

Maintenance of Assets

5.1 Non-maintenance of works register and assets register

The scheme guidelines provide that the DA will maintain work-registers indicating the position of each work recommended by the MPs and also a register of all the assets created with the scheme funds and subsequently transferred to user agencies.

The works registers were, however, not being maintained in 16 DAs of eight States (Manipur, Meghalaya, Nagaland, Andaman and Nicobar Islands, Daman and Diu, Jammu and Kashmir, Goa and Assam). Further, registers maintained in 22 DAs of five States/UTs (Dadra and Nagar Haveli, Gujarat, Madhya Pradesh, Orissa and Punjab) were found to be incomplete.

Similarly, assets registers had not been maintained in 115 DAs of 31 States/UTs¹¹ (90 *per cent* of the sample). In the absence of assets register, custody of assets and their maintenance could not be ensured.

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

5.2 Handing over of assets to the user agency/Assets not put to use

The scheme guidelines provided that as soon as a work was completed, it should be transferred to the user agency. As soon as a work was completed, assets created should be put to public use.

In seven States/UTs, out of 15,049 sample works created during 2004-09, formal handing over/taking over of assets was not on record for 14,828 works (98.53 *per cent*) worth ₹ 251.91 crore as per details given below. In six out of seven of these States/UTs, assets of none of the completed work transferred to the user agency were documented.

¹¹ Andhra Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, Andaman and Nicobar Islands, Chandigarh, Dadra and Nagar Haveli, Daman and Diu, Delhi, Uttarakhand, Puducherry, Assam and Jharkhand

Table 5.1: Works where handing over of assets to user agency was not on record(*₹ in crore*)

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Sl. No.	States/UTs	Number of works completed (2004-09)	Works for which handing over was not on record	
			Number	Cost
1	Arunachal Pradesh	336	336	14.74
2	Andhra Pradesh	7,352	7,352	100.55
3	Assam	2,778	2,778	58.48
4	Haryana	1,696	1,696	24.93
5	Jharkhand	1,921	1,921	31.07
6	Manipur	740	740	21.7
7	Puducherry	226	5	0.44
Total:		15,049	14,828	251.91

(Source: Data extracted from records of DAs)

In the absence of formal handing over, use of assets for the intended purpose and their maintenance could not be ensured.

Further, in five States/UTs (Maharashtra, Jharkhand, Kerala, Tamil Nadu and Delhi), 17 works completed at a cost of ₹ 1.48 crore between September 2006 and March 2009 and were either had not been put to use by the user agencies or were not handed over to any user agency despite their completion, as detailed in **Annex 5.1**. These assets could not be put to use for want of electrical connection, water supply, proper flooring and furnishings, computers, identification of user agency, hospital staff and equipment etc.



Community hall at Ngairangbam, Imphal West, Manipur
 Cost: ₹ 0.03 crore
 Date of completion: 07 June 2006
 Current status: Asset not handed over to any user agency and being used by the stray cattle

5.2.1 Misuse of assets

Audit found that in six¹² districts of five States, ten assets created at a cost of ₹ 1.48 crore were not being utilized for the purpose for which these were sanctioned. These were being used by private trusts/societies for running Bachelor of Computer Application (BCA), Bachelor of Computer Science (BCS) courses, English medium schools and offices of the societies etc. as per details given in **Annex 5.2**.

The Ministry stated that information on each case of misuse of assets would be obtained from DAs for necessary action which shows complete lack of ownership and monitoring by the Ministry.

Illustrations of misuse of assets Tareythang Junior High School, Sikkim	
	<p>Newly constructed room being used as staff recreation room</p>
	<p>Dilapidated old room being used as Class room</p>

¹² Nagpur, Parbhani (Maharashtra) Vellore(Tamil Nadu), East district(Sikkim), Shillong (Meghalaya) and Deogarh (Jharkhand)

5.3 Commitment for maintenance and upkeep of assets

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The MPLADS framework requires that before sanctioning works, the DAs execute agreements with user/beneficiary agencies for the maintenance of assets created out of scheme funds following their consequent use by the public for specified purposes. However, in 64 test-checked districts (50 per cent of sample) of 18 States/UTs¹³, no commitment for maintenance of the assets was taken from the user agencies nor any agreement signed before issue of sanction orders and commencement of work.

5.3.1 Maintenance and upkeep of assets

The DA was to get, in advance, a firm commitment from the concerned User Agency for the upkeep and maintenance of the proposed asset before the sanction and execution of the work.

Test-check and joint physical verification by Audit and district functionaries revealed that four assets in three States/UT costing ₹ 0.45 crore were not maintained properly to ensure their efficient use, as detailed in **Annex 5.3**. The assets were found in dilapidated condition, there were cases of theft of materials and facilities such as tube wells and water fountains were not working properly due to improper upkeep.

The Ministry stated that information on each case of improper maintenance of assets would be obtained from DAs for necessary action.

Recommendations

- *The Ministry should put in place an effective mechanism to monitor and track the assets created from MPLADS funds and their expeditious handing over to the identified agencies.*
- *The documentation in respect of handing over of MPLADS works and maintenance of records such as assets registers and works registers may be streamlined at the DA level by effective supervision and monitoring.*
- *The Ministry may devise a format of formal agreement between the DA and the user agency having clauses for the purpose for which the assets should be used and commitment for maintenance of the asset. Failure to maintain the asset should also invite some penal action.*

¹³ Andhra Pradesh, Bihar, Haryana, Jammu and Kashmir, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Sikkim, Tripura, Andaman and Nicobar Islands, Daman and Diu, Uttar Pradesh, West Bengal, Tamil Nadu, Arunachal Pradesh and Manipur