



कार्यालय प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र लेखापरीक्षा)
तमिलनाडु एवं पुदुचेरी
शाखा कार्यालय पुदुचेरी
दूसरा तल, डी.ए.टी. बिल्डिंग,
कुमारगुरुपल्लम, पुदुचेरी - 605 001.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (G&SSA)
Tamilnadu & Puducherry
Branch Office : Puducherry
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Puducherry - 605 001.

PVRO

Receipt No: 353

Date: 23-07-19

No.PAG(G&SSA)/ PBS-I/2/2019-20/66

Dated:17.07.2019

To

The Project Director,
Puducherry Water Resources Organisation,
Puducherry

Sir,

Sub: World Bank assisted 'National Hydrology Project'- Issue of Audit Certificate for the year 2017-18 -reg.

The Audit Certificate on the accounts of World Bank assisted 'National Hydrology Project' (Loan No. 8725 IN) for the year 2017-18 is forwarded herewith for further action at your end.

Yours faithfully,

T. K. Ramani
17/7/2019

Audit Officer

Encl: Audit Certificate

24/7

No.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Introduction

We have audited the accompanying financial statements of the National Hydrology Project which is implemented through the Puducherry Water Resource Organization, Government of Puducherry financed under the World Bank Credit/Loan No.8725/IN, which comprise the Statement of Expenditure, Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Application of Funds for the year ended March 31, 2018. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the Source and Application of Funds of Puducherry Water Resources Organization for the year ended March 31, 2018 in accordance with the 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 reimbursement of expenditures incurred, and (b) except for ineligible expenditure as detailed in audit observations appended to this audit report, expenditure are eligible for financing under the Loan/Credit Agreement (No.8725/IN). During the course of audit, documents relating to expenditure of Rs. 92.35 lakh were reviewed. Out of the above amount, expenditure for Rs. 79.00 lakh released during 2017-18 by Government of India were also examined and these can be relied upon to support reimbursement under loan agreement as per Annexure (A) & (B).

This report is issued without prejudice to the Comptroller and Auditor General's right to incorporate the audit observations in the Report of Comptroller and Auditor General of India for being laid before Parliament/State of U.T. Legislature.

Audit Observations:-

01. An amount of Rs.79.00 lakh had been released as Grants in Aid (GIA) by GOI for the year 2017-18. As per the approved plan under NHP, the expenditure has to be booked under four components (A, B, C&D). During the year 2017-18, the expenditure of Rs.92.35 lakh had been booked under these components as follows:-

Component A – Data Acquisition	-	Rs.25,31,506.75/-
Component B – Information system	-	Nil
Component C – Operation & Planning	-	Nil
Component D – Capacity Building	-	Rs.67,03,883.00
Total	-	<u>Rs.92,35,389.75</u>

Out of the amount of Rs. 67,03,883/- spent under Component D towards Capacity Building, an amount of Rs.59,68,094/- was incurred on salary of Government staff/Contingent Staff/Daily rated employees for implementation of the project. The details of staff and salary paid to them are as stated below:

	No. of Staff	Amount (in Rs.)
Deputation staff (Government Staff):	3 -	15,37,330/-
Remuneration of officials on Additional duty on 4/2017		10,000
Consolidated/Daily rated staff: (as approved by GOI)	9 -	23,10,792/-
Other (i.e. retired/reemployed consultant, voucher payment staff) without approval of GOI	19 -	21,09,972/-
Total	31 -	59,68,094/-

Only for nine staff (consolidated/daily rate), approval was sought for. However for the expenditure incurred on payment of wages to 19 organizational staff (without approval of Government of India) amounting to Rs. 21,09,972/- was not reimbursed to Hydrology Project. Hence, it is disallowed.

02. State Project Monitoring Unit (SPMU) meeting was not held during 2017-18 and hence the progress of the project was not monitored promptly.

Place: Puducherry

Date: .07.2019

Senior Deputy Accountant General

ANNEXURE- A

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 (Loan No.8725-IN).

Components	Expenditure as per IUFR (Rs.)	Actual Expenditure as verified in audit (Rs.)	Expenditure Disallowed in Audit (Rs.)	Expenditure Admitted in Audit (Rs.)
	A	B	C	D
Component A	25,31,506.75	25,31,506.75	-	25,31,506.75
Component B	-	-	-	-
Component C	-	-	-	-
Component D	67,03,883	67,03,883	21,09,972	45,93,911.00
Total	92,35,389.75	92,35,389.75	21,09,972	71,25,417.75

		Rs.
Expenditure Admitted in Audit	D	71,25,418
Bank share of audited expenditure	E=50% of D	35,62,709
Bank share claimed as per IUFR	F=50% of A	46,17,695
Difference in claims	G=(F-E)	10,54,986

T. K. Ramanaiah
16/7/19

AUDIT OFFICER

ANNEXURE B

Statement showing the details of disallowances made from the expenditure incurred during the year 2017-18 in respect of World Bank assisted National Hydrology Project (Loan No.8725-IN)

District/Unit Office	Amount disallowed (in Rs.)	Reasons for disallowances
Puducherry Water Resources Organisation, Puducherry	21,09,972	Expenditure incurred on wages of retired /reemployed consultant, voucher payment staff, not approved by GOI.

T. K. Ramanaidu
16/7/19
AUDIT OFFICER