

Chapter -II

Performance audit of Strengthening and Augmentation of Infrastructure Facilities in Assembly Constituencies in Delhi

This performance audit is the second carried out by audit on the implementation of the scheme for 'Strengthening and Augmentation of Infrastructure Facilities in Assembly Constituencies'. The earlier audit appraisal was printed in the Report of the Comptroller and Auditor General of India for the year ended March 1998. Based on that Audit Report, the Public Accounts Committee had made several recommendations to improve the implementation of the scheme. The performance audit of this scheme for the period 2000-01 to 2004-05 was undertaken to check the action taken by the department in pursuance of the recommendations of the PAC as well as the implementation of the scheme with particular emphasis on asset creation. The nodal department concerned with the administration of the scheme was the Urban Development department while the primary implementing agencies were the Municipal Corporation of Delhi (MCD) and the New Delhi Municipal Council (NDMC).

Highlights

Government failed to implement the recommendations of the PAC even after nearly five years.

(Paragraphs 2.4.2, 2.5.6 & 2.7)

The utilisation of funds allocated to MCD was poor ranging between 27 and 62 per cent. The expenditure varied from year to year with allocations not being linked to actual utilization.

(Paragraph 2.4.1)

The nodal department released discretionary funds to implementing agencies in 59 per cent cases without ascertaining the nature of work or obtaining the estimates. Rupees 1.57 crore was released without adhering to mandatory conditions.

(Paragraph 2.4.3)

No effort was made to apprise the individual MLAs of the funds available for the constituency and the status and progress of works.

(Paragraph 2.4.2)

Delays up to two years in award of work to contractors were noticed in 1555 cases. Contractors failed to commence 117 works costing Rs. 3.43 crore. Audit noticed that 538 works remained incomplete despite expenditure of Rs.14.20 crore. Another 952 works were completed late with delays of more than two and a half years.

(Paragraph 2.5.2)

While the scheme envisaged asset creation, audit noticed that 67 to 82 per cent of the works recommended by MLAs were primarily in the nature of repair and maintenance. Sanctions were provided for irregular items of work in unauthorized colonies, which were not covered under the scheme. Further, audit check in 11 constituencies revealed 60 inadmissible works worth Rs.1.63 crore.

(Paragraph 2.5.3)

The nodal agency failed to actively monitor the implementation of the scheme. The Monitoring Committee envisaged in the scheme was not set up.

(Paragraph 2.6)

No provision for maintenance of assets was made in the guidelines as recommended by the PAC. It was noticed that 113 works valued at Rs.2.05 crore had deteriorated for want of maintenance. A joint inspection revealed unfruitful expenditure of Rs.74.27 lakh on works not handed over to the intended beneficiaries.

(Paragraph 2.7)

Summary of Recommendations

- *There should be a clear linkage between funds released by the Urban Development department to the implementing agencies and their actual utilization to ensure that funds released do not remain unutilized with the implementing agency.*

- *MLAs should be regularly apprised of the position of available funds and progress of expenditure.*
- *MLAs should be sensitized to the requirement of sending complete proposals, preferably towards the beginning of the year which would enable timely processing and execution of the works desired by them. Funds should be released only if the proposals conform to the scheme guidelines.*
- *A shelf of projects could be created and execution of works prioritized for each Assembly constituency in consultation with the concerned MLAs which could be taken up for progressive execution. This would enable proper planning with reference to available resources and reduce ad hocism in execution of projects and the tendency to fritter away public funds over a large number of works.*
- *A periodic survey should be conducted to assess the actual utility or public benefit of the works implemented so as to enable MLAs to choose works which are in tune with the felt needs of their constituents.*
- *The Government of Delhi and the primary implementing agencies viz. MCD and NDMC should introduce a system of online tracking and monitoring of execution of works so as to enable timely action against contractors for delay in execution and completion.*
- *Delhi Government should set up a Monitoring Committee under the Chairmanship of the Principal Secretary (UD) to monitor regularly the progress of work physically and financially. The committee should regularly apprise the MLAs regarding the progress of works.*
- *Suitable arrangements need to be devised for maintenance of the assets created from the scheme funds either by the implementing agencies or the bodies/departments to which the assets were to be handed over. Assets once created should be brought to public use without delay and asset registers should be maintained so as to enable verification of assets created under the scheme.*

2.1 Introduction

The Government of NCT of Delhi (Government) introduced a scheme for the “Strengthening and Augmentation of Infrastructure Facilities in Assembly Constituencies” in September 1994 on the pattern of the Member of Parliament Local Area Development (MPLAD) scheme operated by the Central Government under which a Member of Parliament could recommend

works to be undertaken in his parliamentary constituency. Under the scheme introduced by the Delhi Government also known as the MLA Local Area Development Scheme (MLALADS), a Member of the Legislative Assembly (MLA) of Delhi could recommend works to be carried out in his/her constituency. A fund of Rs. 2 crore is allocated to each MLA who can suggest works of capital nature not exceeding Rs.70 lakh each to be done in his/her assembly constituency.

The Urban Development (UD) department is the nodal department responsible for the release of funds and overall monitoring of this scheme. The agencies through which works could be executed are the Municipal Corporation of Delhi (MCD), the New Delhi Municipal Council (NDMC), the Delhi Jal Board (DJB), the Irrigation and Flood Control department (I & FC), the Delhi Development Authority (DDA), the Public Works department (PWD), the Delhi Cantonment Board (DCB), the Delhi Tourism & Transportation Development Corporation (DTTDC), the Delhi State Industrial Development Corporation (DSIDC) and the electricity distribution companies (DISCOMs).

The total amount allocated for each MLA is divided into two components; viz. the mandatory component of Rupees one crore which is directly disbursed by the UD department to MCD and NDMC for taking up of works under the scheme on the basis of written requests to be sent to them by each MLA and the remaining amount (discretionary) which may be released by the UD department for works to be undertaken by any of the designated agencies at the instance of the MLA. All the implementing agencies are required to submit utilization certificates to the UD department by the end of the financial year or on completion of work whichever is earlier.

The works under the scheme are to be primarily asset creation works like construction of school buildings, community halls, public libraries, culverts, public toilets, sports complexes, crematoriums, tube wells, roads and drains, sanitation works, parks, provision of computers to schools, street lighting, etc. The works should be executed in one or two years, be meant for a public purpose and done on property belonging to the government or local body. Purchase of inventory or equipment, repair and maintenance works, construction of memorials, works in places of religious worship, acquisition of land or any compensation for land acquired are specifically disallowed under the scheme. The scheme stipulates that provision for maintenance and up-keep of the work by the concerned local body/department should be ensured before any work is taken up.

An appraisal of the implementation of the scheme was included in the Report of the Comptroller and Auditor General of India relating to the Government of Delhi for the year ended March 1998. The audit findings were examined by the

Public Accounts Committee of the Delhi Legislative Assembly during 9 June 2000 to 2 November 2001. The Committee made the following main recommendations in its Ninth Report, which was adopted by the House on 20 December 2001:

- (i) The details of the funds available in an MLA's account should be supplied to the concerned MLA at least quarterly and the MLA apprised of the progress of the various works identified by him/her;
- (ii) The department should evolve a mechanism wherein proper maintenance of records are ensured and these should be made available to audit agencies as and when required;
- (iii) The guidelines of the scheme should be widened to enable utilization of the funds for works in areas hitherto not covered such as unauthorized colonies, railway colonies and CPWD colonies; and
- (iv) The scheme should provide funds for maintenance purposes also so that the public is able to make optimum use of the various projects/works executed by the civic agencies for a longer duration.

2.2 Audit objectives

The objective of the performance audit was to ascertain how far the scheme had been implemented in accordance with the guidelines in an economic, efficient and effective manner and whether the implementation of the scheme had resulted in creation of civic facilities and infrastructure in the assembly constituencies. The audit exercise also aimed at ascertaining the action taken by the department in pursuance of the recommendations of the PAC.

2.3 Scope of audit and methodology

The performance audit covered the implementation of the scheme during the period from 2000-01 to 2004-05. Audit test checked the implementation of the scheme in 15 civil divisions, three horticulture divisions and one electrical division under eight zones of the MCD and one division of NDMC covering 41 out of 70 assembly constituencies along with the records of the UD department and the Planning Wing of MCD.

The performance audit guidelines were finalized after consultation with the Commissioner MCD along with representatives of the NDMC and the UD department in April 2005. The audit methodology included scrutiny of the

records of the executing divisions, scrutiny of the connected records maintained by the UD department and the Planning Wing of MCD, joint physical inspection of the works along with the officials of the MCD and communicating the preliminary audit findings to the concerned field formation and soliciting their comments thereon along with confirmation of facts. The draft performance audit report was referred to the Government as well as the primary implementing agencies viz. the MCD and the NDMC for their comments in August 2005 and discussed at a meeting held in October 2005 with the Chief Accountant cum Financial Advisor MCD and representatives of the NDMC and UD department. The views expressed at the meeting and the comments formally received from the Government in November 2005 were incorporated in the report.

2.4 Management of funds

2.4.1 Allocation and release of funds

The budget provision and allocation of funds to different implementing agencies for the period from 2000-01 to 2004-05 were as under:

Table 1: Budget and allocation of funds to implementing agencies

(Rupees in crore)

Year	Budget provision	Release of funds						
		MCD	NDMC	DVB/ DISCOMs	DJB	DDA	OTHERS*	TOTAL
2000-01	91.00	83.66	2.94	2.59	0.97	0.16	0.18	90.50
2001-02	133.00	112.88	4.14	11.35	1.76	1.00	1.87	133.00
2002-03	133.00	119.56	4.35	3.06	1.58	0.48	3.97	133.00
2003-04	133.00	116.18	4.35	2.27	4.76	0.06	4.35	131.97
2004-05	140.00	106.62	4.30	2.78	10.61	0.62	2.72	127.65
TOTAL	630.00	538.90	20.08	22.05	19.68	2.32	13.09	616.12
Percentage of total release		87.47	3.26	3.58	3.19	0.38	2.12	

* Others include: Irrigation and Flood Control, Public Works Department, Delhi Cantonment Board, Slum and Jhuggi Jhopri Wing, Education, Delhi State Industrial Development Corporation and Central Public Works Department.

MCD received 87 per cent of the allocations and was thus the primary executing agency while the NDMC, DJB, DVB/DISCOMs and others accounted for the remaining share of the resources.

Table 2: Inflow and outflow of the MLALADS funds by MCD and NDMC during 2000-2005

(Rupees in crore)

Year	Receipt of funds		Expenditure of funds		Percentage of funds utilized	
	MCD	NDMC	MCD	NDMC	MCD	NDMC
2000-01	120.53	2.94	65.76	1.35	54.54	45.92
2001-02	171.22	5.73	80.62	3.12	47.08	54.45
2002-03	215.28	6.96	93.60	4.64	43.48	66.67
2003-04	243.75	6.67	152.09	5.33	62.39	79.91
2004-05	202.09	5.64	54.20	1.53	26.82	27.13

MCD utilized only 26 to 62 per cent of the funds during 2000-2005.

The utilization of funds during 2000-2005 ranged between 26.86 to 62.39 per cent in MCD and from 27.13 to 79.91 per cent in NDMC. The shortfall in utilisation of the funds was mainly due to delay in execution of works by the executing agencies.

MCD informed in October 2005 that the shortfall in utilization of funds was due to procedural delays like preparation of estimates, floating of tenders and obtaining administrative approval and expenditure sanction from the competent authority. NDMC stated (October 2005) that the shortfall in utilisation of funds during 2004-05 was due to non-implementation of three schemes for various reasons. There was evidently a need to streamline procedures so as to ensure optimum utilization of funds placed at the disposal of the implementing agencies.

2.4.2 An analysis of the flow of funds and their utilization during the five years period covered in the audit exercise revealed the following:

Allocations not linked to actual utilisation.

- The expenditure varied greatly from year to year and allocations were not linked to actual utilization which was less than optimal. There was a rush of expenditure during the election year of 2003-04. The average utilisation of funds for three years i.e. 2000-01 to 2002-03 was 51.14 per cent which increased to 67.85 per cent in 2003-04. While an average of 1,245 works was awarded/executed in 30 assembly constituencies per year during 2000-01 to 2002-03, there were 1,584 works in 2003-04 which declined to 607 works in 2004-05. Further, 82 per cent of the proposals were sent within the first quarter of the election year whereas the average percentage of the works sent in the first quarters of the years 2000-03 was 27 per cent which declined to only eight per cent in 2004-05. Rush of expenditure during election year

reflects a tendency to utilize the scheme funds primarily for electoral purposes.

- MCD operated a combined savings account for the funds received during the year 1999-2000 including the unspent balance of 1998-99. Separate interest bearing accounts for each assembly constituency were opened only in September 2000. But Rs.33.01 crore that remained unspent in the combined saving account was not transferred to these new accounts. During 2000-01 to 2004-05, MCD spent Rs.24.10 crore from the combined account leaving a balance of Rs.14.19 crore as of December 2004. MCD did not have a constituency-wise break-up of the expenditure incurred and stated in November 2005 that the balance was on account of committed liabilities.

2.4.3 Surrender of discretionary funds due to non-receipt of requests/consents from MLAs

Surrender of funds of Rs.13.89 crore due to non-receipt of proposals from 39 Assembly constituencies.

A scrutiny of records of the department revealed that funds totalling Rs.13.89 crore relating to the years 2000-01, 2003-04 and 2004-05 were not released as adequate number of proposals were not received from 39 out of the 70 constituencies as detailed in Annexure - I. No proposals whatsoever were received from three constituencies during 2004-05 resulting in surrender of the entire amount of Rupees one crore (discretionary portion). No effort was made by the department to periodically apprise the individual MLAs of the funds available except once in June 2005 or about the status and progress of works as had been recommended by the PAC in December 2001, which might have helped generate proposals and enabled utilization of the available funds.

The Government stated in November 2005 that the guidelines of the scheme were being modified to make the funds non-lapsable.

2.4.4 Release of funds without obtaining estimates/title of works

Delhi Government released Rs.176.67 crore without estimates or link with specific works.

The scheme guidelines provided that on receipt of written proposals from the MLA (for the discretionary portion), the selected implementing agency should prepare an estimate and submit it to the UD department for placing funds at their disposal. Audit scrutiny revealed that the department released Rs.176.67 crore to different implementing agencies during 2000-2005 (59 per cent of the total release of Rs. 301 crore) without asking for estimates or even ascertaining the works for which the funds were meant. There were delays ranging from one month to one year in release of funds to different implementing agencies in 407 proposals involving Rs.166.29 crore. Release of funds without linking it to specific works not only contravened the scheme guidelines but left open the possibility of utilization of scheme funds for purposes outside the scope of the scheme while delay in scrutiny of proposals and release of funds adversely affected the timely execution of the works.

The Government attributed the delay to receipt of incomplete proposals from MLAs and stated in November 2005 that steps had been initiated to minimize the time required to release the funds after receipt of proposal from the MLAs.

2.4.5 Non-submission of utilisation certificates

Delhi Government continued to release the funds without obtaining the utilization certificates for previous years.

The scheme guidelines stipulated that the implementing agencies should furnish Utilization Certificates (UCs) along with a certificate from each MLA regarding satisfactory completion of work as stipulated in the sanction. The department failed to obtain UCs, yet continued to release funds amounting to Rs.77.22 crore to DDA, DVB/DISCOMS, I&FC, DSIDC, PWD, NDMC, DJB, Slum & JJ Wing and DCB during 2000-2005. None of the implementing agencies submitted the certificates of satisfactory completion of work from the MLAs. The utilization of the funds for the purpose for which it had been released was thus not assured.

2.4.6 Non-adherence to mandatory conditions for release of funds

The UD department released scheme funds amounting to Rs.1.57 crore in contravention of the scheme guidelines as discussed below:

Rs.1.57 crore released without adhering to mandatory conditions.

- Rupees 1.33 crore was released to MCD in July 2004 in respect of constituency nos. 15 and 70 though there were no elected MLAs representing these constituencies during May to October 2004. The department stated in March 2005 that the portion of the fund which was earmarked for release to the MCD was released for all constituencies in the beginning of the financial year to avoid delay in development works. The reply was not tenable as the development works could be executed only on the recommendations of elected MLAs.
- The UD department released Rs.10 lakh to MCD and Rs.6.32 lakh to BSES-Yamuna Power Ltd. respectively during 2002-03 and 2003-04 without obtaining consent from the MLAs concerned. On this being pointed out in audit, the department requested the MLAs in April 2005 for their consent which was awaited as of July 2005.
- The MLA of Assembly constituency no.26 had given his consent on 30 January 2004 in favour of DJB for execution of two works costing Rs.8 lakh. Instead of releasing the funds to DJB, the UD department released the fund to MCD on 8 September 2004. On this being pointed out in audit, the Government stated in April 2005 that MCD was being persuaded to transfer the funds to DJB.

Recommendations

- *There should be a clear linkage between the funds allocated and their actual utilization so as to ensure that funds released are utilized efficiently.*
- *The MLAs should be regularly apprised of the position of available funds and progress of expenditure as already recommended by the PAC. MLAs should be encouraged to submit proposals for utilization of funds. Proposals once received should be expeditiously processed.*
- *MLAs should be sensitized to the requirement of sending proper and complete proposals, to enable their timely processing as well as execution of the works. Funds should be released only if the proposals conform to the scheme guidelines.*

2.5 Planning, implementation and execution of works

2.5.1 Planning

No effective planning with works being taken up in an ad-hoc manner.

There was no institutional mechanism to ensure planning of works nor was any exercise conducted to assess the actual requirement or the public utility of the works. Works were being taken up solely on the basis of proposals received from time to time from MLAs and executed in an entirely ad hoc manner without reference to funds available or independently assessed local needs.

Such ad hocism did not enable any rational planning and execution of works taking into account the parameters and objectives of the scheme and could result in works being “contractor driven.” Both MCD and NDMC stated in October 2005 that the execution of works was entirely dependent on the consent of MLAs which were received throughout the year rather than at the beginning of the year.

2.5.2 Delay in award and commencement of works

There were delays of one month to two years in award of 1555 works.

The MPLAD scheme on which the instant scheme was based stipulated that sanctions for award of works should be accorded within 45 days from the date of receipt of the proposal from the concerned MP. While there was no such specific stipulation in the MLALAD scheme, it was necessary that works be awarded without undue delay. A test check of the records of the Planning wing of MCD in the respect of works recommended by MLAs in 37 assembly constituencies during 2003-04 revealed that there were delays ranging from

one month to two years in award of 1,555 works by implementing agencies to contractors (after allowing for 45 days from receipt of proposals from the MLAs). This resulted in delayed completion of works.

It was also observed that 433 works valued at Rs.10.65 crore including two works relating to I&FC department and four works relating to the Slum & JJ wing were not processed for award to contractors during the period 2003-05 though their estimates had been prepared.

Further, contractors failed to commence 117 works valued at Rs.3.43 crore awarded to them for execution during 2000-01 to 2004-05. MCD however failed to invoke the provisions of the contract for forfeiture of the earnest money aggregating Rs.8.58 lakh. The concerned Executive Engineers stated in April – June 2005 that the cases would be reviewed and action would be taken against the defaulting contractors.

Such delay in award and commencement of works reflected the lack of earnestness in the approach to the works under this scheme.

The Government informed in November 2005 that the guidelines relating to the utilization of funds (discretionary portion) were being modified to include a stipulation for release of funds within 45 days from date of receipt of consent from the MLA on the lines of the MPLAD scheme.

2.5.3 Nature of works

The scheme envisaged that the works under the scheme should primarily be asset creation works. A test check of the records in respect of 34 MLAs for the year 2000-2005 revealed that 67 to 82 per cent of the works recommended by MLAs were primarily for improvement of existing assets created by MCD like roads, drains, cement concrete pavements, parks, etc. as detailed below:

Table 3: Nature of works

Year	Total no. of works recommended/ executed	No. of works recommended as “improvement” works	percentage
2000-01	1310	935	71
2001-02	1560	1045	67
2002-03	1526	1121	73
2003-04	2090	1486	71
2004-05	573	467	82
Total	7059	5054	72

72 per cent of the works recommended by MLAs during 2000-05 were for improvement of assets like roads, lanes, drainage systems etc.

The apparent emphasis of the works undertaken under the scheme was on “improving” existing assets. Thus in effect, the scheme resources only supplemented or filled the gaps in works undertaken under other schemes or

agencies rather than add new community assets. MCD informed in December 2005 that these works were taken up on the recommendations of MLAs and were within the scheme guidelines. The fact remained that the scheme envisaged that the works be primarily for asset creation and such a high proportion of improvement works was contrary to this stipulation.

2.5.4 Incomplete works

538 works valued Rs. 16.55 crore remained incomplete for one month to over five years even after expenditure of Rs. 14.20 crore.

The normal time stipulated in agreements for execution of works under the scheme was two to four months. As of March 2005, 538 works valued at Rs.16.55 crore that were to be completed between April 2000 and March 2005 remained incomplete involving delay ranging from one month to over five years. However, the contractors had been paid Rs.14.20 crore which constituted 86 per cent of the total contractual amount of these works through running account bills. Neither final bills nor completion reports had been submitted by the contractors. In addition, penalty of Rs.1.39 crore leviable on the contractors for failure to complete the works in time as stipulated in the terms of the agreement was also not enforced.

The concerned Executive Engineers stated in July 2005 that efforts would be made to complete the works and action would be taken against the defaulting contractors and penalty recovered where due.

2.5.5 Delay in completion of works

There were delays ranging upto over two and a half years in completion of 952 works.

Test check of the records pertaining to 13 divisions of MCD and one division of NDMC for the period 2000-05 revealed that there were delays ranging up to over two and a half years in completion of 952 works valued at Rs.21.52 crore. In 821 cases, the delay was attributable to failure of the department to provide cement and hindrance free sites. In the remaining 131 cases, MCD paid the final bills to the contractors without imposition of penalty of Rs.28.99 lakh leviable under the agreements. The Executive Engineers concerned stated in May 2005 that the cases would be reviewed and action taken where necessary.

2.5.6 Irregular sanction and execution for works on unauthorized colony

32 works of Rs.1.79 crore were executed in unauthorized colonies.

Works under the scheme are to be executed in/on property belonging to the government or local body. The PAC had recommended that the ambit of the scheme should be enlarged to enable execution of works in unauthorized colonies also. Without suitably examining and acting upon the PAC recommendation to formally modify the guidelines keeping in view legal and administrative constraints, 32 works valued at Rs.1.79 crore were sanctioned/executed in unauthorized colonies.

It was incumbent upon the nodal department to consider the entire issue of execution of works in unauthorized colonies and formally incorporate it in the scheme guidelines as may be considered appropriate before executing such works. The department informed in October 2005 that there was no relaxation in this regard and the cases cited by audit would be looked into. The Government added in November 2005 that the guidelines were being amended/modified requiring MLAs to certify that the works proposed to be executed out of the MLA fund did not fall in unauthorized colonies which were yet to be regularized.

2.5.7 Irregular sanction/execution for repair and maintenance

Rs.87.55 lakh was incurred for repair and maintenance works.

The scheme provisions prohibited expenditure on repairs and maintenance works other than special repairs for restoration/upgradation of a durable asset. An expenditure of Rs.87.55 lakh was however incurred for 22 works for repair and maintenance as detailed in Annexure - II. On this being pointed in audit, the department directed the DJB in April 2005 to refund an amount of Rs.24.75 lakh released to it in October 2003 (Rs.19.75 lakh) and August 2004 (Rs.5 lakh) for the execution of seven such works.

2.5.8 Irregular clubbing of Scheme funds with the funds of other schemes

Rs.1.40 crore of scheme funds were used for projects covered/executed under other schemes.

The scheme guidelines stipulated that the local bodies/departments should certify that the works to be executed under this scheme were not covered and implemented under any of their approved plan schemes as well as the MPLADS so as to avoid any duplication both in physical and financial terms. Audit scrutiny however revealed that scheme funds of Rs.1.40 crore were used for projects which were covered and being executed under other schemes in five Assembly constituencies as detailed in Annexure - III.

2.5.9 Piecemeal sanction of works

A joint inspection of selected works conducted by audit along with representatives of the implementing agencies revealed grant of piecemeal sanctions which unnecessarily prolonged the completion of the work rendering unfruitful or wasteful the expenditure incurred on it over time:

- A work of construction of a mini stadium at Shyam Vatika at Hari Nagar remained incomplete due to grant of piecemeal sanctions despite expenditure of Rs.40.41 lakh having been incurred on it from May 2001 to September 2004. Due to long passage of time, the works executed were in a dilapidated condition and would require additional infusion of funds to make it usable.

Mini Stadium at Shyam Vatika at Hari Nagar



- Similarly, works for construction of two public libraries at Hari Nagar which started in January and May 2001 remained incomplete despite an expenditure of Rs.13.90 lakh. The delay implied that the facilities meant for the public could not be put to their intended use.

Since the maximum limit for a particular work under the scheme is Rs.70 lakh, there was no justification for such piecemeal sanctions which only results in scattering of public funds over a large number of projects without any of them reaching fruition.

Public Library at Hari Nagar



2.5.10 Inadmissible works

Implementing agencies executed 60 works valued at Rs.1.63 crore in 11 Assembly constituencies for purposes which were not admissible under the scheme guidelines as discussed below:

- The scheme guidelines stipulated that works should be executed only on property belonging to the government or local body. The department released Rs.25 lakh to NDMC for construction of boundary wall of DTEA Senior Secondary School, an aided school at Mandir Marg in New Delhi on the recommendation of the concerned MLA. The expenditure was not in conformity with the scheme guidelines as the land of this school neither belonged to the government nor was it under any local body. Government stated in January 2006 that it was a government aided school run by a society and construction of the boundary wall was for the safety of school children and protection of the land. Further, the school authorities had since allowed use of this ground to students of other schools and local residents. The reply is not tenable as the works under the scheme are admissible only on property belonging to the government or local body.
- The scheme prohibits expenditure on works pertaining to commercial organizations. However, the UD department sanctioned Rs.50 lakh to DSIDC for erection of semi high mast lights falling in areas under commercial organizations in Assembly constituency no.38. It had initially been decided that the work should be got done through the private DISCOMs as it was not covered under this scheme.
- Fifty four inadmissible works costing Rs. 88.41 lakh like street boards, providing diesel pump sets etc. were allowed in nine Assembly constituencies as detailed in Annexure - IV. MCD and Government stated in December 2005 and January 2006 respectively that provision of informatory boards, street boards etc. was admissible under the scheme guidelines. MCD added that store rooms constructed under the scheme was being used for attending to complaints from general public. The replies are not tenable as there was no provision for providing informatory/indicators sign/street name boards in the scheme and the room constructed under assembly constituency No. 6 was being used by MCD for its day to day activities.

Recommendations

- *A suitable time frame should be fixed in the beginning of a financial year for receipt of proposals from MLAs for execution of works under the scheme instead of throughout the year. Proposals once received should be expeditiously processed so as to enable their execution within the same financial year.*

- *A shelf of projects could be created and execution of works prioritized for each Assembly constituency in consultation with the concerned MLA which could be taken up for progressive execution within a particular financial year. This would enable proper planning with reference to available resources and reduce ad hocism in execution of projects and the tendency to fritter away public funds over a large number of works.*
- *A periodic survey should be conducted to assess the actual utility or public benefit of the works implemented so as to enable the MLAs to choose works which are in tune with the felt needs of their constituents.*
- *Government of Delhi and the primary implementing agencies viz. MCD and NDMC should introduce a system of online tracking and monitoring of execution of works so as to enable timely action against contractors for delay in execution and completion.*

2.6 Inadequate monitoring

Delhi Government did not provide effective monitoring mechanism in the scheme guidelines.

The scheme envisaged that a Monitoring Committee under the Chairmanship of the Principal Secretary (UD) should be constituted to regularly monitor the progress of works under the scheme. However, no such committee was constituted by the department as of July 2005. The department stated in March 2005 that progress of works was being reviewed by Principal Secretary (UD) through meetings with the officers of the concerned implementing agencies. However, no records of such discussions were furnished to audit. Evidently, the department had not constituted a formal mechanism for systematic and regular monitoring of the works under the scheme. The Executive Engineers informed that inspections were conducted regularly by the senior officers of MCD but no record of such inspections had been maintained.

The department stated in October 2005 that both MCD as well as NDMC suffered from acute shortage of staff for institutional monitoring due to which the monitoring aspect was lax.

Recommendation

Delhi Government should set up a Monitoring Committee under the Chairmanship of the Principal Secretary (UD) to monitor regularly the progress of work physically and financially. The committee should regularly apprise the MLAs regarding the progress of works.

2.7 Maintenance of public assets created and ensuring their public utility

113 works of Rs.2.05 crore lying in deteriorated condition/not in use for want of maintenance.

The scheme guidelines stipulated that before any work is taken up, it should be ensured that there is a provision for maintenance and upkeep of the work by the concerned local body/department. However, no such provision was made by any of the departments nor had the nodal department taken any steps to act upon the recommendations of the PAC to make a provision in the guidelines for maintenance of the assets. Audit scrutiny of works undertaken by MCD under this scheme since inception till May 2005 revealed that 113 works valued at Rs.2.05 crore were lying in deteriorated condition or were not in use for want of maintenance as detailed in Annexure - V. A test check through joint physical inspection confirmed lack of maintenance of three works of boundary walls, pavement and waterfall valued at Rs.19.80 lakh.

The joint inspection also brought out that expenditure of Rs.74.27 lakh was rendered largely unfruitful due to the intended purpose not being served or the facilities created not being handed over to the intended beneficiaries as detailed in Annexure - VI.

**Public Library cum
Utility Centre
at Hari Nagar**



**Boundary Wall & MS Grill to
enclose a park in A-Block,
Wazirpur Industrial Area**



The department stated in November 2005 that the guidelines were being modified to provide for utilization of 10 per cent of the scheme funds for the maintenance of the assets created in previous years.

Recommendation

Suitable arrangements need to be ensured for maintenance of the assets created from the scheme funds either by the implementing agencies or the bodies/departments to which the assets were handed over.

2.8 Non-maintenance of assets registers

MCD 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. MCD stated in December 2005 that instructions had been issued to their field staff for maintaining assets register under the scheme.

Recommendation

Registers for assets created out of scheme funds should be maintained so as to enable verification of assets.

Annexure - I
(Referred to in paragraph 2.4.2)
Details of cases where funds were surrendered due to
non-receipt of consents

Year	Assembly constituency No.	Amount (Rupees in lakh)
2000-01	21	19.00
	33	4.00
	38	2.00
	57	0.38
	59	24.11
	65	0.25
2003-04	25	46.93
	23	5.00
	32	14.22
	66	7.55
	03	30.00
2004-05	3	0.02
	4	0.01
	6	70.36
	7	0.16
	8	0.23
	12	37.83
	15	47.52
	16	0.20
	17	96.50
	19	4.45
	20	2.32
	23	0.10
	21	100.00
	26	20.80
	30	83.00
	29	100.00
	34	0.20
	37	100.00
	39	25.00
	42	1.57
	43	70.00
	45	7.31
	49	66.27
52	1.70	
53	1.37	
55	50.00	
57	97.00	
58	90.00	
59	54.14	
62	0.01	
66	84.15	
67	0.01	
68	0.11	
70	22.84	
Total		1388.57

Annexure - II
(Referred to in paragraph 2.5.7)
Details of repair or maintenance work

A.C.No.	Number of works	Name of Agency	Expenditure (Rs. in lakh)	Type of works
1	1	NDMC	12.47	Renovation of wall
4	13	DJB	43.30	Distilling of sewer lines
17	3	MCD	4.97	Repair of boundary walls
45	1	DJB	10.00	Maintenance of tube wall.
52	1	DJB	9.71	Repair installation of deep boring hand pumps.
70	3	MCD	7.10	Patch works, providing missing broker grills.
Total	22		87.55	

Annexure - III
(Referred to in paragraph 2.5.8)
Irregular clubbing of scheme funds with other schemes

Assembly Constituency No.	Name of works	Cost of work and Agency involved	Funds released under MLALADS (Rs. in Lakh)	Remarks
4	Up gradation, channelisation and covering of nallahs, National Park, Lajpat Nagar-IV.	Rs.65.00 lakh DDA	40.00	Total estimate of work initially was Rs.55 lakh. Rs.25 lakh was incurred from MPLADS and Rs.40 lakh was released from MLALADS for meeting the remaining expenditure which includes Rs.10 lakh for electrification & horticultural purposes.
8	Shifting of 11 KV Mt Lines of DVB in Khirki Ext. Malviya Nagar.	Rs.17.86 lakh DVB	9.80	Rs.9.80 lakh was incurred from MLALADS and the remaining amount of Rs.8.06 lakh was to be met from other scheme.
13	Construction of Mini Stadium, Hari Nagar.	Rs.40.41 lakh MCD	11.37	Rs.20.40 lakh was incurred from MPLADS and Rs.11.37 lakh from MLALAD Scheme.
15	Demolishing & reconstruction of Tanwar chopal.	N.A. I&FC	8.60	Rs. 8.60 lakh was released from MLALADS funds to pay outstanding liability of MPLADS.
54	Construction of Swatantra Nagar Drain, Narela.	Rs.2.50 crore MCD	70.00	To complete this work, MCD was to incur Rupees one crore from MLALADS funds, while Rupees one crore was earmarked from township fund and remaining Rs. 50 lakh from unauthorized colony fund. Rs. 70 lakh was released from MLALADS

Annexure - IV
(Referred to in paragraph 2.5.10 (iii))
Other inadmissible works

Assembly constituency No.	No of works	Nature of work	Amount (Rs. in lakh)	Name of Agency
1	2	P/f informatory boards	1.72	NDMC
6	1	Construction of store room	2.73	MCD
17	1	P/f indicator sign boards	0.94	MCD
18	4	P/f MS street boards, diesel pump set	2.31	MCD
47	16	P/f street boards, gentry name boards	24.72	MCD
48	26	P/f street name boards, guide maps	50.15	MCD
58	2	Providing of AC, fans, desert coolers, electric installation at Kasturba Hospital	2.95	MCD
59	1	Improvement of electric installation at Lal Kuan dispensary.	1.13	MCD
68	1	Providing snowcem/painting in park	1.76	MCD
	54	Total	88.41	

Annexure - V
(Referred to in paragraph 2.7)
Details of works in deteriorated condition/not in use for want of maintenance
(As of June 2005)

A.C. No.	No. of works	Cost (Rs. in lakh)	Period of construction	Lying deteriorated since	Types of works
3	3	4.57	May 2000 to July 2004	Two years	Tubewells & boundary wall
13	4	12.41	March to April 2003	One year	Waterfalls, fountain
14	4	7.10	March 2002 to August 2003	N.A.	Waterfalls
15	18	31.07	May 2003 to March 2004	N.A.	Waterfalls, semi high mast light
26	2	3.77	March 2000 to March 2003	N.A.	Waterfalls
45	2	4.36	August 1999 to June 2000	Two years	Drain, road berm
46	2	5.79	September 1999	10 to 11 months	Cement concrete pavement, drains
55	2	1.77	October and November 2003	Two to three months	Tubewells
57	10	17.78	July 1998 to February 1999	One and half years to two years	c.c. pavements, footpaths
58	4	7.03	February to October 2003	N.A.	Tubewell, lavatory block, water falls
59	7	8.33	December 1998 to June 2000	6 months to one year	Lavatory block, sign boards, drainage system, c.c. pavement
60	1	1.89	January 2002	Five month	Waterfall
61	4	6.54	December 2002 to March 2003	Four to five months	Waterfalls and children play apparatus
64	10	14.98	September 1998 to September 1999	One year to two years	Lanes, drainage system, c.c. pavements
65	12	26.31	November 2000 to January 2004	N.A.	Waterfalls
66	8	14.03	May 1999 to March 2003	eight month to two years	Fountains, parks, footpaths, walkway
67	10	19.40	June 1998 to January 2003	Eight month to two years	Boundary walls, parks, footpaths
69	10	18.49	July 1998 to March 2000	Two years to three years	Cement concrete pavements, lavatory blocks

Annexure - VI
(Referred to in paragraph 2.7)

Details of unfruitful expenditure noticed during physical inspections

Assembly constituency No.	Name of work	Expenditure (Rs. in lakh)	Remarks
13	Public Library cum utility center at Hari Nagar	5.50	The Center was not handed over to the beneficiaries/RWAs even after lapse of 20 months. The work which should have been completed in 2001 was completed only in September 2003.
19	Boundary wall of park in Pitampura	1.34	The park was yet to be developed.
45	Improvement of damaged and non-functional drain at Dilshad Garden	6.82	Drain was lying open at different places and was water logged due to improper slope and hence the expenditure incurred on the work proved unfruitful.
46	Eight recreation centers in Nand Nagri	42.83	The recreation centers had not been handed over to the community service department of MCD or the RWA for their further use. These centers were lying idle and found not useable due to non-provision of basic facilities like electricity and water. The expenditure incurred on these works remained unfruitful.
50	Improvement to lane parallel to Gokalpur drain from Gali No.2 to 6 by providing c.c. pavement in New Usmanpur	5.94	The work was not verifiable as garbage and dismantling material lifted from drain was dumped on the lane measuring 15 feet X 250 meter (approx.). MCD officials stated that after removal of garbage/malba lying on the lane may need further improvement on the lane. The lane was not useable by public as garbage and material lifted from drain was dumped on it. Hence the expenditure incurred was unfruitful.
56	(i) Boundary wall and M.S. Grill to enclose a park in A Block, Wazirpur Industrial Area	9.28	Work of providing grill on the boundary wall was not executed and no park was developed. The land was being used by public for dumping garbage/industrial waste.
	(ii) Boundary wall of Dhobi Ghat park in G Block in Jahangirpuri	2.56	Some encroachment was still there. Grill was found broken/removed from one side. The purpose was to save the MCD land from encroachment.