

No. G.11011/5/2010-Water (Pt.)
Government of India
Ministry of Drinking Water & Sanitation

8th Floor, Paryavaran Bhawan
CGO Complex, Lodhi Road
New Delhi – 110 003.

Dated the 5th October, 2011.

To

State Secretaries in charge of rural water supply in all States (except Tamil Nadu)

Sir,


The issue of regularization of ad-hoc releases made under NRDWP during last year and the status of releases under NRDWP was reviewed by the Hon'ble Minister of Drinking Water & Sanitation. This was further taken up with the Comptroller General of India.

This Ministry has been given to understand that Audit certificates are issued by the State Accountants General's Office as and when State implementing agencies produce the Accounts or Statement of Expenditure for the Programmes. While the C & AG's Office has informed this Ministry that they are separately reiterating to their State Accountants General to issue the requisite certificates expeditiously, they have urged the Ministry to advise States to **approach the local office of the State Accountants General with the relevant Accounts which are the prerequisite for reconciliation and issue of Audit Certificate by the AsG. You are therefore requested to take appropriate action in this regard.**


With regard to the deficiencies in the Audit Certificates issued such as not correctly reflecting Grants-in-Aid, reporting of expenditure sometimes in the Audit Report as a consolidated figure for different programme releases, showing of advance given by the States to the implementing agencies as expenditure, etc., the Office of the CAG has informed that the accounts are certified in the format in which the State agencies present them. Hence if the releases for the schemes are to be certified separately, the **State agencies must prepare a separate account for each scheme. State Accounts as a whole are prepared in a prescribed format which does not capture scheme details. You are therefore requested to present your expenditure accounts separately for each scheme.**

In this regard, a copy of Shri Vinod Rai, Comptroller General of India's letter dated 14.9.2011 addressed to Hon'ble Minister is enclosed.

Thanking you,


(Sujoy Mojumdar)
Director (Water)

Encl: As above

Tech. Dir(NIC) - with the request to Host the
letter on Ministry's website

27/10/11

VINOD RAI

O/o Secretary
M/o Drinking Water & Sanitation
FTS Dy. No. 2004/Com/11
Date 16/9/2011



भारत के नियंत्रक - महालेखापरीक्षक
COMPTROLLER & AUDITOR GENERAL OF INDIA

No 23- CAG/RC/2011
14th September 2011

FTS No 54961 IM (RT)

Pl see & speak. JN
15/9

Dear Director, Secy DWS/JS(M)

This has reference to your d.o. letter raising concerns regarding the hindrance being posed to the release of 2nd instalment of funds to States under National Rural Drinking Water Programme (NRDWP) due to delay in issue of Audit Certificates by State Accountant General Offices and the various deficiencies noticed in the Audit Certificates that have been issued from time to time.

The issue has been examined in my office and we find that under the extant guidelines of NRDWP issued in April 2010, no such Audit Certificates have become due so far. However, as per the previous regime regulating the Programme, audit certificates are being issued by the State Accountant General offices as and when the State implementing agencies produce the Accounts or Statement of Expenditure for the Programmes. While we are separately reiterating to our State Accountants General to issue the requisite certificates expeditiously, I would suggest that you consider advising the State Governments to approach the local office of the State Accountant General with the relevant Accounts, which are the prerequisite for reconciliation and issue of Audit Certificates by the AsG.

On the concerns raised on the deficiencies in the Audit Certificates issued, you would appreciate that the accounts are certified in the format in which the State agencies present them. Hence, if the releases for the Scheme are to be certified separately, the State agencies must prepare a separate account for each scheme. State Accounts, as a whole are prepared in a prescribed format which does not capture scheme details. However, we are sensitizing our State Accountants General of the concerns expressed by you. We are also examining the format of certificate issued by AG, Tamil Nadu and recommended by you and will issue suitable instruction in this regard to all field offices.

Over the last few years, the number and monetary scale of Centrally Sponsored Schemes has proliferated. These schemes envisage multiple types of complex delivery systems involving release of funds in different proportions to

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Discussed with Secy MWS on 16/9/11
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Dy. Secy (M)
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different implementing agencies directly. While formulating such schemes Planning Commission and Government of India unilaterally assign audit responsibilities to the C&AG. While it is C&AG's duty to provide assurances, however, the coverage of audit largely depends on selection of audits based on risk assessments under the overriding constraint of limited resources. Hence, it would be desirable if the Planning Commission and Government consult C&AG while formulating the assurance/audit mechanisms of such schemes so that workable assurance mechanisms can be put in place. Also once the schemes are notified, a copy of the same may be forwarded to this office to ensure that the field offices are appropriately instructed.

Regards

Yours sincerely,



(Vinod Rai)

**Shri Jairam Ramesh,
Minister of Rural Development,
Government of India,
NEW DELHI.**