



**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,
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 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 2018**. 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 31st March 2018** 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.99,200/-** as detailed in audit observations, appended to this audit report for the year 2017-18, 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.

SR. DEPUTY ACCOUNTANT GENERAL (SS)



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय
आन्ध्र प्रदेश, हैदराबाद - 500 004.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
ANDHRA PRADESH, HYDERABAD - 500 004.

AUDIT CERTIFICATE

The Expenditure Statement/Financial Statement relating to World Bank assisted "National Hydrology Project" (NHP), for AP Surface Water and Water Audit Department (Loan No.8725-IN) for the year ended 31st March 2018 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.55,54,662/-** 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 **2017-18**.

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,


(R.SRIDHAR)

Sr. Deputy Accountant General/SS

Annexure-A

Statement showing the details of Expenditure incurred i.e. category wise, component wise verified and admitted for the year 2017-18 in respect of World Bank assisted National Hydrology Project (Loan No.8725-IN), AP Surface Water, Water Resources Department

Sl. No	Name of the component	SOE Figure	Actual Expenditure verified in Audit	Expenditure Disallowed in Audit	Expenditure Admitted in Audit
		Rs.	Rs.	Rs.	Rs.
1	Component 'A' Water Resources Monitoring Systems	5236608	5236608	86501	5150107
2	Component 'B' Water Resources information systems	Nil	Nil	-	-
3	Component 'C' Water Resources Operations and Planning Systems	Nil	Nil	-	-
4	Component 'D' Institutional Capacity Enhancement	318054	318054	12699	305355
	Grand Total	5554662	5554662	99200	5455462


Total amount disallowed - Rs.99200/-


Sr. Dy.Accountant General (SS)

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), AP Surface Water, Water Resources Department

District/Unit Office	Amount disallowed (Rs.)	Reasons for disallowance
World Bank assisted National Hydrology Project (Loan No.8725-IN)	86501	Excess purchase of Xerox Machine
	12699	Excess payment towards Travel expenses
Total:	99200	


Sr. Dy.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 2017-18 in respect of World Bank Assisted National Hydrology Project (NHP), Andhra Pradesh Surface Water, Water Resources Department

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

Sr. Dy.Accountant General/SS

**AUDIT OBSERVATIONS (DISALLOWANCES) ON CERTIFICATION AUDIT OF
NATIONAL HYDROLOGY PROJECT (NHP) , ANDHRA PRADESH SURFACE
WATER, WATER RESOURCES DEPARTMENT, VIJAYAWADA FOR THE YEAR
2017-18 (LOAN No.8725-IN)**

Para-I. Excess purchase of Xerox Machine costing Rs.86501/-

As per O.M. dated 31-12-2017 of Ministry of Water Resources, RD & GR, National Project Management Unit, NHP, any deviation from the approved Annual Work Plan (AWP), is not permissible. However, deviation can be allowed in exceptional circumstances with the prior approval of Ministry of Water Resources, RD & GR.

On scrutiny of records Audit observed that as per Approved Annual Work Plan for the year 2016-17, an amount of Rs.10.00 lakh was approved for purchase of 4 xerox machines including Annual Maintenance Charges (AMC) for 7 years. However, it is seen that 5 Xerox machines were purchased vide Proc.No.CE(H)/SE(H)/EE-III/DEE/AEE/3442/17/Xerox, dated 04-01-2018 and payment was made vide **chq.no.045583** dated 12.01.18 instead of 4 xerox machines approved in AWP. Hence, the excess purchase of One Xerox machine costing Rs.86501/- without approval is not in order. Further, AMC was also not entered with the supplier.

When this was brought to the notice, the Project Implementing Unit replied that the purchase of 5 xerox machines were placed in State Level Procurement Committee (SLPC) and the same was approved by the Committee and further it was stated that necessary permission would be obtained from MoWR, NHP for additional purchase of 1 xerox machine and the same will be intimated in due course.


Para-II. Payment of excess TA on tour and non-submission of Tickets for Rs. 12699/-

As per GO.Ms.No. 174 dated 15-12-2015, All Officers drawing pay in the scale of pay of Rs.66330-108330 (corresponding to Rs.34050-54360) and above shall be eligible to perform journey by Air on official duty. Further as per GO.Ms.No.150 dated 11-12-2015 government servants drawing pay in the revised pay scale of Rs.28940-78910 (corresponding to the existing scale of Rs.14860-39540) and above shall be eligible to travel by first class.


All other employees shall be eligible to travel by second class. Taxi / Auto charges incurred by the Government employees while on tour to any place outside the State, from the arrival point to the place of stay and 'vice-versa' are reimbursable to them subject to production of actual vouchers or a certificate of payment (vide Rule-40 (6) of T.A. Rules). Government servants shall also be eligible to claim actual taxi or Auto fare subject to a maximum of Rs.600/- per day for visiting the offices of the Government of India and Ministries or any other office, situated at the places outside the State, while on tour. If any official travel higher than his entitlement he should be restricted to his eligibility only.

However, during the scrutiny of the vouchers relating to TA on tour of the Project Audit observed that the officials claimed excess amount or claimed the tour TA without submitting the tickets (as detailed in annexure) to their entitlement to a tune of Rs. 12699/- and paid the same.

On this being pointed out, it was replied that the matter will be examined and excess payment will be recovered, if any, with intimation to audit.


Sr. Dy.Accountant General(SS)

Sl.No.	Name of the official	Designation	Entitlement	Mode of Travel	Place		Amount Claimed	Date of Journey	Excess amount claimed or Disallowed	Remarks
					From	To				
1.	K. Chandrasekhar	Deputy Exe. Engg	Train	AIR	Vijayawada	Pune	8670	09/17	1600	The official has to perform journey from Vijayawada to Pune. The official travelled via flight from Hyderabad to Pune and claimed for the same along with the bus fare from Vijayawada to Hyderabad. Train fare of Rs. 2260/- was allowed by restricting to AC 2 tier fare as per eligibility from Vijayawada to Pune and in addition to this again Bus fare of Rs. 1200 (to and fro) from Vijayawada to Hyderabad was also given incorrectly. Further, an amount of Rs. 800 was claimed for Taxi journey which is contrary to the Rule.
2.	MVN Harigopal	DEE	Train	Flight	Vijayawada	New Delhi	17998	03/17	7499	Ticket fare voucher is not attached with bill further, statement shows that the official was on a tour to New Delhi. However boarding pass shows that the official went to Dehradun and claiming for New Delhi without any ticket.
3.	T Nagalakshmi	EE	Train	Flight	Vijayawada	New Delhi	13900	04/17	1100	The official has to perform journey from Vijayawada to New Delhi. The official travelled via flight from Hyderabad to New Delhi and claimed for the same along with the bus fare from Vijayawada to Hyderabad. Train fare of Rs. 4675/- was allowed by restricting to AC 2 tier fare eligibility from Vijayawada to New Delhi. In addition to this Bus fare of Rs. 1100 (to and fro) from Vijayawada to Hyderabad was also given which is incorrect.
4.	Rangaswamy Sirigiri	AEE	Train	Air	Vijayawada	New Delhi	13900	04/17	1100	
5.	Mohan Sriramdas	Executive Engineer	Train	Air	Vijayawada	New Delhi	12938	02/17	1400	The official has to perform journey from Vijayawada to New Delhi. The official travelled via flight from Hyderabad to New Delhi and claimed for the same along with the bus fare from Vijayawada to Hyderabad. However, train fare of Rs. 2834 was allowed by restricting to AC 2 tier fare eligibility from Vijayawada to New Delhi. In addition to this Bus fare of Rs. 1400 (to and fro) from Vijayawada to Hyderabad was also given which is incorrect.
Total Disallowance									12699	


 5/4/18
 Asst. Audit Officer / EAP & SAR (LS)



प्रधान महालेखाकार (लेखा परीक्षा) का कार्यालय
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/2018-19/NHP/89

Dt. 12-09.2018

To

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

Sir,

Sub: National Hydrology Project (NHP), for Surface Water and
Ground Water financed under World Bank Credit No.8725-IN- Reg.

Ref: Your office Letter No. CE(Hydrology)/SE(H)/EE-3/AEE-6
dt. 05.09.2018

With reference to the letter cited above, it is informed that the para titled

"Excess purchase of Xerox machine costing Rs. 86501/-" which has been disallowed
in the year 2017-18 has been dropped..

This is for your information please.

Yours faithfully,

Audit Officer/SS/EAP&SAR

Sri Srinivas Rao
DEE

HP
1/10/18
EE:2

Transmitted to EE:3

HP
1/10/18
EE:2

DEE 4
int. Sridhar

Ch. Avinash AEE-1
8/10/18

**GOVERNMENT OF ANDHRA PRADESH
WATER RESOURCES DEPARTMENT**

From:

Sri. T.V.N.A.R.Kumar,B.E;
Chief Engineer, Hydrology,
D.No:76-16-16, IInd Floor,
Beside street of Reliance Smart,
Bhavanipuram,
Vijayawada-520012,
Andhra Pradesh.

To

The Principal Accountant General(Audit),
Andhra Pradesh,
Saifabad,
Hyderabad-500004.

Letter.No.CE/Hydrology/NHP/APS/H2(3)/Audit/2017-18

Dt:20.09.2018.

Sir,

Sub:- Excess amount paid on tour and non-Submission of Ticket to the tune of Rs.12,699/-
NHP-Request for dropping the Audit para -Regarding.

Ref:- 1) PAG(Audit)/AP-07/2018-19/A.E.No.08, Dt.18.06.2018.
2) This office letter No.CE/Hydrology/NHP/Audit/2017-18/08, Dt.18.06.2018.
3) Memo.No.CE/Hydrology/APS/H2(3)/NHP/TA/2018/722,Dt.26.07.2018.

The PAG Audit team while conducting audit in the office of the Chief Engineer, Hydrology, Vijayawada, vide reference 1st cited, observed that Excess claims and payment made towards travel expenses to a tune of Rs.12,699/-(para-II).

The Excess amount paid towards T.A.Bills to a tune of Rs.12,699/- was recovered from the concerned employees of this office vide reference 3rd cited. The fact of recovery was also intimated to the PAG (Audit),A.P, Hyderabad vide reference 3rd cited(Copy enclosed for ready ref).

Hence, it is requested to kindly drop the above audit para and to kindly intimate this office about the same.

Encl:As mentioned.

Yours Faithfully.

Sd/-T.V.N.A.R.Kumar,Dt.20.09.2018,
Chief Engineer, Hydrology.


for Chief Engineer, Hydrology

25/09/18

S/c