



भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय), चण्डीगढ़
Indian Audit & Accounts Department
Office of The Director General of Audit (Central),
Chandigarh



सं/No: पी.डी.ए.(सेंट्रल)/के.व्यय/(वैटिंग)/2020-21/7-8

दि०/Dated:30.07.2020

सेवा में,

The Director,
National Hydrology Project, BBMB,
67&70, SLDC Residential Colony,
Industrial Area, Phase-1 Chandigarh.

Director / NHP	
Dy. Dir. / NHP	
Dy. Dir. / ECC	
ADP / RTDSS	
ADP / RTDAS	
ADP / NHP	
ADP / HQ	
A.O. / NHP	
Dy. No.	Date
655	24/8/2020

महोदय/महोदया,

आपके कार्यालय से सम्बंधित 4/2019 से 3/2020 तक अवधि की आपके लेखा परीक्षा की निरीक्षण रिपोर्टों को इस अनुरोध के साथ संलग्नित की जाती है कि प्रत्येक अनुच्छेद के विरुद्ध की गई कार्यवाही का उसके सन्मुख टीका की गई प्रतिलिपि इस कार्यालय को इस पत्र के जारी किये जाने की तिथि से 6 सप्ताह के भीतर भेज दे।

निरीक्षण रिपोर्ट को आपके कार्यालय द्वारा प्रस्तुत व उपलब्ध करवाई गई सूचना के आधार पर तैयार किया गया है। यह कार्यालय किसी भी तरह की गलत सूचना और उपलब्ध न कराई गई सूचना के लिए उत्तरदायी होना अस्वीकार करता है।

भवदीया

वरिष्ठ लेखा परीक्षा अधिकारी

प्रतिलिपि : निम्नलिखित को सूचनार्थ एवं आवश्यक कार्यवाही हेतु भेजी जा रही है।

① The Secretary,
Ministry of Resources, River
Development & Ganga Rejuvenation,
2nd Floor, Block-III, CGO Complex,
Lodhi Road, New Delhi-110003.

② Financial Advisor &
Chief Accounts Officer
BBMB, Madhya Marg,
19, B, Chandigarh.

Sd/-
वरिष्ठ लेखा परीक्षा अधिकारी

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भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय प्रधान निदेशक लेखापरीक्षा (केन्द्रीय), चण्डीगढ़
Indian Audit & Accounts Department
Office of The Principal Director of Audit (Central),
Chandigarh



संख्या:पी.डी.ए/केंद्रीय व्यय/NHP-BBMB/2020-21/

दिनांक : .07.2020

Audit Certificate

8-62/ The Expenditure Statement/Financial Statements relating to the National Hydrology Project in BBMB (Loan No.8725-IN) for the year 2019-20 attached hereto have been audited in accordance with regulations and standards of audit of the Comptroller & Auditor General of India and accordingly included such tests of accounting records, internal checks and controls and other auditing procedures necessary to confirm :-

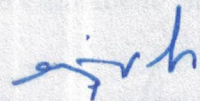
- a) That the resources were used for the purpose of the Project and
- b) That the Expenditure Statement/ Financial Statements are correct.

0-62/ During the course of audit referred to above, Statement of Expenditure/ Interim Unaudited Financial Reports for Rs.63,79,531/- and the connected documents were examined and these can be relied upon to support reimbursement 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 the Expenditure Statement/Financial Statements represent a true and fair view of the implementation and operations of the Project for the year 2019-20.

0-278/ Net admissible amount is Rs.63,79,531/-.

This certificate is issued without prejudice to the CAG's right to incorporate any further/ detailed audit observation if any were made in the Report of the Comptroller & Auditor General of India for being laid down before the Parliament/ State Legislature.


Sr. Audit Officer

Audit Report of the Comptroller & Auditor General of India in respect of the World Bank aided National Hydrology Project, BBMB, Chandigarh for the year ended 31st March 2020

Report on the Project Financial Statements

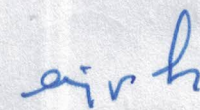
We have audited accompanying Financial Statement of the World Bank aided 'National Hydrology Project' which comprised the Statements of sources and applications of Funds and the reconciliation of claims to total application of funds for the year ended 31st March 2020. These statements are the responsibility 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 & Auditor General of India. These standards require that we plan and perform the audit to obtain the assurance about whether the Financial Statements are free from 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 the management as well as evaluating the overall statement presentations. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement present fairly, in all material aspects the sources and applications of funds of the National Hydrology Project for the year ended 31st March 2020 and in accordance with Government of India accounting.

8-62 | In addition, in our opinion, (a) with respect to Interim Unaudited Financial Reports (IUFs), adequate supporting documentation has been maintained to support claim to the World Bank for reimbursement of expenditures incurred and (b) except for inadmissible expenditure of Rs. 'Nil' as detailed in audit observations, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of audit of IUFs, an amount of Rs.63,79,531/- can be relied upon to support reimbursement under the Loan/Credit Agreement.

The Audit Report is issued without prejudice to the CAG's right to incorporate the audit observations in the Report of the CAG of India for being laid down before the Parliament/ State or UT Legislature.

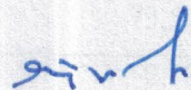

Sr. Audit Officer

Audit Observations

Para No.	Subject	Amount (Rs. in lakhs)
1.	Poor performance in the implementation of Annual Work Plan of NHP executed by BBMB for the year 2019-20	--
2.	Non- conducting of Internal Audit for the year 2019-20	--
3.	Non-conducting of physical verification of Fixed Assets/consumable stores for the year 2019-20	--

Management Letter

As no other material came to the notice during audit other than audit observations mentioned in the Audit Report on Financial Statements of the National Hydrology Project (Credit No.8725-IN) for the year 2019-20, no management letter has been prepared.



Sr. Audit Officer

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Annexure – A

Statement showing sources and use of funds, reconciliation of claims and the details of expenditure incurred component wise for the year 2019-20 in respect of World Bank assisted National Hydrology Project (Loan No.8725-IN)

Table 1 : Sources and use of Funds

Sources and use of Funds		Amount in Rs.
Opening balance	(a)	80,81,516.29
Funds received during the year	(b)	73,50,000
Interest earned	(c)	2,18,092
Total receipts	(d) = (a+b+c)	1,56,49,608.29
Total expenditure admitted in audit	(e) of Table 2	63,79,531.00 +387899.00 (Interest deposited in Bharatkosh)
		Total= 67,67,430.00
Closing balance	(f)=(d) – (e)	88,82,178.29
Amount claimed from Bank as per IUFR	(g) of Table 2	63,79,531.00 +3,87,899.00 (Interest deposited in Bharatkosh)
		Total= 67,67,430.00
Claimable amount from Bank	(h)=	
Short/excess claim		

Table 2 : Component wise reconciliation of claims and expenditure

Components	IUFR (Figure g)	Actual expenditure as verified in audit	Expenditure disallowed in audit	Expenditure admitted in audit
Component -A	6,86,908.00	6,86,908.00	Nil	6,86,908.00
Component -B	0	0		0
Component -C	42,65,866.00	42,65,866.00	Nil	42,65,866.00
Component -D	14,26,757.00	14,26,757.00	Nil	14,26,757.00
Total expenditure	63,79,531.00	63,79,531.00	Nil	63,79,531.00


Sr. Audit Officer

Audit and Inspection Report on the accounts of the National Hydrology Project (BBMB) (Loan No.8725-IN) for the year 2019-20

Party-1(A) : Introduction

National Hydrology Project (NHP) is a World Bank aided Project to improve the extent, quality and accessibility of water resources information and to strengthen the capacity of targeted water resources management institutions in India. The project was approved and started on 23.06.2016 by the Government of India, Ministry of Water Resources, River Development and Ganga Rejuvenation. For this, a Memorandum of Agreement was signed between the Ministry and the BBMB on 07.11.2016 for the implementation of National Hydrology Project from 2016-17 to 2023-24. In this regard, a Loan Agreement (No.8725-IN) was also signed between Government of India and International Bank for Reconstruction and Development (IBRD). The Project consists of the following four components :-

A	Water Resources Monitoring System
B	Water Resources Information System
C	Water Resources Operations and Planning Systems
D	Institutional Capacity Enhancement

Geographical jurisdiction :- The office of the Director, NHP is situated at No.67 & 70, SLDC Complex, Industrial Area, Phase -I, Chandigarh.

Budget and financial performance :-

The details of budget and expenditure incurred during the year 2019-20 was as under:-

	Rs. in lakhs
Opening Balance	80.82
Grants received during 2019-20	73.50
Interest earned	02.18
Total receipts	156.50
Expenditure during 2019-20	63.80
Interest deposited in Bharatkosh	03.88
Closing balance	88.82

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Scope of Audit :- The present audit certification which embraced verification of expenditure, test check of records and examination of books of accounts of NHP implemented by the BBMB, Chandigarh for the year 2019-20 was conducted by an Audit Party consisting of Shri Gur Parshad, Asstt. Audit Officer from 16.06.2020 to 24.06.2020 under the supervision of Shri Sanjeev Batra, Sr. Audit Officer.

DISCLAIMER :

This Inspection Report has been prepared on the basis of information furnished and made available by the NHP management. This office disclaims any responsibility for mis-information and/or non-information on the part of the auditee.

Part II: Audit Finding

The result of the current audit has been incorporated in the succeeding paragraphs.

Part II : Section -A : Serious Irregularities

-NIL-

Part II : Section B : Other Irregularities

Para 1 : Poor performance in the implementation of Annual Work Plan of NHP executed by BBMB for the year 2019-20

Annual Work Plan (AWP) for the execution of National Hydrology Project (NHP) for the year 2019-20 was approved on 29th January 2019 for Rs.319.10 lakh under components A,B,C & D. However, the Annual Work Plan was modified in Components 'A' & 'D' on 29th July 2019.

During scrutiny of the records relating to the sources and use of funds for the year 2019-20, it was observed that there was opening balance of Rs.80.82 lakh. Grants-in-Aid for an amount of Rs.73.50 lakh was received on 16.03.2020. Thus, Grants-in-Aid accumulated to Rs.154.32 lakh. Out of this, NHP (BBMB) could spend only Rs.63.80 lakh (20% of AWP and 41.34% of the grants received) during the year 2019-20. Above data indicates that neither the Annual Work Plan was prepared carefully nor the execution of the AWP was implemented keeping in view the approved Annual Work Plan.

On being pointed out in audit, no reply was furnished by the NHP management.

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Para 2: Non-conducting of Internal Audit for the year 2019-20

In an organization, the role of internal audit is to provide independent assurance that an organization's/department's risk management, governance and internal control processes are operating effectively. Internal audit is conducted objectively and designed to improve and mature an organization's/department's business practices. During the course of audit for the year ~~2018-19~~ ²⁰¹⁹⁻²⁰, it has been observed that the internal audit for the year 2019-20 has not been conducted. In the absence of the internal audit, it is evident that the management has no internal control on the working of the Institution.

ph. verify
Correction before
issuance

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Reasons for non-conducting of internal audit of the Institution for the year 2019-20 as required under para 21 of the Financial Management Guidelines on NHP, may be justified to audit.

On being pointed out in audit, no reply was furnished by the NHP management.

Para 3 : Non-conducting of physical verification of Fixed Assets/consumable stores for the year 2019-20

Rule 213 (2) of General Financial Rules 2017 lays the provision that inventory for fixed assets/consumable stores shall ordinarily be maintained at site/store. The fixed assets should be verified at least once in a year and the out-come of the verification recorded in the corresponding register/ record. Discrepancies, if any, shall be promptly investigated and brought to account.

During the test check of the record of the office of the Director, National Hydrology Project for the year 2019-20, it was noticed that the physical verification of fixed assets for the year 2019-20 was not carried out till date after the closing of the financial year. In the absence of non-conducting the said verification, mis-utilisation of created assets can take place.

On being pointed out in audit, no reply was furnished by the NHP management.

Part III : Review of old objections

LAR 2014-15

Para 01 : Irregular transfer of grant to the BBMB account Rs.15.26 lakh

Physical verification of store is pending. Para stands

Para 02: Non-crediting of Rs.65.91 lakh to Final Head

Action has been taken. Facts verified. Para [is recommended for settlement.] settled

LAR 2017-18

Para 3 :- Non formulation of investment policy and parking of surplus funds in saving bank accounts-Loss of interest of Rs.1.56 lakhs

Para stands (Para was inadvertently settled vide this office letter no. CASS(P)/29-2/IR/Director/NHP Chd/19-20/07-08 dated 09-10-2019)

LAR 2018-19

Para 1 : Irregular expenditure on account of Air Travel tickets Rs.0.81 lakh.

Para [recommended for settlement.] settled

Para 2 Slow pace of utilization of funds during the year 2018-19

Para updated in current IR as para No.1, hence, para [removed from here.] deleted

Para 3 Non-Utilization of Funds

Para updated in current IR as para No.1, hence, [removed from here.] para deleted

Para 4 Physical & Financial Reports

Para stands.

Para 5 Non-conducting of Internal Audit of NHP Project by CA Firm.

Para updated in current IR as para No.2, hence, [removed from here.] para deleted

Part IV-A : Non- Production of records :

-Nil-

Part IV-B : Best Practices

-Nil--

Part V Acknowledgement

Director, National Hydrology Project and his staff extended all possible cooperation and the records called for audit. The environment of audit was very cordial and professional on the either side at the time of audit. Er. Satish Singla was holding the charge of the post of the Nodal Officer -cum-Director, National Hydrology Project, Chandigarh.

er h
Sr. Audit Officer

Seen and discussed.

24/06/2020
Satish Singla
निदेशक/एनएचपी
Director/NHP

Attested

Am
Audit Officer
निदेशक - लेखा परीक्षा (केन्द्रीय)
Director of Audit (Central)
उप निदेशक - लेखा
Sub Office Nangal