

Proceedings of the 6th Financial Management and Procurement Cell (Sujala-III) meeting held on 27.03.2017 at Watershed Development Department, Bangalore

Dr. Surya Deo Patak, Executive Director and Chairman welcomed the members for the Financial Management and Procurement Cell (FMPC) for the meeting. Agenda was placed before the Committee.

Members Present

1. Smt. Chaitra J. Chief Accounts Officers, WDD, Bengaluru
2. Dr. Nanda S. Project Coordinator, Horticulture Department, Bengaluru
3. Dr. V.R. Ramakrishna Parama, Professor and Head, Dept of Soil Sciences, UAS Bangalore
4. Dr. P.L. Patil Professor and Head, Dept of Soil Sciences, UAS Dharwad
5. Sri K.R. Gurumurthy. JDH, WDD, Bengaluru
6. Smt. Suma M.R. DDA, WDD, Bengaluru
7. Smt. Manjula R. Accounts Officer, WDD, Bengaluru
8. Jitendra Jegarkal, Project Assistant, UAS Raichur

Special Invitees

1. Sri T. V. Sudarshan, Team Leader, FMTSC, KWDP-II Sujala-III, Bengaluru
2. Smt. Tara Bevinje, Audit Manager, FRC, KWDP-II Sujala-III, Bengaluru


Sub No. 1	Confirmation of the proceedings of previous 5th FMPC meeting held on 05.12.2016 of KWDP-II (SUJALA-III)
	The proceedings of the 5th FMPC Meeting held on 05.12.2016 were confirmed as there were no comments.
	The Committee also confirmed the action taken on the proceedings of the 5th FMPC held on 05.12.2016

Sub No: 2	Financial progress 1. WDD (Watershed Development Department). 2. DoH (Department of Horticulture).
	Expenditure: From inception to February 2017, Watershed Development Department has incurred Project expenditure of Rs 75.13 crore, including Rs 27.12 crore in FY 2016-17. From inception to February 2017, Horticulture Department has incurred Project expenditure of Rs 39.57 crore, including Rs 3.42 crore in FY 2016-17.
	Committee noted the same and instructed WDD Partners to submit IUFRRs for balance amount with them.
Sub No. 3	Status of Submission of IUFRRs 1. WDD (Watershed Development Department) 2. DoH (Department of Horticulture)

	<p>WDD</p> <p>IUFRs submitted for the period up to end of February 2017. Against Project expenditure of Rs 75.13 crore up to February 2017, IUFRs have been submitted to World Bank for Rs 52.33 crore and reimbursement of Rs 50.34 crore received. Reimbursement of IDA share of Rs 1.93 crore towards IUFR for February 2017 is in the pipeline.</p> <p>DoH</p> <p>IUFRs submitted for the period up to end of February 2017. Against Project expenditure of Rs 39.57 crore up to February 2017, IUFRs have been submitted to World Bank for Rs 24.68 crore and reimbursement of Rs 24.26 crore received. Reimbursement of IDA share of Rs 0.40 crore towards IUFR for February 2017 is in the pipeline.</p>
	Committee noted the same.
Sub No: 4	2nd & 3rd Quarter Internal Audit Report for 2016-17
	2 nd & 3 rd Quarter Internal Audit Report for FY 2016-17 was discussed in detail. The Chairman informed CAO to propose DO letters to UAS, Raichur, IIS &WC, Bellary, KRSRAC, UAS, Dharwad and JDA Chamarajanagar, to obtain compliance for the observation made by the FRC and Commissioner of Horticulture in relation to internal audit observations related to Horticulture component.
Sub No. 5	2015-16 Certification Audit Report by the Accountant General, Karnataka
	<p>Committee reviewed the revised Project certification audit report dated 14.2.2017 issued by the AG, Karnataka.</p> <p>The audit had computed loss of interest of Rs 226567(for the period April to October 2015) in respect of UAS, Bagalkot and Rs 680000(for the period April to November 2015) in respect of UAS, Dharwad, on the basis of the interest rate applicable for the SB account, for the period for which the Project funds were held in the current account along with the University funds. Committee noted the loss of interest was notional for the following reasons:</p> <p>(i) Universities maintained current account for holding their funds and initially, Project funds were also deposited in non interest bearing current account;</p> <p>(ii) At the insistence of the Project, the Universities prevailed upon the Banks to permit them to open Savings Bank account for holding the Project funds. On opening Project specific SB accounts, Project funds got transferred to the interest bearing SB account in November/December 2015 and since then, interest on such accounts is being accounted as part of Project funds;</p> <p>(iii) The Universities did not earn any interest on the Project funds held in the current account, along with its own funds.</p> <p>It was desired that suitable compliance be provided to the AG on the above lines and with a request to treat the audit comment as closed.</p>

Sub No. 6	Projected Expenditure for the year 2017-18
	Budget allocation for FY 2017-18 is Rs. 78.00 crore for WDD and Rs. 22.00 crore for DoH.
	Committee noted the same
Sub No. 7	Status of Procurement.
	Status of Procurement was brought to the note of the Committee.
	Committee noted the same
Sub No. 8	Audit objection/para
	The Chairman instructed the CAO to send the compliance on Certification Audit of Sujala-III project. (This is already covered under 5 above)
Sub No. 9	Procurement issues
	Procurement issues were not discussed.
Sub No. 10	Any other items
	Representatives of UAS, Dharwad & UAS, Bengaluru requested for approval for purchase of Power Auger, citing hardness of the soil due to drought conditions and soil excavation becoming difficult by usage of Manual Augers.
	Committee approved the same.

The Meeting was concluded with vote of thanks.


 Chairman and Executive Director,
 KWDP-II Sujala-III Project,
 Watershed Development Department,
 Bengaluru.

Copy to all the members.

