

By Speed Post-

कार्यालय महानिदेशक लेखापरीक्षा
वैज्ञानिक विभाग, नई दिल्ली

सं. म.नि./वै.वि./पर्या./विश्व बैंक अनुदान/SOI/Dehradun/2018-19/1267 दिनांक 19.3.20

सेवा में,

Secretary,
Department of Water Resources,
River Development & Ganga Rejuvenation,
Shram Shakti Bhawan,
Rafi Marg,
New Delhi-110 001

विषय:- **Audit Certificate in respect of National Hydrology Project of Deptt. of Science & Technology, Survey of India, Dehradun (DoWR, RD&GR) for the year 2018-19.**

महोदय,

Please find enclosed herewith Audit Certificate for National Hydrology Project of Deptt. of Science & Technology, Survey of India, Dehradun (Department of Water Resources, River Development and Ganga Rejuvenation) for the year 2018-19.

भवदीय,

संलग्न : यथोपरि

— हस्ताक्षर —

उप निदेशक (पर्यावरण लेखापरीक्षा)

प्रति सूचना/आवश्यक कार्यवाई हेतु:

1. Estt. & Accounts Officer, Survey of India, National Geo-Spatial Data Centre, Block-6, Hathibarkala Estate-, Post Box No. 200, Dehradun-248001 (Uttarakhand).
2. वरिष्ठ प्रशासनिक अधिकारी (पी.पी.जी.-ई.ए.पी.) भारत के नियंत्रक महालेखापरीक्षक का कार्यालय, 9 दीनदयाल उपाध्याय मार्ग, नई दिल्ली- 110124
3. The CAAA, Ministry of Finance, Department of Economic Affairs, 5th Floor, B-Wing, Janpath Bhawan, New Delhi - 110 001.
4. Dy. Director, Inspection Section, Local

आर.आर.

उप निदेशक (पर्यावरण लेखापरीक्षा)



महानिदेशक लेखापरीक्षा
वैज्ञानिक विभाग
ए.जी.सी.आर. भवन, इन्द्रप्रस्थ एस्टेट,
नई दिल्ली-110002
DIRECTOR GENERAL OF AUDIT
SCIENTIFIC DEPARTMENTS
A.G.C.R. BUILDING, I.P. ESTATE
NEW DELHI-110 002

Report of the Comptroller and Auditor General of India

To,

The Secretary to the Government of India,
Department of Water Resources, River Development &
Ganga Rejuvenation, Govt. of India,
Shram Shakti Bhawan,
Rafi Marg, New Delhi- 110001

Audit Report on the Project Financial Statements

We have audited the accompanying financial statements of the National Hydrology Project Survey of India, Dehradun 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, 2019** (provided in Annexure A). 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.

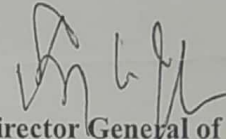
We have conducted our audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit 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 at Survey of India, Dehradun** for the year ended **31st March, 2019** in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to the Statement of Expenditure, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditure of Rs. 2076.76 lakh incurred under the project and (b) except for ineligible expenditure of Rs Nil expenditure of Rs. 2076.76 lakh are eligible for financing under the Loan / Credit Agreement. During the course of audit, Statement of

Expenditure / Financial statement amounting to Rs. 4153.52 lakh were examined which can be relied upon to support reimbursement of Rs.2076.76 lakh under the Loan/Credit Agreement as per Annexure. An expenditure of Rs. 55.81 lakh, previously disallowed during audit of 2017-18, has now been allowed on the basis of replies and supporting documents during audit of 2018-19.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament.



Director General of Audit (SD)

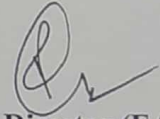
Annexures

Statement -A

Statement of Expenditure incurred by **Survey of India, Dehradun** under National Hydrology Project Loan No. **8725-IN** for the year **2018-19**.

(Amount in Rs.)

Sl. No.	Name of the offices	Total Amount as per SOE	Actual expenditure verified in Audit	Expenditure Disallowed in Audit	Expenditure admitted in Audit	Percentage admissible as per agreement	Amount reimbursable
1.	National Hydrology Project, Sol, Dehradun	41,53,51,626	41,53,51,626	Nil	41,53,51,626	50%	20,76,75,813
	Total	41,53,51,626	41,53,51,626	Nil	41,53,51,626		20,76,75,813



Dy. Director (EA)

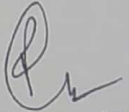
Annexure-B

Details of disallowances made from the expenditure incurred by **SoI, Dehradun** under **National Hydrology Project Loan No. 8725-IN** for the year **2018-19**

District/Unit Office	Amount disallowed (RS.)	Reasons for disallowance
National Hydrology Project, SOI, Dehradun	Nil	Does not arise

Details of disallowance made from the expenditure incurred in previous year by **SoI, Dehradun** under **National Hydrology Project (NHP) Loan No. 8725-IN**, now released during the year **2018-19**.

Sl. No.	Name of the Division/Unit	Year of Disallowance	Amount Now Released	Balance Disallowance amount
1.	National Hydrology Project, SOI, Dehradun	2017-18	5580969.00	Nil


Dy. Director (EA)

Statement – C

Details of Reconciliation of claims of total application of funds for 2018-19 Sol,
Dehradun under National Hydrology Project Loan No. 8725-IN for the year 2018-19

(Amount in lakh)

Schedules	Current Year
A	4153.52
B	Nil
C	4153.52
D	2076.76

(Amount in lakh)

Total expenditure made during the year (A)	=	4153.52
Less: Ineligible expenditure (B)	=	Nil
Total Eligible expenditure (C) = (A-B)	=	4153.52
Amount reimbursable (50%) by bank (D)	=	2076.76

Dy. Director (EA)

Audit observations on Certification Audit of the National Hydrology Project (NHP) under World Bank Loan No. 8725-IN for the year 2018-19 of Survey of India (DST), Dehradun

(i) Para 19 (Accounting Policies, Procedures and Systems) of Annexure-II of Financial Management Guidelines appended to the Memorandum of Agreement (MoA) under National Hydrology Project, Department of Water Resources, River Development & Ganga Rejuvenation prescribes that project expenditure will be subject to controls as per General Financial Rules of Government of India. All funds releases (Grant-in-Aid) to State and Central Implementing Agencies (IAs) to finance approved state Annual Work Plans will be recorded as expenditure in accordance with existing GoI rules. The releases to the IAs being "on account" will be subject to adjustment including recoveries on account of Audit observation and disallowance. For the purpose of the programme, however, National Project Management Unit (NPMU) will keep track of actual expenditures reported against the grants by the State and Central Implementing Agencies, as these are essentially in the nature of advances and incorporate them in six monthly interim consolidated financial reports of the project.

- (a) Accounting at Departments: The departments would maintain cash books and other relevant ledgers for the project separately for the case of accounting, auditing and reporting along with a separate project bank account.
- (b) Accounting at Central agencies: These agencies would follow the accounting system normally used by them. These agencies would maintain separate cash book and accounts for the project along with a separate project bank account.
- (c) Books to be maintained at implementing agency: (1) Cash Book, (2) Contractors Ledger, (3) Cheque Issue Register, (4) Bank Statement and (5) Bank Reconciliation Statement.

Scrutiny of records revealed that the mandated opening of separate bank account is yet to be done by Survey of India, Dehradun as of 09.08.2019. Survey of India is Cash Book only for making entry of refund of unspent balance of advances withdrawn by the officials engaged in National Hydrology Project (NHP).

Project Director Office had received grant of Rs.5723.50 lakh up to 31st March 2019 under NHP. However, Survey of India did not disclose the interest earned during 2018-19 owing to non-opening of separate bank accounts.

Thus Survey of India violated the prescribed guidelines issued by the Ministry. Appropriate action needs to be taken to open a separate bank account as per Memorandum of Agreement (MoA) and prepare Bank Reconciliation Statement regularly for the same. These issues were also raised in previous audit, however, the matter is still pending.

Survey of India, Dehradun had procured assets valuing Rs.3457.67 lakh up to 31st March 2019 under National Hydrology Project. Though Project Director Office is maintaining asset register, but the status of installation/commissioning of assets were not indicated in the Asset Register. Further, the location of the assets where it was issued was also not mentioned in the register.



Dy. Director (EA)