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**ACCELERATED RURAL WATER SUPPLY
PROGRAMME (ARWSP)**

[Action Taken by the Government on the Observations/
Recommendations of the Committee contained in their Thirty-fifth
Report (15th Lok Sabha)]

MINISTRY OF DRINKING WATER & SANITATION

**PUBLIC ACCOUNTS
COMMITTEE
2012-2013**

SIXTY-NINTH REPORT

FIFTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

SIXTY-NINTH REPORT

PUBLIC ACCOUNTS COMMITTEE (2012-2013)

(FIFTEENTH LOK SABHA)

ACCELERATED RURAL WATER SUPPLY PROGRAMME (ARWSP)

[Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Thirty-fifth Report (15th Lok Sabha)]

MINISTRY OF DRINKING WATER & SANITATION

Presented to Hon'ble Speaker on: 16 January, 2013

Presented to Lok Sabha on

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2012-13)

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

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3. Dr. Baliram
4. Shri Sandeep Dikshit
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SECRETARIAT

- | | | |
|------------------------|---|-------------------------|
| 1. Shri Devender Singh | — | <i>Joint Secretary</i> |
| 2. Shri Abhijit Kumar | — | <i>Director</i> |
| 3. Smt. A. Jyothirmayi | — | <i>Deputy Secretary</i> |
| 4. Smt. Anju Kukreja | — | <i>Under Secretary</i> |

* Elected *w.e.f.* 6th December, 2012 *vice* Shri Sarvey Sathyanarayana appointed as Minister on 28th October, 2012.

† Elected *w.e.f.* 6th December, 2012 *vice* Dr. Shashi Tharoor appointed as Minister on 28th October, 2012.

INTRODUCTION

I, the Chairman, Public Accounts Committee (2012-13), having been authorised by the Committee, do present this Sixty-ninth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-fifth Report (Fifteenth Lok Sabha) on '**Accelerated Rural Water Supply Programme (ARWSP)**' relating to the Ministry of Drinking Water and Sanitation.

2. The Thirty-fifth Report was presented to Lok Sabha/laid in Rajya Sabha on 11th August, 2011. Replies of the Government to the Observations/Recommendations contained in the Report were received on 9th February, 2012. The Public Accounts Committee considered and adopted this Report at their sitting held on 28th December, 2012. Minutes of the sitting are given at *Appendix-I*.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Thirty-fifth Report (Fifteenth Lok Sabha) is given at *Appendix-II*.

NEW DELHI;
28 December, 2012
7 Pausa, 1934 (Saka)

DR. MURLI MANOHAR JOSHI
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-fifth Report (15th Lok Sabha) on the Report of the C&AG of India for the year ended March 2007, No. 12 of 2008 (Performance Audit), Union Government (Civil) relating to '**Accelerated Rural Water Supply Programme**'.

2. The Thirty-fifth Report (15th Lok Sabha) was presented to the Lok Sabha/laid in Rajya Sabha on 11th August, 2011. It contained 16 Observations/Recommendations. Action Taken Notes in respect of all the observations/recommendations have been received from the Ministry of Drinking Water and Sanitation and these have been categorized as under :—

- (i) Observations/Recommendations of the Committee which have been accepted by the Government :

Paragraph Nos. 1, 3-5, 7, 8, 9-12 and 14-16

Total : 13

Chapter II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government :

-NIL-

Total : NIL

Chapter III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Paragraph No. 2

Total: 1

Chapter IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies :

Paragraph Nos. 6 and 13

Total : 2

Chapter V

3. Taking cognizance of the inordinate delay on the part of various Ministries/ Departments in furnishing the Action Taken Notes on the non-selective Audit Paragraphs/Chapters/Reports, the Public Accounts Committee (2010-11) took up the subject for detailed examination and Report. In due consultation with the Audit, the Committee decided to examine the position in respect of the Ministry of Drinking Water and Sanitation.

While observing that certain Paragraphs/Remedial/Corrective Action Taken Notes on very important issues were pending with the Ministry of Drinking Water and Sanitation, the Committee considered it prudent to examine and report the same alongwith the non-compliance issue. Accordingly, the Committee took up the C&AG Report No. PA-12 of 2008 (Entire Report) relating to 'Accelerated Rural Water Supply Programme' for detailed examination during the year 2010-11.

4. During the course of examination of the subject, the Committee had found several deficiencies in the implementation of Accelerated Rural Water Supply Programme (ARWSP) which included non conduct of National Habitation Survey 2003 by some States, anomalies with regard to Annual Action Plans (AAPs) of several States not having been based on detailed and comprehensive habitation-wise analysis, instances of deficient financial controls besides cases of inadmissible expenditure and diversion of funds, slip-back of fully covered habitations and re-emergence of problem habitations etc. Cases had also surfaced depicting inadequate infrastructure for testing and monitoring water quality and periodic testing requirements, poor distribution and utilization of field testing kits at the Gram Panchayat/Village Water and Sanitation Committee level, lacunae in taking measures for ensuring sustainability of water resources etc. The Committee had accordingly given their Observations/ Recommendations in the Thirty-fifth Report (15th Lok Sabha).

5. The Action Taken Notes furnished by the Ministry of Drinking Water and Sanitation to each of the Observations/ Recommendations of the Committee contained in their Thirty-fifth Report have been reproduced in the relevant Chapters of this Report. In the succeeding paragraphs, the Committee have dealt with the action taken by the Government on some of their Observations/Recommendations.

6. The Committee desire that Government should furnish final/conclusive action taken replies to the recommendations for which interim replies have been furnished.

**A. Pendency of Audit Paras in the Ministry of Drinking Water and Sanitation
(Recommendation Para No. 2)**

7. Having found discrepancies in figures pertaining to pendency of remedial/ corrective action taken notes, between the Ministry of Finance (Department of Expenditure) and Audit, the Committee had desired that the figures be reconciled and they be apprised of the same.

8. Apprising the Committee of the pendency of remedial/corrective action taken notes with the Ministry of Drinking Water and Sanitation as on date, the Ministry in its Action Taken Notes to the above-said recommendation, stated as follows:—

“As per records, the Ministry of Drinking Water and Sanitation has 2 Reports with it:

(a) The CAG Report No. III of 2002

(b) the Performance Audit Report PA 12 of 2008.

For the first report, the ATNs were submitted to audit, and vetting comments received from them. Final replies on the vetting comments have also been submitted. Audit finally vetted the ATNs and gave their final recommendations, in which they asked for some additional information to be submitted. Submission of this information is being done.

For PA 12 of 2008 report, the ATNs have been submitted to the Principal Director of Audit. The vetting Comments on the ATNs have been received from Audit. Final reply to the vetting comments where the comments were ‘NIL’ have been completed and submitted to the Department of Expenditure, Ministry of Finance and to Lok Sabha Sectt. The comments which were not ‘NIL’, were forwarded to the States. Comments have been obtained on the vetted comments from the States except J&K and Kerala and are being submitted to Audit.”

9. From the information furnished by the Ministry regarding submission of remedial/corrective action taken notes on the Audit observations pertaining to the Ministry of Drinking Water & Sanitation, the Committee are perturbed to note that ATNs in respect of Audit Observations, contained in Report No. 3 of 2002, which was presented to the Parliament on 19.03.2002, were being processed even after a lapse of ten years. While deploring such unconscionable delay on the part of the Ministry of Drinking Water & Sanitation, the Committee direct the Ministry to furnish final Action Taken Notes, incorporating Audit vetting comments thereon, to the Committee through the Monitoring Cell, Ministry of Finance within next three months along with the reasons for delay.

(Recommendation Para No. 4)

10. While observing that the Ministry of Drinking Water and Sanitation had failed to furnish ATNs on the ARWSP Report, the Committee had recommended that the issue of pendency of Remedial/Corrective Action Taken Notes be reviewed on a Monthly basis by the Secretary. The Committee had also desired that if any delay was anticipated in submitting the ATNs, the Secretary ought to bring the matter to the notice of Cabinet Secretary and Minister-in-Charge and apprise them of constraints and impediments in complying with the time period and accordingly approach the Audit for seeking any genuine extension of time under intimation to the Committee.

11. The Ministry of Drinking Water and Sanitation in its ATNs has stated as under:—

“The Ministry has set up an Audit Committee under the Chairmanship of the

Secretary Drinking Water & Sanitation, with Additional Secretary and Financial Advisor and the concerned Joint Secretary as members, to regularly monitor the pendency of the ATNs.

States are requested through letters, phone calls and video conferences to submit replies to the pending Audit paras of the Committee and a report of the progress achieved in submission of the ATNs shall be submitted by the end of January, 2012."

12. The Committee note that in pursuance of their earlier recommendation, the Ministry has set up an Audit Committee to regularly monitor the pendency of the Action Taken Notes. The Ministry's reply is however, silent regarding the date of setting up of this Audit Committee, number of sittings held so far and outcome thereof, findings of the Committee and action taken thereon by the Ministry and the improvements brought about. The Committee would like to be apprised of the factual position within three months of the presentation of this report.

Budgetary Allocation and Control

(Recommendation Para No. 8)

13. In their Thirty-fifth Report, the Committee had noted that the cases of diversion of funds to the tune of ₹404 crore had taken place in 12 States. The Committee had also noted that the latest position on the recovery of funds by the two existing States *i.e.*, Uttar Pradesh and Maharashtra had not been intimated to the Committee. The Committee had, therefore, recommended that the latest position be intimated to the Committee and diverted funds be recouped within six months of the presentation of the Report to the Parliament. They had also desired to be apprised of erring States who had to undergo the percentage cuts on accounts of late submission of proposals, recorded excessive opening balances and slow utilization of funds. Further, expressing concern about the delay in receiving proposals from the States, the Committee had recommended that the Ministry should devise a strong Monitoring Mechanism in consultation with the Chief Secretaries of the States so that proposals are invariably received in time. For pollution of drinking water sources, the Committee had urged the Ministry to take up the matter with the concerned Ministries/ Departments/Authorities/ Boards to make pollution of drinking water sources an offence and to bring in punitive legislation. They had also desired that the Ministry put in efforts to get draft legislation prepared on the same within the next 6 months.

14. The Ministry of Drinking Water and Sanitation in its ATNs has stated as under:—

“(a) The matter of recovery of Centage charged by the Government of UP in rural supply schemes has been taken up with the State.

The matter is being pursued with the State Government for final settlement.

(b) Regarding Maharashtra, audit had raised objection to the State Government procedure of calculating gross cost by calculating cumulative costs of sub-works and then adding 17.5% ETP charges on the gross cost. They said that ETP charges were to be levied on net cost of work.

- (c) A total of ₹ 323.00 cr. was cut from the releases under NRDWP in 2010-11 to 12 States. The list of States on which cuts were imposed and the reasons for such cuts are placed at **Annexure I**.
- (d) The Monitoring mechanism to monitor expenditure incurred by States from NRDWP funds, to ensure timely submission of proposal for release of 2nd instalment, is already in place, through the Integrated Management Information System (IMIS). States are eligible to claim the 2nd instalment on utilization of 60% of available funds. This is constantly monitored and communications kept open with States to ensure that documentation is complete to enable the release of the instalment. Letters have been addressed by the Hon. Minister of Rural Development and Drinking Water and Sanitation to the Hon. Chief Ministers of States and by the Secretary, MDWS to the Chief Secretaries of the States to utilize the available funds expeditiously and send proposals in time with required documents for release of 2nd instalment.
- (e) The Ministry of Environment & Forests is mandated for control of pollution of all water sources, which *inter alia* include drinking water sources. Water (Prevention & Control of Pollution) Act, 1974 and Environment (Protection) Act, 1981 are already enacted by the Government of India to prevent/control water pollution. Restrictions on discharge of trade effluents/untreated water/sewage/pollutants into water bodies is covered under Sections 24, 25 and 26 of the Water Act, 1974 and the penal provisions have been mentioned clearly under Chapter VII of the said Act. However, the recommendation of the Committee has been sent to Ministry of Environment & Forests for necessary action.”

15. The Audit in their vetting comments on the above-said ATNs stated that the Ministry has requested the Uttar Pradesh and Maharashtra Governments on 16.01.2012 to refund the Centage charges.

16. The Committee are surprised that even after a lapse of one year, the issue of recovery of charges levied by Uttar Pradesh and Maharashtra Governments has not been settled. Audit in their comments have informed that the Ministry requested both the Governments on 16.1.2012 to refund the Centage charges. This clearly shows that the matter has not been addressed seriously by the Ministry, though the matter has been pending with the Ministry from 10.12.2009 when the Audit Report was laid in Parliament. Apparently, the assurance of the Ministry about the Monitoring mechanism being in place does not appear to be efficacious enough to address the problem. Further, the Committee would like to be apprised of the outcome of the reference made to the Ministry of Environment & Forests regarding the issue of making pollution of drinking water sources an offence and to bring in punitive legislation for the same.

Slip-back & Re-emergence of Problem Habitations

(Recommendation Para No. 9)

17. Having noticed the problem of slip-back of habitations from fully covered to partly covered/non-covered and re-emergence of problem habitations, the Committee

had recommended the Ministry to evolve a mechanism within a time-frame whereby precise data with regard to the 'slip-back' habitations could be obtained. The Committee had also recommended that the Ministry should impress upon the States that they must ensure that habitation does not slip-back further and a quarterly report of the progress in this regard should be sent to the Department of Drinking Water and Sanitation.

18. The Ministry of Drinking Water and Sanitation in its ATNs has stated as under :—

“(a) Slip-back is a dynamic process when a water supply system stops functioning to any reason. Often these reasons include non-payment of power charges, lack of trained operators; minor mechanical/electrical faults requiring repair; availability of spares; drying up of source etc.

States have been addressed letters urging them to ensure that slip-back should be absolutely maintained by preventive mechanisms and in case where slip-back still occurs, the turnaround time should be minimum. They have also been urged to update the functionality status of scheme on a quarterly basis. Slip-back can be reduced if the PRIs, *i.e.*, the Gram Panchayats or the Village Water and Sanitation Committees are empowered with the responsibility of operation and managing the drinking water scheme. To ensure this, the NRDWP guidelines have in 2011 been amended to provide 10% weightage in the allocation criteria of NRDWP funds to 'rural population managing drinking water schemes weighted by a Management Development Index (MDI). The MDI measures the extents of devolution of Funds, Functions and Functionaries to PRIs by the State Governments. The idea behind this amendment is to encourage States to devolve more and more authority and responsibility in rural water supply to PRIs. This will create an ownership of the schemes amongst the PRIs and ensure that slip-back are less frequent, along with faster turnaround time.

(b) Provision has been created on the IMIS to capture the number of non-functional water supply schemes at any given time. However, data entry by States is incomplete. States have been requested to enter the updated information on non-functional schemes. Information available on 20.1.2012 is at **Annexure II.**”

19. The Committee note that as a follow-up of their recommendation, the Ministry has addressed letters to the States that slip-back should be absolutely minimized by preventive mechanisms. A number of steps have also been taken by the Ministry including amendment of NRDWP guidelines during 2011 in order to ensure that slip-backs are less frequent. The Committee, however, find that the reply of the Ministry is silent about the impact of these instructions on the frequency of slip-backs. The Committee would, therefore, like the Ministry to assure that the instructions issued by them are scrupulously adhered to and that there are not any further slip-backs. The Committee would also like to be apprised of the outcome of all the steps that have been taken in this regard.

20. It is a matter of serious concern that as many as 2291 schemes of rural water supply were non-functional as on 19.01.2012. Further, from the figures of non-functional schemes in the States, the Committee are inclined to conclude that either the schemes were ill-conceived or there was lack of sustained and vigorous monitoring by the Ministry. Worse, the Ministry released financial assistance without ensuring whether the schemes were functional or not. The Committee also note with regret that the Ministry has failed to apprise them of the vital data such as year of setting up of the schemes, targets set for completion of the schemes, funds provided by the Government, since when such schemes are non-functional, action taken by the State Government/Ministry either to make them functional or abolish them, etc. The Committee would like to be apprised of these details at the earliest. Considering the importance of the schemes, the Committee desire that the Ministry look into this vital area and take necessary corrective steps for ensuring that all schemes for drinking water programme in every State are completed in time and any deviations be viewed seriously. The monitoring mechanism also be tightened so as to keep effective watch over the implementation of all the schemes. The Ministry may also consider withholding of financial assistance to the defaulter States pending completion of such schemes.

Water Quality Testing

(Recommendation Para No. 11)

21. The Committee while observing that in the absence of periodic test check it was extremely difficult to locate the areas affected with bacteriological or chemical contamination, had recommended that the Ministry should lay more emphasis on water testing aspect by increasing the frequency of monitoring the quality of water and also instructing the States to test all drinking water sources at least twice a year and for chemical contamination at least four times in a year *i.e.* every quarterly. They had also recommended that the information so obtained should be put on the public domain.

22. The Ministry of Drinking Water and Sanitation in its ATNs has stated as under:—

“On an average, a well equipped and staff district water quality testing laboratory can test/analyze about 3,000-3,500 samples in a year. With more than 45 lakh reported drinking water sources in the country in the rural areas, it may not be currently possible for the laboratories to test 100% sources. Therefore, the programme of decentralized water quality testing was introduced to screen positively tested samples only and send them for confirmation. With the current manpower and infrastructure available, it may not be practically possible for the laboratories to test water sources twice from chemical contamination and twice a year for bacteriological contamination as per existing guidelines. However, with more sub-district water testing laboratories getting established, this recommendation could be considered for action in the next

phase, say during the XIIIth Five Year Plan. As stated earlier, the Cabinet has recently approved increasing the allocation for NRDWP Support component from 5% to 8% with 3% earmarked for WQM&S.”

23. In response to the Committee’s recommendation to increase the frequency of monitoring the quality of water, the Ministry has stated that with more sub-district water testing laboratories getting established, the action on the Committee’s recommendation could be considered during XIII Five Year Plan. For this, the Cabinet has approved the increase in the allocation for National Rural Drinking Water Programme (NRDWP) support component from 5% to 8% with 3% earmarked for Water Quality Monitoring & Surveillance (WQM&S). However, Committee deplore that instead of addressing the problem of water contamination and setting up of water testing laboratories on priority, Government propose to take up the programme during XIIIth Plan Period. In their considered view, a serious problem like water pollution responsible for water borne diseases cannot brook delay and therefore it is imperative and incumbent upon the Government to initiate effective and immediate action to address the problem and keep the Committee apprised.

Non-completion of Works

(Recommendation Para No. 15 & 16)

24. Expressing their concern over the slow rate of completion of projects for achieving better water quality in nearly fourteen States, the Committee had desired to be apprised of the exact status and progress in this regard, including details such as the number of projects which had been completed, the cost/time overrun involved and target dates for completion of projects. The Committee had also directed that it being a funding agency it was incumbent upon the Ministry of Drinking Water and Sanitation to monitor completion of projects without any time overrun.

25. In its Action Taken Notes, the Ministry has submitted as follows:—

- “(a) Information on incomplete schemes available with the Ministry as submitted by the States through the IMIS is at **Annexure III**.
- (b) The Ministry is using the IMIS to closely monitor the schemes being implemented by the States. During the AAP discussions, completion of incomplete schemes is given priority. States are urged to ensure completion of incomplete schemes before taking up new schemes.”

Further the Ministry has added that:

“The Ministry has engaged an independent professional agency to carry out a nationwide verification of data with respect to rural water supply entered into the IMIS by the States. The Evaluation report is expected to be received by the end of the financial year 2012-13.”

26. In order to check the delay in completion of projects, the Committee had also recommended the cost overrun, if any, be borne by the respective State Governments.

27. In response to this, the Ministry in its Action Taken Notes has stated that this matter would be taken up with the States during AAP discussions for 2012-13.

28. The Committee do not accept the stock reply tendered by the Ministry. They are concerned to note that no time frame has been provided to ensure timely completion of schemes as more than one to four thousand schemes are pending finalization in 15 States. The Committee have been informed that 56162 schemes are targeted to be completed by March 2012, 9885 schemes by March 2013, and 3298 schemes after March 2013. The Committee would like to be apprised of the present status of 56162 schemes which were stated to be completed by March 2012. Reiterating that the Ministry keep a constant watch over the progress of remaining 9885 schemes which are slated for completion by/after March 2013, the Committee urge the Ministry to streamline and improve the implementation of ARWSP so that the schemes are completed on time and submit Status Report to the Committee within three months. The Committee also recommend that the independent professional agency engaged to carry out a nationwide verification of data of schemes completes its verification within stipulated time frame and the Committee apprised the earliest.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observation/Recommendation

Failure on the part of the Ministries/Departments in giving timely submission of replies to the audit paragraphs of C&AG is an issue of serious concern to the Public Accounts Committee. It is a reflection on the working of the Government of India. The act of Secretaries, who are also the chief accounting authority of the respective Ministries/Departments, by not making timely response, tantamount to diluting authority of Parliament. This trend is definitely fraught with danger. The Public Accounts Committee (2009-10) of the 15th Lok Sabha were perturbed in view of the large number of pending audit paragraphs on which Remedial/Corrective Action Taken Notes (ATNs) were not furnished by the Ministries/Departments. This has resulted in constituting a Sub-Committee to examine the issue. The Committee took oral evidence of selective Ministries/Departments and total of 8 reports were presented to Parliament on the subject. The Committee are agitated to note that even after their intervention the overall picture in regard to the pending Remedial/Corrective ATNs remains rather dismal.

[Sl. No. 1 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

No Comments.

Sd/-

(T.M. Vijay Bhaskar)

Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

While examining the subject "Accelerated Rural Water Supply Programme" the Committee note with distress that the Ministry had failed in furnishing ATNs despite a lapse of 19 months from the presentation of the ARWSP Report to Parliament *i.e.* on 19th December, 2008 and issuance of eight reminders by Audit on different dates between April, 2009 and March, 2010. The final ATNs were sent to Audit in two lots on 24.09.2010 and 15.10.2010 including ATNs from J&K and Uttarakhand. The Committee deplore the stand taken by the Ministry that delay in furnishing final Remedial/Corrective Action Taken Notes occurred because the Office of C&AG had sent the Audit Report

to a wrong address and thereafter kept on sending reminders, which were according to the Ministry never received in the Department. According to them as soon as the matter came to their notice they initiated quick action to collect the information from all the States for submitting ATNs. Such a stand taken by the Ministry is totally unacceptable to the Committee as all the Reports presented by the Audit to the House are invariably uploaded on their website. It is a given fact that all the Ministries are in constant touch with the field officers of the Audit when the Audit Reports are being finalized in consonance with respective Ministries/Departments. In the opinion of the Committee, the Ministry ought to have kept track of the developments and not relied solely on the formal communication to be received from the Audit. Moreover, the Report once placed on the Table of the House becomes a public document of which Ministry should have taken immediate cognizance. The Committee hope no Department of Government would ever take such an imprudent and lame excuse of non-receipt of Audit Report.

[Sl. No. 3 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

The Ministry had submitted reasons for the delay in submission of ATNs of PA 12 Performance Audit Report in 2009-10. The ATNs for this report were submitted on 24.9.2010 and 15.10.2010.

However, the Ministry has taken note of the comments of the Committee and shall strive to ensure that delays in submitting ATNs do not recur in future.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

The Committee also recommend that the issue of pendency of Remedial/ Corrective Action Taken Notes be reviewed by the Ministry of Rural Development (Department of Drinking Water and Sanitation) on a monthly basis by the Secretary to ensure that ATNs are collected from the States and are submitted within the stipulated time-frame of four months. The Committee have also been given to understand that the Ministry has established an Audit Committee under the Chairmanship of Secretary with other members from the Finance and other wings to deal with the cases of pendency and obviate delay in submitting ATNs. In light of this initiative, the Committee recommend that the composition, procedure to be adopted for obtaining ATNs from States and progress of the Committee be intimated to Public Accounts Committee. The Committee further desire that if delay is anticipated in submitting the Action Taken Notes, the Secretary of the Ministry/Department ought to bring the matter to the notice of Cabinet Secretary and Minister-in-Charge and apprise them of constraints

and impediments in complying with the time period and accordingly approach the Audit for seeking any genuine extension of time under intimation to the Committee.

[Sl. No. 4 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

The Ministry has set up an Audit Committee under the chairmanship of the Secretary, Drinking Water and Sanitation, with Additional Secretary and Financial Advisor and the concerned Joint Secretary as members, to regularly monitor the pendency of the ATNs.

Further Secretary, DWS, in the weekly meetings with officials of the Ministry, regularly reviews the status of the ATNs.

States are requested through letters, phone calls and video conferences to submit replies to pending Audit paras of the Committee and a report of the progress achieved in submission of the ATNs shall be submitted by the end of January, 2012.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

The Committee are constrained to note that several deficiencies have been found in the implementation of Accelerated Rural Water Supply Programme (ARWSP). These pertain to the conduct of 2003 National Habitation Survey in the States, anomalies in regard to Annual Action Plans (AAPs) of several States not having been based on detailed and comprehensive habitation-wise analysis, instances of deficient financial controls besides instances of inadmissible expenditure and diversion of funds. Also, slip back of fully covered habitations and re-emergency of problem habitations continued to be a recurring major problem. Further, the Committee note that cases have also surfaced of inadequate infrastructure for testing and monitoring water quality and periodic testing requirements, poor distribution and utilization of field testing kits at the Gram Panchayat/Village Water and Sanitation Committee (VWSC) level; and lacunae have been noticed in taking measures for ensuring sustainability of water resources especially ground water and depletion of ground water which is evidently a major cause of vexation. These deficiencies have been discussed in detail in the succeeding paragraphs for their urgent redressal.

[Sl. No. 5 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

Comments on the issues pointed out in the report are in the succeeding paragraphs.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

The preparation of the Annual Action Plan (AAP) is also of great concern to the Committee. It has been revealed that Annual Action Plan which is the mainstay in making any project successful or otherwise has been neglected thoroughly by the various State Governments. The Committee note with concern that two States; Jammu & Kashmir and Jharkhand have not prepared the AAPs during the period 2002-03 to 2007-08, while 7 States had not submitted their AAPs to the Department of Drinking Water Supplies, Ministry of Rural Development, Government of India, though the same had been prepared. In 15 States, the AAPs lacked habitation-wise details. Similarly, in 9 States, AAPs did not indicate activities to be taken under submission of water quality and sustainability. The ARWSP guidelines require that States/UTs should earmark and utilize at least 25% and 10% of ARWSP funds for drinking water supply to Scheduled Castes and Scheduled Tribes respectively. However, the Committee note with deep anguish that a number of States are not following the said guidelines in letter and spirit. The Committee, therefore, desire that details of coverage of SC, ST population should be a part of the AAPs. The States Governments came out with a number of excuses for not preparing their AAPs. The Committee are of the view that success rate of the implementation of ARWSP is very much dependent upon preparing of the AAPs and the Committee stress that each State should invariably prepare their AAPs. The Ministry has informed the Committee that it has taken up the work of preparing AAPs of the States with a lot of seriousness and States have also been asked to prepare detailed district-wise AAPs for which formats have been provided. The Committee, therefore, recommend that the Ministry should issue the instructions to the States to prepare and submit the AAP habitation-wise within three months. The Committee recommend to the Ministry that such instructions should not be merely on paper but bring tangible results. If need be, the Ministry should make suitable amendments in the ARWSP guidelines to make submission of AAPs in a time bound manner so that the benefits of the schemes percolate to the grassroots.

[Sl. No. 7 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

- All States are preparing the AAPs. The Ministry is now holding annual State-wise meetings to discuss the State AAPs. States are not released funds till the AAP is finalised.

- The Ministry would like to inform that significant progress has been made in regard to the AAPs. Since the revision of the rural water supply programme, focus has been placed on the preparation of the AAPs by the States. These AAPs are prepared at the district level, where NRDWP guidelines envisages the preparation of district water security plans. These district plans are combined at the State level to give State level AAPs. The AAPs are prepared habitation-wise for coverage of the targeted habitations.
- AAPs prepared by the States every year are discussed with the Ministry. Habitations targeted under the AAPs are marked on the IMIS. Priority is given to water quality affected habitations and partially covered habitations.
- From the year 2010-11, it has been decided that there shall be earmarked allocation of 22% of NRDWP funds for the Scheduled Castes Sub-Plan (SCSP) and 10% for the Tribal Sub-Plan (TSP). This ensures that funds are spent on SC and ST concentrated habitations populations in a dedicated manner. The coverage of SC/ST concentrated habitations is a part of the AAPs. Data is also available about the coverage of such habitations with regard to rural water supply.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

The Committee are distressed to note that the cases of diversion of funds to the tune of Rs. 404 crore have taken place in 12 States *viz.* Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Uttar Pradesh, Uttarakhand and West Bengal. In this regard, the Committee have been informed that a majority of this is by way of Centage Charges which the States have charged out of Rs. 400 crore. The Committee have also learnt that if any case of inadmissible expenditure or diversion of funds is pointed out, the same is deducted from second instalment due for such States. As per the existing system proposals for release of second instalment has to reach the Department by 31st December of the year. A cut of 10, 20 & 30 per cent respectively is imposed, if the proposal is received late *i.e.* in January, February or March.

The Committee are appalled to find that the problem of diversion of funds has not been addressed in the right earnest by the Ministry. The Committee understand that the Centage Charges have completely been stopped from 1.4.2009. What can be more disturbing than the fact that eight months have elapsed since the Committee took oral evidence on the subject and the latest position on the recovery of funds by the two erring States *i.e.* Uttar Pradesh and Maharashtra have not been intimated to the

Committee. They, therefore demand that the latest position be intimated to the Committee forthwith and diverted funds be recouped within six months of the presentation of the Report to Parliament. They would also like to have the details of those erring States who had to undergo the percentage cuts on accounts of late submission of proposals, recorded excessive opening balances and slow utilization of funds. The Committee also recommend that the Ministry devise a strong Monitoring Mechanism in consultation with Chief Secretaries of States so that proposals are invariably received in time. Timely receiving of the proposal would in turn result into timely execution of the Scheme which is very vital for providing safe drinking water in the rural habitat of India. Towards this end, the Committee would urge the Ministry of Rural Development (Department of Drinking Water and Sanitation) to take up the matter with all concerned Ministries/Departments/Authorities/Boards to make pollution of drinking water sources an offence and to bring punitive legislation. The Committee also desire the Ministry to make all out efforts to get draft legislation prepared on the same within the next 6 months.

[Sl. No. 8 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

- (a) The matter of recovery of Centage Charged by the Government of U.P. in rural water supply schemes has been taken up with the State.

The matter is being pursued with the State Government for final settlement.

- (b) Regarding Maharashtra, audit had raised objection to the State Government procedure of calculating gross cost by calculating cumulative costs of sub-works and then adding 17.5% ETP charges on the gross cost. They said that ETP charges were to be levied on net cost of work.

The State Government has submitted its reply explaining the background to the decision. The Audit vetted this reply by the State Government and did not give any further comments.

- (c) A total of Rs. 323.00 crore was cut from the releases under NRDWP in 2010-11 to 12 States. The list of States on which cuts were imposed and the reasons for such cuts are placed at **Annexure 1**.
- (d) The Monitoring mechanism to monitor expenditure incurred by States from NRDWP funds, to ensure timely submission of proposal for release of 2nd instalment, is already in place, through the IMIS. States are eligible to claim the 2nd instalment on utilisation of 60% of available funds. This is constantly monitored and communications kept open with States to ensure that documentation is complete to enable the release of the instalment. Letters have been addressed by the Hon. Minister of Rural Development and Drinking Water and Sanitation to the Hon. Chief Ministers of States and by the Secretary, MDWS to the Chief Secretaries of the States to utilise the available funds expeditiously and send proposals in time with required documents for release of 2nd instalment.

- (e) The Ministry of Environment & Forests is mandated for control of pollution of all water sources, which *inter alia* include drinking water sources. Water (Prevention & Control of Pollution) Act, 1974 and Environment (Protection) Act, 1981 are already enacted by the Government of India to prevent/control water pollution. Restrictions on discharge of trade effluents/untreated water/sewage/pollutants into water bodies is covered under Sections 24, 25 and 26 of the Water Act, 1974 and the penal provisions have been mentioned clearly under Chapter-VII of the said Act. However, the recommendation of the Committee has been sent to Ministry of Environment & Forests for necessary action.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

Slip-backs and re-emergence of problem habitations is another issue which drew the attention of the Committee. The reasons tendered by various State Governments for this phenomenon were excessive drawal of ground water, inadequate and non-maintenance of tube-wells, lack of sustainability of water resources and increase in population. The Ministry's stand that it had not been able to follow-up the matter with the States does not help since it is foremost duty of the State to make available adequate drinking water to the people while conserving precious water resources. The Committee, therefore, recommend that the Ministry evolve a mechanism within a time-frame whereby precise data with regard to the slip-backs habitation could be obtained. The Committee should be intimated about the new mechanism evolved. The Committee, therefore, recommend that the Ministry should impress upon the States that they must ensure that habitation does not slip-back further and a quarterly report of the progress in this regard should be sent to the Department of Drinking Water and Sanitation.

[Sl. No. 9 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

- (a) Slip-back is a dynamic process when a water supply system stops functioning due to any reason. Often these reasons include non-payment of power charges, lack of trained operators; minor mechanical/electrical faults requiring repair; availability of spares; drying up of source etc.

States have been addressed letters urging them to ensure that slip-backs should be absolutely minimised by preventive mechanisms, and in case where slip-back still occurs, the turnaround time should be minimum. They have also been urged to update the functionality status of schemes on a

quarterly basis. Slip-backs can be reduced if the PRIs, *i.e.* the Gram Panchayats or the Village Water and Sanitation Committees are empowered with the responsibility of operation and managing the drinking water scheme. To ensure this, the NRDWP guidelines have in 2011 been amended to provide 10% weightage in the allocation criteria of NRDWP funds to rural population managing drinking water schemes weighted by a Management Devolution Index (MDI). The MDI measures the extent of devolution of Funds, Functions and Functionaries to PRIs by the State Governments. The idea behind this amendment is to encourage States to devolve more and more authority and responsibility in rural water supply to PRIs. This will create an ownership of the schemes amongst the PRIs and ensure that slip-backs are less frequent, along with faster turnaround time.

- (b) Provision has been created on the IMIS to capture the number of non-functional water supply schemes at any given time. However, data entry by States is incomplete. States have been requested to enter the updated information on non-functional schemes. Information available as on 20.1.2012 is at **Annexure II**.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

Success of the ARWSP depends on the quality of water being supplied to the beneficiaries. The Committee's examination of the subject has revealed that establishing of water quality laboratories hitherto was not a mandatory component of the ARWSP. Audit has suggested that water quality laboratories may be implemented at three levels, consisting of a nodal unit at the top level, intermediary level units like district laboratories and grass-root level units. They also stated that State and region-specific Information Education and Communication (IEC) activities were to be taken up. In the Scheme of things, 100 per cent funding was to be provided to the States for strengthening water quality monitoring facilities with a view to networking the nodal unit (premier technical institution) with the State headquarters Public Health Engineering Department (PHED). In the Scheme of things, it is apparent to the Committee that the Ministry may provide funding to this effect if sought by the States. The Committee are distressed to observe that 10 States *viz.* Arunachal Pradesh, Assam, Chhattisgarh, Haryana, Himachal Pradesh, Karnataka, Kerala, Meghalaya, Orissa, and Uttar Pradesh had not assigned the task of checking water quality at the State level to premier institutes. States did not take up region-specific IEC activities involving Panchayati Raj Institutions (PRIs) cooperatives, women groups, self help groups etc. In States of Arunachal Pradesh, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand and Uttar Pradesh, no

qualified staff was appointed in the laboratories. In Bihar, 2 out of 9 test checked districts did not have a laboratory. In Gujarat, 25 districts did not have laboratories. In Jammu & Kashmir, out of a total of 14 districts, only four districts had laboratories, of which one was not functional. In Manipur, there were no laboratories in the Districts. In Nagaland, only one out of 11 District laboratories were functional. In Orissa, out of 30 districts level laboratories only 15 were made operational in 2006-07. The Committee note with deep concern the Ministry's view that the exact information regarding staff strength at specific laboratories is available only with the States. While the issue of manpower at the State level laboratories is comparatively better, the issue of technical manpower remains a matter of concern. According to the Ministry, the States have been urged to ensure that adequate trained manpower is available at these laboratories. Taking a serious view of these lapses in so many States, the Committee strongly recommend that the component of water quality testing through laboratories should be made a mandatory provision in the ARWSP guidelines. The also desire that all States should assess the technical staff requirements and Ministry should impress upon the States to fulfil the vacancies so that the Scheme could be implemented in an effective manner and Quality Water is available to the users. The Ministry should also periodically monitor the augmentation of water testing in States through field visits of otherwise and ensure that these laboratories are functional at all times.

[Sl. No. 10 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

The Ministry has constituted an Expert Team chaired by the Director, National Environmental Engineering Research Institute, Nagpur for formulation of uniform drinking water quality monitoring protocol so that laboratories and testing at the State/district/sub-district are standardized. It is a fact that trained manpower is not available in many district water testing laboratories. During various meetings, the State Government officials have been requested to recruit/hire trained manpower urgently in the laboratories so that water quality testing is done regularly. In order to provide additional support to the States, the Cabinet has approved the revision of existing NRDWP guidelines to provide a dedicated 3% NRDWP-Support fund on 100% Central assistance basis to States for water quality monitoring and surveillance, which *inter alia* includes setting up of new/upgradation of district/sub-district water quality testing laboratories, providing chemicals and consumables to labs, hiring of trained manpower for the laboratories, providing field test kits/refills to GPs etc.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H.11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

The Committee find that ARWSP Guidelines stipulate testing of 10 per cent of all samples tested, including all positive tested samples by the district water quality testing laboratories, at the State level. Further, District laboratories/Public Health Engineering Department (PHED) were to test at least 30 per cent of water samples tested by Gram Panchayats (GPs), and all cases where possibility of contamination was reported by the community. All water sources were required to be tested at least once a year initially. Examination of data revealed that the State Governments were not at all serious with the issue of testing the quality of water. The Committee feel that in the absence of periodic test check, it is extremely difficult to locate the areas affected with bacteriological or chemical contamination. The Ministry has informed the Committee that it has been repeatedly requesting the States to arrange testing of all drinking water sources at least once in a year for chemical contamination and twice a year for bacteriological contamination in rural drinking water sources. The Committee note that for the first time in the Annual Action Plan 2010-11 States have been given targets for testing of samples. The Committee recommend that the Ministry should pay more emphasis on water testing aspect and should increase the frequency of monitoring the quality of water. To begin with, the Ministry should instruct the States to test all drinking water sources at least twice a year and for chemical contamination at least four times in a year *i.e.* every quarterly. They also desire that the information so obtained should be put on the public domain at District, Block and Village level through print and visual media so that no individual is affected due to contamination in drinking water. The Committee are happy to learn that Ministry is planning to enhance financial support to States from meager 5 per cent 9-10 per cent for establishment of laboratories to conduct test of drinking water sources. In this regard, the Committee feel that paucity of budget should not stand as a barrier in test-checks for quality water and they expect the Ministry to pursue this aspect vigorously so that the same is approved expeditiously by the Government of India. The Committee would like to be intimated of the final decision taken in this regard within six months.

[Sl.No. 11 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

On an average, a well-equipped and staffed district water quality testing laboratory can test/analyze about 3,000-3,500 samples in a year. With more than 45 lakh reported drinking water sources in the country in the rural areas, it may not be currently possible for the laboratories to test 100% sources. Therefore, the programme of decentralized water quality testing was introduced to screen positively tested samples only and send them for confirmation. With the current manpower and infrastructure available, it may not be practically possible for the laboratories to test water sources twice for chemical contamination and 4 times for bacteriological contamination. The Ministry would endeavour to first ensure that States test and report on all sources once a year for chemical contamination and twice a year for bacteriological contamination as per existing guidelines. However, with more sub-district water testing laboratories getting established, this recommendation could be considered for action in the next phase,

say during the 13th. Five Year Plan. As stated earlier, the Cabinet has recently approved increasing the allocation for NRDWP Support component from 5% to 8% with 3% earmarked for WQM&S.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H.11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

With a view to encourage drinking of safe water, the ARWSP envisages building capacity of Panchayats to own the Field Test Kits (FTKs) and take up full Operation & Maintenance (O&M) responsibility for water quality monitoring of all drinking water sources in their respective Panchayati Raj Institution (PRI) area. The Committee also understand that 100 per cent testing of all sources at the village level was to be done by grass root level workers from Gram Panchayat (GP)/Village Water and Sanitation Committee (VWSC). However, in reality a dark picture emerges. In certain States, FTKs were not received, whereas in some States only a handful of Districts received the FTKs. The Committee recommend promoting household based & community based terracotta filters for tackling iron and bacteriological contamination.

The FTKs serve as powerful tool to supplement water quality treatment facilities. The Committee are astonished to note the admission of the Ministry that although the FTKs had been given by the States yet they were not passed on to the Gram Panchayats. Five individuals who were supposed to be trained like teachers for others were not themselves properly trained. The Committee have been intimated that the State Secretaries have been directed to identify the individuals in a particular Gram Panchayat who possess such kits. However, in its post-evidence reply the Ministry has informed that under Water Quality Monitoring & Surveillance Programme, provisions have been made for States to provide one field test kit to each Gram Panchayat. Further, in the Annual Action Plan 2010-11 States have indicated targets for provisions of FTKs and for training of grass root workers. As reported by States, so far against the cumulative target to train 12 lakh grass root level workers at the GP level, only 8.55 lakh have been trained. Against the target to provide field test kits to 2.45 lakh GPs, 2.47 lakh chemical FTKs and 424.33 lakh bacteriological kits are reported to be procured/ distributed.

However, the figures supplied by the Ministry to the Committee in regard to supply of FTKs, Training etc. are in stark contradiction with the findings of the Audit. The Committee, therefore, recommend that the Ministry should once again supply to the Committee the genuine and verifiable data pertaining to the procurement and distribution of FTKs. Such data should clearly bring out the achievements against the target as well. The Ministry should also fix future targets for procurement and distribution of FTKs and apprise the Committee of the time line by which all Gram Panchayats will be equipped with FTKs. The Committee recommend that workers at

the grass root level at GPs be adequately trained by experts in the shortest possible period so as to achieve the sole objective of providing safe potable water in each rural habitat.

[Sl.No. 12 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

The Ministry has written to State Governments to consider adopting terracotta filter technology.

In order to verify the authenticity of the data regarding supply of FTKs, training, etc. and assess the impact of the Water Quality Monitoring and Surveillance Programme, a third party independent evaluation is being taken up by the Ministry and the Committee would be appraised of the findings subsequently.

In the Annual Action Plans (AAP), finalized after discussion with States, targets are fixed for supply of field test kits and number of persons to be imparted training and refresher training on use of these kits.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H.11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

As per ARWSP Guidelines both the Government of India as well as State Governments would take up monitoring studies of representative water sample from time to time. The Committee have been informed by the Ministry that the officials of the Department of Drinking Water and Sanitation do not carry out field inspection of the projects/schemes. The officials of Ministry only visit the States to participate in the meetings of the States Level Scheme Sanctioning Committee (SLSSC) workshops, training etc. The evaluation and monitoring studies are assigned to the officers of the State Governments for rural water supply. The Committee note with concern that the Department of Drinking Water and Sanitation has 7-8 officers and each of them have been allocated 10-12 States to do the field inspections. The Committee can well comprehend the quantum of work these handful of officers can handle. Shortage of staff is a matter of concern for the Committee. These handful of officers have not only to undertake field visits but also participate in SLSSC workshop. It also goes to show that how much importance the Ministry gives to monitoring and evaluation studies. The Committee, therefore, recommended that staff strength be augmented adequately to ensure effective monitoring and evaluation of water samples from time to time.

[Sl.No. 14 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

The Ministry has created National Resource Centre and engaged experienced persons as Consultants including in the field of Monitoring & Evaluation to assist the Ministry in better monitoring of NRDWP and TSC. Further, States, under the advice of the Ministry, have at the State level, set up the 'Water and Sanitation Support Organization (WSSO)s' to effectively implement and monitor NRDWP and TSC programmes. Provision has been made to engage 6-7 Consultants in WSSO for support to the line divisions. This includes implementing IEC, HRD and hydro-geological based activities and monitoring of drinking water quality with the help of professionals. The District Water and Sanitation Missions have also been strengthened by making provision for engaging expert consultants with NRDWP-Support Funds.

In order to bridge the gap between the VWSC/GP and the district administration, provision for creating Block Resource Centres with 1-4 trained persons has also been made so that overall monitoring of water and sanitation programmes becomes more effective. The BRC coordinators shall handhold the GPs in their efforts to manage water supply schemes sustainably. However, it is true that the Department of Drinking Water and Sanitation which has been upgraded to a Ministry in 2011-12, is insufficiently staffed at the Central level. There is a need for augmenting both the administrative and technical wings of the Ministry. The Ministry is making efforts to obtain sanction for additional staff posts.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H.11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

Slow rate of completion of projects for achieving better water quality is another matter of serious concern for the Committee. In nearly 14 States, relevant projects/schemes were found to be incomplete. The Committee have been informed by the Ministry in this regard that States have been impressed upon to ensure that pending projects are completed on priority basis and take up new schemes only after completing the ongoing schemes. Consequently in the next one to two years, the number of pending incomplete schemes will gradually come down. The Ministry further informed that it has developed 12-13 formats to identify incomplete schemes. However, the Committee desire to be apprised of the exact status and progress in this regard, including details such as how many projects have been completed/what are the cost/time overrun/target dates of incomplete projects etc. mainly after the introduction of the said formats within six months of the presentation of this Report. The Committee, therefore, recommend that being a funding agency, it is incumbent upon the Ministry of Rural Development

(Department of Drinking Water and Sanitation) to monitor and ensure timely completion of projects without time overrun as the delayed completion of project would jeopardize the very objective of the programme.

[Sl.No. 15 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

- (a) Information on incomplete schemes available with the Ministry as submitted by the States through the IMIS is at **Annexure III**.
- (b) The Ministry is using the IMIS to closely monitor the schemes being implemented by the States. During the AAP discussions, completion of incomplete schemes is given priority. States are urged to ensure completion of incomplete schemes before taking up new schemes.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H.11011/2/2011-Water-II
dated 9th February, 2012]

Observation/Recommendation

The Ministry has informed the Committee that in order to check inordinate delay in ongoing works provision has been made in the NRDWP Guidelines, whereby amount released cannot be utilized/adjusted against any cost escalation of the schemes or excess expenditure over and above the approved cost of the schemes in the previous years. Taking note of the provision made, the Committee recommend that in case of delay in completion of a project beyond the approved time limit, the cost overrun, if any, be borne by the respective State Governments. The Ministry needs to ensure the focus of every measure taken by it remains to serve the rural population/masses which had hitherto been deprived of their basic right of safe drinking water.

[Sl.No. 16 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

Matter shall be taken up with the States during AAP discussions for 2012-13.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H.11011/2/2011-Water-II
dated 9th February, 2012]

STATUS OF CUT IMPOSED IN NRDWP DURING 2010-11

S.No.	Name of the State	Amount of cut imposed (Rs. in lakh)	On account of
1.	Arunachal Pradesh	226.35	Excess expenditure under O & M during 2009-10.
2.	Bihar	16219.35	Less expenditure reported against first instalment.
3.	Goa	507.30	No expenditure reported.
4.	Himachal Pradesh	161.98	Excess expenditure under O & M during 2009-10.
5.	J & K	209.71	Excess OB as on 1.4.2010.
6.	Jharkhand	5168.37	Excess OB of Rs. 3831.29 lakh and less State share of Rs. 1337.08 lakh.
7.	Kerala	30.55	Excess expenditure under O & M during 2009-10.
8.	Madhya Pradesh	73.92	Excess expenditure under O & M during 2009-10.
9.	Manipur	47.17	Excess expenditure under O & M during 2009-10.
10.	Sikkim	238.93	Excess expenditure under O & M during 2009-10.
11.	Uttarakhand	6621.03	Less expenditure reported against first instalment.
12.	Uttar Pradesh	2795.81	Less State share during 2009-10.
Total		32300.47	

ANNEXURE II

RURAL WATER SUPPLY—NON-FUNCTIONAL SCHEMES (AS REPORTED BY STATES AS ON 19.01.2012 ON THE IMIS)

S.No.	State	No. of Schemes		
		Total	Functional	Non-functional
1	2	3	4	5
1.	Andhra Pradesh	355900	355900	0
2.	Bihar	108202	108202	0
3.	Chhattisgarh	162994	162993	1
4.	Goa	251	251	0
5.	Gujarat	60098	60097	1
6.	Haryana	8113	8113	0
7.	Himachal Pradesh	16289	16289	0
8.	Jammu and Kashmir	3770	3770	0
9.	Jharkhand	220940	220914	26
10.	Karnataka	145647	145625	22
11.	Kerala	3124	3124	0
12.	Madhya Pradesh	447875	447875	0
13.	Maharashtra	96659	96659	0
14.	Orissa	238222	238222	0

1	2	3	4	5
15.	Punjab	10787	10787	0
16.	Rajasthan	72828	72727	101
17.	Tamil Nadu	326439	324333	2106
18.	Uttar Pradesh	1700901	1700901	0
19.	Uttarakhand	6488	6488	0
20.	West Bengal	99816	99816	0
21.	Arunachal Pradesh	7819	7786	33
22.	Assam	72445	72445	0
23.	Manipur	3195	3195	0
24.	Meghalaya	10420	10419	1
25.	Mizoram	729	729	0
26.	Nagaland	1468	1468	0
27.	Sikkim	1182	1182	0
28.	Tripura	10010	10010	0
29.	A & N Islands	19	19	0
30.	Puducherry	232	232	0
Total		4192862	4190571	2291

ANNEXURE III

RURAL WATER SUPPLY-INCOMPLETE PIPE WATER SUPPLY SCHEMES (ONGOING SINCE 3 YEARS)

S.No.	State Name	Total Schemes	Incomplete Schemes	Total Original Cost (in Lakhs)	Total Revised Cost (in Lakhs)	Target Date of Completion		
						Mar.-2012	Mar.-2013	After Mar. 2013
1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh	43585	3207	114741.@60	114741.60	3207	0	0
2.	Bihar	1075	23	14394.81	14394.81	16	7	0
3.	Chhattisgarh	8977	4686	68092.81	69964.96	4039	567	80
4.	Goa	127	0	0	0	0	0	0
5.	Gujarat	51121	662	113959.84	113765.36	585	45	32
6.	Haryana	8204	1192	102590.42	105299.78	1030	152	10
7.	Himachal Pradesh	16279	1065	141178.98	142614.44	582	283	200
8.	Jammu and Kashmir	2756	614	86845.45	87544.74	257	337	20
9.	Jharkhand	7520	6005	119054.23	120013.75	5690	309	6
10.	Karnataka	81249	23802	306390.85	310955.44	22537	1120	145
11.	Kerala	3693	83	52425.21	52425.21	64	15	4
12.	Madhya Pradesh	6008	1222	29515.14	29649.66	1140	81	1
13.	Maharashtra	50818	8874	403991.08	405628.05	4883	3946	45
14.	Orissa	10903	2428	107067.55	107198.21	2056	307	65

1	2	3	4	5	6	7	8	9	
15.	Punjab	9595	1079	51831.22	51919.13	987	91	1	
16.	Rajasthan	15117	3160	725162.85	725384.02	2940	170	50	
17.	Tamil Nadu	76919	3716	39962179.62	39962179.62	1675	281	1760	
18.	Uttar Pradesh	5861	182	46554.55	46554.56	114	67	1	
19.	Uttarakhand	6101	589	25190.35	25420.86	375	214	0	
20.	West Bengal	1409	142	115843.66	115843.66	17	55	70	
21.	Arunachal Pradesh	7611	962	23454.59	23454.59	504	458	0	
22.	Assam	5844	1277	80465.50	80465.50	1069	189	19	
23.	Manipur	3171	364	8533.78	8533.78	205	111	48	2
24.	Meghalaya	6763	2082	104038.63	104321.46	1295	672	115	
25.	Mizoram	625	114	7925.64	7925.64	114	0	0	
26.	Nagaland	1570	196	9037.64	9037.64	196	0	0	
27.	Sikkim	973	222	5741.96	5741.96	178	44	0	
28.	Tripura	3008	1397	22846.73	22846.73	407	364	626	
29.	A & N Islands	NR	NR	NR	NR	NR	NR	NR	
30.	Puducherry	179	0	0	0	0	0	0	
Total		437074	69345	42849054.79	42863825.27	56162	9885	3298	

CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE
GOVERNMENT**

-NIL-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Observation/Recommendation

As per information furnished by the Ministry of Finance (Department of Expenditure) 4191 Remedial/Corrective Action Taken Notes were pending as of 25th June, 2010. The audit also supplied a figure in this regard which stated that a total of 3462 Paragraphs were pending with all the Ministries as of 31st May, 2010. Having observed the discrepancies of figures pertaining to pendency of cases, between the Ministry and Audit, the Committee would therefore, like the two to reconcile the figures and apprise the Committee of correct figures as on date.

[Sl. No. 2 of the 35th Report of the Public Accounts Committee
(15 the Lok Sabha)]

Action Taken

As per records, the Ministry of Drinking Water and Sanitation has Two Reports with it:—

- (a) The CAG Report No. III of 2002
- (b) The Performance Audit Report PA 12 of 2008

For the first report, the ATNs were submitted to audit, and vetting comments received from them. Final replies on the vetting comments have also been submitted. Audit finally vetted the ATNs and gave their final recommendations, in which they asked for some additional information to be submitted. Submission of this information is being done.

For PA 12 of 2008 report, the ATNs have been submitted to the Principal Director of Audit. The vetting Comments on the ATNs have been received from Audit. Final reply to the vetting comments where the comments were 'NIL' have been completed and submitted to the Deptt. of Expenditure, Ministry of Finance and to Lok Sabha Sectt. The comments which were not 'NIL', were forwarded to the States. Comments have been obtained on the Vetted comments from the States except J&K and Kerala and are being submitted to Audit.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H. 11011/2/2011-Water-II
dated the 9th February, 2012]

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Observation/Recommendation

Taking the issue subject-wise, the Public Accounts Committee take a serious view upon the way the National Habitation Survey, 2003 was conducted. Inconsistencies and discrepancies were noticed in the conduct of the Survey in Manipur and Haryana. In Manipur, the Survey was conducted through an NGO and a report submitted to the Government of India in December 2003. However, due to inconsistencies in the Survey Report, the State Government of Manipur was considering conducting another survey. In Haryana, the Survey was conducted in 2005 but the Survey results could not be finalized due to discrepancies between the figures with the State Government and Government of India. In Chhattisgarh (partly), Jharkhand and Orissa authenticity of the Survey could not be verified due to lack of documentation. Detailed maps were not prepared in 130 out of 154 test-checked districts in 22 States. When the Secretary, Department of Drinking Water and Sanitation was asked to explain about lack of reliable data which is essential for proper planning for Rural Water Supply Scheme, the Secretary stated that National Habitation Survey has become redundant as a result of the Census 2011 since the Census 2011 will afresh determine the number of villages which will come within its ambit. The Committee are not convinced with the reply of the Ministry and would emphasize that Ministry cannot absolve itself of its original responsibility of monitoring and surveillance of the Survey. The Committee, therefore, recommend that they be apprised of the methodology to be adopted for new census and progress made till date within three months of the presentation of this Report to the Parliament. The Committee also recommend that such census should be completed in a time bound manner so that ARWSP is implemented effectively.

[Sl. No. 6 of the 35th Report of the Public Accounts Committee
(15th Lok Sabha)]

Action Taken

The National Habitation Survey, 2003 was carried out with the intention of ascertaining the status of water supply in rural habitations. This was the first time such a survey was carried out, involving all the State Governments. As has been replied earlier, the survey did suffer from procedural faults and lacunae in some States, which was also pointed out by Audit.

In continuation to the replies submitted to PAC and Audit earlier, it is submitted that to strengthen the database of rural water supply across the country, from 1.4.2009, a national pan-India, web-based database of the status of rural water supply, the Integrated Management Information System (IMIS), was set up by the Department/

Ministry. Developed with technical support of the National Informatic Centre (NIC) of the Government of India, the database was launched with data available with the Centre and States as on 1.4.2009 entered as base information. It has since then been progressively updated by State Governments with regular validations. Updation of information regarding existing habitations and feeding of information on new habitations and of new water supply schemes are carried out annually. Entry of data on the water quality is done on a continuous basis.

In the last 36 months the IMIS has become increasingly robust. Information regarding rural water supply, is available down to the habitation level which is Two steps deeper than the Panchayat level and one step deeper than the village level. As on 1.4.2011, Habitation level information for over 16.64 lakh habitations of the country, covering every Panchayat, in terms of coverage, service levels and water quality is now available on the IMIS. The physical and financial information is being used by the States for planning their rural water supply schemes/programmes. The habitations targeted for coverage under the Annual action plan of NRDWP are also marked online by the States. The IMIS is also the main source of information for monitoring the status of RWSS, the coverage of habitations and the implementation of the NRDWP by the States.

The Census 2011, results of which are expected soon, shall also provide the most authentic data on the status of rural water supply in all rural habitations, which shall be a significant input for validating and updating the IMIS.

Further, the NSSO has decided to take up survey of the rural water supply in its 69th round. This shall also enable us to create another benchmark in the sector.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation O.M. No. H.11011/2/2011-Water-II
dated the 9th February, 2012]

Observation/Recommendation

The Committee note that plans are in place for engaging experts for monitoring and evaluating the quality of drinking water in rural areas. During examination, the Committee were given to understand that such technical manpower would be in place by the end of the financial year 2010-11. In this regard, the Committee would like to have details of the developments which took place at the time of oral evidence of the subject *i.e.* 16.8.2010 till the date of presentation of this Report. It is also disconcerting to note that the financial year which was mentioned by the Ministry is already over but no intimation has been given to the Committee whether the experts have already been engaged or not along with reasons for delay, if any. They accordingly, recommend that complete details in this regard may be furnished to the Committee.

[Sl. No. 13 of the 35th Report of the Public Accounts Committee
(5th Lok Sabha)]

Action Taken

Under NRDWP guidelines, State Governments have been given the power to engage experts under the provisions of "State Technical Agency". NRDWP-Support funds provided to them could be utilized to hire their services for all technical matters relating to rural drinking water and sanitation. Initially, the Ministry identified certain experts who were engaged/working closely on technical issues and shared this list with the States. However, in order to bring in more transparency, an expression of interest with brief terms of reference has been prepared and is being processed for issuing advertisement inviting technical experts to apply. Draft guidelines on engaging National level Experts are also under consideration of the Ministry. The Committee will be updated about the progress.

Sd/-

(T.M. Vijay Bhaskar)
Joint Secretary

[Ministry of Drinking Water & Sanitation, O.M. No. H. 11011/2/2011-Water-II
dated the 9th February, 2012]

NEW DELHI;
28 December, 2012
7 Pausa, 1934 (Saka)

DR. MURLIMANO HAR JOSHI
Chairman,
Public Accounts Committee.

APPENDIX I

MINUTES OF THE TWENTIETH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2012-13) HELD ON 28TH DECEMBER, 2012

The Committee sat on Friday, the 28th December, 2012 from 1500 hrs to 1610 hrs in Room No. '62', Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Bhartruhari Mahtab
5. Shri Shripad Yesso Naik
6. Shri Abhijit Mukherjee

Rajya Sabha

7. Shri Prasanta Chatterjee
8. Shri Satish Chandra Misra
9. Shri Sukhendu Sekhar Roy
10. Shri J.D. Seelam
11. Shri N.K. Singh
12. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Abhijit Kumar — *Director*
3. Ms. Miranda Ingudam — *Under Secretary*
4. Shri A.K. Yadav — *Under Secretary*

Representatives of the office of the Comptroller and Auditor General of India

1. Shri P. Sesh Kumar — *Director General (C)*
2. Shri Nand Keyolar S. — *Director General*

3. Ms. R. Rajalakshmi	—	Director General
4. Ms. Divya Malhotra	—	Director General
5. Shri Jayant Sinha	—	Principal Director (RC)
6. Ms. Geetali Tare	—	Principal Director
7. Shri Maneesh Kumar	—	Principal Director

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of the Comptroller and Auditor General of India to the sitting of the Committee. The Chairman, then, apprised that the meeting was convened to consider and adopt the six Draft Reports circulated to them by the Secretariat.

3. The Committee then took-up the following Draft Reports one by one for consideration.

- | | | | | |
|-------|---|-----|-----|-----|
| (i) | *** | *** | *** | *** |
| (ii) | *** | *** | *** | *** |
| (iii) | *** | *** | *** | *** |
| (iv) | *** | *** | *** | *** |
| (v) | *** | *** | *** | *** |
| (vi) | Draft Report on Action Taken on the 35th Report (15th Lok Sabha) on the subject "Accelerated Rural Water Supply Programme (ARWSP)". | | | |
| 4. | *** | *** | *** | *** |

5. During the further course of consideration, some Members suggested minor modifications in the draft Original Reports. After some discussions and deliberations, the Committee adopted all the Draft Reports and authorized the Chairman to finalise these Reports in light of the factual verifications received from the Audit, if any, and present the same to the Hon'ble Speaker on a date convenient to him.

6. The Chairman thanked the Members for their valuable suggestions on the Draft Reports and active participation in the consideration and adoption of the Reports.

The Committee, then adjourned.

***Not related to this Report.

APPENDIX II

(Vide para 5 of Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR THIRTY-FIFTH REPORT (FIFTEENTH LOK SABHA)

(i) Total No. of Observations/Recommendations	16
(ii) Observations/Recommendations of the Committee which have been accepted by the Government:	Total 13 Percentage-81.25%
Para Nos. 1, 3-5, 7, 8, 9-12 and 14-16	
(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:	Total: 0 Percentage-0%
-NIL-	
(iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:	Total: 1 Percentage-6.25%
Para No. 2	
(v) Observations/Recommendations in respect of which Government have furnished interim replies:	Total: 2 Percentage-12.5%
Para Nos. 6 and 13	