



Speed Post
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SPEED POST

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भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र लेखापरीक्षा), पश्चिम बंगाल
ट्रेजरी बिल्डिंग्स, 2, गवर्मेन्ट प्लेस (पश्चिम), कोलकाता- 700 001
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(GENERAL & SOCIAL SECTOR AUDIT), WEST BENGAL
TREASURY BUILDINGS, 2, GOVT. PLACE (WEST), KOLKATA - 700 001

No.357/FAW/FASS-V/EAP/NHP-WRIDD/2018-19/142

Date :13.09.2019

13 SEP 2019

To
The Nodal Officer, SPMU_NHP_WB (GW) &
Executive Engineer (A-1),
Water Resources Investigation & Development Department,
State Water Investigation Directorate,
O/o the Executive Engineer (A-1), Planning Division, SWID,
Bikash Bhaban, South Block, 4th Floor,
Saltlake, Kolkata-700 091.

Subject : Audit Report in respect of World Bank assisted National
Hydrology Project (Loan No. 8725-IN) for the financial year
2018-19.

Sir,

I am to forward herewith the Audit Report on the afore-mentioned project in
respect of the financial year 2018-19.

The receipt of the Audit Report may please be acknowledged.

Enclo: As stated.

Yours faithfully,

(Timir Bhadra)

Sr. Deputy Accountant General / FAW

To
**The Principal Secretary to Government of West Bengal,
Department of Water Resources Investigation and
Development (DWRI&D)
11A, Mirza Galib Street,
Khadya Bhawan, Block-A (5th Floor),
Kolkata- 700 087.**

Report of the Comptroller and Auditor General of India on the Project Financial Statements

We have audited the accompanying financial statements of the World Bank assisted National Hydrology Project (Loan No. 8725-IN), which comprise the Statement of Sources and Applications of Funds, Reconciliation of Claims to Total Applications of Funds and Management Assertion letter as furnished by the Project Authority 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 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 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 World Bank assisted National Hydrology Project (Loan No. 8725-IN) for the year ended 31 March 2019 in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to PFS, 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 the audit observations, expenditures are eligible for financing under the Loan / Credit Agreement. During the course of the audit, PFS and the connected documents were examined and these can be relied upon to support reimbursement under the Loan / Credit Agreement.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament / State Legislature.

Audit Observations :

The expenditure incurred in respect of World Bank assisted National Hydrology Project (Loan No. 8725-IN), for the financial year 2018-19 is Rs.26608542 and expenditure admitted in audit is Rs.26520042.


Out of Rs. 26608542, amount eligible for reimbursement stands at Rs.13260021 in audit as shown below:-

Components	Expenditure incurred as per audit (Rs)	Expenditure inadmissible in Audit. (Rs.)	Expenditure admitted in audit (Rs)	Percent age of reimbursement. (Rs)	Amt eligible for reimbursement. (Rs)	Reasons for inadmissible in audit (Rs.)
A	5704698	88500	5616198			The contracts were awarded with additional item of payment of Rs.3540 per unit (Item No.2.00) for onsite assembly, commissioning and start-up of the equipment which is no different from the job detailed in item no.1.00 i.e. supply, installation, Testing and commissioning of Digital Water Level Recorders (DWLRS). Hence excess expenditure of Rs.88500 (Rs.3540 x 25) is held inadmissible.
B	7561623	-	7561623			
C	2074574	-	2074574			
D	11267647	-	11267647			
Total:	26608542	88500	26520042	50%	13260021	

Further, the audit observations on “Adjustments in respect of earlier periods” i.e relating to the financial year 2017-18 are given below:-

Rs. 783225 pertaining to the year 2017-18 is now admitted as detailed below.

Year of expenditure	Expenditure not admissible (2017-18) (₹ In lakh)	Reasons for not admitting the expenditure during the year of expenditure	Expenditure pertaining to 2017-18 (admitted in current audit) (₹ In lakh)
2017-18	783225	In violation of order No. X-92021/ 1/ 2016-NHP/1118-1258 dated 23 rd June, 2016 of Ministry of Water Resources, RD & GR, National Hydrology Project, Govt. of India, payment made to the supplier in excess of stipulated rate i.e. 65% instead of 40%.	783225
Total	783225	--	783225


13/9/2019

(Timir Bhadra)

Sr. Deputy Accountant General (FAW),

Office of the Pr. Accountant General

(General and Social Sector Audit), West Bengal,

2 Government Place (West), Treasury Buildings,

Kolkata – 700 001.

Date :09.08.2019