Audit Certificate in respect of National Hydrology Project of Central Water and Power Research Station, Pune, Department of Water Resources, River Development & Ganga Rejuvenation, Pune, for the year 2018-19.


Bharatvarsha,

Salutation: Yathore

-58-

Upp Nideshak (Office)

Pratibim

2. Vrishi Prasasana Adivikar (PPG-EAP), Karjaly Bharat Ke Niyantak-Mahalekha Pariksha, 9, Din Dayan Upadhyay Marg, Nai Dillli 110124
3. The CAAA, Vrit Mantralaya, Vip Vigyan Bhawan, Paanchvi Mandir, Dd. Ganga, 20, Sushila Chitra, 20, Kriangan, Nai Dillli 110001
4. Nideshak, Karjaly Mahanideshak Lekhapariksha, Vijnana Vikas, Mukhia Shreshtha, Nav Bhavan, Aar, 400001, Marg, Balabai Stand, Mumbai 400001

To,
The Secretary to the Government of India,
Department of Water Resources,
River Development & Ganga Rejuvenation,
Shram Shakti Bhawan,
Rafi Marg,
New Delhi-110001

Audit Report on the Project Financial Statements:

We have audited the accompanying financial statements of the Central Water and Power Research Station, Khadakvasla, Pune, National Hydrology Project (NHP) financed under World Bank Loan No. 8725-IN, which comprises the Statement of Sources and Application of Funds and the Reconciliation of claims to Total Application of Funds for the year ended 31st March 2019. These statements are the responsibilities 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. These 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 statement. 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 Water and Power Research Station, Khadakvasla, Pune, National Hydrology Project (NHP)” for the year ended 31st March 2019 in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to the Statement of Expenditure, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditure of Rs. 133.17 lakh incurred under the project and (b) except for ineligible expenditure of Rs. 1.92 lakh, expenditure of Rs. 131.26 lakh are eligible for financing under the Loan / Credit Agreement. During the course of audit, Statement of Expenditure / Financial statement amounting to Rs. 132.4 lakh were examined which can be relied upon to support reimbursement of Rs. 131.25 lakh under the Loan/Credit Agreement as per Annexure-1.

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.

Place: New Delhi
Date:

Director General of Audit (SD)
Annexure-I

Statement – A


ES-EXTERNAL SUPPORT, DS- DOMESTIC SUPPORT

<table>
<thead>
<tr>
<th>Name of the Component</th>
<th>SoE Figure</th>
<th>Actual expenditure verified in audit</th>
<th>Expenditure disallowed in audit</th>
<th>Expenditure admitted in audit</th>
<th>Percentage admissible</th>
<th>Amount reimburs ible</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTRAL WATER AND POWER RESEARCH STATION, (CWPRS), PUNE</td>
<td>ES</td>
<td>DS</td>
<td>ES</td>
<td>DS</td>
<td>ES</td>
<td>DS</td>
</tr>
<tr>
<td>Total</td>
<td>133.17</td>
<td>138.16</td>
<td>132.4</td>
<td>138.16</td>
<td>1.92</td>
<td>0</td>
</tr>
</tbody>
</table>

Dy. Director (EA)
Details of disallowances made from the expenditure incurred by Central Water and Power Research Station, (CW&PRS), Pune under National Hydrology Project Loan No. 8725 – IN for the year 2018-19.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>District/ Unit Office</th>
<th>Reasons for disallowances</th>
<th>Amount Disallowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CENTRAL WATER AND POWER RESEARCH STATION, (CWPRS) PUNE</td>
<td>Audit observed that CWPRS, Pune procured two units of each items in place of approved one unit and incurred an amount of Rs.1,84,080/- (Rs.1,48,680/- + Rs.35,400/-) under both procurements. Hence, an amount of Rs.92,040/- is disallowed.</td>
<td>92040.00</td>
</tr>
<tr>
<td>2</td>
<td>RESEARCH STATION, (CWPRS) PUNE</td>
<td>As per existing Office Memorandum/circulars/guidelines issued under National Hydrology Project (NHP), no provision was made for payment of honorarium for the training imparted by the Internal Faculty Members. However, scrutiny of vouchers (Vr.No.5856 dated 04.02.2019) for the year 2018-19 revealed that CWPRS, Pune paid honorarium of Rs.10,000/- for the training imparted by the Internal Faculty Members during 18 June 2018 to 22 June 2018 in respect of course on &quot;Hydromet Network Design and Instrumentation&quot;. Hence, the payment of Rs.10,000/- made towards honorarium is inadmissible and the same is disallowed.</td>
<td>10000.00</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Audit notices from the hotel bill submitted by official that hotel was not having GST Number. However, Official had paid SGST/CGST amounting to Rs. 2,316/- to hotel. Thus, the payment of SGST/CGST is inadmissible and may be recovered from the concern official and the same is disallowed.</td>
<td>2316.00</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Test check of Travelling Allowances vouchers for the year 2018-19, it was observed that 10 officials above level nine were performed local journey on tour station by taxi/auto. After completion of journey, the officials had submitted their TA claim including reimbursement of taxi/auto charges without submission of taxi/auto bill. However, CWPRS, Pune reimbursed Rs. 10,384/- to 10 officials without availability of taxi/auto bills in the TA bill of the concern officials. The same may be recovered from the concern officials. Thus, the payment an amount of Rs. 10,384/- made to officials is disallowed.</td>
<td>10384.00</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>CWPRS, Pune did not produce the vouchers amounting to Rs. 77,096 to Audit for verification. Therefore, audit could not verify the expenditure incurred to that extend under the NHP. Hence, it is disallowed.</td>
<td>77096.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>191836.00</strong></td>
</tr>
</tbody>
</table>

Dy. Director (EA)

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Annexure-III
Statement - C

Details of Reconciliation of claims of total application of funds for Central Water and Power Research Station, (CW&PRS), Pune under National Hydrology Project Loan No. 8725 – IN for the year 2018-19

(Amount in lakh)

<table>
<thead>
<tr>
<th>Schedules</th>
<th>Current Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>133.17</td>
</tr>
<tr>
<td>B</td>
<td>1.92</td>
</tr>
<tr>
<td>C</td>
<td>131.25</td>
</tr>
<tr>
<td>D</td>
<td>131.25</td>
</tr>
</tbody>
</table>

Total expenditure made during the year (A) = 133.17
Less: Ineligible expenditure (B) = 1.92
Total Eligible expenditure (C) = (A-B) = 131.25
Amount reimbursable (100%) by bank (D) = 131.25

Dy. Director (EA)
The Audit Officer (LAP-I)
Govt. Director General of Audit (Scientific Department)
Indian Audit & Accounts Department (IAAD),
No. Bhavan, 10, R.K. Marg, Ballard Estate,
Mumbai – 400 001.

Sub.: Compliance of NHP Audit Para for FY 2018-19.

Sir,

With reference to above mentioned subject compliance report for the Part II Sec B Para #1 to #9 are as under.

1. Para II Sec B Para 1: Excess procurement of items under NHP (2018-19)
   Reply: The approval for two units of each item viz. Electronic water level sounder and Steel tape in AWP 2018-19 was received from Ministry (NHP-NPMU) vide e-mail dated 02/09/19 is enclosed (Annex-1). Hence, Para may be dropped.

2. Para II Sec B Para 2: Inadmissible payment towards Honorarium.
   Reply: This is to mention that CWPRS is not a specialized National Training Institute for imparting training or to conduct education programs. However, to support the integrated Water resources Management (IWRM) Program of various states IAs, CWPRS organizes National training under NHP as per the directions from the Ministry. Hence, Scientists of CWPRS acted as resource persons in such training are considered as guest faculties and the honorarium paid to them is justified due to the following reasons.
   1) The training program conducted is of National level and the venue only is selected as CWPRS. Hence, to impart the training, scientists from CWPRS have been treated as guest faculty.
   2) Officials delivering lectures during such training program are recognized to be rendering other than their regular duty and for such duty they are not entitled to any training allowance, which is usually allowable at National Training Academies. Therefore, honorarium paid to the CWPRS faculty is justified being on par with that of guest faculty.
   3) Further, payments towards honorarium have been made as per the OM File No. A-33025/20/2017-E-I Section dated 06/12/2017 issued by M/o Jal Shakti D/o WSRRD&GR erstwhile M/o WR, RD&GR and DoPT OMs dated 23/09/2014 and 03/03/2009. A copy e-mail correspondence with Ministry on the subject matter (NHP-NPMU) dated 25/04/2019 and 21/05/2019 is enclosed (Annex II).

3. Para II Sec B Para 3: Non-conducting of physical verification of stores procured under NHP since inception.
   Reply: Action taken, physical verification is conducted and report awaited from competent authority.

   Reply: A copy of Memorandum of Agreement (MoA) with Financial Manual issued by the Ministry (NHP-NPMU), New Delhi is enclosed, wherein Para 11 and 12 of the Manual refer to the Fund Flow Arrangements under NHP and which is self explanatory (Annex III).
5. **Para II Sec B Para 5: Inadmissible payment towards SGST/CGST**
   
   **Reply:** After detail verification of the claim, it is observed that GST No is printed on Hotel Bill and copy of the Bill is enclosed for your information. (Annexure -IV). Hence it is requested that the para may be dropped.

6. **Para II Sec B Para 6: Inadmissible payment of conveyance charges without production of bills.**
   
   **Reply:** After detailed scrutiny of TA bill, The bill is passed as the claim is in order and as per rule. Local journey performed by individual where Taxi/Auto claimed by the official was admitted only after certification of official. As these official are above Level 9 and claim is restricted as per RTO Approved rates and kilometer permissible in TA Rule. It is not possible to obtain taxi/Auto hire bill while performing local journey on tour as no receipts are providing by Auto/Taxi Drivers even in metro cities like Mumbai. In view of the above justification as there is no violation of OM and thus there is no inadmissible payment made on account of local conveyance charges while on tour. Hence it is requested that the Para may be dropped.

7. **Part II Sec B Para 7: Non-production of vouchers resulted in inadmissible under NHP- Rs.77,096/-**
   
   **Reply:** Details of all vouchers are submitted herewith and expenditure amount is matched with voucher amount (All Copies attached) (Annexure-V)

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount shown in statement of expenditure</th>
<th>Amount as per vouchers submitted</th>
<th>Differential Amount (Due to rounding of figures)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Expenses</td>
<td>99,000</td>
<td>99,281</td>
<td>281</td>
</tr>
<tr>
<td>Other Admin. Expenses</td>
<td>3,31,000</td>
<td>3,30,623</td>
<td>377</td>
</tr>
<tr>
<td>Minor works</td>
<td>81,84,000</td>
<td>81,83,844</td>
<td>156</td>
</tr>
</tbody>
</table>

8. **Part II Sec B Para 8: Difference of expenditure Between External Support & Domestic Support.**
   
   **Reply:** In GEM portal there is no option available for bifurcation (charging) of expenditure i.e. 50% ES & 50% DS. Hence there is difference of expenditure between ES & DS and this will continue henceforth also.

9. **Part II Sec B Para 9: Excess exp. Through vouchers than amount depicted in SoE & RE under NHP.**
   
   **Reply:** 1) The Revised Allocation under Domestic Travel Expenses is Rs.18.00 lakh and Expenditure booked under this head is Rs.17.68 lakh and Rs. 0.32 lakh remain unutilized. Hence there is no Excess expenditure under this head.

   2) Further, Operating cost includes expenditure on DTE, FTE,OE and which is Rs.18.78 lakh against budget allocation of this head which is Rs 19.11 break up is as given below (DTE 18.00+FTE 0.11 +OE 1.00=19.11) and expenditure incurred is Rs 18.78 lakhs, breakup is as given below (DTE17.67+FTE 0.11+OE 0.99) which is within budget limit as such there is no variation under this head. In view of the above justification it is requested that this Para may be dropped.

Yours faithfully

(M.N.Kakde)

FINANCE OFFICER