No: FAW/AC/2-50/2017-18/94  
Dated: 15.05.2019

To
The Project Director,
Nagaland Health Project,
Directorate of Health & Family Welfare,
Nagaland – Kohima.

Subject: Issue of Audit Certificate against Nagaland Health Project under World Bank Assisted Project Credit No.IDA 5927-IN for the Financial Year 2017-18.

Sir,

In inviting a reference to your letter No. NHP/FIN-XII/2017 dated 22nd February 2019, I am to forward herewith the Audit Certificate on the expenditure of ₹ 10,98,86,014/- (Rupees Ten Crore, Ninety-eight lakh, Eighty-six thousand and fourteen) only against Nagaland Health Project under World Bank Assisted Project credit No.IDA 5927-IN for the Financial year 2017-18 for necessary action at your end.

This certificate is issued without prejudice to the Comptroller & Auditor General of India’s right to incorporate any further detail audit observation if and when made in the Report of the Comptroller & Auditor General of India for being laid before the Parliament/State Legislature.

Enclosed:- As stated

Yours faithfully

Audit Officer,
Financial Audit Wing (FAW)
Report of the Comptroller and Auditor General of India

To
The Project Director,
Nagaland Health Project,
Directorate of Health & Family Welfare,
Nagaland – Kohima.

Report on the Project Financial Statements

We have audited the accompanying financial statements of the Nagaland Health Project financed under World Bank Loan No.IDA 5927-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 2018. 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 misstatements. 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 reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the sources and application of funds of Nagaland Health Project for the year ended 31st March 2018 in accordance with Government of India accounting standards.

In addition, in our opinion, with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred and expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs/FMRs (Credit No.IDA 5927-IN; Amount: ₹ 10,98,86,014/- ) and the connected documents were examined and this 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.

Dated: 13th May 2019

(A.Pitoho Chophy)
Accountant General (Audit)
AUDIT CERTIFICATE

The expenditure Statements/Financial Statements relating to the Project "Nagaland Health Project" (Credit No.IDA 5927-IN) attached hereto have been audited in accordance with the regulations and standards of audit of the Comptroller and Auditor General of India and accordingly included such test of accounting records, internal checks and controls and other auditing procedures necessary to confirm:

(a) That the resources are used for the purpose of the project; and
(b) That the expenditure statement/financial statements are correct.

During the course of audit referred to above, statement of expenditure under credit No.IDA 5927-IN (Amount: ₹ 10,98,86,014/- Rupees Ten Crore, Ninety-eight lakh, Eighty-six thousand and fourteen only) and the connected documents were examined and those can be relied upon to support re-imbursement under the aforesaid loan/credit agreement.

On the basis of the information and explanation that we have obtained as required and according to the best of our information as a result of test audit, it is certified that the Expenditure Statement/Financial Statement represent a true and fair view of the implementation (and operation) of the project for the year ended 31st March 2018.

(A.Pitoho Chophy)
Accountant General (Audit)
## Annexure-I

Receipt & Expenditure Statement against Nagaland Health Project under World Bank Loan No. IDA 5927-IN for the year 2017-18

<table>
<thead>
<tr>
<th>Year</th>
<th>Opening balance</th>
<th>Funds received from Govt</th>
<th>Other receipts</th>
<th>Total receipts</th>
<th>PPA cost</th>
<th>Goods</th>
<th>Training, seminars, workshops</th>
<th>Incremental operation cost</th>
<th>Consulting &amp; Non consulting services</th>
<th>Total expenditure</th>
<th>Repayment of Advance</th>
<th>Bank</th>
<th>Cash in Hand</th>
<th>Advance</th>
<th>Total Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>12575935.82*</td>
<td>10792600.00</td>
<td>1747995.00</td>
<td>109673995.00</td>
<td>10696099.00</td>
<td>4638790.00</td>
<td>5335024.00</td>
<td>28097703.00</td>
<td>43698398.00</td>
<td>11420000.00</td>
<td>110986014.00</td>
<td>565045.00</td>
<td>2835880.00</td>
<td></td>
<td>11770916.32</td>
</tr>
<tr>
<td>Total</td>
<td>12575935.82*</td>
<td>10792600.00</td>
<td>1747995.00</td>
<td>109673995.00</td>
<td>10696099.00</td>
<td>4638790.00</td>
<td>5335024.00</td>
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<td>565045.00</td>
<td>2835880.00</td>
<td></td>
<td>11770916.32</td>
</tr>
</tbody>
</table>

* Closing balance of FY 2016-17 as per last Audit certificate which is carried forward as opening balance of FY 2017-18 was ₹12575935.82 which was inclusive of ₹994290 on account of Bid Security and ₹ 504 on account of Professional Tax.

** Closing Balance of FY 2017-18 is projected as per the balance shown in the Bank Statement, Cash Book and Trial Balance made available by the Project Director, Nagaland Health Project.

Audit Officer/FAW