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संख्या No. FAW-I/2019-20/EAP/NHP/GS

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय, प्रधान महालेखाकार (लेखापरीक्षा), बिहार
वीरचन्द पटेल मार्ग, पटना-800 001
Indian Audit & Accounts Department
Office of the Principal Accountant General (Audit), Bihar
Birchand Patel Marg, Patna-800 001

दिनांक/Date : 04.9.2019

To,

The Project Co-Ordinator, NHP (Bihar-SW)-Cum-
Additional Chief Secretary
Water Resources Department,
Govt. of Bihar, Sinchai Bhawan,
Patna-800015

Subject:- Audit Report in respect of World Bank assisted National Hydrology Project (NHP)-
Bihar (Surface Water) Loan No. 8725-IN for the financial year 2017-18.

Sir,

With reference to your office letter no. बा० प्र० सु० क०-12/2018-628 dated 13-08-2019 on
the subject cited above, I am enclosing herewith the Audit Report of World Bank assisted
National Hydrology Project (NHP)-Bihar (Surface water) Loan No. 8725IN for the year 2017-
18 for purpose needed.

This issues with the approval of Principal Accountant General (Audit).

Yours faithfully,

(Dr. Kavyadeep Joshi)
Dy. Accountant General (Admn)

सचिव
जल संसाधन विभाग
पत्र संख्या 4724
दिनांक 06.9.19

अभियंता प्रमुख (मुख्यालय)
जल संसाधन विभाग, बिहार, पटना
पत्र सं० 2373
दिनांक 16.9.19

सरकारी प्रो० सं० 3780
दिनांक 18.9.19
मु० अभि० यो० एवं मोनिट०
जल संसाधन विभाग, पटना।



संख्या
No.

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय, प्रधान महालेखाकार (लेखापरीक्षा), बिहार
वीरचन्द पटेल मार्ग, पटना-800 001
Indian Audit & Accounts Department
Office of the Principal Accountant General (Audit), Bihar
Birchand Patel Marg, Patna-800 001

Audit Report

To,

The Project Co-Ordinator, NHP (Bihar-SW)-Cum-
Additional Chief Secretary
Water Resources Department,
Govt. of Bihar, Sinchai Bhawan,
Patna-800015

दिनांक/Date :

We have audited the accompanying financial statement of the **National Hydrology Project (NHP)-Bihar (SW) Loan No. 8725IN**, which comprise the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds for the year ended March 31, 2018. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with 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 examines, 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 financial statements present fairly, in all material respects, the sources and application of **National Hydrology Project (NHP)-Bihar (SW) Loan No. 8725IN** for the year ended March, 31, 2018 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, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the Audit, SOE and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement as per **Appendix**.

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

Date:

(Dr. Kavyadeep Joshi)
Dy. Accountant General (Admn)

Appendix

Statement showing the details of expenditure incurred i.e. category wise, component wise for the year 2017-18 in respect of World Bank assisted National Hydrology Project- Bihar (Surface Water) (Loan No. 8725-IN),

Components	Expenditure as per SOE	Actual Expenditure as verified in audit	Expenditure Disallowed in Audit	Expenditure Admitted in Audit
	Rs.	Rs.	Rs.	Rs.
	(A)	(B)	(C)	(D) = (B-C)
Component -A	0.00	0.00	0.00	0.00
Component -B	0.00	0.00	0.00	0.00
Component -C	0.00	0.00	0.00	0.00
Component -D	759566.00	759566.00	0.00	759566.00
Total	759566.00	759566.00	0.00	759566.00

		Rs.
Expenditure admitted in Audit	(D)	759566.00
Bank share of audited expenditure	(E) = 50% of D	379783.00
Bank share claimed as per SOE	(F) = 50% of A	379783.00
Difference in claims	(G) = (F-E)	0.00

Audit Observation**1. Passing of fuel bills of vehicles without scrutiny**

As per the quotation & executed agreement, fuel cost will be borne by the department. During test check of records of fuel bills payment, it has been seen that reimbursement regarding fuel expenses has been made to the concerned officers on production of fuel bills by them, total amounting to Rs. 36549/- for the year 2017-18. Fuel bills have been passed without considering the running distance of vehicles (as per log book), so that fuel bill claims may be authenticated regarding their consumption. No any mechanism has been adopted for scrutiny of fuel bills claims submitted by officers.

Hence, reimbursement of fuel bills claims amounting to Rs. 36549 for the year 2017-18 hasn't been made in transparent way.

On audit query, the Joint Director stated as per the contract the fuel cost to the vehicle has to be provided by the department under the project cost i.e. under the NHP. The fuel used and the distance covered by the vehicle has been mentioned in the Log Book. Based on the entry of distance and quantity of fuel, the voucher has been passed by the competent officer considering the average distance of 8 km to 10 km per litre of fuel depending upon the uses of A.C as well as traffic condition after verification of the officers. The quotation received from the vehicle provider. It was about average running of 8 km per litre with AC which was approved & then agreement was signed. For perusal, the photocopy of quotation is attached. Since the log book of the vehicle is the measurement book of the consumable fuel and based on the entry the voucher has been passed therefore the reimbursement of the fuel bills are correct.

Auditor's view-On perusal of concerned file, such type of checks haven't been found.

K B S W 04/05/15
Senior Audit Officer/FAW

Example of a Statement of Sources and Application of Funds
(Projects implemented by core government departments)

Name of the project: National Hydrology Project

Loan/Credit/Grant No.: 8725-IN

Statement of Sources and Applications of Funds
(Implementing Agency: Bihar SW, WRD, Govt. of Bihar)

Report for the year ended:2017-2018

Particulars	Amt.(In ₹)		
	Current Year (2017-2018)	Previous Year (2016-2017)	Project to Date 31.03.2018
Opening Balance, (if cash balances are controlled by the entity) (A)	28,60,000.00	0.00	0.00
Receipts			
Funds received from Government through Budget (These will include external assistance received by Government for the project.)	2,50,00,000.00	28,60,000.00	278,60,000.00
Bank Interest	6,08,462.00	0.00	6,08,462.00
Funds received directly by Project Implementing Authority through external assistance	Nil	Nil	Nil
Beneficiary Contribution (if any)	Nil	Nil	Nil
Total Receipts (B)	2,56,08,462.00	28,60,000.00	2,84,68,462.00
Total Sources (C = A+B)	2,84,68,462.00	28,60,000.00	2,84,68,462.00
Expenditures by Component			
Component A (Water Resources Data Acquisition System/Water Resources Monitoring System).	Nil	Nil	Nil
Component B (Water Resources Information System).	Nil	Nil	Nil
Component C (Water Resources Operation and Planning System).	Nil	Nil	Nil
Component D (Institutional Capacity Enhancement).	7,59,566.00	Nil	7,59,566.00
Total Expenditures (D)	7,59,566.00	Nil	7,59,566.00
Closing Balance, (if cash balances are controlled by the entity) (C-D)	2,77,08,896.00	28,60,000.00	2,77,08,896.00

Note:-

1. Information about the basis of preparation of the financial statements with regard to the Financial Rules and Codes applicable.
2. The above figures will be based on monthly/quarterly abstract accounts prepared by the accounts compiling offices, duly reconciled by the respective DDOs. With details of unreconciled amounts to be furnished.
3. Names of accounting units whose financial statements are aggregated to prepare the consolidated accounts.
4. Any other project specific note.

Signature
26/05/19
Estate Officer Cum, D.D.O.
WALMI, Patna

Signature
6.6.19
निदेशक (मु० आ०)
जल एवं भूमि प्रबंधन संस्थान
फुलवारी शरीफ, पटना

Sample Reconciliation of Claims to Total Applications of Funds

Name of the project: National Hydrology Project
 Loan/Credit/Grant No.: 8725-IN
 Reconciliation of Claims to Total Applications of Funds
 (Implementing Agency: Bihar SW, WRD, Govt. of Bihar)
 Report for the year ended:2017-2018

	Schedules	Amt. (In ₹)		
		Current Year (2017-2018)	Previous Year (2016-2017)	Project to Date 31.03.2018
Bank funds claimed during the year (A)	I	3,79,783.00	0.00	3,79,783.00
Total Expenditure made during the year (B)		7,59,566.00	0.00	7,59,566.00
Less:				
Outstanding AC Bills (C)	II	0.00	0.00	0.00
Ineligible expenditures (D)	III	0.00	0.00	0.00
Expenditures not claimed (E)	IV	0.00	0.00	0.00
Total Eligible Expenditures Claimed(F) = (B) - (C) - (D) - (E)		7,59,566.00	0.00	7,59,566.00
World Bank Share @ 50% of (F) above (G)		3,79,783.00	0.00	3,79,783.00

CFAO

Project Director

Estate Officer Cum, D.D.O.
 WALMI, Patna

निदेशक (मु० आ०)
 जल एवं भूमि प्रबंधन संस्थान
 फुलवारी शरीफ, पटना

Date

अपर मुख्य सचिव
 जल संसाधन विभाग,
 बिहार, पटना

Note:-

1. Total expenditure made during the year (B above) must be the same as the Total Expenditures shown on the Statement of Sources and Applications of Funds (D on the Statement of Sources and Applications of Funds).
2. Outstanding AC Bills (C above) reflect funds drawn against AC bills that have been booked as expenditure but not settled by the end of the year (i.e. unsettled advances). The project should show in Schedule II the opening balance of unsettled AC bills, AC bills drawn during the year, AC bills settled during the year and AC bills unsettled at the end of the year.
3. Expenditures not claimed (E above) may reflect timing differences for eligible expenditures incurred during the year but claimed after the year end.
4. Amount A and G above must be equal.