

Execution of Works

4.1 Status of works completed

The MPLADS guidelines stipulated that the time limits for completion of works should generally not exceed one year. However, at the beginning of 2004-05, there were 1,51,423 incomplete works under MPLADS and 3,66,820 works were sanctioned during 2004-09. Against a total of 5,18,243 works, 4,09,662 works were complete at the end of 2008-09 leaving 1,08,581 incomplete works (21 *per cent* of total works). The percentage of works remaining incomplete ranged from 48.23 *per cent* in 2004-05 to 59.28 *per cent* in 2006-07. The year-wise break up is as under:

Table 4.1: Works sanctioned and completed during 2004-09

Year	Opening balance of incomplete works	Works sanctioned during the year	Total works	Works completed during the year	Incomplete works at the end of the year	Percentage of works remaining incomplete out of total works
2004-05	1,51,423	65,356	2,16,779	1,12,225	1,04,554	48.23
2005-06	1,04,554	77,045	1,81,599	77,617	1,03,982	57.26
2006-07	1,03,982	66,682	1,70,664	69,486	1,01,178	59.28
2007-08	1,01,178	66,039	1,67,217	69,509	97,708	58.43
2008-09	97,708	91,698	1,89,406	80,825	1,08,581	57.33

(Source: Ministry of Statistics and Programme Implementation)

The State-wise summary of works sanctioned and completed during 2004-09 is given in **Annex 4.1**. It may be seen that the number of incomplete works had come down from 1,51,423 as on 01 April 2004 to 1,08,581 as on 31 March 2009. However, just as in the case of funds utilization, reported in paragraph 1.4.2 of this report, information on incomplete works was deficient, as no age-wise analysis of incomplete works was available with the Ministry. While the Ministry maintained data on incomplete works on cumulative basis, the monitoring software developed by the Ministry for capturing details on each sanctioned works under the Scheme since its inception, was totally unreliable (as given in paragraph 7.1.3 of the Report).

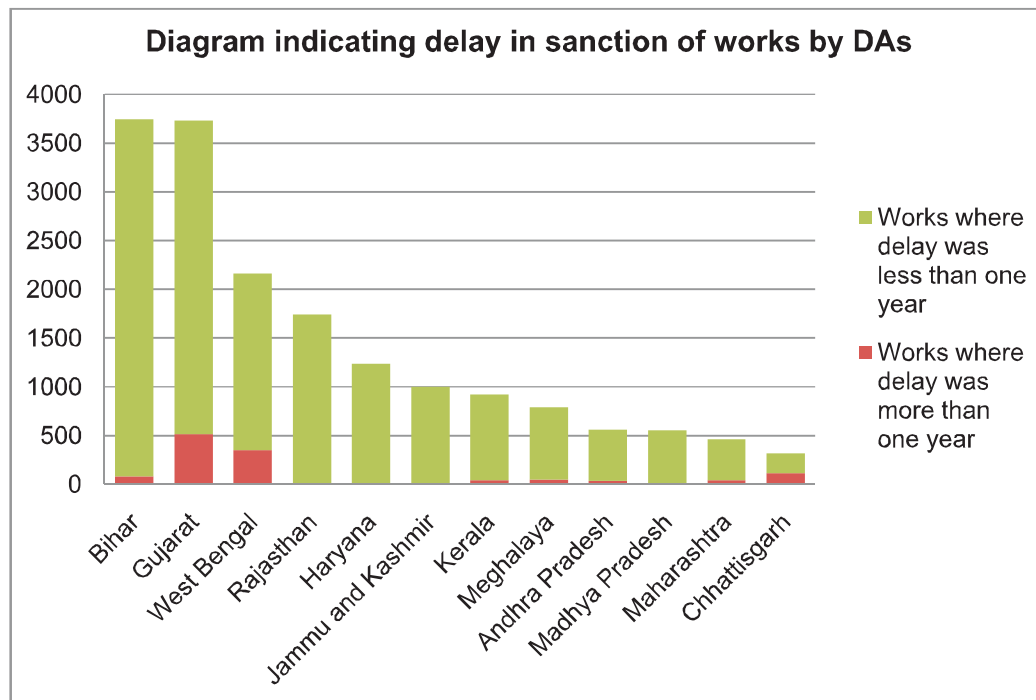
In view of the above, no meaningful analysis of the backlog in completion of works could be possible. The method of monitoring, thus, promotes slacks in implementation.

4.2 Processing and award of works

4.2.1 Sanction of works

MPLADS Guidelines stipulate that on receipt of the recommendation from the MP, the District Authority (DA) will verify the eligibility and technical feasibility of each recommended work, and get the works technically approved and financial estimates prepared by the Implementing Agencies (IAs). All such eligible works are to be sanctioned within 45 days from the date of receipt of recommendation. In this regard, Audit observed the following shortcomings:

(i) **Delay in sanction of works:** Delay in according sanction by DAs was observed in respect of 28,135 works out of 74,223 works (38 per cent of the test checked sanction orders) in 104 districts of 28 States/UTs³. Of this, in 18 States/UTs, sanction for 1,376 works (8 per cent) out of 17,763 works was accorded by the DAs with a delay of more than one year after receiving the recommendation from the MPs concerned, as given in **Annex 4.2**. A chart indicating States where cases of delay in sanction of works by DAs were prominent is depicted below.



³ Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Dadra and Nagar Haveli, Daman and Diu, Delhi, Goa, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Meghalaya, Orissa, Punjab, Puducherry, Rajasthan, Uttarakhand, Uttar Pradesh, Tamil Nadu, Sikkim and West Bengal.

The delay in sanction by the DAs occurred mainly due to delay in initiating timely action to obtain the plans/estimates from the user/implementing agencies so as to complete the process of verification. The inefficient processing of sanctions delays the entire schedule for completion of work.

(ii) **Sanction of works without adhering to guidelines:** In 12 States/UTs, there were instances where administrative approval and financial sanctions were accorded by the DAs for 7,136 works (25.53 *per cent* of total works⁴) without following the procedure outlined in the Scheme guidelines, such as obtaining financial estimates from the IAs, conducting feasibility studies before commencing the work, obtaining technical clearance from the competent authorities etc. (details in **Annex 4.3**).

4.2.2 Identification of the Implementing Agency

As per para 2.11 of the scheme guidelines, the DA was required to identify the agency for work execution and the PRIs and Urban Local Bodies (ULBs) were to be preferred as IAs in rural and urban areas respectively. The Ministry had also clarified in December 2006 that the guidelines on MPLADS did not allow MPs to select the executing agency and this was the responsibility of the DAs alone.

Test check in Audit, however, revealed that in nine States/UTs, the MPs had recommended the names of IAs along with their recommendations for works. Further, in some cases, the recommended IAs were also the user agency, to which the funds were released. In all, such instances were noticed in 8,746 works (Rajasthan-2,674, Uttar Pradesh-2,311, Mizoram-1,602, Manipur-1,039, Meghalaya-927 etc.). State-wise details are given in **Annex 4.4**. Besides, a case of West Bengal is given below.

Case study: Irregular selection of IAs in West Bengal

- In test checked districts, IAs were selected by the recommending MPs themselves in respect of all 6,158 works costing ₹ 187.58 crore sanctioned during 2004-09.
- In five selected districts (Hoogly, Kolkata, Paschim Medinipur, Purulia and South 24 Pargana), out of 6,091 works sanctioned during 2004-09, 1,573 works (25.82 *per cent*) were executed through private agencies.
- In case of recommendations for sanctioning funds for development of educational institutions, clubs, NGOs etc, the respective organizations being user agencies were also identified as IA by the MPs related to above five districts.

⁴ Manipur-100 *per cent*, Mizoram-100 *per cent*, Himachal Pradesh-83.05 *per cent*, Rajasthan-51.41 *per cent*, Maharashtra-26.31 *per cent*, Haryana-25.05 *per cent*, Orissa-22.44 *per cent*

¶ In case of 14 works amounting ₹ 1.12 crore, the IAs (PRIs), instead of executing the works, paid the entire amount of funds received from district authorities, to the user agencies, violating the scheme guidelines.

The DAs failed to apply the necessary checks and balances provided in the scheme guidelines for ensuring transparency and accountability in spendings under the scheme.

The Ministry stated that whereas the DA had the sole power to identify the IA, there is no doubt the MPs could have recommended the IAs. In this regard detailed report from the State/DAs would be obtained for necessary action.

4.2.3 Award of works

As per MPLADS Guidelines, DA shall *inter alia* follow work estimates, tendering and administrative procedure of the State/UT Government.

It was, however, observed that award of contract for 703 works in four States involving ₹ 28.65 crore was not done in accordance with standard tendering procedures, as detailed below:

Best Practice

In Kerala and Lakshadweep, tendering procedures were transparent and all formalities of competitive bidding were observed.

Table 4.2: Award of work without following tendering procedure

Sl. No.	State	No of works	Audit findings	Amount (₹ in crore)
1	Nagaland	209	DAs executed works through IAs without inviting any tenders.	12.03
2	Arunachal Pradesh	238	Execution by IAs through private contractors during 2004-09 without following competitive bidding.	9.97
3	West Bengal	251	Tendering was not done for works costing ₹ 20000 or more as required by the West Bengal General Financial Rules. In the case of execution of works by educational institutions, clubs, etc, tendering procedures were not followed and labourers were engaged locally and materials were procured from the local market.	6.15
4	Orissa	5	Execution by IAs through private contractors without following competitive bidding.	0.50
Total		703		28.65

(Source: Data extracted from records of DAs)

On being pointed out in Audit, the Ministry stated that detailed report on each case would be obtained from the DAs for necessary action.

These instances of award of contract without adopting standard tendering processes and use of private contractors indicated dilution of checks and balances prescribed in the scheme to ensure accountability and the reply indicated complete lack of awareness about implementation details in absence of monitoring by the Ministry.

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4.2.4 Execution of works without administrative approval and sanction

The execution of work was to be preceded by financial sanction and administrative approval from the competent authority.

However, in four States, 363 works (26 per cent) out of 1363 works amounting ₹ 17.80 crore were executed either without administrative approval by the DAs or their execution was initiated without obtaining prior financial sanction, as detailed below:

Table 4.3: Execution of works without administrative sanction

(₹ in crore)

Sl. No.	State	Total no. of works executed	No. of works executed without sanction	Amount
1	Nagaland	344	209	12.03
2	Arunachal Pradesh	502	132	5.28
3	Mizoram	167	11	0.36
4	Tripura	350	11	0.13
Total		1,363	363	17.80

(Source: Data extracted from records of DAs)

Further, in two sampled districts of Assam (Kamrup (Metro) and Kamrup (Rural)), DAs released ₹ 0.89 crore to IAs against the sanctioned cost of ₹ 0.57 crore for execution of 14 works, resulting in overpayment of ₹ 0.32 crore.

The execution of works without financial sanction and administrative approval contravened the scheme guidelines.

The Ministry stated that detailed report on each case would be obtained from the DAs for necessary action.

4.3 Delay in execution of works

The DA was required to verify the eligibility and technical feasibility of each work recommended by the MP concerned. Besides, before sanctioning the work, the DA had to ensure that all clearances for such works had been obtained from the competent authorities. The guidelines also prescribed that

the sanction letter/order should stipulate a time frame for completion of works by the IAs. The time limits for completion of works should generally not exceed one year and the sanction letter/order was also to include a clause for suitable penal action against the IA in the event of its failure to complete the work within the stipulated time. In this regard, Audit observed the following shortcomings:

(i) **Non Commencement of works:** Audit observed that 389 works, for which an estimated cost of ₹ 9.17 crore was released by the DAs, could not be commenced during the period 2004-09 in nine States/UTs. Details of non-commenced works are in **Annex 4.5**. Besides, a case study of two works in Tamil Nadu is given below.

Case study: Delayed commencement of works in Tamil Nadu

- Construction of a bridge to link Mehtanagar Singarayar street with Venkatachalapathi street in ward numbers 72 and 73 was to be implemented by the Chennai Municipal Corporation. It was recommended by the Lok Sabha MP of Chennai Central during the year 2004-05. However, the work had not been started due to change in the alignment of the bridge and frequent revision (four times during 2004-09) of estimates. This led to cost escalation from ₹ 1.50 crore to ₹ 5 crore. The work was still at the tendering stage as of August 2009.
- Widening of the Road Over-Bridge (ROB) at railway road, Perambur Loco Works in division 54 was to be implemented by the Southern Railway. It was sanctioned in 2006-07 by Chennai Municipal Corporation. However, it had not commenced till August 2009 due to frequent revision of estimates (three times during 2006-10). The revision of estimates was attributed to the establishment charges, supervision charges, departmental charges and maintenance charges aggregating to ₹ 1.99 crore demanded by the Southern Railway, which was not admissible under the MPLADS. Subsequently the estimated cost of the work had escalated from the proposed ₹ 3.00 crore to ₹ 8.41 crore in 2009-10. The work had not yet started despite the release of the entire escalated cost to the IA in 2008-09 and 2009-10.

(ii) **Delayed completion of works:** 3,490 works costing ₹ 108.65 crore in respect of 47 out of 53 DAs of 15 States/UTs, were completed beyond the stipulated period of one year. State-wise details are given in **Annex 4.6**.

(iii) **Incomplete works:** 12,006 works amounting to ₹ 279.99 crore remained incomplete in respect of 71 out of 75 DAs of 16 States/UTs, for periods ranging from one year to five years and in some cases up to 15 years. State-wise details are given in **Annex 4.7**. A case study of five districts in West Bengal is given below.

Case study: Incomplete works in West Bengal

In five test checked districts (Hooghly, Kolkata, Paschim Medinipur, Purulia and South 24 Paragna), out of 20,385 works costing ₹ 378.08 crore sanctioned during 1993-94 to 2007-08, 1,499 works costing ₹ 57.01 crore remained incomplete for one to three years. 1,004 works costing ₹ 24.14 crore remained incomplete for four to six years. 311 works costing ₹ 10.29 crore remained incomplete for seven to nine years and 194 works of ₹ 2.80 crore remained incomplete for 10 to 14 years. The DAs did not maintain records regarding non-commencement of works by IAs after release of funds to them. No action was taken to obtain refund of unutilised funds even though the IAs did not report the status of works for years. DMs of Hooghly and South 24 Parganas stated (June 2009) that they were unable to monitor such large number of works due to lack of adequate infrastructure.

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(iv) **Unfruitful expenditure on works:** In 11 States/UTs 305 incomplete works, on which ₹ 8.50 crore was spent, had been abandoned, suspended or were at standstill thereby rendering the expenditure incurred on these works unfruitful. The state-wise details of unfruitful expenditure are in **Annex 4.8**. A case study of Andaman and Nicobar Islands is given below.

Case study: Unfruitful expenditure of ₹ 5.40 crore on abandoned works in Andaman and Nicobar Islands

- The 'Construction of Model Senior Secondary School' and 'Construction of Transit Hostel for 50 persons' was initiated under the Tsunami Rehabilitation Programme. It was sanctioned in 2006-07, with target dates of completion in April 2007 and January 2007 respectively. After incurring expenditure of ₹ 5.07 crore the works were kept on hold, rendering the expenditure unfruitful. Reasons for non-completion were not on record in respect of the first work. Delays for the second work were attributed to non-selection of the work site before release of fund to the IA. Further, there was a cost escalation of 67 and 51 *per cent* respectively as of August 2009. The DA did not provide for the escalated amount of ₹ 4.67 crore demanded by the IA.
- Under the Tsunami Rehabilitation Programme, work on construction of a work-shed at Bambooflat Jetty area was suspended mid-way. This was due to the fact that the permission for demolishing two godowns had not been obtained as the Deputy Commissioner could not identify the competent authority for according the necessary clearance. Though ₹ 0.33 crore was released to the IA (Zilla Parishad) in July 2006 for this work, only half the work had been completed and this too was subsequently damaged due to leakage of water in the re-enforcement work.

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Abandoned/suspended works in Orissa and Tripura



Haler Nalla near
Khairapadar, Orissa
Year of sanction:
2003-04
Estimated Cost:
₹ 0.25 crore
Expenditure incurred:
₹ 0.17 crore
Status: Incomplete as
of September 2009
due to theft of steel
rods from the work
site



Town Hall at
Kumarghat of North
Tripura District
Estimated cost:
₹ 0.20 crore
Month of sanction:
August 2001
Status: After incurring
expenditure of
₹ 0.12 crore the work
was suspended
(August 2002) due to
land dispute.



Construction of class
room at
Dharmanagar
College, North
Tripura District
Estimated cost:
₹ 0.14 crore
Expenditure incurred:
₹ 0.10 crore
Status: Work
remained suspended
for want of allotment
of final instalment of
funds.

Reasons for delays in execution of works were not found on record in Goa and Gujarat. However, in cases where varied reasons were recorded, these included:

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- land disputes, non-availability of land, poor site conditions and public hindrances: [Non-commencement of works in Himachal Pradesh (102 works), Andhra Pradesh (17 works), Tripura (six works), Bihar (55 works), Karnataka (14 works) and abandoned works in Tripura (four works), Orissa (two works), Haryana (seven works), Jharkhand (21 works), Maharashtra (eight works), Himachal Pradesh (17 works), Andaman and Nicobar Island (one work)]
- lack of required technical clearance from concerned authorities before initiation of work: [Non-commencement of works in Punjab (30 works), Andaman and Nicobar Islands (six works) and abandoned works in Tamil Nadu (two works), Andaman and Nicobar Island (one work)]
- inadequate financial estimates, cost escalation and shortage of funds: [Non-commencement of works in Tamil Nadu (two works) and abandoned works in Tripura (five works), Andaman and Nicobar Island (four works), West Bengal (47 works), Assam (five works)]
- no response to tenders: [Non-commencement of 30 works in Kerala]
- Part completion of works by some firms and non-commencement by others in case of works where multiple agencies were involved: [One abandoned work in Tripura]
- technical non-feasibility of works: [One abandoned work in Tripura]
- work awarded without competent bidding: [One abandoned work in Tripura]

These cases of delays in initiating as well as completing the works, and incomplete and abandoned works indicated that the DAs did not always assess the feasibility of a project/work and plan for necessary approvals before according administrative approval and financial sanction. It resulted in idling of funds released to IAs for these works. DAs and IAs also failed to take suitable penal action against the erring agencies as per provisions of the Scheme. In many cases, the clause outlining penalties or suitable action against the concerned agency in cases of delay was not incorporated in the sanction letter.

The Ministry stated that information on each case would be obtained from the DAs for necessary action. The works which have not yet been started would be cancelled. In case of irregularities, necessary instructions would be issued to DAs for fixing the responsibilities and suitable disciplinary action.

4.4 Doubtful expenditure

Test-check of records at the State and district levels revealed instances of doubtful expenditure amounting to ₹ 0.40 crore indicating suspected misappropriation of funds, which needed further investigation by the Government. Details of such instances are discussed in succeeding paragraphs:

4.4.1 Non-existence of assets

(i) In West Bengal, DM, South 24 Parganas released ₹ 0.05 crore in May 2008 to the Secretary, Taldi-I Village Education Committee for construction of a classroom at Rajapur Free Primary School at Taldi-I under Canning-I Block. Though the DM had received the Utilisation Certificate (UC) for the entire amount of ₹ 0.05 crore, Audit found in July 2009 that the classroom was not constructed. At the instance of Audit, the DM of South 24 Parganas directed the Block Development Officer, Canning-I to investigate the matter. The DA confirmed (October 2009) the misappropriation of funds by the Secretary, Talidi-I and in-charge of Rajapur Free Primary School, against whom, the First Investigation Report was lodged. Further developments were awaited.

(ii) In Jharkhand, an M.P. of the Rajya Sabha in July 2004 had recommended the installation of two solar water pump sets⁵ at an estimated cost of ₹ 0.20 crore. The work was awarded to the firm M/s Kiran Energy Solution Pvt. Ltd, Dhanbad by inviting tender. The DA (Deputy Commissioner cum Nodal officer, Deoghar) paid ₹ 0.08 crore in July 2005 as an advance to the firm for supply and installation of the pump sets. Even after a lapse of four years, the firm had not supplied solar water pumps, as confirmed in the joint field verification conducted by the audit team and the DRDA, Deoghar officials. Thus ₹ 0.08 crore was retained by the firm, without supplying the solar pumps. However, the DA had taken no action till date.

4.4.2 Payments made on doubtful muster roll entries

In Bihar, the IA, National Rural Employment Programme (NREP), Patna, engaged labourers on six works⁶ which had already been completed and UCs for them had also been submitted to the DA. While four were shown as completed on 31 July 2006, muster rolls for ₹ 0.06 crore were booked up to 5 December 2006. Similarly, two works had been completed on 30 September 2006 but Muster Rolls for ₹ 0.15 lakh were booked up to 26 December 2006. Thus, the expenditure of ₹ 0.06 crore was doubtful. The Executive Engineer concerned stated (July 2009) that the works were completed out of unspent balances of other works and after receiving the second instalment, the Muster

⁵ Haribandh and Dumaria, Deoghar

⁶ Two works of Kaccha road construction, two works of renovation of Ahar and two works of construction of community hall.

Rolls and other accounts had been prepared. However, booking of Muster Rolls after completion of works and submission of UCs indicated that the expenditure incurred on labourers was doubtful.

4.4.3 Payment made on doubtful vouchers

(i) In Mizoram, in 18 test checked works, vouchers were submitted to the DA, Aizwal by the IAs on plain paper in support of material purchased worth ₹ 0.19 crore as detailed in **Annex 4.9**. The dates of purchase of material were after the completion of works in some cases. The payment made on such vouchers was doubtful.

(ii) In Deoghar district of Jharkhand, construction of four works⁷ of High Yield Tube Wells at an estimated cost of ₹ 0.22 crore were executed departmentally in Kawaria Path on the recommendation of the Rajya Sabha MP and sanctioned by the DC, Deoghar (May 2006). However, scrutiny of the Measurement Books and vouchers revealed that out of ₹ 0.22 crore shown as expenditure incurred and reported to the DA, only ₹ 0.20 crore was actually spent on these works. The balance of ₹ 0.02 crore was suspected to be misappropriated by the IAs.

The Ministry stated that information on each case of doubtful expenditure would be obtained from DAs for necessary action.

4.5 Other shortcomings in execution of works

4.5.1 Sub-standard works

(i) In Delhi during 2004-09, the MCD executed 28 works of “providing and laying 25 mm thick bitumen mastic wearing course” for improvement/strengthening of roads by laying mastic asphalt through contractors. In all the cases, the contractors used a lower quantity of bitumen, i.e. 5.86 kg/sqm as against the required quantity of 8.79kg/sqm leading to excess payment of ₹ 0.66 crore to the contractors.

(ii) In Uttar Pradesh (Jalaun district), four works of construction of cement concrete (CC) roads were sanctioned during 2005-07 at a cost of ₹ 0.09 crore. The roads were found sub-standard by the DRDA and their rectification was technically not feasible as the crust thickness of roads was less by one to seven cm from the prescribed norm of 20 cm.

(iii) In another work of construction of a CC road, sanctioned at a cost ₹ 0.01 crore during 2006-07, 40 mm grit was to be used in the base coat of the road and 20 mm grit was to be used in the topcoat as per specifications. In this regard, the DM’s inspection report pointed out that instead of laying the two layers separately, the grits of different size were mixed and used for

⁷ Construction of H.Y.T. Well near Kedar Nath building No. 11 in Dumka, near Mangleshwar building shed No. 5, near Somnath building shed No. 6 and near Kalkatiya building.

laying the total 10 cm crust of the road, resulting in an uneven road surface and substandard quality of the work. However, no action has been taken against the IA. This showed lack of supervision and monitoring by the DA.

4.5.2 Excess/avoidable expenditure

(i) In Bihar, works under the scheme were executed on the basis of estimates prepared on existing schedules of rates in which contractors' profit (CP) at the rate of 10 percent were included. For departmentally executed works, contractors' profit was to be deducted from the total estimated cost of the work. 46 works were executed departmentally by six executing agencies⁸. However the contractors' profit was allowed to the concerned officials without deducting it from the estimates. Thus, excess payment of ₹ 0.08 crore was made by the executing agency.

(ii) In the case of six executing agencies in Bihar, an excess payment of ₹ 0.55 crore⁹ was made during 2005-08 by allowing higher rates on compaction of brick bats, provision of excess lead, excess payment to labourers etc. than those provided in the estimates.

4.5.3 Incorrect estimation of works

(i) In Mizoram, construction of a Playground at Mualpui was recommended by the concerned MP (RS) at an estimated cost of ₹ 0.50 crore with a volume of work of 38475 cum to be completed in four parts. All parts of the work pertained to earth excavation, i.e. formation cutting. However, as per the report of the Inspecting Officer (the only authentic record available in the absence of Measurement Books), supported by the verification report of the Sub-Divisional Magistrate, the volume of actual execution of work done was in excess of the volume of work as per estimates. At the completion of the second part of the work, excavation of 53,087.40 cu.m. was complete which was over and above the total work estimates. At the conclusion of fourth part of the work, excavation of 70,548.26 cu.m was done. Thus, the DA had sanctioned the last two parts of the work without checking the primary records of the parts of the work already done resulting in excess expenditure of ₹ 0.33 crore¹⁰.

⁸ Rural Works Division (RWD)-2, Madhepura (₹ 0.02 crore), Begusarai (₹ 0.01 crore), Khagaria (₹ 0.01 crore), Rohtas (₹ 0.11 lakh). NREP Siwan (₹ 0.03 crore) and Rohtas (₹ 0.50 lakh)

⁹ NREP Patna (₹ 0.01 crore), Purnea (₹ 0.01 crore), PWD-2 Masurhi (₹ 0.14 crore), Patna (₹ 0.35 crore), Rohtas (₹ 0.01 crore) and District Board Begusarai (₹ 0.04 crore)

¹⁰ Volume of work done vide first two sanctions = 7,680 + 53,087.40 = 60,767.40 cu.m.
Total expenditure vide first two sanctions = ₹ 5,00,000 + ₹ 20,00,000 = ₹ 25,00,000
Rate of expenditure = ₹ 20,00,000/53,087.40 cu.m = ₹ 37.60 per cu.m
Amount required for (38,475-7,680) = 30,795 cum of work = ₹ 11,75,892
Total Amount required for 38,475 cum = ₹ 5,00,000 + ₹ 11,75,892 = ₹ 16,75,892
Excess expenditure = ₹ 49,62,700 – ₹ 16,75,892 = ₹ 32,86,808

(ii) Out of the 10 ambulances purchased from MPLADS funds during 2008-09 in Andaman and Nicobar Islands, the MP recommended the issue of three ambulances to the Salvation Fellowship Trust, Port Blair, the Director of Transport Service, Port Blair and the Primary Health Centre (PHC), Long Islands. However, while the ambulances were not issued to the first two agencies/institutions, since these fell under prohibited items under the MPLAD scheme, the PHC, Long Islands refused to take the ambulance citing lack of requirement as there was no motorable road and garage. Subsequently, the ambulances were distributed to three different PHCs of the UT without receiving any recommendation from the MP and without assessing the requirements of the PHCs. This indicated that the DA did not identify the requirement/eligibility of the user agencies before according sanction to the MP's recommendation leading to unplanned purchase and distribution of assets.

The Ministry stated that information on these cases would be obtained from DAs for necessary action.

4.6 Procedural lapses in the execution of works

As per the scheme, the work and the site selected for the work's execution by the MP were not to be changed, except with the concurrence of the MP concerned. In Tamil Nadu, eight works in two nodal districts and one implementing district executed at a cost of ₹ 0.69 crore differed from the recommendations of the MPs concerned.

Audit test checks revealed instances where important rules, particularly of the State Works Manual, were not followed during the execution of works under the Scheme. The procedural lapses included:

- Execution of works on piece-meal basis, instead of combining them so as to obtain competitive rates;
- Increase in Bill of Quantity without receiving approval of the competent authority;
- Purchase of materials through hand-receipts and from the open market without getting competitive rates;
- Payment of labourers without maintaining Muster Rolls; and
- Use of inferior quality and illegally felled timber in works.

A few instances of lapses seen in six States are mentioned in **Annex 4.10**.

The Ministry stated that information on each case of procedural lapse in execution of work would be obtained from DAs for necessary action.

Recommendations

- *Suitable action may be taken against the agencies responsible for incomplete or delayed works, especially in cases where non-completion has resulted in abandonment of works.*
- *The cases of excess/avoidable/doubtful payments pointed out in this Report may be examined and recoveries made from individuals/ agencies responsible for overpayment. In the cases of delayed completion of works, where the Scheme guidelines stipulate the levy of a penalty, it should be imposed.*
- *The Ministry should ensure complete documentation at all levels. Maintenance of records such as works registers, muster rolls, measurement books, works completion reports, cash book etc. at DA/IA level as required under PWD manuals should be monitored closely.*