



OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
MEGHALAYA,
SHILLONG – 793001.

NO: FINAT/2-60/2019-20/317

Dated. 03/01/2020

To

The Chief Engineer (WR),
& Nodal Officer, SPMU, NHP,
Meghalaya, Shillong.

Subject: Issue of Audit Certificate in respect of Expenditure incurred under World Bank assisted National Hydrology Project”, Loan No. 8725 – IN for the year 2018-19.

Sir,

The Audit Certificate for expenditure incurred under the Project ‘National Hydrology, Loan No. 8725-IN’ for the year 2018-19, are enclosed.

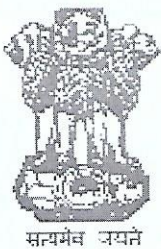
The Audit Certificates are issued without Prejudice to the rights of the Comptroller & Auditor General of India to incorporate any further/detailed audit observations, if and when made, in the Report of the Comptroller & Auditor General of India to be laid before Parliament/State Legislature.

Please acknowledge receipt.

Yours faithfully,

Sr. Deputy Accountant General/FINAT

ACE HPD
Pl.
3/1/20



**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
MEGHALAYA,
SHILLONG – 793 001.**

To

**The Chief Engineer (WR),
& Nodal Officer, SPMU, NHP,
Meghalaya, Shillong**

Report on the Project Financial Statements

We have audited the accompanying financial statements of the National Hydrology Project 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 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 mis-statement. 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 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 financial statements present fairly, in all material respects, the sources and applications of funds of National Hydrology Project for the year ended 31 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 expenditures incurred; and (b) except for ineligible expenditures as detailed in audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs (Loan no. 8725-IN and amount ₹ 52,75,820/-) and the connected documents were examined and these can be

relied upon to support reimbursement under the Loan/Credit Agreement as per Annexure A, B, C.

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 for being laid before Parliament/State or UT Legislature.



Sr. Deputy Accountant General/FINAT.

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 (Loan no. 8725 – IN)

Components	Expenditure as per IUFR ₹	Actual Expenditure as Verified in audit ₹	Expenditure Disallowed in Audit ₹	Expenditure Admitted in Audit ₹
	(A)	(B)	(C)	(D) = (B-C)
Component-A	36,18,894	36,18,894	-	36,18,894
Component-B	-	-	-	-
Component-C	-	-	-	-
Component-D	16,56,926	16,56,926	1000	16,55,926
Total	52,75,820	52,75,820	1000	52,74,820

		₹
Expenditure admitted in Audit	(D)	52,74,820
Bank Share of audited expenditure	(E) = 50% of D	26,37,410
Bank Share claimed as per IUFR	(F) = 50% of A	26,37,910
Difference in claims	(G) = (F-E)	500



Sr. Deputy Accountant General/FINAT

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 (Loan No. 8725-IN),

District/Unit Office	Amount disallowed (₹)	Reasons for disallowance
Chief Engineer & Nodal Officer, National Hydrology Project (NHP), Water Resources Meghalaya, Shillong.	1000	Excess drawal of ₹ 1000/- as Travelling Expenses



Sr. Deputy Accountant General/FINAT.

Annexure – C

Statement showing the details of disallowance made from the expenditure incurred during the previous years now released during the year in respect of World Bank assisted National Hydrology Project (NHP),

Sl. No.	Name of the Division/Unit	Year of Disallowance	Amount Now Released	Balance Disallowance amount
-	-	-	-	-



Sr. Deputy Accountant General/FINAT.

**Brief Audit Observation in respect of the Chief Engineer, & Nodal Officer, Water Resources
Government of Meghalaya, Shillong, for the period April 2018 to March 2019**

DDO	Period	Paras	Brief of Observations
Chief Engineer, & Nodal Officer, NHP, Water Resources Government of Meghalaya, Shillong,	April 2018 to March 2019.	<u>Part II A</u>	Nil
		<u>Part II B</u>	
		Para 1	<p><u>Delay in progress of the project</u></p> <p>As per Annual Procurement Plan (APP) for the year 2018-19. sixteen numbers of procurement works were to be done as per date, during the course of audit it was revealed that procurement works were not done as per Annual Procurement Plan and time line</p> <p>The slow progress in implementation of the works as well as delay in procurement of goods and services will have an impact on the overall cost of the project.</p>
		Para 2	<p><u>Discrepancies in claims of Travelling Expenses.</u></p> <p>Excess amount of ₹ 1000/- drawn by official as Travelling expenses while on NHP Meeting at Gangtok and ₹ 240/- less drawn by official as Travelling expenses while on Training to Pune .</p>


Assistant Audit Officer/SINAT