

सत्यमेव जयते

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),  
MEGHALAYA,  
SHILLONG – 793001.

NO: FINAT/2-60/2020-21/ 395

Dated. 29/12/2020

To

The Chief Engineer (WR),  
& Nodal Officer, SPMU, NHP,  
Meghalaya, Shillong.

**Subject:** Issue of Audit Certificate in respect of Expenditure incurred under World Bank assisted National Hydrology Project”, Loan No. 8725 – IN for the year 2019-20.

Sir,

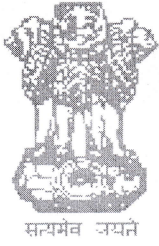
The Audit Certificate for expenditure incurred under the Project ‘National Hydrology, Loan No. 8725-IN’ for the year 2019-20, is enclosed.

The Audit Certificates are issued without Prejudice to the rights of the Comptroller & Auditor General of India to incorporate any further/detailed audit observations, if and when made, in the Report of the Comptroller & Auditor General of India to be laid before Parliament/State Legislature.

Please acknowledge receipt.

Yours faithfully,

  
Deputy Accountant General (Admn)



**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),  
MEGHALAYA,  
SHILLONG – 793 001.**

To

**The Chief Engineer (WR),  
& Nodal Officer, SPMU, NHP,  
Meghalaya, Shillong**

**Report on the Project Financial Statements**

We have audited the accompanying financial statements of the National Hydrology Project financed 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 31 March, 2020. 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.

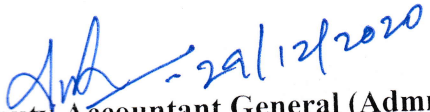
We conducted our audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. Our audit 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 applications of funds of National Hydrology Project for the year ended 31 March, 2020 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 expenditures incurred; and (b) except for ineligible expenditure as detailed in audit observations, appended to this audit report, expenditure is eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs (Loan no. 8725-IN an amount ₹

77,74,559/-) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement as per Annexure A,B & C.

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 for being laid before Parliament/State or UT Legislature.

  
Deputy Accountant General (Admn)

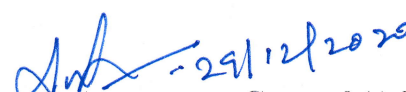
Annexure-A

Statement showing the details of expenditure incurred i.e. category wise, component wise for the year 2019-20 in respect of World Bank assisted National Hydrology Project (Loan no. 8725 – IN)

\*Interim un-audited financial report.

| Components  | Expenditure as per IUFR<br>₹ | Actual Expenditure as Verified in audit<br>₹ | Expenditure Disallowed in Audit<br>₹ | Expenditure Admitted in Audit<br>₹ |
|-------------|------------------------------|----------------------------------------------|--------------------------------------|------------------------------------|
|             | (A)                          | (B)                                          | (C)                                  | (D) = (B-C)                        |
| Component-A | 36,04,219.00                 | 36,04,219.00                                 | -                                    | 36,04,219.00                       |
| Component-B | NIL                          | NIL                                          | -                                    | NIL                                |
| Component-C | NIL                          | NIL                                          | -                                    | NIL                                |
| Component-D | 41,70,340.00                 | 41,70,340.00                                 | 31,74,070.00                         | 9,96,270.00                        |
| Total       | 77,74,559.00                 | 77,74,559.00                                 | 31,74,070.00                         | 46,00,489.00                       |

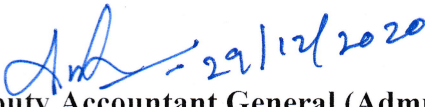
|                                   |                |              |
|-----------------------------------|----------------|--------------|
|                                   |                | ₹            |
| Expenditure admitted in Audit     | (D)            | 46,00,489.00 |
| Bank Share of audited expenditure | (E) = 50% of D | 23,00,244.50 |
| Bank Share claimed as per IUFR    | (F) = 50% of A | 38,87,279.50 |
| Difference in claims              | (G) = (F-E)    | 15,87,035.00 |

  
Deputy Accountant General (Admn)

Annexure – B

Statement showing the details of disallowances made from the expenditure incurred during the year 2019-20 in respect of World Bank assisted National Hydrology Project (Loan No. 8725-IN),


| District/Unit Office                                                              | Amount disallowed (₹) | Reasons for disallowance  |
|-----------------------------------------------------------------------------------|-----------------------|---------------------------|
| Office of the Chief Engineer (WR) & Nodal Officer, SPMU, NHP Meghalaya, Shillong. | 31,74,070.00          | Un-authorised Expenditure |

  
Deputy Accountant General (Admn)

Annexure – C

Statement showing the details of disallowance made from the expenditure incurred during the previous years now released during the year in respect of World Bank assisted National Hydrology Project (NHP),

| Sl. No. | Name of the Division/Unit                                                         | Year of Disallowance         | Amount Now Released                                            | Balance Disallowance amount |
|---------|-----------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------|-----------------------------|
| -       | Office of the Chief Engineer (WR) & Nodal Officer, SPMU, NHP Meghalaya, Shillong. | 2016-17, 2017-18 and 2018-19 | Excess Travelling Expenses drawn. Amount recovered and settled | NIL                         |

 29/12/2020  
Deputy Accountant General (Admn)

**Brief Audit Observation in respect of the Chief Engineer, & Nodal Officer, NHP World Bank Assisted Project (Loan No. 8725 – IN)  
Water Resources Government of Meghalaya, Shillong, for the years 2019-20 for issue of Audit.**

| DDO                                                                                                                            | Period  | Paras                                                                 | Brief of Observations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Engineer, & Nodal Officer, NHP World Bank Assisted Project (Loan No. 8725 – IN) Water Resources Government of Meghalaya. | 2019-20 | <p align="center">Part II<br/>Para 1</p> <p align="center">Para 2</p> | <p><b>Un-authorized expenditure of ₹31.74 lakh:-</b></p> <p>Funds under NHP were released by the GoI on the basis of approved Annual Work Plan (AWP) subject to some conditions. The GoI in their released order stated that deviation from the approved AWP can be allowed only in exceptional circumstances with the prior approval of MoWR, RD &amp; GR. However, in the instant case, record showing seeking prior approval of GoI before incurring excess expenditure under Component-D was neither found on record nor furnish though called for during audit of the accounts for the financial year 2019-20. Thus, the excess expenditure of ₹31.74 lakh remained un-authorized expenditure.</p> <p><b>Non-release of ₹963.12 lakh against Approved Annual Work Plan (AWP) due to failure of the Nodal Officer, NHP, Meghalaya to fully utilized the available funds:-</b></p> <p>Funds under NHP are sanctioned based on approved AWP of respective State and the responsibility of the IA is to ensure timely utilisation of fund and submission of UC for availing further funds. Further, it is pertinent to mentioned that due to slow physical and financial progress of NHP implementation in the State.</p> |

AAO/FinAS