



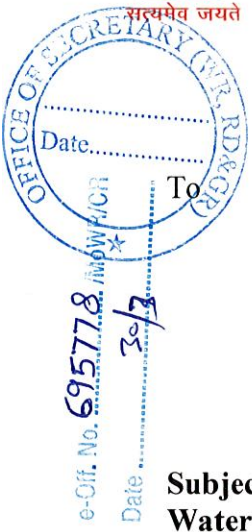
कार्यालय प्रधान निदेशक लेखा परीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Office of the Principal Director of Audit
(Agriculture, Food & Water Resources), New Delhi



No. 968-PDA(AFWR)AMG-I/A/cs/NWIC/2020-21/722

Dated: 16-03-2021

17



To
The Secretary,
Ministry of Jal Shakti
Department of Water Resources,
River Development and Ganga Rejuvenation
Shram Shakti Bhawan, Rafi Marg, New Delhi-110 001

Subject: Audit Report/Opinion in respect of World Bank Assisted Project (Central Ground Water Board (CGWB)) (Loan No. 8725)

Sir

Kindly find enclosed herewith Audit Report/opinion in respect of World Bank Assisted Project **Central Ground Water Board (CGWB)- National Hydrology Project** financed under **World Bank Loan No.-8725-IN**, Department of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti for the year 2019-20 and Management Letter thereon.

Encl: As above

Yours faithfully

(Satish Kumar)

Deputy Director (AMG-1)

Report of the Comptroller and Auditor General of India

To

**The Secretary to the Government of India
Department of Water Resources, River Development and Ganga Rejuvenation.
Shram Shakti Bhawan,
Rafi Marg, New Delhi – 110001**

Report on the Project Financial Statements

We have audited the accompanying financial statements of the **Central Ground Water Board (CGWB)- 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 31st 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 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 **Central Ground Water Board (CGWB)- National Hydrology Project** for the year ended 31st 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 reimbursement of expenditures incurred, during 2019-20 (total amount received by CGWB Rs.1985716.00 against which an expenditure of Rs.1985313.00 was incurred under the project); and (b) except for ineligible expenditures of Rs.1782.00 as detailed in the audit observations appended to this audit report, expenditures of Rs.991765.50 (50%) are eligible for financing under the Loan/Credit Agreement.

During the course of audit, Statement of Expenditure/Financial Statements amounting to Rs.1985313.00 and the connected documents were examined and these can be relied upon to support reimbursement of Rs.991765.50 under the Loan Credit Agreement, as per the 'Annexure'.

However, deficiencies which have been noticed during the audit examination for improvement in internal audit and other matters are being brought to the notice of Project Authority through Management Letter for remedial /corrective action (copy enclosed).

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 or UT Legislature.



16/3/2021

(Satish Kumar)
Deputy Director (AMG-I)

Place: New Delhi
Date: 16.03.2021

Annexure
(Statement – A)

Statement of Expenditure incurred by Regional Offices of CGWB under National Hydrology Project Loan No.8725 – IN for the year 2019-20

(Amount in Rs.)

Sl no	Regional offices of CGWB	Total expenditure as per SOE furnished	Total expenditure (verified in Audit)	Ineligible expenditure out of total expenditure	Eligible expenditure	Amount eligible for reimbursement(50%)
1	CHQ, Faridabad	430171.00	430171.00	0	430171.00	215085.50
2	MER, Patna	72698.00	72698.00	0	72698.00	36349.00
3	KR, Trivandrum	144458.00	144458.00	310.00	144148.00	72074.00
4	WCR, Ahmedabad	17399.00	17399	0	17399	8699.50
5	NWR, Chandigarh	8428.00	8428.00	0	8428.00	4214.00
6	CR, Nagpur	137763.00	137763	0	137763	68881.50
7	NCCR, Raipur- NCCR Raipur	96742.00	875089	0	875089	437544.50
	NCCR, Raipur- RGI, Raipur	778347.00				
8	NER, Guwahati	100000.00	100000.00	0	100000.00	50000.00
9	NHR, Dharamshala	99710.00	99710.00	0	99710.00	49855.00
10	SWR, Bengaluru	99597.00*	99597.00	1472.00	98125.00	49062.50
	Total	1985313.00	1985313.00	1782.00	1983531.00	991765.50

*As against the expenditure of Rs.1,00,000.00 submitted by M/o JS, DoWR,RD&GR, CGWB, the field audit has verified that SOE furnished shows only an amount of Rs.99,597.00 (Difference of Rs.403.00).


16/3/2021
Deputy Director (AMG-I)

(Statement – B)

Details of disallowances made from the expenditure incurred by Regional Offices of CGWB under National Hydrology Project Loan No.8725- IN for the year 2019-20.

Sl no.	Regional Office	Reason for disallowance	Amount disallowed (Amount in Rs.)
1	CGWB Kerala Region(KR) Thiruvananthapuram	The total fund allotted as per DTE (Domestic Support) was Rs.82000 whereas the expenditure under that head was Rs.82,310. an amount of Rs.82,310 was paid to officials for official journey for the purpose of attending trainings. Hence, Rs.310/- paid towards Travel Expenses is in excess of revised budget allotment of Rs.82000/- in respect of NHP (Domestic) is ineligible.	Rs.310.00
2	SWR, Bangalore	SWR, Bangalore incurred expenditure of Rs. 9652.00 towards printing of certificates, printing of invitation cards, etc., in connection with the Awareness Raising Campaigns under National Hydrology Project. The payment of Rs. 9652.00 including GST of Rs.1452.00 was made to Desai Printers having GSTIN: 29AEPPD8059R1ZF (16 digits against the normal 15 digits). However, the genuineness of the payment of GST of Rs.1472.00 could not be vouchsafed as the search by GSTIN on https://services.gst.gov.in/services/searchtp , did not disclose the name of the service provider.	1472.00
		TOTAL	1782.00


16/3/2021
Deputy Director (AMG-I)

(Statement – C)

Details of Reconciliation of claims of total application of funds for CGWB under National Hydrology Project Loan No.8725 – IN for the year 2019-20.

(Amount in Rs.)

Schedules	Current Year
A	1985313.00
B	1782.00
C	1983531.00
D	776680.50

Total Expenditure made during the year (A) = Rs. 1985313.00
Less: Ineligible expenditure (B) = Rs.1782.00
Total Eligible Expenditure (C) = (A) – (B) =Rs. 1983531.00
Amount Reimbursable by the bank (D) (50%) = Rs. 991765.50


16/3/2021
Deputy Director (AMG-I)

(Statement – D)

Details of ineligible expenditure of the year 2016-17, now eligible for reimbursement

Regional Office	Reason for disallowance	Amount disallowed (Amount in Rs.)	Remarks
State Unit office, Jamnagar House, New Delhi (CGWB)	An amount of Rs.44750.00 was booked as expenditure but vouchers were not furnished to Audit.	Rs.44750.00	Voucher produced (Vr. No.748 of 3/2017). Hence the expenditure is eligible for reimbursement.


16/3/2021
Deputy Director (AMG-I)

Management Letter


We have audited the annual financial statements (SOE) of World Bank Assisted Central Ground Water Board (CGWB) financed under World Bank Loan No. 8725-IN, Department of Water Resources, River Development and Ganga Rejuvenation for the period 2019-20. The following deficiencies which have been noticed during the course of audit are being brought to your kind notice for corrective and remedial action:

1. As per the approved cost of the Training programme, the cost of the one-day training programme for 125 persons was Rs. 1,50,000 (Training materials and Teaching Aids Rs.60,000, Refreshment Rs. 60,000, Miscellaneous Rs. 30000). However, as per the email communication dated May 13, 2019, the expenditure to be incurred was limited to Rs. 1 lakh, 50 % in domestic support and 50 % in external support.
The approved cost was not revised in tune with the revised ceiling of Rs. 1 lakh.
2. As per the email communication dated May 13, 2019, the expenditure to be incurred for the Awareness Raising Campaign was limited to Rs. 1 lakh, 50 % in domestic support and 50 % in external support.
The SWR, CGWB, Bengaluru incurred a total expenditure of Rs.99597 for conducting the programme. Accordingly, the share of domestic support and external support was Rs.49798.50 apiece and the amount refundable was Rs. 201.50 each. However, the amount refunded under domestic support and external support was Rs. 90 and Rs.313 respectively.
3. According to the Office Memorandum (F.No.17/7/2006-FB.II dated March 20, 2009) issued by the Ministry of Finance on the subject, "Terms of Reference for CAG Audit of World Bank Assisted Projects in India", Management should sign the project financial statements and provide a written acknowledgement of its responsibility for the preparation and fair presentation of the financial statements and an assertion that project funds have been expended in accordance with the intended purposes as reflected in the financial statements. The Management however, has not furnished the Management Assertion Letter as warranted in the Office Memorandum *ibid* for SWR Bengaluru as well as NCCR Raipur, WCR Ahmedabad, KR Trivandrum, MER Patna and NER Guwahati separately.
Under National Hydrology Project, six Awareness Raising Campaigns were to be organised for financial year 2019-20 by six Regional Offices of the CGWB, including SWR, Bangalore. An amount of Rs. 1 lakh per programme has also been approved for the year 2019-20. The fund was to be sought under the head Other Administrative Expenses (OAE), 50 % in Domestic Support and 50 % in external support under OAE under NHP. An amount of Rs. 99,597 was stated to have been spent for the Awareness Raising Campaign.
4. According to the Office Memorandum (F.No.17/7/2006-FB.II dated March 20, 2009) issued by the Ministry of Finance on the subject, "Terms of Reference for CAG Audit of World Bank Assisted Projects in India", the Project Financial Statements should include:

- A. Statements of Sources and Application of Funds;
- B. Reconciliation of Claims to Total Application of Funds;
- C. Other Statements or Schedules as may be applicable in particular circumstances.

These documents have not been prepared and furnished by the Management in respect of SWR Bengaluru, NCCR Raipur, WCR Ahmedabad, KR Trivandrum, MER Patna and NER Guwahati separately.

- 5. The Statements of Sources and Application of Funds and Reconciliation of Claims to Total Application of Funds furnished by CHQ, Faridabad, NWR, Chandigarh, NHR, Dharamshala and CR, Nagpur presented figures in 'Rs.000' instead of in 'Rs.'. Same needs to be corrected.
- 6. One day Awareness Raising Campaign under National Hydrology Project was organised by the Central Ground Water Board, South Western Regional, Bengaluru to create awareness among all the stake holders from various State Government agencies of Goa. A total number of 91 trainees including 26 women participated in the Awareness Campaign. The SWR, CGWB, Bengaluru did not obtain any feedback from the participants of the Awareness Campaign to assess the effectiveness of the Campaign in order to ensure course correction, if any, required in the future.


(Satish Kumar)
Deputy Director (AMG-I)