

Chapter 4

Member of Parliament Local Area Development Scheme (MPLADS)

The Member of Parliament Local Area Development Scheme (MPLADS) is being implemented since 1994. The objective is to enable the Members of Parliament (MP) to suggest and get executed developmental works of capital nature based on locally felt needs with emphasis on creation of durable assets.

Highlights

- Four societies/trusts (Kerala Education Society, Sangeetka Institution, Manushi Sangthan and Jamia Hamdard) were released funds in excess of the ceilings prescribed under the scheme.
(Paragraph 4.2.1.2)
- Against the booked amount of ₹ 88.56 crore, the expenditure incurred by the executing agencies during 2004-05 to 2009-10 was only ₹ 58.28 crore. Audit observed that the utilisation of funds during this period ranged from 49 to 95 per cent of the booked amount.
(Paragraph 4.2.2)
- The scheme envisages that the works under the scheme should be limited to asset creation. Test-check of 707 works revealed that 549 works (78 per cent) recommended were for improvement of existing assets.
(Paragraph 4.2.3)
- Out of 707 works test checked, wide variations in quantities executed against the quantities specified in BOQ were observed in 137 works.
(Paragraph 4.2.4)
- MCD got executed 28 works of providing/laying Mastic Asphalt of five divisions out of MPLADS fund during 2004-10. In all the cases the contractors had used lesser quantity of bitumen as against the required quantity of 8.79 kg/sqm leading to excess payment of ₹ 36.73 lakh besides execution of sub-standard works.
(Paragraph 4.2.6.1)

4.1 Introduction

The Member of Parliament Local Area Development Scheme (MPLADS) is being implemented since 1994. Under the scheme ₹ 2 crore are placed at the disposal of respective MPs to be utilized at their discretion for creating durable assets based on the felt needs of their constituencies. The Ministry of Statistics and Programme Implementation (the Ministry) transfers the funds of the MPs to the Commissioner, Municipal Corporation of Delhi (MCD).

Besides MCD, Delhi Development Authority, Delhi Jal Board and Irrigation & Flood Control Department also work as implementing agencies.

Audit reviewed the performance of the scheme for the period 2004-05 to 2009-10, covering approximately 87 *per cent* of the total expenditure incurred on the scheme. Similar reviews were conducted in 1998 and 2001, which were printed in the report as para 5.1 and 2.2 respectively. The audit findings are discussed in the succeeding paragraphs.

4.2 Audit findings

4.2.1 Non adherence of mandatory conditions for release of funds

4.2.1.1 Although each MP was required to recommend the works preferably within 90 days of the commencement of the financial year in the prescribed format, it was observed that works were being recommended throughout the year. 430 out of 707 (61 *per cent*) recommendations were received from the MPs after 90 days of commencement of the financial year. The delays ranged from 10 days to 272 days. Further scrutiny of the recommendations revealed that none of the recommendations was in the prescribed format.

4.2.1.2 As per guidelines ₹ 25 lakh could be spent from MPLADS funds for one or more works of a particular society/trust. An advance up to 50 *per cent* only[♦] of the estimated amount of the sanctioned work could be granted to the concerned society/trust. Audit observed that four societies/trusts* were released funds in excess of the ceilings prescribed under the scheme. An amount of ₹ 1 crore was released to Jamia Hamdard against the prescribed limit of ₹ 25 lakh. In respect of Manushi Sangthan, 100 *per cent* and in remaining two cases viz. Kerala Education Society and Sangeetka Institution, 75 *per cent* funds were released against the provision of 50 *per cent*. The reasons for excess and irregular release of funds were not furnished.

4.2.1.3 Although the implementing agencies were required to furnish the works completion reports within 30 days of completion of the works, no such reports were being submitted by them. In the absence of completion reports the exact status of the works could not be ascertained. There was also no accountability for the expenditure in terms of the quality and quantities executed against the specifications. The Department admitted (September 2009) that implementing agencies were not submitting the completion reports and the matter was being taken up with implementing agencies for furnishing the completion reports.

[♦]The balance 50 *per cent* was to be released after utilization of 60 *per cent* of the advanced amount.

* (1) Jamia Hamdard, (2) Kerala Education Society, (3) Manushi Sangthan, (4) Sangeetka Institution.

4.2.2 Underutilization of funds

Against the booked amount of ₹ 88.56 crore, the expenditure incurred by the executing agencies during 2004-05 to 2009-10 was only ₹ 58.28 crore. Audit observed that the utilization of funds during this period ranged from 49 to 95 *per cent* of the booked amount. The shortfall in utilization was mainly because of delayed execution of works by the executing agencies and non-submission of bills by the executing agencies for verification.

MCD replied (April 2009) that due to late recommendation of works and enforcement of model code of conduct for assembly elections, there was under utilisation of the booked amount. Further, meetings were held at various levels under the Chairmanship of the Commissioner of MCD and directions were issued to execute the works and utilize the MPLADS funds.

The reply is not tenable as under the MPLADS guidelines a timeframe is fixed for award of work after receipt of recommendations and the code of conduct is in force only for a limited period.

4.2.3 Prohibited Works

The scheme envisages that the works under the scheme should be limited to asset creation. Test-check of 707 works revealed that 549 works (78 *per cent*) recommended were for improvement of existing assets created by the MCD, DJB etc., like roads, drains, cement concrete pavements, parks etc. Thus, the scheme's resources only supplemented or filled the gaps in works undertaken under other schemes rather than adding new community assets. MCD replied (September 2009) that the works were undertaken on the recommendations of the MPs. The fact however, remains that such a large proportion of improvement works was contrary to the guidelines of the scheme.

4.2.4 Variations between the quantities of items as per Bills of Quantities (BOQ) and the quantities actually executed.

As per Para 23.1 of CPWD Manual item-wise variations up to 30 *per cent* can be sanctioned by the Executive Engineer, up to 60 *per cent* by the Superintending Engineer and beyond 60 *per cent* by the Chief Engineer.

Scrutiny of MPLADS works revealed that out of 707 works test checked, wide variations in quantities executed against the quantities specified in BOQ were observed in 137 works. These variations ranged from 16 *per cent* to 2312 *per cent* in two works, 50 *per cent* to 855 *per cent* in 19 works and 20 *per cent* to 343 *per cent* in 75 works. These variations had not been approved by the competent authority.

The variations indicate that the estimates had not been prepared on a realistic basis as was evident from the discrepancies noticed in the execution of various items. During exit conference the Engineer-in-Chief (E-in-C) agreed with the audit view (November 2009). Certain cases where variations were abnormally high are illustrated below:

4.2.4.1 Although manholes are visible items, audit observed variation of 1250 *per cent* in execution of this item in the work “improvement to lane by providing RMC from HNo.5233 to 5216 Katra Rajji and adjoining lane” (Executive Engineer (M) SP Zone), payment was made for 27 manholes against two manholes provided in the BOQ. Further, joint physical inspection of the work “improvement of Rajiv Gandhi Road from Gali No.18 A to Road No.66” (North-East Division, Yamuna Vihar) revealed that against 15 manholes constructed, payments were made for 25 manholes. In reply to audit observation during joint physical inspection, the Chief Engineer-II, MCD while confirming the audit findings (August 2010) stated that a proposal for imposing major penalty on the concerned Assistant Engineer and Junior Engineer had been sent to the competent authority for approval.

4.2.4.2 In one work of Irrigation and Flood control division relating to ‘reconstruction of General Chaupal at village Sarai Pipal Thala’ 50 extra items and six substituted items were executed indicating that the estimate prepared was unrealistic. This was brought to the notice of the department (July 2009) but no reply was received (February 2011). In four divisions* of MCD, 25 *per cent* to 75 *per cent* items were not executed in 63 works and the remaining items were executed with variations ranging from 30 *per cent* to 1250 *per cent*. On being pointed out, concerned divisions stated (May-October 2009) that variations were due to site requirements. The replies cannot be accepted as the variations were too high in one case going upto as high as 1250 *per cent*.

4.2.5 Delay in award and execution of works

As per guidelines, works were to be awarded within 45 days from the receipt of recommendations of MPs. Audit scrutiny revealed that work orders in 404 out of 707 cases (57 *per cent*) were issued with delays ranging from five to 387 days. During the exit conference (November 2009), the Chief Engineer and Superintending Engineer stated that delay was because of time consumed in formalities like obtaining sanctions and approval for incurring the

*M-II City Zone, M-III S.P. Zone, M-I and M-II Civil Lines Zone

expenditure. However, the fact remains that there was delay in award of works. Further, in the event of failure to complete the work within the stipulated time, action should have been taken in accordance with the stated government procedure. Audit observed that 93 works were completed after 11 to 547 days of their stipulated completion date. In 54 cases (58 per cent) of delays, extension of time had been granted and one of the reasons for delay cited by MCD was “due to DJB's ongoing works” whereas DJB cited that “the delay was due to ongoing MCD works”. This clearly indicated lack of co-ordination between the two agencies.

Moreover, extensions of time (EOT) had been granted to the contractors without following the proper procedure, i.e., on the basis of reasons recorded in the hindrance registers. In 71 out of 93 cases (76 per cent) of delay, no hindrance registers were maintained and in the rest of the cases hindrance registers were not properly maintained clearly indicating the period of hindrance and the required attestations were also not done. As a result, audit could not vouch safe for the authenticity of the reasons for granting extensions and also releasing payments. The department did not furnish any reply.

4.2.6 Undue benefit to the contractor

4.2.6.1 According to the Delhi Schedule of Rates (DSR) 2002, bitumen of coefficient 8.79 kg/sqm was to be used on the item “providing and laying 25 mm thick Bitumen Mastic wearing course” for improvement/strengthening of roads by providing Mastic Asphalt.

Audit scrutiny revealed that MCD got executed 28 works of providing/laying Mastic Asphalt of five divisions out of MPLADS fund during 2004-10. In all the cases the contractors had used lesser quantity of bitumen as against the required quantity of 8.79kg/sqm leading to excess payment of ₹ 36.73 lakh, besides execution of sub-standard works. During exit conference (November 2009), the Engineer-in-Chief stated that action had already been taken in this regard based on earlier audit observation. However, there were similar instances in 2008-09 where the over payment was continuing.

4.2.6.2 MCD got executed five works¹ of strengthening of roads by providing Asphaltic Concrete (AC) layer as wearing course, having 40 mm thickness, over the leveling course of Bituminous Macadam as per Ministry of Road, Transport and Highways (MORT&H) specifications.

Audit scrutiny revealed that the contractors were given undue benefit of an amount of ₹ 6.12 lakh by paying for excess quantity of 314.90 MT of AC*. In

¹Four works in Sadar Paharganj Zone and one work in Shahdara (South) Zone
*weight=area of the surface*thickness*density of mix

reply, the executing authorities stated (June and August 2009) that the thickness was determined as per the site conditions. The reply is not acceptable as there was no scope for excess quantity of AC since the surface area of the roads would have been made even by providing the leveling course of BM.

4.2.7 Non-maintenance of asset registers

The MCD/DJB did not maintain any register of assets created under the scheme, in the absence of which the location and existence of assets created were not verifiable. On being pointed out (July to October 2009), the executing divisions accepted that no such record was being maintained. Moreover, the point was also raised in the report of C&AG for the year 1998 and department in action taken note stated that instructions had been circulated to all concerned and the assets register were being maintained by the field staff.

4.2.8 Conclusion

The MPLADS, a plan scheme fully funded by the Government of India, aims at enabling Members of Parliament (MPs) to cater to local requirements through the creation of durable assets in their constituencies. However, the implementation of the scheme was marked by various shortcomings and lapses. The implementation of works was characterized by delays, non-adherence to the rules/guidelines, execution of prohibited works, excess payments, preparation of faulty estimates and lack of co-ordination among implementing agencies. These were indicative of failure of internal control mechanisms in the department in terms of non-maintenance of records.

4.2.9 Recommendations

- *Periodic surveys should be conducted to assess the requirement of durable community assets such as community halls, primary health centers, education centers, barat ghars, etc., to create a shelf of schemes. This will enable execution of works which are in tune with the felt needs of their constituencies.*
- *Efforts may be made to ensure execution of durable assets under the scheme and a computerized data base of such assets needs to be created.*
- *Preparation of estimates should be more realistic so as to minimize deviation in quantities.*