No. FINAT-II/IV/6/NGRBA/15-16/1808

Dated: 02/11/2015

To,
The Project Director
National Ganga River Basin Programme,
NGRBA (SPMG), Urban Development Department,
Government of Jharkhand,
Project Building, Dhurwa,
Ranchi-834004

Subject: Audit Certificate in respect of National Ganga River Basin Authority, Jharkhand;
Credit/Grant No. 4955-IN and Loan No. 8065-IN for the year 2014-15.

Sir,

I am to invite a reference to your letter no.-7/P&.fa /NGRBA/34/ifu/19/2014-
1386, dated-23/09/15, and to enclose the Audit Certificate of National Ganga River Basin
Authority, Jharkhand; Credit/Grant No. 4955-IN and Loan No. 8065-IN for the year 2014-15.
Receipt of this letter may please be acknowledged.

Enclosure:
2. Audit Observation.
3. Annexure A & B.

Yours faithfully

Sd/-
Dy. Accountant General/Adminn.

Memo No. FINAT-II/IV/6/NGRBA/15-16/1809-1810

Dated: 02/11/2015

Copy along with a copy of Audit Certificate forwarded for information and necessary action to:

1. Mission Director, NMCG, NGRBA, MoEF, Govt. of India, Room No. 140, Paryavaran Bhawan, CGO
   Complex, New Delhi – 110003.
2. Sr. Administrative Officer (PPG-EAP), O/o the Comptroller & Auditor General of India, 9- Deen
   Dayal Upadhyay Marg, New Delhi – 110124.

Dy. Accountant General/Adminn.
Audit Report

Report on the Project Financial Statement:

We have audited the accompanying financial statements of the National Ganga River Basin Authority, Jharkhand; Credit/Grant No. 4955-IN and Loan No. 8065-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 2014-15. These statements are the responsibility of the Project's Management. Our responsibility is to express an opinion on the accompanying financial statements presentation, based on our audit.

We conducted audit in accordance with Auditing Standards Promulgated by the Comptroller & Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements presents fairly, in all material respects, the Sources and Applications of funds of National Ganga River Basin Authority, Jharkhand; Credit/Grant No. 4955-IN and Loan No. 8065-IN for the year 2014-15 in accordance with Government of India accounting standards except for ineligible expenditure of ₹1,01,167/- which incurred towards T.A. and Vehicles Bills due to non-production/ non-registered Agency.

In addition, in our opinion,

(a) With respect to Statement of Expenditure (SOEs), adequate supporting documentations 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, if any, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit SOEs/FMRs (vide Letter no. 7/N.P.T./NGRBA/अंकेक्षण/19/2014-1386, dated-23/09/15 for the amount of ₹66,19,674 was provided of which seventy percent (70%) of expenditure i.e. ₹46,33,772 is admissible for reimbursement) 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 down before Parliament/State or UT Legislature.

Date: 03.12.2015

Deputy Accountant General/Admn.
Audit Observation

Para 1: Improper maintenance of Cash Book.

As per the Jharkhand Financial Rules, Cash Book should be closed at the end of every month and Cash Balance should be reflected separately.

Each and every entry made in Cash Book should be verified and attested by the concerned Drawing and Disbursing Officer and Certificate of closing balance should be given.

During the Certification Work of National Ganga River Basin Project (NGRBP), Jharkhand for the year 2014-15, it is found that Cash Book was not attested properly by the DDO and closing balance of the Cash in each month is not reflected at the end of every month resulting in improper maintenance of Cash Book.

Para 2: Undue delay in the execution of Project at Sahibganj city.

During the course of Certification Work it was noticed that pace of implementation of the project was very slow. After five months from the date of award of administrative approval by Urban Development Department M/s JUIDCO Ltd. was ordered to function as Executive Agency in June 2014. M/s JUIDCO Ltd. issued tender notice after 4 months, for the execution of sewerage Project of Sahibganj. The bid was cancelled in October 2014 due to change in scope of work. The project was re-tendered on 15.10.2014 for which pre-bid meeting was held on 31.10.2014. Thereafter no further progress was made during 2014-15.

From the above, it is evident that the actions of the State Government, the SPMG and the JUIDCO Ltd. are not properly paced leading to the delay in the implementation of the Project and defeating the purpose of NGRBP.

Para 3: Delay in acquisition of land.

As per Para NGRBA Framework, immediately after approval of Feasibility Report by NMCG and with DPR preparation, the Executing Agency along with the ULB would initiate the land acquisition process for the project. This would facilitate identification of the land, its survey and preliminary cost estimation so that the State Government is in readiness to issue the appropriate notification under prevalent Land Acquisition Act for approval of DPR and speedy acquisition of the land.
Scrutiny of the records relating to the land acquisition revealed that process for acquisition of land was started by the ULB whereas the Administrative Approval on the DPR was granted by the NMCG in December 2013. As mentioned above, the process for land acquisition should have been started just after the approval and with the DPR preparation, but the same was initiated after four months from the date of approval of the DPR. The land was not acquired for the project till March 2015.

In the above circumstance, Project is going to be delayed resulting in cost overrun. The time overrun will cost the river Ganga and the connected people whereas the cost overrun will cost the State Government, if corrective measures are not taken immediately.


As per the NGRBA Framework, the State Programme Management Group (SPMG) was required to prepare the annual activities plan ensuring that the plan meets the overall programme objectives as well as the State’s need and priorities. The plan was required to be approved by the State Executive Committee (PMG) by the end of September for the next Financial Year.

During the Certification Work (November 2015), it was noticed that Annual Action Plan was not prepared by the SPMG, Jharkhand.

Para 5: Irregular expenditure made towards hire of Vehicles.

Any Vehicle should be hired by the office from a registered Travel Agency, so that tax collected may be deposited properly in Government Account.

During the Course of test check of accounts/records of NGRBP, it is found that vehicles have been hired by the office through a travel agency named M/s Samima Tour & Travels, Ranchi and Kushal Tour & Taxi Service. Scrutuing of bills submitted by the said agency revealed that the said agency was not a registered agency. Hiring of unregistered Agencies was irregular and an amount of ₹ 72,000 paid to Agency is dis-allowable.

In future the said practice should be avoided and vehicles may be hired through a registered Travel Agency.
Para 6: Non-production of Vouchers amounting to ₹ 1,01,167/-.

As per rule, all vouchers should be attached with the bills which are passed by the DDOs of concerned Office.

During the test check of accounts/records of NGRBP for the year 2014-15, it was found that vouchers given below is not attached with bills produces:

(a) T.A. Bill amounting to ₹ 29,167/-
(b) Travel Agency amounting to ₹ 72,000/-

In future it should be avoided.

Sr. Audit Officer
<table>
<thead>
<tr>
<th>Remarks</th>
<th>Amount In Rupees</th>
<th>For Remuneration</th>
<th>Amount Admissible</th>
<th>For Remuneration</th>
<th>Amount Inadmissible</th>
<th>Expenditure Claimed as per SO</th>
<th>Total (a)</th>
<th>Category No.</th>
<th>Total (b)</th>
<th>Category No.</th>
<th>Total (c)</th>
<th>Category No.</th>
<th>Total (d)</th>
<th>Category No.</th>
<th>Total (e)</th>
<th>Category No.</th>
<th>Total (f)</th>
<th>Category No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vouchers</td>
<td>4.6373718</td>
<td>198590.72</td>
<td>53989.49</td>
<td>1799663</td>
<td>6619674</td>
<td>1799663</td>
<td>5. Administration Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursement under the NGDBA Project for the Year 2014-15.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Details of statement showing the expenditure claimed for remuneration, amount admissible for remuneration and amount inadmissible in respect of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annexure A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remarks</td>
<td>Category No.</td>
<td>Expenditure Claimed as per SOE</td>
<td>Expenditure</td>
<td>Reimbursable Percentage</td>
<td>Reimbursable Amount for</td>
<td>Net Amount for Reimbursement</td>
<td>Total (f)</td>
<td>Total (g)</td>
<td>Total (h)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------------</td>
<td>--------------------------------</td>
<td>-------------</td>
<td>--------------------------</td>
<td>--------------------------</td>
<td>----------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Category No. 1 - CIVIL WORKS</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Category No. 2 - Consulting</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Category No. 3 - Equipment</td>
<td>768010.6</td>
<td>251849.7</td>
<td>1097158</td>
<td>1097158</td>
<td>125000</td>
<td>125000</td>
<td>125000</td>
<td>125000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Category No. 4 - Salary &amp; Wages</td>
<td>768010.6</td>
<td>251849.7</td>
<td>1097158</td>
<td>1097158</td>
<td>125000</td>
<td>125000</td>
<td>125000</td>
<td>125000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Category No. 5 - Administrative Expenses</td>
<td>1259764.1</td>
<td>1259764.1</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (a)</td>
<td>87500</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (b)</td>
<td>87500</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (c)</td>
<td>251849.7</td>
<td>3597853</td>
<td>3597853</td>
<td>3597853</td>
<td>3597853</td>
<td>3597853</td>
<td>3597853</td>
<td>3597853</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (d)</td>
<td>768010.6</td>
<td>1097158</td>
<td>1097158</td>
<td>1097158</td>
<td>1097158</td>
<td>1097158</td>
<td>1097158</td>
<td>1097158</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (e)</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td>1799639</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Statement showing the expenditure claimed and percentage of amount reclaimable for reimbursement under NGREGA Project for the Year 2014-15.

Annexure B