CHAPTER-II
PLANNING AND FINANCES OF THE SCHEMES

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2.1 Planning for *HGNJ yojana*

Proper planning and a well-established service delivery mechanism were essential for achieving the goals set out for *HGNJ yojana*. As discussed in Chapter-I, there were three departments of GoB, *viz*. PHED, PRD and UD&HD, responsible for implementation of schemes under *HGNJ*. Accordingly, planning for the execution of these water supply schemes was taken up by all three departments, depending on the scope of work allocated to them by the State Government. The issues related to planning of *HGNJ yojana*, as noticed during audit, are discussed in the following paragraphs.

2.1.1 Scope for coverage of rural wards

As per GoB resolution (December 2015), the *HGNJ yojana's* implementation in rural areas was bifurcated between PHED and PRD departments, depending on the QA or NQA status of wards/GPs and whether PHED already had water supply schemes under implementation in the areas. The summarised position of allocation of wards in rural areas between PHED and PRD is given in **Table 2.1.**

Table 2.1: Allocation of rural wards between PHED and PRD

Implementing Department	Area of coverage planned by the implementing Departments
PHED	30,493 wards of 3,068 GPs, where water quality was affected with arsenic, iron and fluoride *i.e*. QA GPs and wards.
	8,031 wards of 1,027 GPs, where piped water supply scheme was already being executed by PHED or there was existing water supply infrastructure.
	17,555 non-quality affected wards of quality affected GPs. These wards were to be initially covered by PRD but were subsequently handed over to PHED (December 2018).
PRD	58,612 wards of non-quality affected 4,291 GPs that were not being covered by PHED.

(Source: Resolutions issued by GoB and letters issued (July 2018) by PHED and PRD)

For the implementation of the *HGNJ yojana* by PRD in the NQA wards of GPs, the Ward Implementation & Monitoring Committee (WIMC) was the executing unit, while in the case of QA & NQA wards covered by PHED, the execution of the scheme was done through the Public Health (PH) Divisions.

However, scrutiny of records revealed that the State Government, as well as PHED and PRD failed to ensure clarity in the bifurcation of wards for the implementation of *HGNJ yojana,* as discussed in the following paras.

2.1.1.1 Lack of clarity in bifurcation of wards

There were 1,14,733 rural wards in Bihar (as of August 2016) in 8,391 GPs of the State, however, this number was reduced to 1,14,691 wards in 8,386 GPs (by July 2018) due to the merger of some rural wards with municipality.

All QA wards besides non-quality affected wards where PHED already had piped water schemes in existence, was to be covered by PHED, under *HGNJ yojana*. Accordingly, PHED decided (October 2016) that its divisions would implement *HGNJ yojana* in 46,178 wards (QA ward: 25,972, Piped Water Supply (PWS)/NQA wards: 20,206) of 3,378 GPs.

Besides the above, there were 17,555 wards in the State that were neither QA wards nor were they covered under any existing infrastructure of PHED. As per decision taken (July 2018) by PHED, these wards were to be covered by PRD with financial (30 *per cent* of total expenditure) and technical assistance of PHED. The PHED subsequently noticed that *HGNJ* schemes were being implemented in the same GPs as per two different models. Thus, in order to maintain uniformity, PHED decided (December 2018) to implement *HGNJ yojana* in these 17,555 NQA rural wards also. However, by then in a number of these units (4,587 wards), WIMCs had already initiated or implemented the water supply schemes. Further, this decision of PHED also did not percolate to all GPs wherein it was noticed that even after December 2018, *HGNJ* schemes were still being implemented by PRD in some wards. As of March 2023, *HGNJ* schemes were executed by WIMCs/PRD in a total of 7,756 wards[1] and PHED completed the remaining 9,799 wards[2].

Above facts clearly indicated that planning for implementation of *HGNJ* was deficient and lacked clarity. Distribution of work between implementing agencies was frequently revised, creating confusion at the ground level and affecting work execution in terms of coverage of quality affected wards by WIMCs of PRD and non-coverage of NQA wards.
Irregularities in the execution of the scheme were noticed during audit in case of nine[3] test-checked districts due to planning deficiencies as noted below.

- ***Coverage of quality affected wards by WIMCs***

As per decisions taken by GoB, schemes in QA wards were to be implemented by PHED. Since these were areas affected by sub-standard water quality, the water supply schemes were to include the installation of Water Treatment Plants (WTPs) that were to be set up by PH divisions. However, Audit noted that in 77 QA wards of five[4] test-checked districts, the water supply schemes were

[1] *4,587 wards (executed till December 2018) and additional 3,169 wards out of the remaining 12,968 wards.*
[2] *12,968-3,169= 9,799 wards.*
[3] *Aurangabad, Bhagalpur, Darbhanga, Gaya, Gopalganj, Jamui, Madhubani, Saran and West Champaran.*
[4] *Aurangabad: 14 wards, Darbhanga: 11 wards, Saran: 3 wards, Jamui: 1 ward and Bhagalpur: 48 wards.*

executed by PRD (through WIMCs) instead of PHED. Further, these schemes were executed under *HGNJ yojana* without the installation of WTPs ***(Appendix 2.1)*** as no provision for WTPs was made in the model estimate prepared by PRD. As a result, the quality of water supply could not be ensured in these 77 wards, in contravention of the objectives of *HGNJ yojana*. Tests conducted in the State/district laboratories (July 2020 and September 2022), also showed that in 15 of 77 wards, water quality was contaminated with more than permissible level of fluoride in two wards of Aurangabad district, and with arsenic/iron in 13 wards of Bhagalpur West ***(Appendix 2.1)***.

- ***Non-coverage of non-quality wards***

As per GoB resolution (December 2015), quality affected GPs were to be covered by PHED. However, some GPs had both QA and NQA wards under them, and it was noted that there was no clarity with regard to the implementing agency for the Scheme in NQA wards of quality affected GPs.

Due to poor planning and deficient scheme management, Audit observed that in 19 NQA wards of quality affected GPs, under four[5] test-checked PH divisions, water supply schemes were neither implemented by these divisions, nor by WIMCs (under PRD) ***(Appendix 2.2)***. Thus, supply of safe piped drinking water to these households could not be ensured.

On the issue of lack of clarity in distribution of wards, the PHED replied that initially, it was decided (October 2016) to implement the schemes in 46,178 wards, later, in response to PRD request, PHED clarified (July 2018) the bifurcation of wards between PHED and PRD. Accordingly, PHED had to implement schemes in 56,079 wards including 17,555 wards, which were neither QA nor covered by existing infrastructure of PHED. In August 2018, PRD decided that the *HGNJ yojana* would be implemented by WIMCs in these 17,555 wards.

The reply of the Department highlights that there were frequent changes with regard to distribution of wards between departments, which created inconsistency in the execution of the schemes.

2.1.1.2 Coverage of Quality Affected Wards by PHED without preparation of Detailed Project Report (DPR)

As per PHED letter (March 2016), issued to Executive Engineers of 11 PH Divisions (where quality was affected by fluoride), special focus was to be paid to the provision of pure drinking water in fluoride affected habitations. Accordingly, administrative approval for coverage of 3,467 fluoride affected habitations was accorded by PHED (March 2016), for supply of pure drinking water under *HGNJ yojana*.

[5] *Gopalganj, Bhagalpur East, Bhagalpur West and Darbhanga.*

Accordingly, a Detailed Project Report (DPR) for tap water supply scheme was to be prepared by the concerned PH divisions to assess the requirement of infrastructure for these schemes.

It was observed that, out of 3,467 fluoride-affected habitations identified for coverage under the *HGNJ yojana*, only 1,000 schemes (in 1,000 habitations across 11 districts) were initially planned and taken up by PHED, including provision for Fluoride Removal Plants (FRPs). The remaining 2,467 habitations were taken up under subsequent administrative approvals, issued later.

However, audit scrutiny revealed that tenders for these 1,000 schemes were invited by PHED without preparing the DPRs or undertaking a detailed survey. Between August 2016 and April 2017, 10 work orders, each covering 100 schemes, were issued by the department. Each scheme was to provide 140 household tap water connections, one FRP, a pump house, and approximately 1,050 meters of GI pipeline.

Premature tendering and execution of work without preparation of DPR, highlighted deficiencies in project management and planning. It was noted that work was awarded without preparation of a DPR and without survey & identification of the work sites. As a result, test-check of units revealed that there were cases where FRPs were installed even though there was no requirement of the same, based on quality of water. In 15, out of 200 test-checked schemes (Jamui district), FRPs were installed despite the fact that these areas were not fluoride affected (as per identification of fluoride-affected areas by PHED). Besides, highlighting poor planning on the part of the Department, it also led to avoidable expenditure of ₹ 2.77 crore on installation of unrequired FRPs ***(Appendix 2.3)***.

On the issue of installation of unrequired FRPs, PHED replied (June 2025) that there was a provision of water quality check after the actual source development and later it was decided to use water quality mitigation measures to be taken or not.

The reply was not acceptable as PHED highlighted the provisions of the scheme guideline but did not point out the actual status of tests carried out for these schemes and test report was also not available in this regard. However, water quality test of two[6] out of aforesaid 15 schemes was carried out by Audit (September 2023) along with concerned Junior Engineer and Chemist of District Laboratory and found that there was no quality issues in the source water of both schemes.

2.1.2 Baseline survey for coverage of rural wards

As per para 4.5.1 of the guidelines, issued (September 2016) by PRD, a baseline survey of rural wards was to be carried out by WIMCs before execution of

[6] *Ward no. 8 and 9 of GP, Sewa under Gidhaur Block (Jamui District).*

HGNJ yojana. This survey was to be carried out to identify the number of households and the requisite demand for safe drinking of water. Besides, identification of existing water supply infrastructure available in wards, identification of other institutions, *viz*. schools, *Anganwadi* centres, *Panchayat Bhawan*, Community centres, boring sites, length of pipes required *etc*., were also to be included in this survey.

Audit observed various deficiencies in the conduct of baseline survey as discussed in the paragraphs below:

2.1.2.1 Inadequate information in baseline format of WIMCs under PRD

The PRD issued (July 2017), a format for conducting this baseline survey and gathering required information regarding total number of households and community places, *i.e.* schools, health centers, *panchayat bhawans etc.*, where tap connections were required.

During audit of test-checked districts, it was observed that these baseline surveys were not carried out accurately and comprehensively. Out of 489 wards of 35 test-checked GPs, only 56 wards of four[7] GPs under West Champaran district conducted the baseline survey properly and in the given format, by including all the required information related to number of households, community places requiring tap water connection *etc*. However, in case of 396 wards of 26[8] test-checked GPs, the baseline survey was not conducted in the prescribed format and further the survey template was either found to be blank or filled with only limited/incomplete information.

Thus, comprehensive, detailed information that was required for efficient planning for the *HGNJ yojana* was not available to PRD due to the incomplete nature of these baseline surveys.

2.1.2.2 Non-consideration of number of households as per the data obtained from baseline survey

As per the PRD guidelines (September 2016), the estimates for *HGNJ yojana* in rural wards were to be prepared on the basis of data gathered from the baseline survey. Besides, the administrative approval for the water supply schemes to be taken up in these rural wards, was to be based on estimates finalised for *HGNJ yojana*.

During Audit it was noticed that in 17 wards of 12 test checked GPs, the WIMCs did not take into consideration the number of households obtained through baseline surveys for execution of water supply scheme (2017-19). Further, the working estimates prepared also did not take into account all eligible households

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7 *Belwa Lakhanpur (14 wards), Dhobani (15 wards), Belsandi (13 wards) and Mahui (14 wards).*

8 *Out of test-checked 489 wards of 35 GPs, 56 wards of four GPs conducted baseline survey properly and 37 wards of five GPs did not provide the relevant records related to conduct of baseline survey to Audit. Aurangabad district: Amilona (11 wards), Mahuwan (05 wards); Darbhanga district: Bariol (02 wards); Madhubani district: Kalapatii (05 wards) and Suggapatti (14 wards).*

in the wards. Resultantly, estimates of water supply scheme under *HGNJ yojana* for 445 households in 17 wards in 12 test-checked GPs were not prepared as per the baseline data. Details are given in **Table 2.2.**

Table 2.2: Difference in number of HHs between baseline data and estimates

Sl. No.	Name of Districts	Name of GPs	No. of households as per baseline survey data	No. of households taken in estimates	Difference
1	Darbhanga	Bariol	103	100	03
2		Nanaura	675	625	50
3	Madhubani	Kalapati	314	268	46
4	Gaya	Uttri Lodhave	190	125	65
5		Chakarbandha	358	239	119
6		Dhubhal	184	124	60
7	West Champaran	Belsandi	180	168	12
8		Mahui	200	161	39
9	Gopalganj	Giddha	311	270	41
10		Karariaya	103	100	3
11		Ratanchak	141	139	2
12	Jamui	Gangra	125	120	5
		Total	**2,884**	**2,439**	**445**

(Source: Records of the concerned GP (WIMC) and baseline survey)

As may be seen from the table above that as per the baseline survey, there were 2,884 households to be covered under the *HGNJ yojana* schemes but in comparison, estimates were prepared for the coverage of only 2,439 households. Hence, due to non-consideration of the baseline data by WIMCs while preparing ward-wise estimates, 445 households (of 12 GPs) remained uncovered from the benefits of the *HGNJ* scheme.

2.1.2.3 Survey not carried out by the PHED

In case of wards to be covered by PHED, directions were issued by the Department (October 2016) to all the Executive Engineers of the PH divisions to gather information regarding identified wards and details such as, geographical condition, population, water source, roads, basic infrastructure available *etc*., for the implementation of *HGNJ yojana*. Despite these directions, Audit observed that no such information gathering exercise or survey was carried out by the PH Divisions before taking up *HGNJ yojana*. Instead, DPRs for various water supply schemes under *HGNJ* were prepared by PHED, using Census figures of 2011, after proportionately increasing the population based on growth rate.

It was observed that due to this survey not being conducted by PH divisions, 11.22 lakh households under 46,633 wards (including 8.07 lakh households of quality affected 30,207 wards) were left out from *HGNJ yojana* in the State. During the JPV of 2,283 households conducted by Audit along with Technical

Assistant/*Panchayat Sachiv* (July to November 2023) it was also noticed that 1,470 households of 30 wards, were not covered under the *HGNJ yojana*.

Thus, non-conduct of surveys not only adversely affected the planning process for the scheme but also, deprived eligible targeted households of the benefits of safe, piped drinking water under *HGNJ yojana*.

PHED replied (June 2025) that in preparation of DPR, census data of at least three decades was used after interpolating/extrapolating the set scientific methods for the baseline survey. Since census data was available, there was no need to incur extra expenses on survey. However, in such process 11.22 lakh households of 46,633 wards were left out due to physical hindrance between two *tolas*/habitation within a single ward.

The reply was not acceptable as the PH divisions failed to adhere to the directions of the Department (October 2016) for gathering information regarding identified wards and details such as geographical condition, population, water source, roads, basic infrastructure available *etc*., for the implementation of *HGNJ yojana*. Besides, no conditions of physical hindrance between two *tolas*/habitation within a single ward were observed during the JPV carried out by Audit.

2.1.3 Scope for coverage of urban wards

The *HGNJ yojana* was to be implemented by UD&HD in 143 ULBs of the State. All urban households not having access to piped drinking water, were to be covered under this scheme (excluding households with existing arrangement for piped water). At the time of commencement of *HGNJ* (May-June 2016), out of 19.22 lakh urban households in the State, 15.85 lakh households were targeted for coverage in 3,370 wards, after excluding households already having piped water facility. Further, the implementation of *HGNJ yojana* schemes in urban areas was split between ULBs and BUIDCO, the details of which are as given in **Table 2.3**.

Table 2.3: Scope of coverage of urban wards

Implementing entity	Number of wards	Number of HH
ULBs	1,986	8,06,333
BUIDCO	1,384	7,79,067
Total	**3,370**	**15,85,400**

(Source: Data provided by UD&HD)

Out of 143 ULBs, *HGNJ* was to be implemented in 29 ULBs by BUIDCO. In the remaining 114 ULBs, the Scheme was to be executed by the ULBs themselves with technical assistance from BUIDCO and PHED.

2.1.4 Baseline survey for coverage of urban wards

As per the UD&HD directions (May 2016), an infrastructure and household survey was to be conducted by ULBs to assess the present position of water supply and to prepare a roadmap for the implementation of the *Mukhyamantri Shahri Payjal Nischay Yojana (*under *HGNJ yojana)*. Through this survey, information related to the number of households, availability of households with tap water connection, source of drinking water *etc*., were to be ascertained by ULBs.

The baseline survey was conducted by the ULBs during May to June 2016 and as per the survey, 15.85 lakh households in urban wards were to be provided with piped water supply under the *HGNJ yojana* scheme. However, it was observed that in seven out of 12 sampled ULBs, estimates for the scheme were prepared without considering the number of households identified in related baseline surveys. Instead, estimates were prepared as per the number of households mentioned in the model estimate[9] prepared by BUIDCO. Details of the same are given in **Table 2.4**.

Table 2.4: Households remained uncovered from the scheme

Sl. No.	Name of ULBs	Number of households to be covered as per baseline data	Number of households included in the estimates	Difference
1	Aurangabad	13,064	12,110	954
2	Birpur	3,659	3,250	409
3	Jhanjharpur	6,073	5,900	173
4	Khagaria	9,848	6,500	3,348
5	Rivilganj	6,311	5,977	334
6	Tekari	3,523	2,909	614
7	Gopalganj	9,701	9,671	30
	Total	**52,179**	**46,317**	**5,862**

(Source: Records of UD&HD and concerned ULBs)

It is evident from the table above that due to data (including number of households) available in the baseline survey, not being considered for preparation of estimates, piped water supply could not be provided to 5,862 households (November 2023) and objective of the scheme to cover 100 *per cent* households could not be achieved.

2.1.5 Planning of important components of scheme in rural area

As per GoB orders (December 2015), PHED was to prepare model estimates for both *HGNJ* water supply schemes to be implemented by them, as well as for NQA schemes to be implemented by PRD. These model estimates were prepared (April 2017) by PHED, and were further revised in July 2018.

Audit noticed that there were discrepancies between the model estimates, as prepared by PHED for itself and the estimates prepared for use by WIMCs under PRD. As a result, disparities between the schemes implemented in NQA wards

[9] *Model estimates were standardised templates prepared by BUIDCO (for UD&HD) using average norms for household coverage and infrastructure.*

of rural areas (by PRD) and those implemented by PHED, were noticed in test-checked GPs as discussed in the succeeding paragraphs:

2.1.5.1. Non- provision of chlorinator for schemes executed by PRD

As per the Manual on Water Supply and Treatment published (May 1999) by the Central Public Health and Environmental Engineering Organisation (CPHEEO), for utmost safety of water for drinking purposes, disinfection of water must be done for killing of disease producing organisms. For this, installation of Chlorinator[10] was an important component to achieve disinfection of water. Further, the objective of *HGNJ yojana* was also to provide safe, piped drinking water to all households.

Despite the above, provision for chlorinator was not made in the model estimate prepared by PHED for *HGNJ yojana* water supply schemes for rural wards, that were to be implemented by PRD. Subsequently, during a review meeting of *HGNJ yojana* chaired by the Additional Chief Secretary, PRD (August 2021), it was decided that chlorinators would be installed in all related water supply schemes implemented by WIMCs in GPs. However, from scrutiny of records and JPV conducted in test-checked GPs (conducted jointly by Audit and TA/*Panchayat Sachiv* during July 2023 to November 2023), it was noticed that chlorinators were not installed in any of the schemes implemented by WIMCs, as discussed in ***Chapter-IV***, impacting the supply of quality water to households.

2.1.5.2 Inadequate provision for ground water recharge

As per paragraph 2.2 of PHED 'Vision and Strategy' document, ground water recharge was to be carried out to balance the recharge and drawl of groundwater. Recharge of ground water was essential to ensure long-term water availability, supports ecosystems, and provide a vital source of drinking water and irrigation.

However, during audit it was observed that the model estimate for the implementation of *HGNJ yojana* prepared by PHED, did not provide for any ground water recharge interventions. In case of 15 test-checked divisions (2,374 wards) it was noted that there was no provision made by PH divisions for ground water recharge in water supply schemes implemented during 2017-23.

The absence of groundwater recharge measures can lead to declining water tables and threaten long-term sustainability of drinking water sources. This oversight also undermines the Scheme's objective of ensuring reliable and resilient water supply.

10 *A chlorinator ensures disinfection of drinking water by maintaining adequate chlorine levels, thereby preventing waterborne diseases.*

2.1.6 Planning of requisite scheme components in urban area

As per UD&HD resolution (February 2016), 15 to 20 *per cent* water supply capacity in urban areas was to be ensured through overhead water tanks (OHTs) and the rest of the capacity was to be created through direct pumping. Further, in case of lack of required electricity supply, UD&HD guidelines (October 2016) provided for the construction of vats (of capacity of 2,000 to 8,000 liters), as an alternate arrangement for water supply in urban areas.

Audit observed that the model estimates (January 2017) prepared by UD&HD for implementation of *HGNJ* water supply schemes in ULBs included provisions for tube well, pump, distribution network *etc*. However, no provision for OHT/vats for storage of water and arrangement for disinfection of water was made to ensure continuous supply of safe drinking water. The same model estimate, prepared by UD&HD was adopted by the ULBs during preparation of estimate and execution of scheme.

Due to this issue, instances of delay/non-availability of continuous water supply and lack of proper disinfection of water were noticed, as discussed in the succeeding paragraphs:

2.1.6.1 Non-provision/delay in provision of Over Head Tank/vats

Audit observed that, due to non-inclusion of OHT/vats in the model estimates prepared by UD&HD, ULBs did not include provision for the same in their estimates for work and in the agreements subsequently executed with contractors. A total of 203 *HGNJ* schemes were taken up by nine test-checked ULBs during the period 2017-18 to 2020-21. Of these, it was noted that agreements for 150 water supply schemes were executed by ULBs, without the provision of required OHTs. However, in February 2018 new directions were issued by UD&HD, as per which a model estimate was made and an amount per OHT was specified for uninterrupted water supply.

Accordingly, eight test-checked ULBs executed fresh agreements with contractors for the construction of OHT in 93 schemes, but similar provisions for OHTs were not made in the remaining 57 schemes[11], impacting uniform delivery of water supply services across ULBs. The details of the same are given in **Table 2.5**.

[11] *First agreement executed without OHT in 150 schemes – second agreement executed for OHT in 93 schemes = 57 schemes were without OHT.*

Table 2.5: Non-installation/delay in installation of OHT in schemes implemented by ULBs

Sl. No.	Name of ULB	Number of scheme taken up by ULBs	Agreements executed without OHT	New Agreements executed for OHTs (same wards)
1	Birpur	13	12	12
2	Benipur	40	6	6
3	Jhanjharpur	14	6	4
4	Khagaria	26	26	26
5	Rivilganj	19	9	3
6	Tekari	13	13	5
7	Gopalganj	18	18	18
8	Jhajha	41	41	19
9	Bhagalpur	19	19	0
	Total	**203**	**150**	**93**

(Source: Records of concerned ULBs)

Due to non-installation of OHTs in 57 schemes of nine test-checked ULBs, uninterrupted water supply to targeted beneficiaries in these areas could not be ensured.

2.1.7 Delay in commencement of *HGNJ yojana*

2.1.7.1 Delay in commencement of scheme by the PHED

HGNJ yojana was launched by GoB in December 2015, with the aim of providing safe, piped drinking water supply to 100 *per cent* households by the year 2020. As per PHED guidelines (September 2016), the *HGNJ* water supply schemes were to be completed between 2016-17 to 2019-20 and the year wise distribution of targets for coverage and achievement of commencement of schemes were as follows:

Table 2.6: Year wise target and achievement of commencement of schemes by PHED

Year	Target (in *per cent*)	Commencement of Schemes (in *per cent*)	Difference (in *per cent*)
2016-17	15	0	(-) 15.00
2017-18	30	14.49	(-) 15.51
2018-19	35	26.89	(-) 8.11
2019-20	20	58.56	(+) 38.56
2020-21	0	0.06	(+) 0.06
Total	**100**	**100**	

(Source: Records of PHED)

It can be seen from the table above that targets were not achieved in the first three years. Non-achievement of target for commencement of Schemes in the initial years was mainly due to lack of clarity of bifurcation of rural wards between PHED and PRD (as discussed in ***paragraph 2.1.1.1***). The final distribution of rural wards between these Departments took place only in July 2018, after a lapse of two years from the commencement of *HGNJ yojana*, impacting execution of projects at the ground level. As a result, there were delays in commencement of water supply schemes by PHED and against an initial target of only 20 *per cent* of the projects to be taken up in the last year (2019-20), most of the workload of scheme completion fell on a single year of 2019-20, which was the last year for completion of *HGNJ yojana*. PHED accepted the audit contention and stated (June 2025) that due to huge amount of work in a limited timeframe and involvement of three separate departments for the said scheme, planning of the scheme took more time.

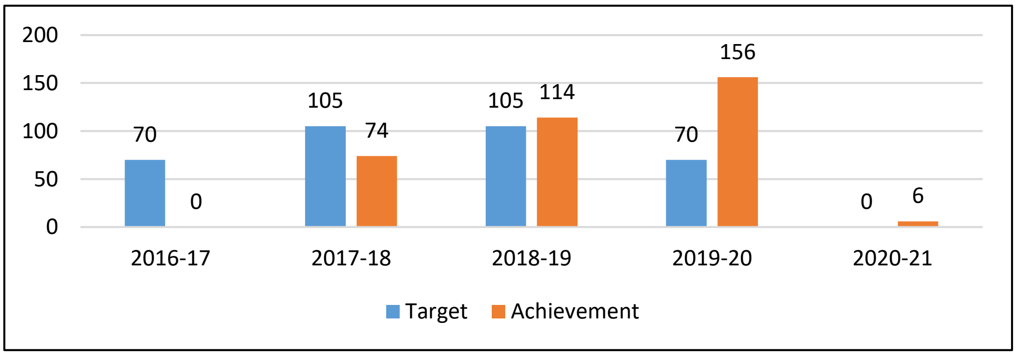
2.1.7.2 Delay in commencement of schemes by the PRD

As per the guidelines issued by PRD for implementation of the *HGNJ yojana*, ward coverage was to be phased out over four years based on availability of funds - 20 *per cent* in 2016-17, 30 *per cent* each in 2017-18 and 2018-19, and the remaining 20 *per cent* in 2019-20. However, test-check of records from 27 GPs across nine districts revealed that this year-wise phasing was not uniformly adhered to. No schemes were initiated in these GPs during 2016-17 against the target of 70 wards, primarily due to non-release of funds by PRD in that year.

Further, the commencement of schemes during the subsequent years (2017-18 to 2019-20) also deviated from the prescribed ratios. Nonetheless, it was observed that all 350 targeted wards in these 27 GPs were eventually covered under the *yojana*, with a significant concentration of implementation occurring in the final year (2019-20). Details are depicted in **Chart 2.1**.

Chart 2.1: Year-wise commencement of scheme in test-checked GPs

(Figures represent the number of wards)



(Source: Records of concerned GPs)

The chart also indicates that the highest number of schemes (156 out of 350) commenced during FY 2019-20, the final year of the *HGNJ yojana* scheduled implementation period. While no clear reason was recorded for the limited commencement in 2017-18, it may be attributed to delays in bifurcation of wards between PHED and PRD, which affected planning and rollout of schemes during the initial phase.

Conclusion

There were significant planning deficiencies in the implementation of *HGNJ yojana* due to lack of coordination between implementing departments. Absence or inadequacy of baseline surveys led to unreliable estimates, incomplete infrastructure planning, and poor targeting of household coverage. There was lack of clarity in bifurcation of responsibilities between PHED and PRD, non-installation of required treatment plants in quality-affected areas, and execution of schemes with inconsistent specifications. Further, critical components like chlorinators and ground water recharge were omitted in model estimates, affecting water safety and scheme sustainability. These lapses undermined the intended objectives of the *yojana* highlighting weaknesses in planning, scheme execution, and oversight mechanisms.

Recommendations

Recommendation 1: The State Government may ensure efficient planning and 100 per cent coverage of eligible beneficiaries under HGNJ by carrying out detailed surveys and identification of households/wards.

Recommendation 2: The State Government may ensure enhancing coordination amongst departments/executing agencies to ensure that essential components like chlorinators etc., required for provision of safe drinking water are provided for in all water supply schemes, irrespective of implementing agency.

2.2 Financial Management of *HGNJ yojana*

Implementation of water supply scheme under *HGNJ yojana* was financed from multiple sources including Central Finance Commission (CFC) & State Finance Commission (SFC) grants, State's own budget and from funds available under similar GoI water supply schemes like AMRUT. The overall funding from different sources are detailed in **Table 2.7** below.

Table 2.7: Sources of funds for *HGNJ* under *Saat Nischay*/Water Supply Scheme (WSS) (during 2017-2023)

<table>
<tr><th rowspan="2"></th><th colspan="4">Allotment (₹ in crore)</th></tr>
<tr><th>PRD</th><th>UD&HD</th><th>PHED</th><th>Total</th></tr>
<tr><td>State Plan</td><td>4,985.25</td><td>530.16</td><td>13,899.13</td><td>19,414.54</td></tr>
<tr><td>CFC</td><td>6,806.96</td><td rowspan="2">756.54</td><td>-</td><td rowspan="2">9,187.28</td></tr>
<tr><td>SFC</td><td>1,623.78</td><td>-</td></tr>
<tr><td>AMRUT</td><td>-</td><td>1,899.10</td><td>-</td><td>1,899.10</td></tr>
<tr><td>Total</td><td>13,415.99</td><td>3,185.80</td><td>13,899.13</td><td>30,500.92</td></tr>
</table>

(*Source: Information provided by the implementing departments)*

In case of PHED, out of the total allocation of ₹13,899.13 crore for *HGNJ*, utilisation certificates showing an expenditure of ₹5,387.24 crore (38.75 *per cent*) were furnished by the PH divisions to the Department during 2017-18 to 2022-23. However, for the State as a whole, Audit was unable to determine the expenditure status with respect to fund allotment, as implementing Departments (PRD and UD&HD) were unable to provide details of actual spending on *HGNJ yojana* or utilisation certificates.

- ***Coverage of households under HGNJ yojana***

Against the target of 189.39 lakh HHs, 186.13 lakh HHs were covered by the implementing Departments as of March 2023. Details are given in **Table 2.8** below.

Table 2.8: Department wise target and achievement as on March 2023

Sl. No.	Name of the Department	Targeted HH (in lakh)	Total Completed HH (in lakh)	Completed HH (in *per cent*)
1	PRD	88.95	88.12	99.07
2	PHED	84.59	83.18	98.33
3	UD&HD	15.85	14.83	93.56
Total		**189.39**	**186.13**	**98.28**

(Source: Information provided by implementing Departments)

The above table indicates that 98.28 *per cent* HHs were covered by piped water supply scheme, however, this coverage was found overstated in test-checked audit units. In test-checked units, it was found that the percentage of completion reported by the implementing departments was very high in comparison to actual completion as discussed in ***Paragraph 3.1*** and ***3.2***. Reasons for low coverage as noted during audit were- (i) work abandoned midway by contractors (ii) improper identification of existing infrastructure (iii) lack of clarity in bifurcation of wards between PHED and PRD *etc.*

2.2.1 Funding of *HGNJ yojana* schemes in rural area

2.2.1.1 Funding arrangement for the schemes implemented by WIMCs of GPs

The PRD was implementing two sub-schemes under the '*Saat Nischay*' Mission mode programme of GoB, *viz. Ghar Tak Pakki Gali Naaliyan and Har Ghar Nal ka Jal.* In case of test-checked GPs it was noted that the Department/GoB had released funds from the CFC, SFC and the State Budget directly into the bank accounts of GPs for the implementation of both the sub-schemes. According to guidelines, the funds received by GPs for the implementation of *Saat Nischay* schemes (including *HGNJ yojana*), were to be subsequently transferred into the bank accounts of respective WIMCs, since the latter were responsible for the execution of projects at the ground level. Subsequently, based on completion of work, details of expenditure and UCs were to be submitted by WIMCs to the GPs.

(i) State level: Details of budget provision made by PRD and allocation of funds by the department to GPs for *Saat Nischay* schemes during 2017-23 is given in **Table 2.9** below.

Table 2.9: Allocation of funds by Panchayati Raj Department to GPs

(₹ in crore)

Year	Budget Provision	Allocation to GPs	Surrender by PRD
2017-18	3,509.11	3,507.26	1.85
2018-19	4,032.39	3,007.39	1,025.00
2019-20	5,731.20	4,023.43	1,707.77
2020-21	2,405.04	2,349.34	55.70
2021-22	628.00	418.21	209.79
2022-23	150.00	110.36	39.64
Total	**16,455.74**	**13,415.99**	**3,039.75**

(Source: Data provided by PRD, GoB)

It is evident from the table above that ₹3,039.75 crore *i.e.* 18.47 *per cent* of the total budget provisioned under the State Plan for *Saat Nischay* schemes (including *HGNJ yojana*) could not be utilised and was eventually surrendered during 2017-23. As consolidated amounts were released for *Saat Nischay*, and there was no clear scheme wise demarcation in allocation of funds, the exact amount remaining unspent for *HGNJ* at the department (PRD) level could not be ascertained.

Reply from the department is awaited.

(ii) Test-check at GP level: Scrutiny of records in 456 wards of 33 out of 35 test-checked GPs[12] revealed that the GPs received a total sum of ₹108.04 crore for implementation of *Saat Nischay* and subsequently transferred ₹68.21 crore to WIMCs. Details of funds released to test-checked GPs and subsequent transfer to WIMCs are given in ***Appendix 2.4***.

It was noted that PRD did not release funds to GPs exclusively for *HGNJ yojana* and instructed that out of the total amount available for *Saat Nischay*, GPs could release funds to WIMCs for implementation of *HGNJ*, as per selection of projects. Thus, at the GP level, funds were not earmarked specifically for *HGNJ yojana* and WIMCs also did not maintain a separate bank account for *HGNJ yojana*. Further, WIMCs did not mention the name of schemes in the cash books while issuing cheques for withdrawal of funds from WIMC's account. Therefore, the actual expenditure incurred on *HGNJ yojana* by the WIMCs was not ascertainable. However, audit worked out the expenditure incurred by WIMCs from the available records (like Measurement Books, scheme registers, scheme files *etc.*). Based on these, it was ascertained that 410 out of the aforesaid 456 wards spent ₹59.61 crore on the implementation of *HGNJ yojana*. However, no details of expenditure or UCs were submitted by the WIMCs to the GPs, against funds released.

[12] *GPs Kachnar and Hussepur of Saran district did not provide data for funds released to WIMCs for execution of HGNJ.*

It is evident from the above that PRD as well as the GPs were not aware of the status of actual utilisation of funds on *HGNJ yojana* and whether these had been utilised for the purposes for which funds were made available.

2.2.1.2 Funding arrangement at PH division level

For the implementation of *HGNJ yojana* by PH divisions, GoB allocated funds to PHED budget head. Details of funds allocated to PHED and expenditure (as per utilisation certificate furnished by the divisions) there against, at the State level are given in **Table 2.10** below.

Table 2.10: Allotment of funds to PHED and utilisation at state level

(₹ in crore)

Financial Year	Opening Balance	Allotment to PHED	Total	Transfer to PH Divisions by PHED	Expenditure (as per UCs furnished by Divisions)	Surrender (*per cent*)	Closing Balance
2017-18	442.28	1,798.52	2,240.79	525.84	198.78	30.72(2)	1,684.24
2018-19	1,684.24	2,581.53	4,265.77	418.11	339.75	414.28(16)	3,433.38
2019-20	3,433.38	3,168.05	6,601.43	4,296.71	2,628.83	1,606.27(51)	698.45
2020-21	698.45	6,147.88	6,846.34	5,453.71	1,864.14	696.13(11)	696.49
2021-22	696.50	2,152.70	2,849.20	2,041.97	298.81	245.92(11)	561.31
2022-23	561.31	1,035.10	1,596.41	1,162.80	56.93	52.08(5)	381.53
Total		**16,883.78**		**13,899.14**	**5,387.24**	**3,045.40**	

(Source: Data provided by PHED)

From the table above, it is evident that ₹13,899.14 crore was transferred to the divisions by PHED, however, utilisation certificates showing an expenditure of only ₹5,387.24 crore were furnished by the divisions for the period 2017-18 to 2022-23 and amount of ₹3,405.40 crore was surrendered.

PHED replied (June 2025) that, sometimes amounts could not be withdrawn due to receipt of funds at the fag end of the financial year. Further, during 2019-20 funds could not be expended due to COVID-19 pandemic.

- ***Release of funds to test-checked PH divisions***

In case of 15 test-checked PH divisions, the summarised position of allocation of funds and expenditure therein is as given in ***Appendix 2.5*** and **Table 2.11** below.

Table -2.11: Allotment and expenditure for *HGNJ yojana* in test checked PH Divisions

(₹ in crore)

Year	Opening Balance	Allotment Received	Total fund available during the year	Expenditure incurred (*per cent*)	Surrender	Closing balance
2017-18	0.00	70.48	70.48	68.15(97)	2.33	00
2018-19	0.00	121.73	121.73	66.44(55)	25.51	29.78
2019-20	29.78	957.01	986.79	521.37(53)	39.44	425.98
2020-21	425.98	2,039.79	2,465.77	2,217.76 (90)	143.06	104.94

Year	Opening Balance	Allotment Received	Total fund available during the year	Expenditure incurred (*per cent)*	Surrender	Closing balance
2021-22	104.94	824.01	928.95	883.66(95)	23.69	21.61
2022-23	21.61	517.43	539.04	496.73(92)	21.19	21.12
Total		**4,530.45**	**5,112.76**	**4,254.11 (83)**	**255.22**	

(Source: Data provided by PHED)

Note- *Sherghati and Jhanjharpur divisions started receiving funds from 21-22 and 22-23 respectively, in the year 2017-18, only Bhagalpur divisions received funds while in the year 2018-19, Aurangabad and Darbhanga did not receive allotment.*

From the table above, it is evident that out of available funds, 53 *per cent* to 97 *per cent* funds were utilised during 2017-23. Further, major portion of funds (45 *per cent*) was released during 2020-21, indicating spillover of *HGNJ yojana* projects to subsequent years, from the initial targeted year of 2019-20, due to delay in completion of water supply schemes or delays in project commencement.

Audit observed the following other financial irregularities in implementation of *HGNJ yojana* in rural area.

2.2.1.3 Blockage of funds at ward level

- ***Non-utilisation of funds***

In 14 wards of three test-checked GPs, funds to the tune of ₹1.52 crore transferred to WIMCs by the GPs remained unutilised, due to reasons such as scheme being implemented by PHED or non-commencement of work by WIMCs despite availability of funds. The details of these unutilised amounts are given in **Table 2.12** below.

Table 2.12: Amount lying unutilised at WIMCs' level

Sl. No	Block (District)	GP	No of ward	Amount (₹ in lakh)	Remarks
1.	Keoti (Darbhanga)	Chacha Pachadi	01	18.06	Amount transferred to ward -10 on 27 February 2019. The scheme was not undertaken.
2	Sikandara (Jamui)	Pohe	01	4.00	In ward-11, amount was transferred on 16 March 2020 by GP to WIMC but work was executed in this ward by PHED (November 2019)
3	Kursela (Katihar)	Jarlahi	12	130.22	The amount was released to GP but PH division executed the scheme as the ward was QA.
	Total		**14**	**152.28**	

(Source: Scrutiny of records at unit level)

As may be seen from table above, during the period February 2019 to November 2023, ₹1.52 crore could not be utilised and remained blocked.

- ***Non completion of schemes due to lack of funds***

In the case of DPRO, Aurangabad, it was observed that 87 *HGNJ* schemes in different GPs remained incomplete/non-functional due to various reasons. To complete these schemes, the DPRO prepared (May 2023) demand for funds of ₹6.37 crore however, the same was not submitted to the Department concerned and the schemes remained non-functional as of 30 November 2023 in these wards ***(Appendix-2.6)***.

- ***Surplus amount lying with WIMCs***

As per PRD guidelines (July 2017 and March 2020), funds lying unutilised in the accounts of WIMCs, were to be refunded to GPs. However, scrutiny of records in 118 wards of 23 test-checked GPs revealed that the WIMCs did not utilise the entire amounts received from GPs for implementation of schemes. Against the estimated value of ₹18.28 crore for *HGNJ yojana* schemes, the GPs released ₹17.77 crore during the period 2018-19 to 2022-23 to WIMCs and against this, the work done as per MBs was estimated at ₹15.85 crore. Thus, unspent amount of ₹ 1.92 crore (as of November 2023), was not refunded by the WIMCs to the GP concerned ***(Appendix 2.7)***.

The test-checked GPs replied (July 2023 to November 2023) that notice has been issued/will be issued to WIMCs to refund the balance/surplus amount lying with them. However, no specific reply was given by the department.

2.2.1.4 Delay in transfer of funds to WIMCs by the GPs

As per *HGNJ yojana* scheme guidelines (June 2017), after technical sanction, the GPs shall accord administrative approval for the scheme within seven days and communicate the sanction order to the WIMC. Further, after issuance of the sanction order, 100 *per cent* funds required for the *HGNJ yojana* were to be transferred into the bank account of WIMCs.

Audit observed that in 11 test-checked GPs, funds were released with delays ranging between one to 18 months to 26 (out of 141) WIMCs. Further, it was also observed that only between eight to 81 *per cent* funds were released to WIMCs instead of 100 *per cent,* despite availability of sufficient funds with the GPs. Specific cases noted by Audit highlighting delays in transfer of funds to WIMCs by GPs are as follows:

- GP, Chachapachadi under Keoti Block (Darbhanga) did not release funds for implementation of *HGNJ yojana* in two[13] wards despite availability of funds.

- GP, Jethian under Mohra Block (Gaya) also did not release (November 2023) funds to WIMCs even after preparation (January 2021) of estimate of ₹1.62 crore for implementation of *HGNJ yojana* in five wards[14].

[13] *Wards 4 and 6 of Chachapachadi.*
[14] *Wards 1, 3, 8, 9, 10 of GP Jethian.*

Further, against an estimated cost of ₹1.62 crore, GP Jethian, released ₹ 46 lakh (December 2021 and April 2022) directly to the contractor (PHED) for *HGNJ yojana* schemes to be taken up in five wards, instead of releasing funds to the WIMCs. The agency did not complete all components of the scheme (November 2023). Release of funds by the GP to the agency directly, instead of WIMC for execution of schemes was in violation of the scheme guidelines. During JPV of ward number 8 of GP Jethian, it was observed that only the boring work was done and both pipe laying and house connection works were only partly done. The details have been discussed in ***Paragraph 3.3.2.2*** of the report.

Delayed release of funds as well as the release of insufficient funds to WIMCs raised the risk of both delay in commencement of projects as well as completion of water supply schemes under *HGNJ yojana*. Details of transfer of insufficient funds to WIMCs by the GPs along with delayed transfer of funds may be seen in ***Appendix 2.8.*** The test-check GPs admitted the audit observation and stated (July 2023 to November 2023) that provisions of guidelines would be followed in future, however, no specific reply was given by the department.

2.2.1.5 Excess amount drawn by WIMC in comparison to value of work done

Audit noted cases where WIMCs withdrew amounts in excess of value of work and subsequent non-refund of unspent or unutilised amounts.

Scrutiny of records relating to implementation of *HGNJ yojana* in GP Dhangai (Aurangabad) revealed that against an estimated cost of ₹1.60 crore for 12 schemes (in 12 wards), WIMCs withdrew ₹1.52 crore. The works were executed between November 2019 and July 2022 and the value of work done (as per MBs) was ₹1.06 crore only. Further, out of 12 schemes, eight schemes were completed while four schemes[15] remained incomplete (as of September 2023). It was observed that no work was done in these cases after July 2022 and the projects were subsequently (May 2023) transferred to PHED. Thus, an excess amount of ₹0.46 crore was lying unutilised with the WIMC for a period of one to four years (***Appendix-2.9-A)***.

On this being pointed out by Audit, the Panchayat Secretary of the GP replied that notice regarding recovery of the balance amount had been issued and appropriate action would be taken against them.

Further, in another 12 schemes in 12 wards of three GPs, a total sum of ₹1.79 crore was transferred (February 2018 to May 2020) into the bank accounts of WIMCs by the GPs but against this, the value of work done was only ₹1.47 crore. Accordingly, the minimum balance in the bank accounts of the WIMCs should have been ₹0.32 crore however, examination of bank records revealed that only ₹8.04 lakh, including bank interest, was lying in the WIMCs'

[15] *Incomplete schemes in wards 4, 5, 16 and 17.*

bank accounts (July 2023). Hence, there was an excess withdrawal of ₹0.24 crore from bank accounts of the WIMCs (***Appendix-2.9-B)*** that had not been recovered (November 2023).

These cases of excess withdrawal and subsequent non-refund of unspent amounts by WIMCs under *HGNJ yojana*, indicated poor financial management and lack of monitoring on the part of the GPs. Action needs to be taken to recover these amounts from the concerned *Adhyaksha* and *Sachiv* of WIMCs.

The test-checked GPs replied (July 2023 to November 2023) that notice has been issued/will be issued to refund the amount, however, no specific reply was given by the department.

2.2.2 Funding of *HGNJ yojana* schemes in urban area

2.2.2.1 HGNJ in urban area implemented by ULBs

As per Resolution issued (February 2016) by UD&HD, *HGNJ yojana* was to be implemented in urban areas by ULBs and BUIDCO. The ULBs met the expenditure on implementation of the schemes from CFC, SFC and State's own Budget. The details of funds released to the test-checked 11 ULBs[16] and expenditure incurred during the period 2017-23 are given ***Appendix-2.10*** and summary of data is as depicted in **Table 2.13**.

Table 2.13: Allotments and expenditure on schemes by test-checked ULB

(₹ in lakh)

Year	OB	Allotment received	Total	Expenditure/transfer by ULBs # (*percentage*)	Balance
2017-18	5,724.63	3,344.37	9,069.01	341.96(4)	8,727.05
2018-19	8,727.05	3,804.29	12,531.34	2,353.08(19)	10,178.26
2019-20	10,178.26	5,694.25	15,872.51	4,789.54(30)	11,082.97
2020-21	11,082.97	2,117.18	13,200.15	2,674.57(20)	10,525.58
2021-22	10,525.58	1,979.08	12,504.66	1,716.81(14)	10,787.85
2022-23	10,787.85	0.00	10,787.85	683.85(6)	10,104.00
Total		**16,939.17**		**12,559.81**	

(Source: Statement of finances furnished by test-checked units)

 # Three test-checked ULBs (Aurangabad, Bettiah and Katihar) transferred funds to BUIDCO for execution of schemes

It is evident from **Table 2.13** that ULBs could not utilise earmarked funds to the extent of ₹101.04 crore[17] for the schemes. Test-checked ULBs utilised four *per cent* to 30 *per cent* of the earmarked funds under the *yojana*. Short utilisation of available funds by ULBs was mainly attributed to earmarking the funds by UD&HD without assessing the requirement. Further, schemes in 59 wards of

[16] *Nagar Panchayat Birpur did not provide data of expenditure incurred on HGNJ yojana.*
[17] *O.B- ₹57.25 crore + allotment received- ₹169.39 crore – expenditure ₹125.60 crore =₹101.04 crore.*

test-checked ULBs were not started or remained incomplete, besides, no expenditure was incurred on O&M in the test-checked ULBs.

Further, Audit observed that UD&HD earmarked funds for *HGNJ yojana* without assessing the actual requirement of funds by ULBs. As a result, in case of eight test-checked ULBs[18], it was noted that they could not utilise a major portion of earmarked funds as shown in **Table 2.14** below.

Table 2.14: Allotments and expenditure on schemes under test-checked ULB

(₹ in lakh)

Sl. No.	Name of ULB	No. of schemes		Total funds allocated to ULBs for *HGNJ*	Fund utilised	Utilisation (in *per cent)*
		Total number of schemes	In complete			
1	Khagaria	26	0	1,104.76	500.97	45
2	Rivilganj	21	0	1,034.72	463.67	45
3	Tekari	13	0	503.03	297.20	59
4	Aurangabad	33	26	2,269.26	1,173.36	52
5	Katihar	45	5	3,795.06	1,914.34	50
6	Bhagalpur	51	24	6,427.58	3,135.36	49
7	Gopalganj	28	2	1,368.18	552.02	40
8	Jhajha	22	2	1,277.43	607.80	48

(Source: Records of test-checked ULBs)

From **Table 2.14**, it is evident that only 40 to 59 *per cent* funds could be utilised, though the execution of schemes was observed to be complete/almost complete in six out of 08 test-checked ULBs. This indicated that the scope for further utilisation of unspent amount in these ULBs was very limited. Further, there were also no directions from UD&HD regarding utilisation or surrender of the unspent earmarked funds lying idle with the ULBs.

2.2.2.2 HGNJ yojana in urban area implemented by BUIDCO

As per guidelines issued by UD&HD (October 2016), water supply schemes under the *HGNJ yojana* were to be implemented by BUIDCO in 29 ULBs across the State. In accordance with departmental directions, funds earmarked for *HGNJ* from the 14th FC, 5th SFC and budgetary allocation received by the respective ULBs were subsequently transferred to BUIDCO for execution of the schemes. In addition, UD&HD also released funds received under AMRUT programme to BUIDCO for utilisation in *HGNJ*-related works.

The year-wise details of funds received by BUIDCO from ULBs and the Department, as well as the expenditure incurred from 2017-18 to 2022-23, are given in **Table 2.15** below.

[18] *Khagaria, Rivilganj, Tekari, Aurangabad, Katihar, Bhagalpur, Gopalganj and Jhajha.*

Table 2.15: Receipts and expenditure on *HGNJ under Saat Nischay* by BUIDCO

(₹ in crore)

Sl. No	Year	Allotment Received from Department		Expenditure	
		AMRUT	State Budget	AMRUT	State Budget
1	2017-18	6.75	#121.45	81.37	31.94
2	2018-19	522.37	56.85	254.54	26.51
3	2019-20	193.17	24.38	384.46	58.65
4	2020-21	708.87	32.47	735.96	25.02
5	2021-22	417.67	12.37	256.48	16.02
6	2022-23	50.27	9.84	234.53	11.72
	Total	**1,899.10**	**257.36**	**1,947.34**	**169.86**

(Source: Scrutiny of records at BUIDCO)
 # Includes OB of ₹ 87.99 crore

It is evident from **Table 2.15** that an amount of ₹87.50 crore[19] received under the State Budget remained unutilised at BUIDCO level. Simultaneously, several *HGNJ* schemes in towns such as Aurangabad, Bhagalpur and Darbhanga remained incomplete due to delays in tender finalisation, contractor-related issues and subsequent terminations. Details of such schemes are discussed in ***Paragraph 3.3.2.3***.

The Department did not furnish any reply.

Conclusion

The audit findings highlight deficiencies in financial management and execution of the *Har Ghar Nal ka Jal yojana*. Although ₹30,500.92 crore was allocated from multiple funding sources, the implementing departments failed to maintain basic expenditure records as well as utilise the entire amount.

Funds were released by PRD to GPs without proper assessment of needs and often with substantial delays. This not only disrupted the intended timelines but also reflected a lack of planning and coordination.

At the field level, implementation suffered from poor fund flow management and weak institutional accountability. GPs released only a fraction (eight *per cent* to 81 *per cent*) of the estimated scheme costs to WIMCs, in violation of the scheme guidelines mandating 100 *per cent* release. Delays of up to 18 months in fund transfers and cases of excess drawals by WIMCs further point to weak financial oversight. These failures undermined the core objective of the scheme to ensure timely and equitable access to piped drinking water for all rural households.

Recommendation

Recommendation 3: The State Government may ensure separate and detailed accounting of funds allocated for the HGNJ yojana under all grant heads, rather than merging them within overall Saat Nischay scheme. In addition, the Departments should monitor the actual expenditure incurred against these allocations to ensure transparency, accountability and effective financial oversight.

[19] *₹87.50 crore = (₹257.36 crore - ₹169.86 crore).*