सेवा में:
कार्यक्रम प्रबन्धक,
उत्तराखण्ड डिजिस्टर रिकवरी प्रोजेक्ट,
चतुर्थ तल, डी.डी.पी.एम. विलिंग, हरिद्वार बाईपास,
अजबपुर खुर्द, उत्तराखण्ड, देहरादून।

विषय:- वित्तीय वर्ष 2018-19 का लेखापरीक्षा प्रमाण-पत्र निर्माण करने के सम्बन्ध में।

महोदय,
उपरोक्त विषयक लेखापरीक्षा प्रमाण-पत्र संलग्न कर अधिम कार्यवाही हेतु आपको
प्रेषित किया जा रहा है।

संलग्नक:-यथापरि।

अभयार्य,

(अजय कु. कृपाशंकर)
उपमहालेखाकार
वित्तीय लेखापरीक्षा शाखा

पत्रांक: वि.ले.शा./यू.डी.आर.पी. /196/2018-19/
प्रतिलिपि:-
1. सर्विक, वित्त, उत्तराखण्ड शासन, देहरादून।
2. निदेशक, ए.डी.बी., डिपार्टमेंट आफ इकोनॉमिक अफेयर्स, वित्त मंत्रालय, भारत
सरकार, नार्यललाक, बी.ए.ए. दिल्ली।

(अजय कु. कृपाशंकर)
उपमहालेखाकार
वित्तीय लेखापरीक्षा शाखा
To,

The Project Director,
Project Management Unit,
Uttarakhand Disaster Recovery Project (UDRP),
4th Floor, DDPM Tower, Haridwar Bypass Road, Ajabpur Khard, Dehradun, Uttarakhand.

Subject: Issue of Audit Certificate of Uttarakhand Disaster Recovery Project (UDRP) for the financial year 2018-19.

Sir,

I am to enclose herewith the Audit Certificate for the financial year 2018-19 along with the audit observation on it for Uttarakhand Disaster Recovery Project assisted by World Bank Loan No.-5313 IND.

Encl: As above

Yours faithfully,

(Ajay K Kripashankar)
Sr. Dy. Accountant General
Finance Audit Wing

Copy forwarded to:-
1. Secretary, Finance, Government of Uttarakhand, Uttarakhand Secretariat, 4- Subhash Road, Dehradun – 248001
2. Joint Secretary (MI) Department of Economic Affairs Ministry of Finance, New Delhi – 110001

Yours faithfully,

(Ajay K Kripashankar)
Sr. Dy. Accountant General
Finance Audit Wing
To,
The Project Director,
Project Management Unit,
Uttarakhand Disaster Recovery Project (UDRP),
4th Floor, DDPM Tower, Haridwar Bypass Road, Ajabpur Khurd,
Dehradun, Uttarakhand.

Subject: Report on the Project Financial Statements

We have audited the accompanying financial statements of the Uttarakhand Disaster Recovery Project financed under World Bank Loan No.-5313IND, which comprise the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds for the year ended on 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 Uttarakhand Disaster Recovery Project for the year ended on 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 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 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 or UT Legislature.

Date: 10 October 2019

Pr. Accountant General (Audit)
Annexure-1

Details of Expenditure incurred under Uttarakhand Disaster Recovery Project for the Year 2018-19

Loan No.: 5313 IND

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (₹ In Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>55.63.12</td>
</tr>
<tr>
<td>Fund received during the FY 2018-19</td>
<td>1.51.23.00</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>1.65.09</td>
</tr>
<tr>
<td>Other Receipts</td>
<td>7.89.67</td>
</tr>
<tr>
<td><strong>Total Inflow</strong></td>
<td><strong>2.16.40.88</strong></td>
</tr>
<tr>
<td>Expenditure incurred</td>
<td>1.85.02.39</td>
</tr>
<tr>
<td>Interest Deposited</td>
<td>1.76.27</td>
</tr>
<tr>
<td>Advance Paid</td>
<td>2.98.80</td>
</tr>
<tr>
<td><strong>Total Outflow</strong></td>
<td><strong>1.89.77.46</strong></td>
</tr>
<tr>
<td>Deductions during 2018-19</td>
<td></td>
</tr>
<tr>
<td>Inadmissible</td>
<td>Nil</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
</tr>
<tr>
<td>Interest Deposited</td>
<td>(1.76.27)</td>
</tr>
<tr>
<td>Amount Advanced</td>
<td>(2.98.80)</td>
</tr>
<tr>
<td><strong>Total Deduction</strong></td>
<td><strong>(4.75.07)</strong></td>
</tr>
<tr>
<td>Amount eligible for Audit Certificate</td>
<td>1.85.02.39</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>26.63.43</td>
</tr>
</tbody>
</table>

(Adj K. Kripashanker)
Deputy Accountant General/FAW
Audit Observations

During scrutiny of the records of Project Director, PIU (Road & Bridge) DEA Rudraprayag, it was noticed that due to slow progress of work against package no. 29 (Reconstruction of Salya Tulanga and Chenagad Uchola Motor Road), the contract was terminated by the Employer as per Clause 52 of General Conditions of Contract. Further, an amount of ₹ 36.79 lakh was not adjusted from the last running bill against the work done by the contractor.

On being pointed out, the entity accepted the fact and stated that recovery was pending as on account of the matter being subjudice.

The reply of the entity could not be verified as no records/documents were provided to audit along with reply to justify that the case was subjudice.

2. During the scrutiny of records of Project Director PIU (Road & Bridge) DEA Chamoli, it was noticed that due to slow progress of work against package no. 26 (Reconstruction of Panduwakhal - Rohilda and Gairsain - Pajiyana Motor Road), the contract was terminated by the Employer as per Clause 52 of General Conditions of Contract. Further, an amount of ₹ 28.97 lakh was not adjusted from the last running bill against the work done by the contractor.

On being pointed out, the entity accepted the fact and stated that recovery was pending as the matter was subjudice.

The reply of the entity could not be verified as no records/documents were provided to audit along with reply to justify that the case was subjudice.

3. During the scrutiny of the records of Uttarakhand Disaster Recovery Project (UDRP), it was observed that interest of ₹ 13.19 lakh was earned on the balances parked in the bank accounts of PIU- TACBDRM, and was deposited into Government Account under the Minor Head “110” (interest realized on investment on Cash balances) below the Major and Sub Major Head “0049-04” (interest receipts of State/Union Territory Governments with legislature). The said minor head “110” is to be operated only for the interest realised on investment on cash balances. Hence, it is a case of misclassification.

On being pointed out, the entity accepted the fact.

4. As per “The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996”, Labour Cess at the rate of one percent of the construction cost of the project is to be deducted from all the running account bills of the contractors and deposited with “Secretary, Uttarakhand Buildings and Other Construction Workers’ Welfare Board”.


During the certification audit of Field Project Implementing Units (FPIUs), Roads & Bridges (R & B)- Uttarkashi and Karnaprayag it was observed that the Labour Cess amounting to ₹ 10.49 lakh and ₹ 21.41 lakh respectively was deposited under the Major Head “0230-00-106-00-00(Major Head 0230- Labour and Employment, Minor Head 106- Fees under Contract Labour)”, instead of depositing the same with ‘Secretary, Uttarakhand Buildings and Other Construction Workers’ Welfare Board,’ which was irregular.

On being pointed out, the FPIU, R & B, Uttarkashi and Karnaprayag accepted the audit observation.

5. During scrutiny of the records of FPIU- Uttarkashi, PIU-R & B, it was observed that payment of a sum of ₹ 8.67 lakh was made towards vehicle bills of Tours & Travels Agency from the T.I. (Temporary Imprest), while as per rules, T.I. is opened in favor of subordinate officer to enable him to make specific office expenses of petty nature and the account of T.I. should be closed as soon as possible. Besides this, the vehicles were hired and engaged in the division without obtaining permission from the PIU- R & B.

On this being pointed out, the entity stated that an agreement with M/s Baba Tours & Travels was being formulated by the PMU to provide vehicles on monthly basis to various FPIUs, but services provided by the said travel agency was not good enough in the division, owing to which vehicles were hired from other Tours & Travels Agency on quotation basis. The entity further stated that payment to another travel agency from T.I. is not a loss of Government Revenue.

Reply of the entity is not acceptable as the entity had engaged other travel agency without seeking permission from the PIU- R & B. Apart from this, payment of vehicle hire charges from T.I. is irregular as T.I. is to be opened to meet out petty office expenses only.

6. During scrutiny of the FPIU- Nainital, it was observed that a sum of ₹ 0.54 lakh was paid as rent for 22 months (@₹2450 per month) for hiring a go down in Bhawali, Nainital for storing unusable items without getting approval from the competent authority.

On being pointed out, the entity accepted the facts & figures.

Deputy Accountant General/FAW