



**INDIAN AUDIT AND ACCOUNTS DEPARTMENT
O/o The PRL ACCOUNTANT GENERAL (AUDIT)
ANDHRA PRADESH , HYDERABAD 500 004**



Report of the Comptroller and Auditor General of India

To

The Chief Engineer,
National Hydrology Project,
AP Surface Water, Water Resources Dept,
Beside Reliance Smart, Bhavanipuram
Vijayawada – 520012, Andhra Pradesh

Report on the Project Financial Statements

We have audited the accompanying financial statements of the World Bank assisted **National Hydrology Project, AP-Surface Water** under World Bank Loan No.8725-IN which comprise the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds for the year ended **31st March 2017**. These statements are the responsibility of the Project's Management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We have conducted our audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Project Financial Statements present fairly, in all material respects, the sources and applications of funds of National Hydrology Project for the year ended **31st March 2017** in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the world bank for reimbursements of expenditure incurred; and (b) except for ineligible expenditures as detailed in audit observations, if any appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement as per **Annexures A, B & C**. No separate management letter is issued along with this report.

This report is issued without prejudice to Comptroller and Auditor General of India's right to incorporate the audit observations in the Report of Comptroller and Auditor General of India being laid before Parliament/State or UT Legislature.



SR. DEPUTY ACCOUNTANT GENERAL (SS)



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय

आन्ध्र प्रदेश, हैदराबाद - 500 004.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)

ANDHRA PRADESH, HYDERABAD - 500 004.

AUDIT CERTIFICATE

The Expenditure Statement/Financial Statement relating to World Bank assisted “National Hydrology Project” (NHP), for AP Surface Water, (Loan No.8725-IN)” for the year ended 31st March 2017 attached hereto have been audited in accordance with the regulations and standards of audit of the Comptroller and Auditor General of India and accordingly included such tests of accounting records, internal checks and controls and other auditing procedures necessary to confirm.

- a) that the resources were used for the purpose of the project and
- b) that the expenditure statements/financial statements are correct

During the course of the audit referred to above, Statement of Expenditure (SOE) and the connected documents were examined and it is to state that no expenditure (**NIL expenditure**) was booked in the financial year **2016-17** under the aforesaid loan/credit agreement.

On the basis of the information and explanations that have been obtained as required and according to the best of our information as a result of the test audit it is certified that no expenditure has been met regarding implementation (and operations) of the project for the year **2016-17**.

This certificate is issued without prejudice to CAG’s right to incorporate any further/detailed audit observations if and when made in the Report of CAG of India for being laid before Parliament /State Legislature.

Yours faithfully,

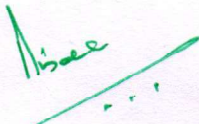

(R.SRIVIDHAR)

Sr. Deputy Accountant General/SS

Annexure-A

Statement showing the details of Expenditure incurred i.e. category wise, component wise for the year 2016-17 in respect of World Bank assisted National Hydrology Project (Loan No.8725-IN), AP Surface Water , Water Resources Department

Components	SOE Figure	Actual Expenditure as verified in audit	Expenditure Disallowed in Audit	Expenditure Admitted in Audit
	Rs.	Rs.	Rs.	Rs.
Component - A	Nil	Nil	-	-
Component -B	Nil	Nil	-	-
Component - C	Nil	Nil	-	-
Component - D	Nil	Nil	-	-


Sr. Deputy Accountant General/SS

Annexure – B

Statement showing the details of disallowances made from the expenditure incurred during the year 2016-17 in respect of World Bank assisted National Hydrology Project (Loan No.8725-IN), AP Surface Water , Water Resources Department

District/Unit office	Amount disallowed (Rs.)	Reasons for disallowance
World Bank assisted National Hydrology Project (Loan No.8725-IN)	--Nil--	-----


Sr. Deputy Accountant General/SS

Annexure – C

Statement showing the details of disallowances made from the expenditure incurred during the previous years now released during the year 2016-17 in respect of World Bank Assisted National Hydrology Project (NHP), Andhra Pradesh Surface Water, Water Resources Department

Sl.No	Name of the Division/unit	Year of Disallowance	Amount Now Released	Balance disallowance amount
	-----NIL-----			

Sr. Dy.Accountant General/SS