



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय

आन्ध्र प्रदेश, हैदराबाद - 500 004

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)

ANDHRA PRADESH, HYDERABAD - 500 004.

Lr. No.PAG(Audit)/AP/SS/EAP&SAR/U-II/2019-20/ 13

26.06.19

24.06.2019

To

The Director,  
Ground Water and Water Audit Department  
Vyasa Bhavan, Hanumanpet,  
Vijayawada - 520003  
Andhra Pradesh

Sir,

Sub: Issue of Audit Certificates for the year 2018-19 in respect of National Hydrology Project (NHP), Ground Water and Water Audit Department (Loan No.8725-IN)

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I am to forward the reports of Comptroller and Auditor General of India for the years 2018-19 in respect of World Bank assisted "National Hydrology Project (NHP), Ground Water and Water Audit Department (Loan No. 8725-IN) along with the following enclosures viz.,

1. Statement of Expenditure incurred, verified and admitted (Annexure-A)
2. Statement of disallowances made in Audit (Annexure-B)
3. Statement of Previous year disallowances now allowed (Annexure-C)

Receipt of the above mentioned documents may please be acknowledged.

Encl: As above

Yours faithfully,

Deputy Accountant General/SS

Copy to: (without enclosures)

1. The Secretary, Government of India, Ministry of Finance, Department of Economic Affairs, Room No 39-B, North Block, New Delhi- 110001 for information.
2. The Principal Director of Audit (PPG-EAP), O/o the Comptroller and General of India, 9-Deen Dayal Upadhyaya Marg, New Delhi - 110 124.
3. The Principal Secretary to the Government of AP, Finance (PMU) Department, AP Secretariat, Velagapudi - 522503, Guntur District, Andhra Pradesh.

Sd/-

Deputy Accountant General/SS



**INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
O/o The PRL ACCOUNTANT GENERAL (AUDIT)  
ANDHRA PRADESH , HYDERABAD 500 004**



**Report of the Comptroller and Auditor General of India**

**To**

**The Director,  
Ground Water and Water Audit Department  
Vyasa Bhavan, Hanumanpet,  
Vijayawada – 520003  
Andhra Pradesh**

**Report on the Project Financial Statements**

We have audited the accompanying financial statements of the World Bank assisted “National Hydrology Project (NHP), Andhra Pradesh Ground Water and Water Audit Department” 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<sup>st</sup> March 2019. 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 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 (NHP), Andhra Pradesh Ground Water for the year ended 31<sup>st</sup> March 2019** 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 expenditure of as detailed in audit observations, if any, appended to this audit report, for the year **2018-19**, other expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement as per Annexures 'A'.

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 being laid before Parliament/State or UT Legislature.

  
Deputy Accountant General (SS)

### **AUDIT CERTIFICATE**

The Expenditure Statement/Financial Statement relating to World Bank assisted "National Hydrology Project" (NHP), for AP Ground Water and Water Audit Department (Loan No.8725-IN)" for the year ended 31<sup>st</sup> March 2019 attached hereto have been audited in accordance with the regulations and standards of audit of the Comptroller and 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 statements/financial statements are correct

During the course of the audit referred to above, Statement of Expenditure (SOE) (for an amount of Rs.3,07,38,092/-) 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 no expenditure has been met regarding implementation (and operations) of the project for the year 2018-19.

This certificate is issued without prejudice to CAG's right to incorporate any further/detailed audit observations if and when made in the Report of CAG of India for being laid before Parliament /State Legislature.

Yours faithfully,



Deputy Accountant General/SS

**Annexure-A**

**Statement showing the details of Expenditure incurred i.e. category wise, component wise for the year 2018-19 in respect of World Bank assisted National Hydrology Project Ground Water and Water Audit Department (Loan No.8725-IN)**

Components	SOE Figure  Rs.	Actual Expenditure as verified in audit Rs.	Expenditure Disallowed in Audit Rs.	Expenditure Admitted in Audit Rs.
Component – A Water Resources Monitoring Systems	1,30,90,118	1,30,90,118	-	1,30,90,118
Component –B Water Resources information systems	Nil	Nil	-	Nil
Component – C Water Resources Operations and Planning Systems	Nil	Nil	-	Nil
Component – D Institutional Capacity Enhancement	1,76,47,974.50	1,76,47,974.50	-	1,76,47,974.50
<b>Grand Total</b>	<b>3,07,38,092.50</b>	<b>3,07,38,092.50</b>	<b>Nil</b>	<b>3,07,38,092.50</b>



**Deputy Accountant General/SS**

**Annexure – B**

**Statement showing the details of disallowances made from the expenditure incurred during the year 2018-19 in respect of World Bank assisted National Hydrology Project, Ground Water and Water Audit Department (Loan No.8725-IN)**

<b>District/Unit office</b>	<b>Amount disallowed (Rs.)</b>	<b>Reasons for disallowance</b>
World Bank assisted National Hydrology Project (Loan No.8725-IN)	Nil	---

  
**Deputy Accountant General/SS**

**Annexure – C**

**Statement showing the details of disallowances made from the expenditure incurred during the previous years now released during the year 2018-19 in respect of World Bank Assisted National Hydrology Project (NHP), Andhra Pradesh Ground Water and Water Audit Department**

Sl.No	Name of the Division/unit	Year of Disallowance	Amount Now Released	Balance disallowance amount
—————NIL—————				

  
**Deputy Accountant General/SS**

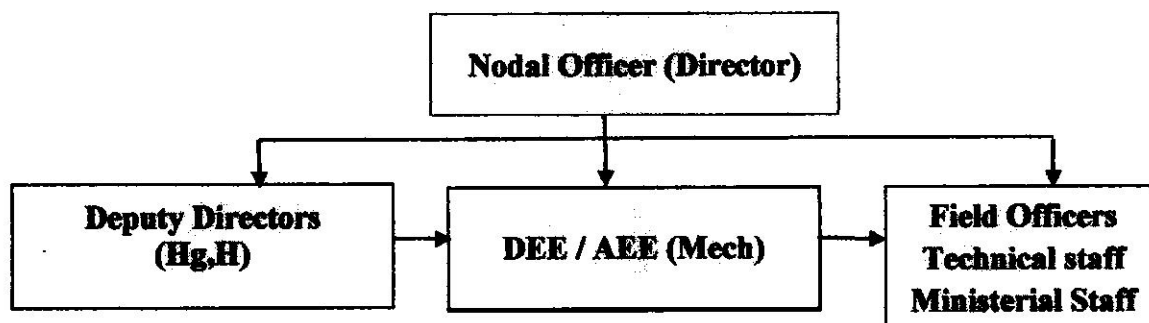
**CERTIFICATION AUDIT REPORT ON THE ACCOUNTS OF THE  
WORLD BANK ASSISTED NATIONAL HYDROLOGY PROJECT  
(LOAN NO.8725-IN), GROUND WATER DEPARTMENT, ANDHRA  
PRADESH (SOE FOR THE YEAR 2018-19)**

*Dates of Audit: 08-05-2019 to 16-05-2019 (07 working days)*

**PART-I**

**a) Overview:** The Government of India introduced National Hydrology Project (Loan No.8725-IN) to improve and expand Hydrology Data and Information Systems, strengthen water resources operation and planning systems and enhance institutional capacity for water resources management. Accordingly, the Ministry of Water Resources, River Development & Ganga Rejuvenation has signed Memorandum of Agreement with Andhra Pradesh Ground Water Department which is the implementing agency in Andhra Pradesh. Funds flow from the Centre in the form of Grants in Aid. National Hydrology Project is having duration of 8 years and the department has prepared Project Implementation Plan with a budget of Rs.80.00 crore for Andhra Pradesh.

The Hierarchy of National Hydrology Project, Ground Water Department, Andhra Pradesh is as follows:



**b) Personnel:**

Dr. K.Venugopal, Director, Ground Water Department is the Nodal Officer for National Hydrology Project from 01-04-2016 to till date.

**c) Budget and financial performance of the National Hydrology Project for the year 2018-19 is as follows:**

<i>Rupees in crore</i>		
Year	Grant Received	Expenditure
2018-19	6.92	3.07



**d) Audit Mandate:** The audit has been conducted in accordance with Section 13 of the Comptroller & Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971 and the applicable Auditing Standards of the Comptroller & Auditor General of India.

**e) Disclaimer:** The Report has been prepared on the basis of information furnished/made available by the auditee Department. The Office of the Principal Accountant General (Audit), Andhra Pradesh, Hyderabad disclaims any responsibility for any misinformation and/or non-information on the part of the Department.

**PART- II –AUDIT FINDINGS**

- (A) Significant Audit findings: Nil  
(B) Other Irregularities : Nil

**PART - III – Outstanding Paras of Inspection Reports**

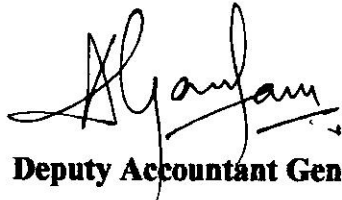
-Nil -

**PART- IV – Best Practices**

-Nil -

**PART- V – Acknowledgement**

Audit team thanked Dr. K. Venugopal, Director and other officials for producing required documents/ records and facilitating collection of audit evidence.

  
Deputy Accountant General