

ASSAM CITIZEN CENTRIC SERVICE
DELIVERY PROJECT (ACCSDP),
Guwahati

ARIAS SOCIETY
Agricultural Campus, Khanapara,
Guwahati, Assam

AUDIT REPORT
for the Financial Year
2020-2021

AGARWAL A KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITORS' REPORT

To,
The State Project Director,
ACCSDP,
ARIAS Society, Agriculture Complex,
Khanapara, Guwahati, Assam

Report on the Audit of Project Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Assam Citizen Centric Service Delivery Project (ACCSDP) financed by the International Bank for Reconstruction and Development (IBRD) under Loan 8754-IN and implemented by Assam Rural Infrastructure and Agriculture Services Society (ARIAS Society). These financial statements comprise of the Balance Sheet, Income and Expenditure Account and Receipt and Payment Account and notes to these financial statements, including a summary of significant accounting policies, collectively referred to as the "Project Financial Statements".

In our opinion, the aforesaid special purpose Project Financial Statements give a true and fair view of the financial position of the Project as at March 31, 2021 income and expenditure statement, receipts and disbursements of the Project for the year ended on March 31, 2021 and the expenditure of the Project for the year ended on March 31, 2021, in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Loan Agreement and Project Agreement both dated 05-06-2017.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the implementing agency in accordance with the ICAI's Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Point No. 4 of Significant Accounting Policies which depicts that PFS were maintained on Cash Basis. The PFS are prepared to assist the Assam Rural Infrastructure and Agriculture Services Society (ARIAS Society) to meet the financial reporting requirements of the Project's Loan Agreements for Investment Project Financing dated 05-06-2017 in respect of preparation of the Project Financial Statements in a manner to

reflect the operations, resources and expenditures related to the Project. As a result, these special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and those charged with Governance for the Project Financial Statements

The Management of the implementing agency is responsible for the preparation and fair presentation of the Project Financial Statements in accordance with the financial reporting to these financial statements, and for such internal control as management determines is necessary to enable the preparation of Project Financial Statements that are free from material misstatement, whether due to fraud or error.

The Management and those charged with governance are responsible for overseeing the implementing agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standard of Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Project Financial Statements, including the disclosures and whether these financial statements present the Project's operations and underlying transactions and events in a manner that achieves fair presentation in accordance with the financial reporting.

