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(By Regd Post) E-4/34942

प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय

21/12/2020

आन्ध्र प्रदेश, हैदराबाद - 500 004

PR No. 10

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)

4/1/21

ANDHRA PRADESH, HYDERABAD - 500 004.

No.PAGAUAP/AMG-I/EAP&SAR/U-II/ NHP/2020-21/28 Date: 07.12.2020

To

The Chief Engineer,  
National Hydrology Project,  
H.No.76-16-16, 2<sup>nd</sup> Floor,  
AP Surface Water, Water Resources Dept,  
Beside Reliance Smart, Bhavanipuram  
Vijayawada - 520012, Andhra Pradesh

Sir,

Sub: Issue of Audit Certificates for the year 2019-20 in respect of National Hydrology Project (NHP), AP Surface Water-Loan No.8725-IN)

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I am to forward the reports of Comptroller and Auditor General of India for the year 2019-20 in respect of World Bank assisted "National Hydrology Project (NHP), AP Surface Water-Loan No.-8725-IN alongwith 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.

Yours faithfully,

Encl: As above

Deputy Accountant General/AMG-I



**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 Chief Engineer,  
National Hydrology Project,  
AP Surface Water, Water Resources Dept,  
H.No.76-16-16, 2<sup>nd</sup> Floor,  
Beside Reliance Smart, Bhavanipuram  
Vijayawada – 520012, 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 Surface Water**” financed under **World Bank Loan No.8725-IN** which comprises 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 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 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 (NHP), Andhra Pradesh Surface Water** for the year ended **31<sup>st</sup> 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 expenditure incurred; and (b) except for ineligible expenditure of **Rs.Nil**, appended to this audit report for the year 2019-20, the 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, B. & C**. No separate management letter is issued along with this report.

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.



(GAUTAM ALLADA)  
Deputy Accountant General/AMG-I



## AUDIT CERTIFICATE

The Expenditure Statement/Financial Statement relating to World Bank assisted “National Hydrology Project” (NHP), for AP Surface Water (Loan No.8725-IN)” for the year ended 31<sup>st</sup> March 2020 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.

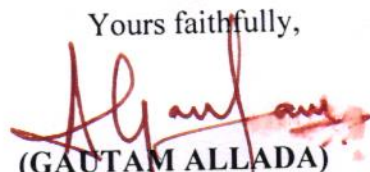
- a) that the resources were used for the purpose of the project and
- b) that the expenditure statements/financial statements are correct

During the course of the audit referred to above, Statement of Expenditure (SOE) (for an amount of Rs.48,07,561/- 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 2019-20.

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,

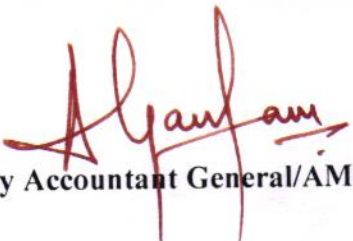


(GAUTAM ALLADA)  
Deputy Accountant General/AMG-I

**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 (NHP), Andhra Pradesh Surface Water, Hydrology, Water Resources Department (Loan No. 8725-IN)

Component	SOE Figure (Rs)	Actual Expenditure as verified in Audit (Rs)	Expenditure Disallowed in Audit (Rs)	Expenditure Admitted in Audit (Rs)
<b><u>Component - A</u></b> Water Resources Monitoring Systems	29,10,936	29,10,936	--	29,10,936
<b><u>Component - B</u></b> Water Resources Information Systems	---	---	--	--
<b><u>Component - C</u></b> Water Resources Operations and Planning Systems	---	---	--	--
<b><u>Component - D</u></b> Institutional Capacity Enhancement	18,96,625	18,96,625	--	18,96,625
<b>Grand Total</b>	<b>48,07,561</b>	<b>48,07,561</b>	<b>--</b>	<b>48,07,561</b>

  
Deputy Accountant General/AMG-I

**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 (NHP), Andhra Pradesh Surface Water, Hydrology, Water Resources Department (Loan No. 8725-IN)

District/Unit Office	Amount disallowed (Rs)	Reasons for disallowance
World Bank Assisted National Hydrology Project, AP Surface Water (Loan No. 8725-IN)	--NIL--	--NA--

  
Deputy Accountant General/AMG-I

**Annexure- C**

Statement showing the details of disallowances made from the expenditure incurred during the previous years now released during the year 2019-20 in respect of World Bank Assisted National Hydrology Project (NHP), Andhra Pradesh Surface Water, Hydrology, Water Resources Department (Loan No. 8725-IN)

Sl. No.	Name of the District/Unit Office	Year of disallowance (Rs)	Amount now released (Rs)	Balance disallowance amount (Rs)
1.	Chief Engineer, Hydrology, WRD, SW, Vijayawada	2018-19	63,423/-	Nil

Note: The actual disallowed amount is Rs.64,833/-, of which an amount of Rs.1410/- already have been recovered from the officials and credited in the project account.



Deputy Accountant General/AMG-I