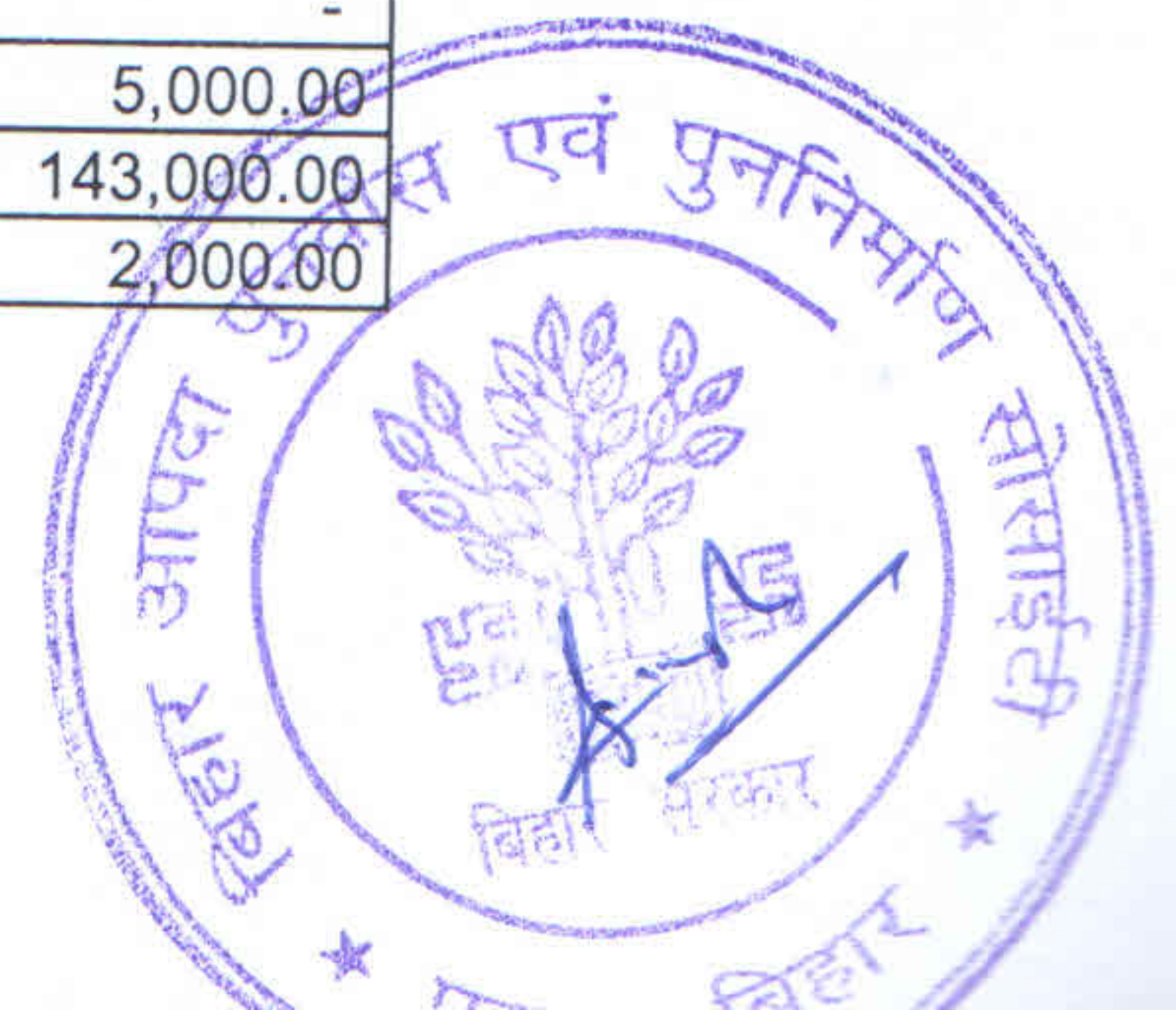


**Bihar Aapda Punarwas Evam Punarnirman Society  
Kosi Flood Recovery Project (Credit No. 4802-IN)**

**Schedule 10 - Payment during the Year**

(Amount in Rs.)

Particulars	As at 31 March, 2017	As at 31 March, 2018
Abhimanu Kumar Adv Puraini	18,000.00	6,000.00
Murliganj Sudhir Kumar	-	-
Advance to Amit Kumar Anant Shankarpur	424.00	-
Advance Rent	-	120,000.00
2nd Secured Advance WRD	-	40,944,397.00
Advance to Prakash Kumar Nazir (Bihariganj)	30,000.00	30,000.00
Advance to Abhisekh Kumar (Madhepura)	6,000.00	-
Advance to Ranjeet Imprest	-	53,123.00
Advance to Ravi Kumar Gupta	-	-
Advance to BDO Shankarpur	1,000,000.00	-
Other Advance	-	2,198.00
<b>Advance to Contractor</b>	-	-
Advance to Lee Associates	-	-
WRD	4,229,719.00	-
Mob Advance	19,299,318.00	9,625,923.00
BDO Account Madhepura	5,000,000.00	-
<b>Block Office</b>	-	-
Simribakhtiyarpur	-	-
Basantpur	-	-
Triveniganj	-	4,601,000.00
Raghopur	-	-
Chhatapur	-	-
Alamnagar	6,451,389.00	-
Bihariganj	-	-
Murliganj	-	-
Singheswar	-	-
Chausa	-	-
Puraini	-	-
<b>Advance to BKBDP</b>	-	-
<b>Refund From Beneficiary</b>	-	-
Triveniganj	-	231,000.00
Pratapganj	-	7,000.00
Puraini	-	-
Triveniganj	40,000.00	-
Chatapur	-	10,281,347.00
SourBazar	-	-
Pattarghat	-	-
Murliganj	-	-
Bihariganj	-	-
Singheswar	-	-
Udakishunganj	-	-
<b>Excess payment receivable from beneficiary</b>	-	-
Chhatapur/Supaul	919,000.00	367,000.00
Basantpur/Supaul	-	16,000.00
Triveniganj/Supaul	364,000.00	203,000.00
Sonbarsa/Saharsa	652,000.00	92,000.00
Saurbazar/Saharsa	460,000.00	95,000.00
Simribakhtiyarpur/Saharsa	-	20,000.00
Paterghat/Saharsa	67,000.00	25,000.00
Alamnagar/Madhepura	152,000.00	8,000.00
Chausa/Madhepura	20,000.00	-
Murliganj/Madhepura	472,000.00	338,000.00
Puraini/Madhepura	226,000.00	442,000.00
Shankarpur/Madhepura	736,000.00	272,000.00
Udakishunganj/Madhepura	160,000.00	108,000.00
Madhepura/Madhepura	122,000.00	77,000.00
Bihariganj/Madhepura	13,000.00	-
Gwalpara/Madhepura	25,000.00	5,000.00
Kumarkhand/Madhepura	131,000.00	143,000.00
Sinheshwar/Madhepura	22,000.00	2,000.00





Unidentified beneficiaries Payment		
Alamnagar	8,000.00	-
Kumarkhand		
Stale Cheque	-	-
<b>Duties &amp; Taxes:</b>	-	-
Labour Cess	-	-
Royalty	3,557,189.00	6,782,202.00
TDS on Contract	11,581.00	7,139.00
Service Tax on Professional Services	147,815.00	-
TDS on Professional Service	35,711.00	-
TDS on Salary	164,845.00	-
Time Extention Amount	541,566.00	-
Liquidity Damage	26,573,681.00	11,248,594.00
Labour Cess	2,123,375.00	-
Retention Money	22,348,484.00	19,909,623.00
GIS	-	-
GPF	-	-
VAT	-	-
Duties and Taxes Supaul	-	-
<b>Total</b>	<b>96,128,097.00</b>	<b>84,844,422.00</b>





# K R A & CO.

## (Chartered Accountants)

485/257, Goraknath Compound, Boring Canal Road, Patna, Bihar 800001

[krapatna@gmail.com](mailto:krapatna@gmail.com), 0612-2530030

To,  
The Members,  
Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS)  
Indira Bhawan, First Floor,  
Boring Road (West)  
Patna -800015

### MANAGEMENT LETTER

We have conducted the Audit of Financial Statements of Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS) for **Bihar Kosi Flood Recovery Project (IDA Credit No 4802-IN)** as on **31st March 2018**. We have familiarised ourselves with the project documents, the internal guidelines and circulars applicable during the period under audit. We have also reviewed the business of the project and evaluated the accounting systems and related Internal controls of the project in order to plan and perform the audit.

We have conducted audit in accordance with Auditing and Assurance Standards issued by the Institute of Chartered Accountant of India.

We are communicating appropriately to those charged with governance and management deficiencies in internal control that we have identified in an audit of financial statements. We have obtained an understanding of internal control relevant to the audit when identifying and assessing the risks of material misstatements. We have identified deficiencies in internal control not only during this risk assessment process but also at any other stage of the audit.

In particular, we shall explain that:

- (i) The purpose of the audit was to express an opinion on the financial statements;
- (ii) The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- (iii) The matters being reported are limited to those deficiencies that we have identified during the audit and we have concluded are of sufficient importance to merit being reported to those charged with governance.

We are communicating significant deficiencies in internal control identified during the audit to those charged with governance at an appropriate level of responsibility.



## I) Significant deficiencies in internal control

### 1. Observation: Excess Payment made to Beneficiaries

As reported in the financials of 2017-18, excess payment amounting total to Rs. 85, 07,000 as on 31/03/2018 has been reported. The same amount represents amounts which were released in excess, in the previous periods to the beneficiaries in comparison to the limits specified in the financial manual under the category HRC I, HRC II& III in all the three districts. It is due to lack of internal control in the preparation of list of beneficiaries at the time of releasing the tranches of payment. Kindly refer to Refer **Annexure I** which provides the extract of such cases being checked and confirmed. It has been accounted for as "Excess payment receivable from beneficiaries under the head Current Assets as on 31.03.2018".

Opening balance as on 01/04/2017 was Rs 81,86,000. Closing Balance as on 31/03/2018 is Rs 85,07,000. For the relevant period, Rs 3, 21,000 amount as excess paid to beneficiaries has been recognised and to be recovered.

Recommendation: Adjustment or recovery procedures for the excess payment to the Beneficiaries have been expedited and would be closed in the next financial year.

### 2. Observation: Housing Scheme

As required as per the scope of audit, we have conducted physical verification of houses and toilets completed during the financial year based on sampling strata as defined in the scope. Kindly refer to the **Annexure II** for the detailed analysis.

- During the process of physical verification, team including two audit members and district project manager visited field.
- It was found that based on sample available, the status of the structures as physically verified was completed
- In all the cases, completion certificate/ QMR as required for release of Tranche 3 was found.
- Other documents that are proof of residence, proof of land owner, details of bank account, Ikarnama were also found in order for the relevant sample being taken.

Recommendation: Overall for the housing component, based on information and data as made available during the process of audit, physical verification and documentation of the reported completed structures has been checked and confirmed.

### 3. Observation: District Administration Adjustments

BAPEPS distributes funds under the HRC Scheme to each concerned districts that is Saharsa, Supaul and Madhepura on their requisition. Each block level office further under the HRC Scheme distributes funds to the beneficiaries under prescribed procedures. In most of the cases, amount as disbursed under the HRC Scheme exceeded the funds as provided by BAPEPS and in some of the cases, funds remained unutilised and stands as advances at the block level. Below is the summary of funds which are to be adjusted between the block level administration and the BAPEPS.



**Advance Receivable/Payable to District/Block Administration**

District	Block	Closing Balance as on 31.03.2018 (Rs)
Madhepura	Alamnagar	89,49,933.00 Dr
	Bihariganj	1508000.00 Cr
	Raghopur	300000.00 Dr
	Shankarpur	193,83,557.00 Cr
	Singeshwar	2440146.00 Cr
	Murliganj	25414578.00 Cr
	Kumarkhand	20955245.00 Cr
	Udakishunganj	59710.00 Cr
	Puraini	1170658.00 Dr
	Madhepura	62,54,872.00 Cr
Supual	Triveniganj	1,39,35,875 Dr
	Chhatapur	20516.55 Dr
Saharsa	Sonbarsa	76,39,693.00 Dr
	Simri Bakhtiyarpur	1665000.00 Dr
	Patarghat	70000.00 Dr
	Saurbazar	196686.00 Cr

Recommendation: Since project is near to its closure, above adjustments must be closed at its earliest.

**4. Observation: Bank Reconciliation Statement**

On the basis of **ANNEXURE III and IV (extract)**, scrutiny of Bank Reconciliation Statement of the dedicated bank accounts of the implementing agencies at the district and block level has been done and below following remarks has been made:

- a) Remark 1 – “Amount Credit By Bank But Not Debit In Bank Book” means some receipts in the nature of reversal of excess payments or others which were actually received in the bank and pending to be reconciled with the books of accounts.
- b) Remark 2 – “Cheque issued but not presented for payment” indicates cases where cheque issued period have already crossed the three months period for the presentation of financial instruments as on 31/03/2018. It is recommended to reverse such cheque issued and reissue the cheques to the beneficiaries.
- c) Remark 3 – “Amount Debit By Bank But Not Credit In Bank Book” means payments to some of the beneficiaries or others through bank which is pending to be reconciled with the books of accounts.

Recommendation: During the relevant financial year, though most of the differences in the bank reconciliation statement has been explained but adjustments to the same are necessary for the final settlement.



5. Observation: RWD Triveniganj

During checking of manual cash book maintained at division, it was found that actual refund to M/S RCM Infrastructure was for Rs 32, 82,223.00 but same was wrongly entered in the cash book as Rs 31, 82,223.00 dated 22/06/2017. Closing cash book balance was overstated with Rs 1, 00,000.

Recommendation: Casting error to be rectified.

**II) Maintenance of accounting records, systems and controls**

6. Observation: Non adjustment of advances given to various agencies as on 31/03/2018

Unit	Name of Party	O/s Balance as on 31.03.18	Date of Advance
SPMU, Patna	Bihar Rural Road development Agency	1,24,799.00	30.12.2010
	BRPNN Ltd.	10,00,000.00	01.10.2013
	Advance to NDA ✓	2,00,000.00	28.07.2014
	BPMU Triveniganj	3,900.00	22.11.2011
District	Advance to NGO	2,993.00	18.02.2011
	Koshagar	9,39,153.00	26.09.2014
	Puraini Md Minhaz Alam	19,000.00	14.01.2016 Rs. 12,000 & 30.01.2016 Rs. 7000
	Block Nazir Nauhatta	35,000.00	26.02.2016
	Bihariganj - Staff Advance	20,000.00	25.03.2015

Recommendation: The above advances are outstanding in the books since long period and no utilization against the same received as on 31/03/2018. Since the amounts have not been recovered since long, the same are advised to be write off.

7. Observation: BRPNNL

Package	S No	Observations
		Contractor Name: M/s Shanti lal & Brothers
49	1	Delay in submission of letter of acceptance. Even the Bid security as provided in form of bank guarantee got expired on 26/01/2017 and letter of acceptance was received on 10/03/2017
	2	As per agreement terms, performance guarantee is be effective till defect liability period but same got expired on 26/09/2017 that is prior to the end of the liability period
	3	Tender has been finalised for Rs 1,15,30,782/- but the contract agreed got wrongly signed for Rs.43,80,640/-
51	1	Delay in receipt of performance bank guarantee. The same was received on 27/03/2017 though bid security had expired on 26/01/2017
	2	As per agreement terms, performance guarantee is be effective till defect liability period but same got expired on 26/09/2017 that is prior to the end of the liability period



**Recommendation:**

- At the time of agreement itself, performance bank guarantee should be taken till the end of the defect liability period, complying with the agreement terms.
- Also maximum time period of validity of bid security to be defined in the tender terms so that it do not expires before finalisation of tender or later signed of the final contract agreements.

**8. Observation: Statutory dues long pending to be deposited as on 31/03/2018**

Details of statutory dues like Royalty, Labour Cess, TDS on Contractual Payments, VAT/GST/Service Tax.

Nature of Dues	Amounts
Tax deducted at Source (Supaul)	2,553.00
GIS	360.00
GPF	24,000.00
Labour Cess	1,24,780.00
Royalty	66,54,962.00
VAT	51,27,662.00

**Recommendation:** All statutory dues to be deposited at the earliest as project is near to its closure.

**9. Observation: Income Tax Returns**

The society has not filed its Income Tax Returns since Assessment Year 2011-12.

**Recommendation:** Compliance to be made relating to the filing of income tax returns. As per management, return shall be filed from this financial year. Society has obtained the exemption under section 12A.

**III) Adherence to the Procurement Guidelines of the World Bank**

**10. Observation: Procurement Procedures**

Procurement has been carried out by BAPEPS and sub implementing agencies in line with the agreed procedures documented in the procurement manual for the project agreed with the Bank. For this purpose, we had selected a sample of procurement cases under the project and checked procurement documents. Attached is the checklist for different procurements as Annexure VI (annex 2)

**Recommendation:** Procurement has been made as per defined World Bank procedures.



**11. Observation: GST Compliances**

As from 01/07/2017, the new Goods and service tax replaced the VAT regime and the same was applicable on the contractors also. All the present contractors were to be registered with the GST and also to provide invoice for the deliverables completed as per new law. During audit, it

was found that the payments were made against the invoices which were not mentioning the new GST no of the contractors.

**Recommendation:**

It is recommended to make payments against GST invoices only.

**IV) Compliance with the financial covenants in the Financial Arrangements**

**A list of Individual withdrawals applications.**

In terms to the Clause B (2) of section 2 to the financing agreement between government of India and International Development Association (IDA) dated 12/01/2011, The recipient shall prepare and furnish to the association not later than 45 days after the end of each calendar quarter, IUFRR for the project....” Below is the schedule for submission of the IUFRR for the project

BKFRP IUFRR Dates (mm/dd/yyyy)				
Quarter	Period ended on	Due Date	Actual date of submission	Delay in submission ( in no of months)
Q1	30/6/2017	14/08/2017	27/11/2017	104 Days
Q2	30/09/2017	14/11/2017	8/02/2018	85 Days
Q3	31/12/2017	14/02/2018	27/03/2018	40 Days
Q4	31/03/2018	15/05/2018	25/06/2018	40 Days



**V) Status of Prior Audit Recommendations**

Sl. No.	Observation	Status of Compliance	Remarks
1	Excess payment to beneficiaries as on 31/03/2016 was amounting to Rs 81, 86,000 was to be adjusted	Partly Complied	The details of excess payment have been sent to concerned districts for adjustment/recovery from beneficiaries vide letter nos. 77, 78& 79 dated 07.02.2018. On the basis of compliance received and information gathered from the respective bank Rs.7,71,000.00 has been identified and adjusted in the accounts in F.Y.2017-18.
2	During Physical Verification of housing, documentation process needs to be strengthened	Complied	Pending documentation checked and confirmed
3	District Administration Adjustments, under housing scheme, needs adjustments	Partly Complied	Instructions have been given to districts vide letter no 77, 78 and 79 dated 07.02.2018 for adjustment of advances and settlement of liabilities.
4	Unexplained differences as found under the housing scheme as per Bank Reconciliation Statements to be rectified	Partly Complied	Instructions have been given to districts vide letter no 77, 78 and 79 dated 07.02.2018 for identification, reconciliation and accounting of transaction standing in the Bank reconciliation statement.
5	Pending payments to the beneficiaries to be settled	Complied	Rs.2, 05,000.00 of TRIVENIGANJ and Rs.12, 000.00 of PRATAPGANJ has been identified and adjusted in F.Y.2017-18.
6	Long pending advances to be settled	Partly Complied	Out of Rs. 1, 24,799.00 BRRDA has refunded Rs 1, 19,988.00 on 02.07.2018. Also UC of Rs.2, 00,000.00 has been received from the IDA on 27.06.2018. For rest of the amounts, relevant reminders have been sent.
7	Late payment of TDS as deducted	Complied	Instruction by letter no.72 dated 07.02.2018 has been issued to the concerned block Udakishunganj and Madhepura for Timely deposits of TDS and filing of the return
8	Delay in deposit of statutory Dues like Royalty, Labour Cess and Service Tax	Complied	Royalty MD of Rs.34, 30,495.00 has been deposited on 12.02.2018. For rest instructions vide letter nos. 71, 72&76 respectively dated 07.02.2018 were also send
9	Income Tax Returns for the Society not filed	Partly complied	As per management, return shall be filed from this financial year. Society has obtained the exemption under section 12A.
10	Reconstruction of Road and Bridge: Reconciliation of M/N forms	Partly Complied	Instruction has been given to RWD vide letter nos. 72 dated 07.02.2018 for compliance of the same





**Conclusion:**

Based on the audit findings mentioned above, since the project is near to its closure stage, all the closure adjustments are recommended to be initiated in the next financial year. Amounts which stand unadjusted after so many reminders and instructions must be adjusted with the respective departments or relevant provisions for the same to be created for the effective closure of the project.

We acknowledge that the project management has taken necessary steps to regularise all the above mentioned issues to ensure that all the internal controls and checks are in place.

We wish to take this opportunity to thank the project management and duly acknowledge for their cooperation extended to our team members in completion of this assignment.

Best Regards

**For KRA & CO**

F.R.N.: 020266N

Chartered Accountants

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "KRA & CO" at the top, "CHARTERED ACCOUNTANTS" around the bottom edge, and "503150" in the center. The signature is a cursive script.

Partner

M.No: 503150

Date: 29/12/2018

Place: Patna

## ANNEXURE I

## Details of Excess Payments Made to the Beneficiaries ( Extract of Data)

Sl.No.	District	Block	Gram Panchayat	Category	Account No./Name of Beneficiaries	Opening Balance as on 01.04.2017	Excess payment During the year 2017-18	Closing Balance as on 31.03.18
1	Saharsha	PatharGhat	Golma Purvi	HRC 2 NEW	2633 Makina Khatun/Nakina Khatun	95,000.00	25,000.00	120,000.00
2	Saharsha	Saur Bazar	Kap Pachhmi	HRC 2	0290 Domi Yadav	70,000.00	5,000.00	75,000.00
3	Saharsha	Saur Bazar	Kap Purbi	HRC 3 NEW	5226 Sima Devi	97,000.00	8,000.00	105,000.00
4	Saharsha	Saur Bazar	Kap Purbi	HRC 3 NEW	8871 Tara Devi	95,000.00	20,000.00	115,000.00
5	Saharsha	Saur Bazar	Kap Purbi	HRC 3 NEW	9280 Pawitri Devi	95,000.00	25,000.00	120,000.00
6	Saharsha	Saur Bazar	Kap Purbi	HRC 3 NEW	0201 Ameriak Devi	95,000.00	2,000.00	97,000.00
7	Saharsha	Saur Bazar	Kap Purbi	HRC 3 NEW	5295 Bhandul Paswan	88,000.00	8,000.00	96,000.00
8	Saharsha	Saur Bazar	Kap Purbi	HRC 3 NEW	8871 Tara Devi	95,000.00	20,000.00	115,000.00
9	Madhepura	Murliganj	Deenapatti Sakhua	HRC 3 NEW	3938 Manjula Devi	85,000.00	20,000.00	105,000.00
10	Madhepura	Murliganj	Deenapatti Sakhua	HRC 3 NEW	4332 Nageshwar Yadav	85,000.00	20,000.00	105,000.00
11	Madhepura	Murliganj	Deenapatti Sakhua	HRC 3 NEW	7965 Shankar Rishidev	93,000.00	20,000.00	113,000.00
12	Madhepura	Murliganj	Deenapatti Sakhua	HRC 3 NEW	8328 Mithu Sah	85,000.00	20,000.00	105,000.00
13	Madhepura	Murliganj	Deenapatti Sakhua	HRC 3 NEW	9773 Alodhni Devi	110,000.00	30,000.00	140,000.00
14	Madhepura	Murliganj	Gorgama	HRC 3	1212 Chandra Narayan Yadav	70,000.00	20,000.00	90,000.00
15	Madhepura	Murliganj	Jorgama	HRC 3	6562 Rekha Devi	85,000.00	5,000.00	90,000.00
16	Madhepura	Murliganj	Kolhaypatti Dumariya	HRC 1	0376 Sumitra Devi	93,000.00	25,000.00	118,000.00
17	Madhepura	Puraini	Aurag	HRC 3 NEW	2523 Chinta Devi	95,000.00	30,000.00	125,000.00
18	Madhepura	Puraini	Aurag	HRC 3 NEW	4558 Mala Devi	95,000.00	30,000.00	125,000.00
19	Madhepura	Puraini	Aurag	HRC 3 NEW	7522 Nunati Devi	95,000.00	30,000.00	125,000.00
20	Madhepura	Puraini	Aurag	HRC 3 NEW	9526 Anita Devi	95,000.00	25,000.00	120,000.00
21	Madhepura	Puraini	Aurag	HRC 3 NEW	3843 Shekh Nejam	93,000.00	30,000.00	123,000.00
22	Madhepura	Puraini	Aurag	HRC 3 NEW	7879 Dropadi Devi	95,000.00	30,000.00	125,000.00
23	Madhepura	Puraini	Aurag	HRC 3 NEW	9107 Bibi Samuna	87,000.00	30,000.00	117,000.00
24	Madhepura	Puraini	Aurag	HRC 3 NEW	9311 Maheshwer Sharma	95,000.00	30,000.00	125,000.00
25	Supaul	Chhatapur	Ghivha	HRC 2	4896 Lalita Devi	100,000.00	25,000.00	125,000.00
26	Supaul	Chhatapur	Ghivha	HRC 3	8433 Maini Devi	73,000.00	20,000.00	93,000.00
27	Supaul	Chhatapur	Jhakhadgarh	HRC 3 NEW	4690 Barahamdev Yadav	55,000.00	55,000.00	110,000.00
28	Supaul	Chhatapur	Lalganj	HRC 1	1892 Digambar Mishra	78,000.00	20,000.00	98,000.00
29	Supaul	Chhatapur	Lalganj	HRC 1 NEW	8900 Ganesh Mandal	98,000.00	25,000.00	123,000.00
30	Supaul	Chhatapur	Laxmipur Khuti	HRC 1 NEW	4735 Lalwati Devi	90,000.00	25,000.00	115,000.00
31	Supaul	Chhatapur	Laxmipur Khuti	HRC 3	4905/8505 Mira Devi	70,000.00	20,000.00	90,000.00
32	Supaul	Chhatapur	Laxmipur Khuti	HRC 2 NEW	5483 Sanjha Devi	93,000.00	20,000.00	113,000.00
33	Supaul	Chhatapur	Madhopur	HRC 3	9018/5237 Shamshad	68,000.00	28,000.00	96,000.00
34	Supaul	Chhatapur	Rajeshwary Pashchim	HRC 2	0266 Nago Mukhiya	60,000.00	30,000.00	90,000.00



## ANNEXURE II

## PHYSICAL VERIFICATION OF HOUSING

Sl. no.	District	Block	Panchayat	Name of Beneficiary	Father/Husband Name	Ward No.	House completion Date	TRANCHE 1				TRANCHE 2	TRANCHE 3
								HRC wise beneficiaries list	Proof of residence	Proof of land owner	Detail of bank account of beneficiaries		
1	Madhepura	Alamnagar	Alamnagar East	URMILA DEVI	BHUWDEV MANDAL	9	10/07/2017	Yes			Yes		
2	Madhepura	Alamnagar	Bargaon	RUDAL SHARMA MSO KOUSHLYA DEVI	PANNALAL SHARMA	12	20/05/2017	Yes			Yes		
3	Madhepura	Alamnagar	Ithari	UPENDAR SINGH	UPENDAR SINGH	11	22-02-018	Yes			Yes		
4	Madhepura	Bihariganj	Mohanpura	शत्रुघ्न मेहरा	मुरारी मेहरा	1	01/05/2016	Yes			Yes		
5	Madhepura	Chausa	Falaut-1	यदु शर्मा	डिगुरु शर्मा	10	May-17	Yes			Yes		
6	Madhepura	Chausa	Chirauri-1	कामिनि देवी	किशोरी शर्मा	5	21/9/17	Yes			Yes		
7	Madhepura	Gwalpara	Shahpur	Fulkumari devi	Jasaye Murmu	5	08.04.2017	Yes			Yes		
8	Madhepura	Kumarkhand	B Sunder	मौ दुलारी देवी	कालीचन सरदार	8	28/03/2018	Yes			Yes		
9	Madhepura	Madhepura	Madanpur	Krishna Kumar Yadav	Mishri Lal Yadav	9	02/11/2017	Yes			Yes		
10	Saharsa	Patharghat	Pama	मनमोहन मंडल	देव ना० मंडल	11	06/06/2018	Yes			Yes		
11	Madhepura	Puirani	Kursandi	उमा देवी	गुरुदेव ऋषिदेव	4	27/2/18	Yes			Yes		
12	Saharsa	Suarbazar	Kadahiya	शंकर सादा	स्व० छोटकन सादा	3	02/07/2017	Yes			Yes		
13	Madhepura	Shankarpur	Rampur Lahi	RITA DEVI	MAHENDRA YADAV	12	MAY.17	Yes			Yes		
14	Madhepura	Shingheshwar	I. Gumauni	Rita Devi	Bipin Yadav	4	15.5.17	Yes			Yes		
15	Saharsa	Saunbarsa	Atlakha	योगेन्द्र यादव	जतिम लाल यादव	11	May-17	Yes			Yes		
16	Supual	Triveniganj	Daparkha	शिबू सरदार / वजिया देवी	धुधर सरदार	15	Apr-17	Yes			Yes		
17	Madhepura	Udakishanganj	Barhi	AKHILESH MAHTO	DEVENDRA MATHO	5	30/07/2017	Yes			Yes		
18	Madhepura	Murliganj	Gangapur	रुबी देवी	श्री राजेश कुमार	5	Nov 17	Yes			Yes		
19	Madhepura	Alamnagar	Alamnagar East	URMALA DEVI	BHOLA MANDAL	8	15/04/2015	Yes			Yes		
20	Madhepura	Chausa	Falaut1	वली अहमद	मौ रकी उद्दीन	8	28/06/2018	Yes			Yes		
21	Madhepura	Chattapur	Balua	Manish Thakur	Indrakant Thakur	6	Dec-17	Yes			Yes		
22	Madhepura	Udakishanganj	Madhuban	AMERIKA DEVI	VIENDRA RAM	1	11/06/2018	Yes			Yes		

PHYSICAL VERIFICATION OF TOILETS												
Sl. no.	District	Block	Panchayat	Name of Beneficiary	Father/Husband Name	Ward No.	Toilet completion Date	TRANCHE 1				TRANCHE 2
								HRC wise beneficiaries list	Proof of residence	Proof of land owner	Detail of bank account of beneficiaries	
1	Madhepura	Alamnagar	Alamnagar East	URMALA DEVI	BHOLA MANDAL	8	28/12/2017				Yes	
2	Madhepura	Gwalpara	Shahpur	Satrughan Thakur	Late Vilat Thakur	4	18.11.2017				Yes	
3	Madhepura	Puraini	Kursandi	उषा देवी	सुबोध दास	4	07/06/2017				Yes	
4	Saharsa	Suarbazar	Kanp East	मो० ओली	मो० वेचन	6	23.02.2017				Yes	
5	Madhepura	Sakarpur	Rampur Lahi	MADISA KHATUN	MD NIJAM	7	09/09/2017				Yes	
6	Madhepura	Singhewar	I Gumauni	CHANO YADAV/CHANDE SHWARIYADAV	Late dukhi yadav	12	31.12.17				Yes	
7	Supual	Triveniganj	Daparkha	जयनन्दन यादव / अमला देवी	स्व० अवध यादव	11	01/03/2018				Yes	
8	Madhepura	Gwalpara	Birgaon Chatra	Chanda Devi	Kundan Rishidev KUNDAN KUMAR	6	05.01.2018				Yes	
9	Madhepura	Gwalpara	Birgaon Chatra	Muniya Devi	Jaikumar Rishidev	6	05.01.2018				Yes	
10	Madhepura	Gwalpara	Birgaon Chatra	Beebi Asma	Md. Anavar Miyaan	5	17.03.2018				Yes	



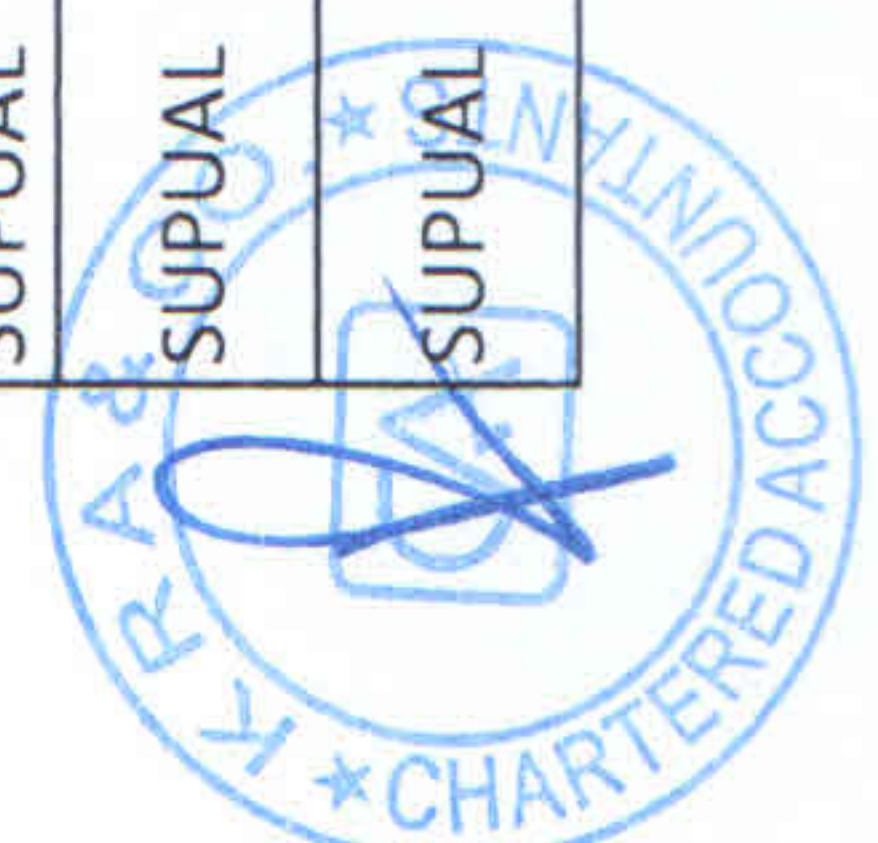
**ANNEXURE III**

**Details of Outstanding Credit (+) Entries in the Bank Reconciliation Statement (Extract)**

District	Block	Bank	Account No	Particulars	Date	Cheque No	Amount
Madhepura	Alamnagar	CBI	3332775516 ( T )	Cheque issued but not presented for payment	13.09.16	17219	2,000.00
Madhepura	CHAUSA	SBI	33753961928 (T)	Amount Credit By Bank But Not Debit In Bank Book	06.10.16	Adv No. 873-2/3	8,000.00
Madhepura	CHAUSA	SBI	33753961928 (T)	Amount Credit By Bank But Not Debit In Bank Book	13.12.16	Adv No. 1072-2	2,000.00
MADHEPURA	MADHEPURA	CBI	3129098238 (H)	Amount Credit By Bank But Not Debit In Bank Book	08.04.16	DM	351,876.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Cheque issued but not presented for payment	30/1/2015	39464	185,000.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Cheque issued but not presented for payment	30.07.15	42094	5,000.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Cheque issued but not presented for payment	25.11.15	42862	60,000.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Cheque issued but not presented for payment	22.12.15	42863	20,000.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Amount Credited by bank but not Debit in bankbook	08.12.15	Branch manager	30,000.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Amount Credited by bank but not Debit in bankbook	16.12.15	Cash	220,000.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Amount Credited by bank but not Debit in bankbook	16.04.16		110,000.00
MADHEPURA	MURLIGANJ	CBI	3332427047 (T)	Amount Credit By Bank But Not Debit In Bank Book	20.09.14	NEFT, branch manager	32,000.00
MADHEPURA	PURAINI	CBI	3128830753 (H)	Amount Credited by bank but not Debit in bankbook	21.04.16		144,593.00
MADHEPURA	KUMARKHAND	CBI	3134440187 (H)	Cheque issued but not presented for payment	18.10.14	68370	80,000.00
MADHEPURA	KUMARKHAND	CBI	3134440187 (H)	Cheque issued but not presented for payment	06.12.16	4483	10,000.00
MADHEPURA	KUMARKHAND	CBI	3361069164 (T)	Cheque issued but not presented for payment	28.09.16		16,000.00
MADHEPURA	MADHEPURA	CBI	3428286812 (T)	Cheque issued but not presented for payment	31.03.16	006233	2,000.00
MADHEPURA	MADHEPURA	CBI	3428286812 (T)	Cheque issued but not presented for payment	31.03.16	006235	2,000.00
MADHEPURA	SHANKARPUR]	SBI	31863860317 (H)	Amount Credited by bank but not debited in bank book	06.07.16		117,565.00
MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	01.06.16		8,000.00
MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	06.07.16		290,543.00
MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	13.07.16		5,000.00
MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	13.07.16		8,000.00
MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	13.07.16		8,000.00



MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	13.07.16		8,000.00
MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	13.07.16		5,000.00
MADHEPURA	SHANKARPUR]	SBI	34827257036 (T)	Amount Credited by bank but not debited in bank book	18.07.16		8,000.00
MADHEPURA	SINGHESHWAR	CBI	3129107936 (H)	Cheque issued but not presented for payment	25.07.15	33595	60,000.00
SAHARSA	NAUHATTA	CBI	3155146293 (Housing)	Cheque issued but not present for payment	22.07.16	013850(6417 surendra yadav hrc- 3n)	5,000.00
SAHARSA	SAURBAZAR	SBI	33725590740 (Toilet)	Amount Credited by Bank but not Debited in Bank Book.	18.08.16		2,000.00
SAHARSA	PATARGHAT	CBI	3333787995 (Toilet)	Cheque Issued but not present for payment	28.12.16	70657( 3675 pinki devi)	2,000.00
SUPUAL	BASANTPUR	CBI	3353019429 (Housing)	Cheque issued but not presented for payment	28.09.16	68181	5,000.00
SUPUAL	BASANTPUR	CBI	3353019429 (Housing)	Cheque issued but not presented for payment	21.12.16	68195	20,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	19.07.16		20,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	19.07.16		5,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	20.07.16		20,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	17.09.16	sbin716261023089	5,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	21.09.16		5,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	21.09.16		5,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	22.09.16		5,000.00
SUPUAL	CHHATAPUR	SBI	.31837990686 (Housing)	Amount credited by bank but not taken in bank book	29.12.16	duplicat state	5,000.00
SUPUAL	RAGHOPUR	CBI	3345676780 (Toilet)	Cheque issued but not presented in bank	31.03.16	13864	8,000.00
SUPUAL	RAGHOPUR	CBI	3128800398 (Housing)	Cheque issued but not presented	13.07.16	12843	15,000.00
SUPUAL	TRIVENIGANJ	SBI	33940978860 (Toilet)	Amount Credited by bank but not enter into Bank book	19.09.16		2,000.00



## ANNEXURE IV

## Details of Outstanding Debit (-) Entries in the Bank Reconciliation Statement

District	Block	Bank	Account No	Particulars	Date	Cheque No	Amount
Madhepura	Alamnagar	CBI	3128840058 (H)	Amount Debited By Bank But Not taken In Bank Book	07.09.16	Subhanand yadav	20,000.00
Madhepura	Alamnagar	CBI	3128840058 (H)	Amount Debited By Bank book But Not taken In Bank	30.10.16	8664 Deepnarayan Paswan	5,000.00
Madhepura	Alamnagar	CBI	3128840058 (H)	Amount Debited By Bank book But Not taken In Bank	30.10.16	5227 Kapildev mandal	5,000.00
Madhepura	Alamnagar	CBI	3128840058 (H)	Excess payment made by bank	06.08.2015	5000*3	15,000.00
MADHEPURA	MURLIGANJ	CBI	3129115891 (H)	Amount Debited by bank book but not taken by bank	22.09.16	2299 Sita ram vishwas	35,000.00
MADHEPURA	MURLIGANJ	CBI	3332427047 (T)	Amount debited by bank but not taken by bank book	21.04.16	Trf	90,000.00
MADHEPURA	MURLIGANJ	CBI	3332427047 (T)	Amount debited by bank but not taken by bank book	04.07.16	Kumar Puskae	8,000.00
MADHEPURA	MURLIGANJ	CBI	3332427047 (T)	Amount debited by bank but not taken by bank book	09.05.17		104,000.00
MADHEPURA	MURLIGANJ	CBI	3332427047 (T)	Amount debited by bank but not taken by bank book	21.06.17	84*400	33,600.00
MADHEPURA	PURAINI	CBI	3128830753 (H)	Amount debited by Bank but Not Credited in Bank book	26.05.17	Worngly Transfer	125,000.00
MADHEPURA	KUMARKHAND	CBI	3361069164 (T)	Amount Debited in Bank but not in Bank Book	01.08.16		8,000.00
MADHEPURA	KUMARKHAND	CBI	3361069164 (T)	Amount Debited in Bank but not in Bank Book	26.08.16	68304	8,000.00
MADHEPURA	KUMARKHAND	CBI	3361069164 (T)	Amount Debited in Bank but not in Bank Book	28.09.16	1527-2	8,000.00
MADHEPURA	KUMARKHAND	CBI	3361069164 (T)	Amount Debited in Bank but not in Bank Book	29.09.16		16,000.00
MADHEPURA	MADHEPURA	CBI	3355453423 (H)	Excess Payment by Bank	01.08.16	Badami devi	20,000.00
MADHEPURA	MADHEPURA	CBI	3428286812 (T)	Amount Debited in Bank But not credited in Bank Book	15.10.15	4469 Thithar Yadav	2,000.00
MADHEPURA	MADHEPURA	CBI	3355457610	Amount Debit By Bank But Not Credit In Bank Book	29.01.15	Shankuntala	5,000.00
MADHEPURA	MADHEPURA	CBI	3355457611	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Veena Devi	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457612	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Kusheshwar Mehta	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457613	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Ganesh Yadav	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457614	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Jageshwar Yadav	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457615	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Mina Devi	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457616	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Ravindra kumar yadav	8,000.00



MADHEPURA	MADHEPURA	CBI	3355457617	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Indu sharma	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457618	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Ramdeo mehta	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457619	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Pawan kumar mehta	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457620	Amount Debit By Bank But Not Credit In Bank Book	1.12.2014/ 15.04.15	Gulab Devi	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457621	Amount Debit By Bank But Not Credit In Bank Book	30.09.15	Sakuni Devi	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457622	Amount Debit By Bank But Not Credit In Bank Book	30.09.15	Nutan Devi	8,000.00
MADHEPURA	MADHEPURA	CBI	3355457623	Amount Debit By Bank But Not Credit In Bank Book	30.09.15	Vijendra yadav	8,000.00
MADHEPURA	SINGHESHWAR	CBI	3129107936 (H)	Amount Debited By Bank But Not taken in Bank Book	20.07.15	Yadu mandal (Excess Payment)	20,000.00
MADHEPURA	UDAKISHUNGANJ	SBI	33735023428 (T)	Amount Debited By Bank But Not taken in Bank Book	23.08.16	Anju Devi (Excess Payment)	15,000.00
SUPUAL	BASANTPUR	CBI	3353019429 (H)	Amount debited in bank but not credited in Bank book.	28.10.16	85*8000 (Toilet Amount)	680,000.00
SUPUAL	CHHATAPUR	SBI	31837990686 (H)	Amount Debited in bank book but not Credited by bank	21.11.11	658022	69,742.00
SUPUAL	TRIVENIGANJ	SBI	31837851927(H)	Amount Debit In Bank But Not Credited in Bank Book	14.11.14	299226	20,000.00
SUPUAL	TRIVENIGANJ	SBI	31837851927(H)	Amount Debit In Bank But Not Credited in Bank Book	06.04.16	8683 laxman ris	20,000.00



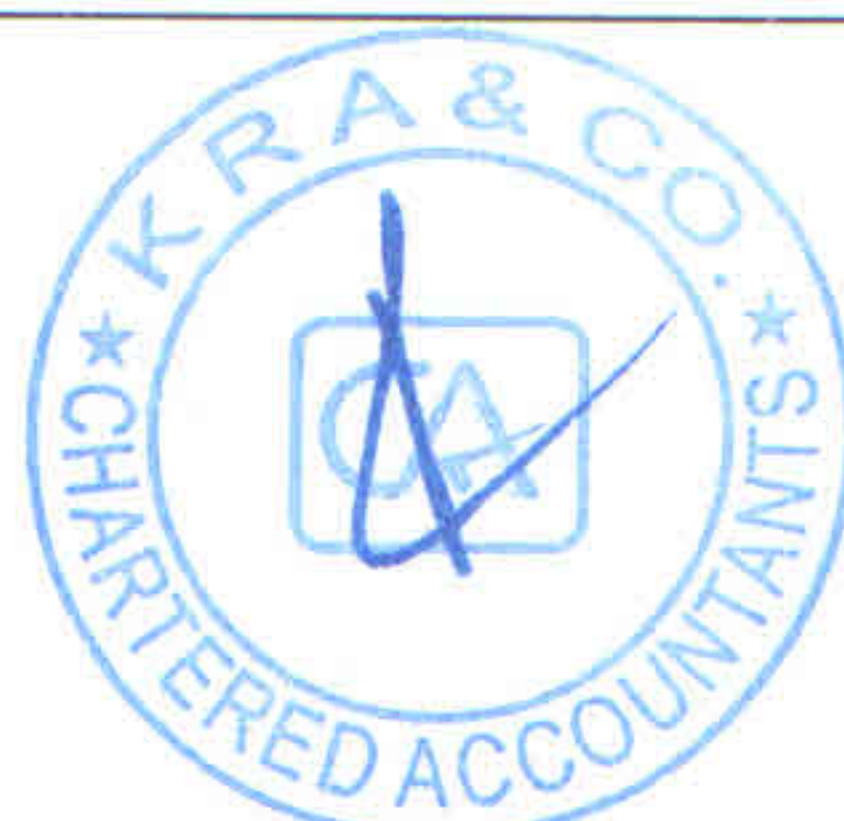


## ANNEXURE VI

### Checklist for review of Procurement System adopted by BAPEPS/IA's Bihar Kosi Flood Recovery Project FY 2017-18

Department : Water Resource Department (WRD)  
Name of Activity : Hiring Project Management Consultant for PIU (WRD)

<b>Aspects</b>	<b>Comments and Findings</b>
Procurement Documentation (Filing)	NCB (Single Stage – Two Envelop)
Advertising for prequalification (PQ)	NA
Price of PQ application	NA
Times allowed for submission PQ application	NA
Evaluation of PQ applications	NA
Level of participating in PQ	NA
Invitations for bids (for packages with PQ)	NA
Advertising for invitation of REoI (for packages without PQ)	Hindustan, Patna; Times of India, Patna; Dainik Jagran, Patna, Times of India, Kolkata; Times of India, Chennai; Indian Express, Delhi dated 23.06.2016
Price of bid document	NA
Time allowed for submission of bids	21 days
Response to queries received before bid submission	Pre-bid conference held on 25.04.2017, queries response sent on 03.05.2017
Bid opening (Public) & minutes of bid opening	05.09.2017 at 1500 Hrs
Bid security records	NA
Bid evaluation process and report, verify existence of bids	There were 4 Nos. of bidders and all Four were qualified in the Technical Evaluation.
Name of bidders	1. M/s LEA Associates South Asia (P) Ltd, New Delhi 2. Tractbel Engineering (P) Ltd., Gurgaon 3. Rodic Consultants (P) Ltd, Gurgaon 4. WAPCOS Limited, Gurgaon
Level of participation in bidding (No of bid documents sold, number of bids received)	Nos. of EoIs received : 4 Nos.
If lower bidder rejected, the reasons	NA
Name of Consultant	M/s LEA Associates South Asia (P) Ltd, New Delhi
Contract document (quality, essential clause)	Yes
Financial Negotiations (if carried out)	Not Applicable
Disclosure of contract award information	05.02.2018
Time taken in bid evaluation	210 days
Advance payment guarantee details and records	Not Applicable
Performance security details and records	Not Applicable
Protests and other matters	NA
Contractual completion date	Activity dropped on the closure date of BKFRP i.e. 30.06.2018



Any indicator of splitting of purchase	NA
Actual completion date	Activity dropped on the closure date of BKFRP i.e. 30.06.2018
Liquidity damages details and enforcement for delays	NA
Timeliness of payments	Based on deliverables
Other matters	NA
Compliance with agreed provisions-Yes or No (Explain)	Yes
Specific observations on procedure, Technical specification, missing information, Pre-bid conference, Question/Complaints, Delays, Participation, Bid Evaluation, Asset Verification etc.	NA



**Kosi Flood Recovery Project (Credit No. 4802 -IN)**  
**Reconciliation of audited expenditure with IUFR expenditure for the year ended 31st March 2018**  
**(Amount in Rs.)**

Particulars	Component A – Housing Reconstruction	Component B – Reconstruction of Roads & Bridges	Component C – Strengthening Flood Mgmt. Capacity	Component E – Improving Emergency Response Capacity	Component F – Project Management & Technical Assistance etc.	Total
Total Expenditure as per Audited Project Financial Statements	116,445,000.00	130,329,140.00	698,913,964.00	-	64,217,869.04	994,909,973.04
Revenue Expenditure (as per income and expenditure account)	116,445,000.00	130,329,140.00	698,913,964.00	-	63,738,263.04	1,009,426,367.04
Capital Expenditure (Schedule 2)	-	-	-	-	479,606.00	479,606.00
Add: Other eligible amounts (mobilization advance, secured advance etc)	-	-	-	-	-	-
Less: Ineligible Expenditure	14,996,000.00	-	-	-	-	-
1. Eligible Expenditure as per audited PFS	101,449,000.00	130,329,140.00	698,913,964.00	-	-	14,996,000.00
2. Eligible Expenditure as per IUFR	101,449,000.00	130,329,140.00	698,913,964.00	-	64,217,869.04	994,909,973.04
3. (Excess)/Short Expenditure reported (1-2)	0.00	0.00	-	-	64,217,869.04	994,909,973.04
4. Reimbursable %age	80%	85%	85%	85%	0.00	0.00
5. World Bank share (1*4) (as per audited Expenditure)	81,159,200.00	110,779,769.00	594,076,869.40	-	54,585,188.68	840,601,027.08
6. Reimbursement claimed for the year (as per IUFR submitted)	81,159,200.00	110,779,769.00	594,076,869.40	-	54,585,188.68	840,601,027.08
7. Adjustment of Short/ Excess Reimbursements as per filed claims to the World Bank	-	-	-	-	-	-
8. Actual claim reimbursed from WB after adjustment	81,159,200.00	110,779,769.00	594,076,869.40	-	54,585,188.68	840,601,027.08
9. Excess/Short Claim (5-6)	-	-	-	-	-	-

Sno	Particulars
1	For Component A- Housing Reconstruction, Ineligible expenditure of Rs 1,49,96,000/- denotes expenditure reimbursed from Public Health Engineering Department





Govt. of Bihar

## Bihar Aapda Punarwas Evam Punarnirman Society

1st Floor, Indira Bhawan, Ram Charitra Singh Path (West Boring Canal Road), Patna-800 001  
Ph. : 0612-2547263, 0612-2547021, Website: www.bapeps.in, email Id: bapeps.bkfrp1@gmail.com

### Annex- 3

Letter No. - 653/2018 Management Representation Letter

Date : 29.12.2018

To,

**KRA & Co.**

(Chartered Accountants)

485/257, Gorakhnath Compound,

Boring Canal Road, Patna, Bihar 800001

This representation letter is provided in connection with your audit of the Project Financial Statements of the **Bihar Kosi Flood Recovery Project** under **Credit No. 4802-IN** (the Project) for the year ended on 31<sup>st</sup> March 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Project as of 31<sup>st</sup> March 2018 and of the expenditure and sources and uses of funds for the year then ended. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the basis of accounting followed by the BAPEPS, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Assets shown on the project balance sheet exist, are owned by the project, and are used solely for project purposes.
- The proceeds of the Loan provided by the World Bank have been used only for the purposes for which they were granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.
- Project expenditures are eligible for financing under the Loan Agreement.
- All payments made after June 30, 2018 under BKFRP are in respect of work completed by this date (100% in case of works and on a sample basis across all three project districts for housing component) and the adequacy of the system.
- Completion Certificates including all relevant documents under BKFRP have been obtained for all packages implemented by WRD, RWD and BRPNNL (100%).
- QMRs have been obtained for houses and toilets (review to be done on a sample basis across all three project districts) and the adequacy of the system.
- Beneficiary bank accounts for BKFRP have been reconciled.
- Master Beneficiary List has been finalized, approved and uploaded on website with amounts, and this reconciles with the final IUFR" (on a sample basis across all three project districts for housing component). Under BKFRP for Owner Driven Housing Reconstruction Component.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- Procurement has been done as per the agreed procedures.

- We have made available to you all books of account and supporting documentation relating to the project.
- We have made available to you all procurement documents relating to the project.
- All complaints received and subsequent correspondence there of has been made available.
- The project has complied with the conditions of all relevant legal documents, including the Concession Agreement, Subsidiary Loan Agreement, Loan Agreement, Project Agreement, the Minutes of Negotiations, and the Project Implementation Manual and also the Project Appraisal Document.

*Handwritten signature*  
27.12.18

उप निदेशक (वित्त)  
Deputy Director (Finance)  
वि० आ० पु० पु० सा०, बिहार, पटना  
*Handwritten signature*