कार्यालय महानिदेशक लेखाप्रीक्षा (केंद्रीय व्यव) 
इंद्रप्रस्थ एस्टेट नई दिल्ली -110002

संख्या ए.एम.जी-1/IR/ NRLP/2-41/ 2016-17/ 795

दिनांक: 24.10.2016

To

Director (A&F),
National Mission Management Unit,
Ministry of Rural Development,
6th Floor, Hotel Samrat,
New Delhi-110021

महोदय,

मैं वर्ष 2015-16 के लिए National Rural Livelihood Project, IDA Credit 4978-IN के 
लेखाओं पर निरीक्षण प्रतिवेदन प्रस्तुत करता हूँ यह अनुरोध किया जाता है कि उसके अंतर्गत 
उठाए गए विभिन्न विषयों के उत्तर कृपया इस कार्यालय को मंत्रालय के माध्यम से निरीक्षण 
प्रतिवेदन की प्राप्ति के चार सप्ताह की अवधि के भीतर भेज दिए जायें।

कृपया प्रतिवेदन की पावती भेजें

अनुरोधक: निरीक्षण प्रतिवेदन संलग्नको सहित

विरिष्ठ लेखाप्रीक्षा अधिकारी (ए.एम.जी-1)

[Signature]

[Stamp] 2 4 OCT 2016
Office of the Director General of Audit
Central Expenditure I.P. Estate New Delhi-110002

Inspection Report on the accounts of World Bank Assisted Project on National Rural Livelihood Project (NRLP), IDA Credit 4978-IN for the year 2015-16.

Part-I

I) Introductory

The audit on the account of World Bank Assisted Project on National Rural Livelihood Project (NRLP), IDA Credit 4978-IN, National Mission Management Unit, Ministry of Rural Development for the year 2015-16 was conducted by an audit party of office of the Director General of Audit (Central Expenditure), New Delhi-110002 comprising Shri Rajinder Singh, Sr. Audit Officer, Shri Lokendra Kumar, Assistant Audit Officer, Shri Rajender Kumar, Sr. Auditor w.e.f. 05.09.2016 to 26.09.2016 (15 working days). The last audit for the period 2013-15 was conducted from 20.10.2015 to 10.11.2015 (15 working days).

II) Set up and activities

Ministry of Rural Development entered into financial agreement with International Development Association (IDA) vide Credit Number 4978-IN on 18.07.2011. The Association agrees to extend to the recipient, on the terms and conditions set forth or referred to in this agreement, a credit in an amount equivalent to Six hundred thirty five million eight hundred thousand Special Drawing Rights (SDR 635,800,000) (variously, “Credit and Financing”) to assist in financing the project described in schedule 1 to the agreement (“Project”). National Rural Livelihood Project (NRLP) is implemented by Ministry of Rural Development at the National Level and State Rural Development Departments in states level which participate in the project. NRLP is funded by the Government of India and the World Bank.

The NRLP has been designed for implementation in a mission mode, both to provide direct support to 12 high poverty States accounting 85% of the poor in the country as well as to provide the architecture for managing the NRLM across the whole country. Further, the number of NRLP States had increased to 15 as on 31st March 2013. The implementation period of Project
is 5 years and it covers intensive livelihood investment in 100 Districts and 400 Blocks, covering target approximately 24 million rural poor (about 4.8 million households).

The main objective and component of the project are to establish efficient and effective institutional platforms of the rural poor to enable them to increase household income through sustainable livelihood enhancements and improved access to financial and selected public services. The project description/components are as under:-

1. Institutional and Human Capacity Development:

The objective of this component is to transform the role of Ministry of Rural Development (M/o RD) into a provider of high quality technical assistance in the field of rural livelihood promotion.

2. State Livelihood Support:

The objective of this component is to support State Governments in establishment of the necessary institutional architecture for the implementation of the National Rural Livelihood Mission (NRLM) activities from the State to the block level, including support to the formation of institutions of the rural poor.

3. Innovation and Partnership Support:

The objective of this component is to create an institutional mechanism to identify, nurture and support innovative ideas from across the country to address the livelihood needs of the rural poor.

4. Project Implementation Support:

The objective of this component is to establish an effective project management unit at the National Level that develops key systems and processes for coordination and management of the proposed project and the NRLM.

The activities to be supported under the proposed National Rural Livelihood Project intend to achieve the following key outcomes:

(i) Enhance effectiveness of public expenditure on National Rural Livelihood Project

(ii) Leverage resources for the rural poor.

(iii) Increase access to other Government programme across the whole country.
III) **Budget Allocation**

The Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure (AE) Release to SRLM for last three years are as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget estimates</th>
<th>Revised estimates</th>
<th>Actual expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plan</td>
<td>Non Plan</td>
<td>Plan</td>
</tr>
<tr>
<td>2013-14</td>
<td>31800.00</td>
<td>-</td>
<td>n.a.</td>
</tr>
<tr>
<td>2014-15</td>
<td>45000.00</td>
<td>-</td>
<td>n.a.</td>
</tr>
<tr>
<td>2015-16</td>
<td>68000.00</td>
<td>-</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

(Rs. in Lakh)

IV) **Scope of Audit**

The proposed certification audit entailed scrutiny of records of Mission for the year 2015-16 in the light of Government Rules, Regulations and Mandate of the Ministry in respect of books, accounts, connected vouchers and other documents. Audit checked the remedial actions taken by the NMMU on the audit observations pointed out in previous Inspection Reports.

V) **Internal Audit**

Ministry of Rural Development, New Delhi did not conduct internal audit on the accounts of World Bank Assisted National Rural Livelihood Project, for the financial year 2013-14, 2014-15 and 2015-16 till date.
Para 1. Claim of Rs. 14000/- without making expenditure

Audit Scrutiny revealed that in the Interim Unaudited Financial Report of the National Rural Livelihoods Promotion Society (NRLPS), the payment of Rs. 14000/- was paid to two non-officials members for attending review committee meetings vide bill no. 106 dated 6.11.2015. However it could not be verified on account of reversal of expenditure due to return of cheques by non-official members. Hence, the claim of Rs. 14000/- does not qualify for reimbursement.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Para no.</th>
<th>Amount (in Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>14000</td>
</tr>
</tbody>
</table>

Part-II (C)
Test Audit Notes
Nil
Part-III

Result of review of old outstanding objections

At the commencement of audit, 2 Inspection Report with 3 paras were outstanding. During the course current audit, all the outstanding paras settled, no para remained outstanding.

List of paras settled are given below:-

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>Para No.</th>
<th>Brief of Para</th>
<th>Reply/ Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2012-13</td>
<td>2</td>
<td>Slow progress of the National Rural Livelihood Project</td>
<td>In view of the reply para settled.</td>
</tr>
<tr>
<td>2.</td>
<td>2013-15</td>
<td>1</td>
<td>Slow pace of utilization of grant in the project</td>
<td>In view of the reply para settled.</td>
</tr>
<tr>
<td></td>
<td>2012-13</td>
<td>3</td>
<td>Unnecessary release of GIA amount to Rs. 399.00 lakh to Andhra Pradesh state</td>
<td>In view of the reply para settled.</td>
</tr>
</tbody>
</table>

Part-IV

Nil
Part-V

Acknowledgement

The auditee unit extended full co-operation by furnishing the requisite records and information timely to audit.

The following officers held the charges of respective posts indicated below during the period 2015-16.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Post</th>
<th>Name of the Officer</th>
<th>Designation</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Head of the Office</td>
<td>Sh. R.Subrahmanyam</td>
<td>J S(RL)</td>
<td>01.04.2015 to 29.07.2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sh. Atal Dulloo</td>
<td></td>
<td>30.07.2015 to 31.03.2016</td>
</tr>
<tr>
<td>2</td>
<td>Head of Administration</td>
<td>Mrs. Nita Kejriwal</td>
<td>Director</td>
<td>01.04.2015 to 31.03.2016</td>
</tr>
<tr>
<td>3</td>
<td>Officer in charge of accounts</td>
<td>Sh. G.P.Gupta</td>
<td>CCA (M/o RD)</td>
<td>01.04.2015 to 31.10.2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs. Neelam S. Kumar</td>
<td></td>
<td>01.11.2015 to 31.03.2016</td>
</tr>
</tbody>
</table>
**General**

The general condition of the accounts of World Bank Assisted Project on National Rural Livelihood Project (NRLP), IDA Credit 4978-IN, National Mission Management Unit, Ministry of Rural Development, Samrat Hotel, New Delhi for the period 2015-16 was found to be satisfactory subject to observation made in the Inspection Report.

The Inspection Report has been prepared on the basis of information furnished and made available by NMMU, Ministry of Rural Development, Samrat Hotel, New Delhi. The O/o Director General of Audit, Central Expenditure, New Delhi disclaims any responsibilities for any mis-information/non-information on the part of the auditee.

[Signature]

Senior Audit Officer
(AMG-I)
Report of the Comptroller and Auditor General of India

We have audited the accompanying financial statements of the National Rural Livelihood Project (NRLP), IDA Credit 4978-IN financial under World Bank, which comprise the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds for the year ended 31.03.2016. 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 application of funds of National Rural Livelihood Project (NRLP) for the year ended 31.03.2016 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 observation, 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 amounting to Rs. 22,65,74,003 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 U.T. Legislature.

Dy-Director (AMG-I)