

MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

ACTION TAKEN ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN FIFTY FIFTH REPORT (15TH LOK SABHA) ON 'MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME'

OBSERVATIONS/RECOMMENDATIONS

1. The Member of Parliament Local Area Development Scheme (MPLADS), introduced on 23 December 1993 to enable the Members of Parliament (MPs) to identify small works of capital nature to meet local needs in their constituencies, is a Plan Scheme fully funded by the Government of India. The funds released under the Scheme are non-lapsable. The Scheme provides that a Member of Lok Sabha may select works for implementation in his/her constituency while a Member of Rajya Sabha may select works for implementation in one or more districts of his/her choice in the State from which he/she has been elected. The Scheme is administered by the Union Ministry of Statistics and Programme Implementation, which is responsible for policy formulation, release of funds and also for prescribing a monitoring mechanism for its implementation. At the State level, a Department is designated as the Nodal Department with the overall responsibility for supervision, monitoring and coordination of MPLADS implementation with the districts and other line Departments. Decision making powers in regard to technical, financial and administrative sanctions to be accorded under the Scheme vest in the district level functionaries, viz. the District Authorities (DAs). The Audit had earlier reviewed the scheme in 1998 and also in 2001 wherein it had pointed out several weaknesses/lapses in the implementation of the Scheme. Based on the current review of the scheme by the C&AG for the period between April 2009 and December 2009, through test check of records of the Ministry, States/UTs and DAs, covering the period 2004-05 to 2008-09, the examination of the subject by the Committee has revealed several deficiencies in sanction and execution of work, utilization of funds,

maintenance of various records and monitoring of the implementation of MPLAD Scheme at both Central and State levels as discussed in the succeeding paragraphs.

**Serial No -01, Para -01 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

This is an introductory para on guidelines on the Member of Parliament Local Area Development Scheme (MPLADS) and requires no comments.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

2. The Committee note that the Government of India released Rs. 19,425.75 crore between 1993-94 to 2008-09 towards the MPLAD Scheme. Against a total fund of Rs. 19,845.91 crore available with the DAs including Rs. 420.16 crore accrued as interest, an expenditure of Rs 18,057.91 crore (91 per cent) was incurred. On scrutiny of the budget allocation, funds released and previous years funds available with the DAs during the years 2004-05 to 2008-09 the Committee find that an amount of Rs. 17891.15 crore was available with the DAs whereas the actual expenditure incurred in all these years combindly was to the tune of Rs. 8084.53 crore, depicting significant shortfalls in the utilization of funds each year. The Ministry's explanation that in non-lapsable schemes they look at the expenditure on cumulative basis is untenable in view of less than 50 per cent cumulative expenditure during the above said five years. Further, the non-lapsable character of a particular Scheme and the resultant carry forward of the unspent balances to the next fiscal cannot be a ruse for non-completion of the projects/works within a given financial year and the given time lines. On the contrary, non-completion of projects and non-utilisation of the earmarked funds defeats the very purpose for which the Scheme was conceived and funds allotted annually. Similarly, though it is a fact that the funds were released to different Lok Sabha constituencies and Rajya Sabha MPs at different points of time and unspent balances are bound to exist at any given point of time, the trend of fund utilization during each of the five years 2004-05 to 2008-09 is deplorable. As merely making provision in the guidelines would not be sufficient to maximize the funds utilization, the Committee urge the Ministry to take appropriate steps, including effective monitoring, to ensure optimum utilization of the annual earmarked funds by the State Government/DAs so that the unspent balances are reduced to the barest minimum and the avowed objectives of the MPLAD Scheme are well served. The Committee hardly need to emphasize that the need for taking such pro-active measures on the part of the Ministry assumes far greater significance in view of the enhancement of the annual entitlement of an MP from Rs. 2 crore to Rs. 5 crore w.e.f the financial year 2011-12.

**Serial No -02, Para -02 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

Under the MPLAD Scheme, incurring of expenditure and concomitant release of funds, takes place continuously, throughout the year on meeting the eligibility criteria as per provision of the Guidelines. Whenever the unspent balance in respect of a constituency/Rajya Sabha MP reduces below a certain limit as per eligibility criteria, the second installment of funds is released to the concerned Nodal District. Thus, in view of the nature and dynamics of the scheme unspent balances would exist at any given point of time. However, in order to optimally utilize the funds by the District Authorities all the States/UTs have been requested to issue sanction and start work on eligible recommendations of the MPs without waiting for funds in view of non-lapsable nature of the scheme. This is likely to enable District Authorities to initiate more number of works by increasing the spread and likely to reduce unspent balance with District Authorities.

The Ministry is also monitoring the progress of the implementation of the Scheme and constantly urging the Secretaries of State/UT nodal departments to take effective steps for increasing utilization of funds.

Further the Guidelines stipulate review of the implementation of the works at the level of Chief Secretary/Nodal Secretary and also at District Authority level. Apart from the above, Ministry also undertakes Bi-Annual Review Meeting with the Nodal Secretaries of the State/UTs usually chaired by Hon'ble Minister of Statistics and Programme Implementation where the utilization of funds by the States and the UTs are reviewed.

The scope of the Scheme has now been widened to cover more works in the scheme. With the enhancement of the annual entitlement of the MP from Rs. 2 crore to Rs. 5 crore under MPLADS from the financial year 2011-12, Para 4.3 of the Guidelines have been amended in consultation with Department of Expenditure, Ministry of Finance to tighten the fund release mechanism for achieving faster utilisation of funds and to reduce the unspent funds with the District Authorities. As per amendment, the first installment of Rs. 2.5 crore will be released in the beginning of the first financial year

without condition. But in the remaining years even the first installment will be released subject to the condition that the second installment of the previous year was released for the MP concerned and also subject to furnishing of the provisional Utilization Certificate of previous year covering at least 80% of the expenditure of the first installment of the previous year.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

3. The Committee are highly concerned to note that 12 DAs of six States inflated the figures of expenditure by Rs. 35 crore by depicting the entire advance of Rs. 100.17 crore released to the Implementing Authorities as utilized. Not only that, the DAs had reported lesser amount of interest earned in their annual accounts and/or Monthly Progress Reports (MPRs) than those reported in the MPRs of the earlier months resulting in an understatement of interest of Rs. 5.60 crore in respect of 21 constituencies. Shockingly, in blatant violation of the General Financial Rules (GFR) 2005 DAs in some States are showing money given as advance as expenditure in the Utilisation Certificate (UC). Though the Ministry of S&PI hold the DAs/IAs responsible for properly maintaining the accounts of MPLADS funds as per the State/UT Governments yet they failed to obtain/examine necessary clarifications of the DAs/States concerned on the financial irregularities. Since the Ministry are still in the process of developing an integrated software incorporating District-wise MPLADS accounts and collating annual accounts and balance sheet of all the Districts and considering the importance and urgency of developing such an integrated software, the Committee impress upon the Ministry to expedite development and installation of the software without further loss of time. The Committee are sanguine that the early installation of the desired integrated software would help capture all the relevant data and facilitate effective management and monitoring of the MPLAD Scheme both at micro and macro levels. The Committee also desire that the necessary explanations of the DAs concerned be obtained and examined by the Ministry without further loss of time so that requisite preventive and punitive measures are taken to observe strict fiscal discipline.

**Serial No -03, Para -03 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The District Authorities are advised from time to time to include only the actual expenditure incurred as expenditure figure.

The Ministry has already initiated action for development of an integrated MPLADS website through NICS. The NICS has already started the process of development of the integrated website, which is likely to be put on trial during 2013.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

4. The Committee are dismayed to note that the unspent balances of the present and former Rajya Sabha MPs stood at Rs. 3186.75 crore as on 30th September, 2011, as per the Monthly Progress Reports received by the Ministry. It is a matter of serious concern that although there was a time line i.e. 31st December, 2010 for the States to complete the accounting process, some States had not distributed the unspent balances nor closed the accounts, even by the end of October, 2011. The Ministry admitted before the Committee that it happens a number of times that distribution of unspent balances does not take place on a regular basis and the Ministry are not sure whether the accounts have formally been closed or not in case of those States which have initiated the distribution process. It is a matter of little consolation that the Ministry keep on reiterating through circulars and review meetings for timely distribution of the unspent balances. In view of the huge proportion of the outstanding unspent balances as on 30th September, 2011, it is obvious that the Ministry's efforts are grossly inadequate. The Committee, therefore, recommend that the Ministry should intensify their monitoring mechanism, tighten the related provisions in the Guidelines and prescribe a definite time limit for the distribution of unspent balances of the Members of Parliament as well as for the timely closure of the accounts. The Committee specifically desire that a sunset clause be incorporated in the Guidelines making it mandatory that if the States are unable to distribute the unspent balances within the prescribed time line, the funds would revert to the Centre.

**Serial No -04, Para -04 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

As stipulated in the Guidelines the District Authorities are required to distribute the unspent amount of the former MPs, which is a continuous process. The Guidelines stipulate the provision of distribution of unspent balance of former Rajya Sabha MPs. Ministry also issues instructions to the District Authorities from time to time to ensure timely distribution of unspent amount. The position is also reviewed in the Bi-Annual

Review Meetings with the States/UTs Government and during Review Meeting with the States/UTs. Defaulting states have been asked to complete the exercise and to take action against the officials who do not adhere to the instructions of the Ministry regarding distribution of unspent balance.

With regard to prescribing the time limit of distribution of uncommitted/unspent MPLADS funds in respect of RS (MP) is concerned, this Ministry has already made provision in the new guidelines (Para 4.10.1) that the works of MPLADS shall be completed within 18 months from the date of demitting office in case of Rajya Sabha MPs or dissolution of the Lok Sabha. District Authorities shall settle and close the account of the concerned MP after completing all other formalities in another 3 months time, under intimation to Government of India and with detailed information in the Monthly Progress Report (MPR). If the District Authorities does not finish the projects within 18 months of demitting of an MP or dissolution of Lok Sabha, the District Authorities will be required to complete the balance work out of State/District funds. In no case, any extension will be given and District Authorities shall be held responsible in case of any lapse in this regard.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

5. Diversion of funds meant for MPLAD Scheme to other Schemes of the Central and State Governments is another area of serious concern. The Committee find that Rs 4.67 crores of the MPLAD funds were diverted to other Schemes by 22 DAs of seven States, although the DAs are not authorized to do so. What further irks the Committee is the fact that the Ministry, instead of taking prompt action when the irregularities were pointed out by Audit, are yet to write to the State Governments for taking action against the DAs concerned. Since diversion of funds meant for MPLAD Scheme to other Schemes is a clear violation of rules notwithstanding the fact that in some cases diverted funds have been received back, the Committee exhort the Ministry to impress upon the State Governments concerned to initiate disciplinary action against the DAs involved in such irregularities. The Committee also recommend that the Ministry, in consultation and coordination with the State Governments, should resort to foolproof measures with a view to ensuring that under no circumstances funds meant for MPLAD Scheme are diverted, even temporarily, to any other Schemes.

Serial No -05, Para -05 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)

Action Taken/Comments

District Authorities are not authorised to divert funds meant for MPLADS to any other schemes. Ministry has issued strict instructions to the District Authorities from time to time to adhere to the provision of the Guidelines. Whenever such diversion is reported, Ministry directs the States/UTs Government for taking remedial action including action against the erring officials. This Ministry has sent letters to all the Nodal States Authorities/UTs Administration to initiate action against the erring officials for violation of Guidelines.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

6. Although the MPLADS Guidelines stipulate that the Implementing Agencies shall refund to the District Authorities the savings including interest, if any, at their disposal within one month and close the Bank Account opened for the purpose, the Committee find that in 24 States/UTs, unspent balances of Rs. 1.98 crore arising due to completion of works at lower than the sanctioned cost and interest accrued on balances of Rs. 4.71 crore have not been refunded by the IAs to the DAs after the completion of the works. The Ministry's statement that there are minimal chances of the unspent amount is left with the IAs is self-contradictory in view of their own admission that an amount of Rs. 127.50 lakh was the balance unspent amount lying with the IAs in various States/UTs. Needless to say, the two statements need to be reconciled by the Ministry. Although it is the responsibility of the DAs to coordinate and supervise the work being executed under MPLADS and ask the IAs to refund the unspent amount, yet if the DAs are found wanting in the effective discharge of their assigned duties, prudence warrants that the Ministry intervene appropriately. The Committee, therefore, desire the Ministry to monitor the expenditure closely and take up the matter with the State/UT Governments so that the IAs refund promptly the unspent amount including interest to the DAs as per the procedure laid down in the MPLADS Guidelines.

**Serial No -06, Para -06 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

Para 6.5 (iv) of the Guidelines stipulate that the Implementing Agencies shall refund to the District Authority the savings including interest, if any, at their disposal within one month and close the Bank Account opened for the purpose. Therefore, it is the responsibility of the District Authority to co-ordinate and supervise the work being executed under MPLADS and ensure that Implementing Agencies refund the unspent amount as the District has the direct control over the Implementing Agencies. District Authorities have reported that most of the unspent balances have been recovered or Instructions have been issued for refunding the unspent amount or have been adjusted

in the sanction issued subsequently. No case of misappropriation of funds with regard to uncommitted and unspent balance lying with the Implementing Agencies has been reported to this Ministry.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

7. The Committee note that in 13 States/UTs, 35 DAs utilized an amount of Rs 1.30 crore on inadmissible items like payment of honorarium/wages/travelling expenses of staff, fuel for official vehicles, purchase of laptops etc. Further, six DAs in five States incurred excess expenditure on contingencies than the prescribed limit of 0.5 per cent of the amount spent on the completed project. The Ministry's statement that the DAs are expected to ensure that the expenses remain within the prescribed limit does not satisfy the Committee, as mere expectation without any preventive or punitive action, would not deter the DAs from incurring excess expenditure on contingencies. Now that the Administrative Expenses have been increased to 2 percent of the amount spent on the completed project w.e.f. the financial year 2011-12, commensurate with the enhancement of the MPLAD fund allocation, the Committee recommend that a separate account for such expenditure incurred during a financial year be maintained and the MP concerned be informed in accord with the provisions stipulated in the Guidelines. Any deviations in this regard be viewed seriously and stringent action taken against the DAs in the event of incurring expenditure on inadmissible items or beyond the prescribed limit. The Committee would also like the Ministry to explore the feasibility of extending necessary assistance to the MPs for monitoring works recommended by them.

**Serial No -07, Para -07 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The Para 4.17 of the latest Guidelines (August, 2012) now stipulate that a separate account for such expenditure incurred during a year under MPLAD Scheme shall be maintained and MP concerned shall be kept informed besides making available the details for scrutiny by Audit. District Authority is expected to take action as per this provision and ensure that the expenses remain within the prescribed limit. After the decision to allow administrative expense of 2% of the MPLADS funds outlay, the Ministry has clearly laid down the items on which the administrative expenses be incurred.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

8. The Committee deprecate to note that proper records are not maintained by the Ministry to watch the progress of the receipt of the Annual Accounts and Utilisation Certificates from the DAs. Further, the Ministry have routinely been relaxing the conditions for submission of UCs and Audit Certificates by the DAs, before allowing the release of the second installment of funds. The Committee are surprised that the Ministry themselves are not maintaining proper records which are so vital for it to review overall fund utilization but expect the State Governments/DAs/IAs to be perfect in every respect just because Guidelines have been issued. The Committee are of the firm opinion that the Ministry have to first put their house in order and set an example for the State/UT Governments to emulate. They, therefore, recommend that the Ministry should urgently start maintaining MP-wise Grants-in-Aid Register with details of funds released, status of the receipt of the Monthly Progress Reports, Utilisation Certificates and Audit Certificates in a computerized format with complete data validation and place it on the official website of the Ministry for effective monitoring of the fund utilization as well as to bring in transparency and public scrutiny.

**Serial No -08, Para -08 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The Utilization Certificates and Audit Certificates are already being maintained in the Ministry in the individual files of the MPs on the basis of which release of funds is done. However, as advised computerized format of Grants-in-aid Register has been finalized and is being made operational wherein the MP-wise details of release of funds, receipt of Utilisation Certificates (UCs) and Audit Certificates (ACs) would be maintained.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

9. The Committee take due note of the explanation of the Ministry that the decision to relax the conditions for submission of UCs and ACs by the DAs was taken on the basis of review of release position to ensure that the works recommended by the MPs and sanctioned by the Districts did not suffer for want of funds. While appreciating the concern of the Ministry, the Committee would, however, like to caution that such relaxations in the conditions for submission of UCs must be discouraged so that proper fiscal discipline is maintained while ensuring smooth progress of the Scheme. Having said that, the Committee are of the view that timely furnishing of the UCs by the DAs/IAs should be ensured so that subsequent release of installment of funds do not get delayed.

**Serial No -09, Para -09 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

This Ministry did not relax the condition of UC/AC after constitution of 15th Lok Sabha (i.e. 2009-10 onwards). The primary condition of unsanctioned balance being less than Rs. 50 lakh and unspent balance being less than Rs. 1 crore for release of the 2nd installment of the funds was never relaxed, while only relaxing the condition of furnishing of the Utilization Certificates and Audit Certificates at the fag end of the financial years during 2006 to 2009. However, this was further subject to condition that the next installment i.e. 1st installment of the succeeding year would be released only on receipt of these Utilisation Certificate and Audit Certificate. In no case the 1st installment of the succeeding year was released without obtaining the Utilisation Certificate and Audit Certificate required for release of previous installment. Thus in a true sense, the furnishing of Utilization Certificates and Audit Certificates was only deferred and not waived. This decision too was taken by the Ministry to ensure that the works recommended by the MPs and sanctioned by the Districts do not suffer for want of funds.

The Ministry has been regularly emphasizing the need to furnish the Audit Certificates and Utilisation Certificates in the Bi-annual Review Meeting on MPLADS and other various meetings as well as during training programme.

Now in consultation with Department of Expenditure more stringent financial discipline has been put in place through the amendment of Para 4.3 of the guidelines. As per amendment of the Guidelines, the first installment of Rs. 2.5 crore will be released in the beginning of the financial year subject to the condition that the second installment of the previous year was released for the MP concerned and also subject to furnishing of the provisional Utilization Certificate of previous year covering at least 80% of the expenditure of the first installment of the previous year which is in line with the GFR. Utilisation Certificates are received, duly signed/certified by the ADC/PD, DRDA/Collector, by the Ministry. Funds are released only after receipt of complete documents.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

10. The Committee are worried to observe instances of doubtful expenditure which include non-existence of assets in West Bengal and Jharkhand, payments made on doubtful muster roll entries in Bihar and on doubtful vouchers in Mizoram and Jharkhand, leading to a combined financial irregularities of Rs 40 lakh. Although the State Governments of West Bengal, and Mizoram have furnished certain explanations on the matter including action taken thereon, the State Governments of Bihar and Jharkhand did not bother to even respond to the irregularities pointed out by Audit. The Committee desire that such indifferent attitude of the State Governments concerned be viewed seriously by the Ministry and the matter be taken up with utmost urgency at the Chief Minister/Chief Secretary level so that responsibility could be fixed on the delinquent officials.

Serial No -10, Para -10 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)

Action Taken/comment

This Ministry has received replies on doubtful expenditure from State of Bihar and Jharkhand. The replies received are given below:-

(a) **Bihar** - State Government has intimated the following on concerning audit paras:-

(i) Excess/avoidable expenditure –Keeping in view the conditions at the location, during the execution of work, more payment was made than the scheduled rate due to increased compaction of Brick Bat, Balu, soil etc. for technical reasons. Besides, after work estimates, the additional payment was also made due to increase in the rates of wages by the Government. It has also been informed that action is being taken as per the audit provision and that it will be ensured that such lapses is not repeated in future However, provision for increase in payment is being made in the estimates.

(ii) Procedural lapses in the execution of works - Taking cognizance of the Audit para, wages are being paid only after preparing the Muster Roll. It has also been informed that the payment under labour item is now

being made on the basis of Muster roll for the projects in progress. In Compliance Report of RWD Masaurhi, it has been stated that in future, procedure would be followed and maintained and the material will be purchased by quotations and that Labour will be paid on Muster Roll.

(d) **Jharkhand** – state Government has replied the following on the concerning audit paras as given below:-

(i) Unfruitful expenditure on Works - Work construction of Bharat Mata Kalyan Mandap has been completed. However, the same could not be transferred due to matter being sub-judice

(ii) Non-existence of assets - In respect of work for installation of two solar water pump sets, FIR has been lodged against the firm M/s Kiran Energy Solution Private Ltd, Dhanbad.

(iii) Payment made on doubtful voucher- As regards installation of four high level tube well is concerned, it has been clarified that no irregularities were committed and payments were made on the basis of actual work. Rather the work was completed by incurring Rs 1601 less than the estimated cost of work.

This Ministry has been requesting the concerned States Governments to take action against the concerned erring officials.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

11. The Committee find that the above said doubtful expenditure occurred due to grossly inadequate monitoring of the projects by both the District Authorities and the Implementing Agencies, as corroborated by the Ministry in evidence. The Committee are of the considered view that mere lodging of an FIR against the Head Master of a particular school or the local head of the implementing agency would not suffice to check financial fraud and irregularities, unless supervisory officers, including those who check and sign the Utilization Certificates are held primarily responsible for any doubtful expenditure. The Committee, therefore, urge the Ministry to prevail upon the State Governments where such irregularities have been reported to further investigate the matter with a view to finding out whether there are larger conspiracies involved in the fraud and depending upon the findings, exemplary action be taken against the officers concerned. The Committee also desire that the practice of submitting vouchers on plain paper by the Implementing Agencies, as happens in some States, be discarded forthwith so that instances of payments on doubtful vouchers do not re-occur.

**Serial No -11, Para -11 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The FIR lodged by the Nodal District, South 24 Parganas in West Bengal have been received. It has been informed that the District Authority is already pursuing the case to recover the fund spent on irregular works and disciplinary action is being initiated.

The Ministry is in the process of development of an integrated software for MPLAD Scheme for monitoring funds release and expenditure both at Macro and Micro level which is expected to bring in more fiscal control and transparency in the system.

Instructions have already been issued to all the concerned states/UTs administrators separately in each case to adhere to the provisions of GFR and state procedure while making payment to the contractor.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

12. The Committee note that the objective of the MPLAD Scheme is to enable the MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs in their constituencies. As per the provisions of the Guidelines, the Panchayati Raj Institutions are the preferable Implementing Agencies and according to the Ministry it is expected that an MP during his constituency tour should consult the PRIs. But the Committee feel that the design of the Scheme itself should specify the mechanism to be adopted by the MPs to ensure participation of various constituents like active resident forums, local bodies and NGOs in determining and recommending the works responsive to locally felt needs and according to the priority of the MP's constituency. With a view to involving the local bodies/communities effectively in the planning and implementation of the Scheme, the Committee recommend that the Implementing Agencies should be advised/counselled to involve local people/bodies while conceiving, designing and implementing works/projects under the MPLADS so that a sense of belonging and participatory approach is generated.

**Serial No -12, Para -12 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

As per the Guidelines, the Scheme is so designed to give complete freedom to MPs to choose location and projects subject to the basic objective and provision of the Guidelines. The objective of the scheme is to enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs in their Constituencies. The MP during his tours of his constituency contact the people of his constituency about the work to be executed for the welfare of the public at large in a particular area. It is open to the MPs to consult the constituents of his locality. However, in order to facilitate MPs, the District Authorities have been asked to provide shelf of projects based on local needs. The Ministry has also circulated an illustrative list of projects/works.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

13. One of the peculiar characteristics of the MPLAD Scheme is that it is unlike other Centrally Sponsored Schemes where action plan is made in the early part of the financial year. As the MPs frequently tour their constituencies and make recommendations, sometimes as late as February and March of the financial years, based on the locally felt needs, the Ministry have amended para 2.6 of the guidelines to enable the MPs to make recommendations throughout the financial year. In this context, the Committee find that in respect of 34,023 works pertaining to 64 DAs in 15 States/UTs, recommendations were furnished by the MPs with delays beyond the prescribed limit of 90 days from the commencement of the financial year and such recommendations continued upto the end of the financial year, thus extending the period of utilization of funds. The Committee appreciate the concerns and steps taken by the Ministry in enabling the MPs to continue recommending works throughout the financial year, as funds do not lapse at the end of the fiscal under the Scheme. But, in view of the urgency of the projects in some sectors like education, drinking water supply, health and family welfare, drainage etc. which have a direct utility impact on the people and a greater outreach for long term sustainable benefits, the Committee desire that the Ministry may advise the MPs to timely recommend as far as practicable, the works pertaining to such sectors so that both short term and long term benefits are extended to the people and time and cost overrun is avoided. The Committee also desire that a system needs to be evolved wherein the DAs, after evaluating the locally felt needs of the people, can suggest comparatively lead activities to be taken up at the beginning of the financial year so as to facilitate the timely recommendation of works by the MPs. The Committee would further like the Ministry to explore the feasibility of the provision of issuance of structural safety certificate by the local/competent authority for very old aided school buildings, where building plans are not available, with a view to enabling the MPs to recommend works for such educational institutions.

Serial No -13, Para -13 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)

Action Taken/Comments

As per Para 2.6 of the MPLADS Guidelines, each MP will recommend works up to the annual entitlement during the financial year in the format at Annex-III to the concerned District Authority. Para 3.12 also stipulates that all recommended eligible works should be sanctioned within 75 days from the date of receipt of the recommendation, after completing all formalities, the District Authority shall, however, inform MPs regarding rejection, if any, within 45 days from the date of receipt of recommendations, with reasons thereof. These provisions have been made in order to facilitate MPs to recommend works at any time during the financial year depending upon the felt needs of the public at large, whereas the DAs are bound to examine such recommended works within a maximum period of 75 days.

With regard to the suggestion of the Committee to advise MPs to timely recommend as far as practicable, the works pertaining to sectors like education, drinking water supply, health and family welfare, drainage etc. so that both short term and long term benefits are extended to the people and time and cost overrun is avoided, it may be mentioned that it is prerogative of the MPs to recommend works based on the locally felt needs of the people and therefore it may not be desirable to put some restrictive timeframe in view of the spirit of the guidelines. In addition, it may be stated that the guidelines have been recently amended to require the District Authority to maintain a suggested "Shelf of Projects" which will be only suggestive and not binding (Para 3.37 of the Guidelines) and may be of help to the MP in choosing useful projects as per local demand.

Regarding exploring the feasibility of the provision of issuance of structural safety certificate by the local/competent authority for very old aided school buildings, where building plans are not available, it would be for departments of the State Govt./UT to take necessary action in this regard.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

14. The Committee are shocked to note that nine DAs in eight States executed 700 works costing Rs 9.45 crore without formal recommendations of the MPs concerned. In addition, three DAs in three States executed 150 works amounting to Rs 2.44 crore, recommended by the representatives of the MPs. It is really incomprehensible that on the plea of urgency of work and assurance of the local MLA to make available funds from the MPLAD Scheme, the District Authorities had sanctioned the work in anticipation of the MP's recommendation. As per the provisions of para 3.12 of the Guidelines, the implementation of the works under the MPLAD Scheme should start only after the receipt of the recommendation of work from the MPs. This is to be scrupulously followed by the District Authorities and if any deviation occurs, the State Government can take disciplinary action against the DAs. But the Committee are perturbed to observe that no disciplinary action has been taken against the erring DAs even after a lapse of five/six years and the Additional Secretary, Ministry of Statistics and Programme Implementation, though submitted before the Committee that the Ministry do not support such kind of action on the part of the DAs and it calls for disciplinary action, the Ministry have not taken up the matter at the appropriate level. In view of the fact that award/implementation of works without formal recommendation from the MPs is a clear violation of the provisions of the MPLADS Guidelines and tantamount to gross irregularities, the Committee urge the Ministry to bring the irregularities committed by the DAs concerned immediately to the notice of the Union Department of Personnel and Training and also to the Chief Secretary of the State Government concerned for initiating disciplinary action against the defaulting officers. The Committee are of the firm opinion that such an action on the part of the Ministry is imperative so as to convey in unambiguous terms that irregularities of such nature would not be brooked or allowed to go unpunished. The Committee further desires that as soon as the MPs recommend a particular work, the same should be intimated by the IAs to the beneficiaries.

Action Taken/Comments

As and when any irregularities committed by the District Authorities would be brought/come to the notice of the Ministry, the same would be taken up with the Chief Secretary of the State Government/Administrator of the UT on case to case basis for taking appropriate action against the defaulting officers. In case of All India Service Officers, after taking up with Chief Secretary and obtaining his replies, the serious irregularities will be brought to the notice of DOPT for appropriate action if felt necessary.

Regarding intimation by IAs to the beneficiaries, it is mentioned that as per the prescribed procedure, the implementing agencies are assigned works only after sanction is accorded by the district authorities of the works recommended by the MPs. Therefore it is not feasible for the IAs to intimate details of recommended works to the beneficiaries. However, in the new software being developed by the Ministry, the details of the works recommended by an MP will be reflected. This information will be available in the public domain and can be viewed by one and all.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

15. The Committee note that the Ministry have issued the illustrative list of eligible works under the MPLAD Scheme to all the States/UTs. Despite that, the Committee note that during the period from 2004 to 2009, an expenditure of Rs 73.76 crore was incurred on 2340 works which are prohibited as per the Scheme Guidelines. It is the responsibility of the DAs to examine and sanction only eligible works recommended by the MPs. Therefore, the explanation of the Ministry that sometimes due to compelling circumstances the DAs have to act on the recommendations of the MPs for one reason or the other beyond their control, resulting in execution of prohibited works is not acceptable to the Committee. Though the Ministry have reported that they have been taking action wherever such irregularities are pointed out and asking for recoupment of funds. Yet the exact amount of funds recouped from the defaulting authorities in the States/UTs concerned is yet to be known to the Ministry. Since award of prohibited works is illegitimate under the Guidelines, the Committee impress upon the Ministry to urgently take up the matter with the State Governments concerned so that funds are recouped with interest, wherever prohibited works have been awarded/implemented, as per the provisions contained in the Guidelines. The Committee wish to emphasize that it is incumbent upon the DAs to bring to the notice of the MPs the distinction between the eligible and prohibited works in terms of the Guidelines and to stand firm to ensure that under no circumstance or condition prohibited works are executed. It also need to be made abundantly clear that responsibility shall be fixed on the DAs and exemplary action taken against them if any deviation is made by them from the approved Guidelines.

Serial No -15, Para -15 of the 55th
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Action Taken/Comments

It is the responsibility of District Authority to examine and sanction only eligible works recommended by the Hon'ble MPs. In case of violation of the Guidelines, States/UTs Governments are requested to investigate the matter for initiating necessary disciplinary action against the District Authorities/officials found responsible and for recoupment of funds for irregular works. In order to have better appreciation and

implementation of Guidelines, the Ministry provides regular training to the State/District officials. This Ministry has also been regularly requesting the State/UTs Governments to adhere to the provisions of the Guidelines to avoid recurrence of such lapses. The chief Secretaries/Administrators UTs have been requested to send the details of the District Officials, who were responsible for the irregular implementation of MPLADS works in violation of the Guidelines and corrective measures taken to avoid recurrence of irregularities including necessary action taken against the erring officials found responsible and recoupment of funds spent for irregular/prohibited works.

From the replies received from the State Government/UTs, it has been observed that the work has been completed and the assets have been handed over to the user agencies. Action against the erring officials found responsible for executing irregular/prohibited works are being initiated. The Ministry has been emphasising the concerned states Government/UTs through letters to State Nodal Authorities to direct all the district authorities to recoup the funds incurred on the prohibited works.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

16. The Committee note that in 10 States, Rs 14.40 crores were sanctioned and released for works pertaining to 34 Trusts/Societies, which exceeded the ceiling of Rs 25 lakh per Trust/Society as fixed under the Scheme Guidelines. The Committee further note that in seven States, the DAs sanctioned Rs 5.94 crore to 145 Trusts/Societies which were either not eligible as per the Guidelines or whose eligibility were not verified by the DAs. The Ministry have attributed reasons like non-obtaining of declarations from the Trusts/Societies by the DAs, lack of interaction amongst the DAs and lack of transparency due to non-availability of records of the Trusts/Societies online, for the above cited irregularities in the States of West Bengal, Meghalaya and Jharkhand whereas no response has been received from other States like Jharkhand, Goa, Maharashtra and Rajasthan. The Committee deplore the sorry state of affairs leading to blatant violation of the provisions of the Guidelines and the resultant siphoning away of public funds. They desire that the Ministry expeditiously obtain the clarifications from those States which have not yet responded to the lapses, examine the explanations of all the States concerned and prevail upon them to investigate the matter for initiating necessary and appropriate action against the erring officials and the Committee be apprised of the specific measures taken in this regard. The Committee also desire that a Central database containing district-wise list of all the eligible Trusts/Societies be maintained by the Ministry so as to avoid recurrence of lapses and to facilitate timely recoupment of funds.

**Serial No -16, Para -16 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

It is informed that clarifications have been received from all the concerned States, except Jharkhand, which is reminded periodically. With regard to Central-data base of Trusts/Societies, it may be mentioned that it will not be possible to maintain Central data base. However, Ministry is asking the District Authorities to maintain district-wise data base in respect of Trusts/Societies to whom work is allocated.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

17. The Committee recommend that the ceiling of Rs 25 lakh per Trust/Society as per the Scheme Guidelines should be doubled commensurate with the increase of the MPLAD fund from Rs 2 crore to Rs 5 crore per MP. They also desire that in view of the highly commendable works done by some Trusts/Societies of national/international repute, the allocation of the prescribed MPLAD fund to them should not be a onetime affair. In other words, based on the periodic assessment of the performance of the Trusts/Societies, they may be allocated funds at regular intervals, say every five/six years.

**Serial No -17, Para -17 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

Under the existing guidelines on the MPLAD Scheme, Para 3.21 deals with the issue pertaining to registered societies/trust. Till recently not more than Rs. 25 lakhs could be spent from MPLADS funds for one or more works of a particular societies/trust. If a society has however availed of MPLADS funds up to Rs. 25 lakhs no more work could be recommended to that society/trust under the scheme. This particular provision has recently been modified retaining the limit of Rs. 25 lakhs but authorizing MPs to recommend funds only up to Rs. 50 lakhs in a financial year from the MPLADS funds in consultation with both the Committees of Parliament on MPLADS.

Several MPs have also represented to remove the ceiling of 50 lakhs that an MP can recommend in a financial year. The matter was examined in consultation with both the Committees of Parliament on MPLADS. Both the Committees have suggested to remove the ceiling of Rs. 50 lakhs that an MP can recommend to trusts/societies in a financial year. However, the Ministry has solicited comments of the Committees on Para 60 and 71 of the report of the Committee to inquire into the allegation of improper conduct of some members in implementation of MPLADS. The comments are still awaited from Lok Sabha Committee. On receipt of the same from them, the Ministry will like to examine the matter further.

(Arvind Kumar)
Joint Secretary

18. Although the MPLADS Guidelines stipulate that the time limit for completion of works should generally not exceed one year, the Committee note that percentage of works remaining incomplete ranged from 48.23 percent in 2004-05 to 59.28 percent in 2006-07 reportedly due to various reasons which *inter-alia* include late receipt of recommendation of work from the MPs, selection of inadmissible work, non-identification of land, local disputes, delay in tendering procedure, imposition of election code of conduct and shortage of staff in DRDA/Nodal Agency in the District. The Committee are also unhappy to note that 33 States/UTs have not yet reported the action taken against the Implementing Agencies who failed to complete the work within the stipulated time mentioned in the sanction letter. To make the matter worse, the Ministry are not in a position to effectively monitor the incomplete works as according to their own admission they do not get the reports about the completion or non-completion of the projects due to insufficient updation of the information by the DAs. Even then, the Ministry are just in the thinking stage of developing a single portal whereby they could get the status of work on real time basis. The Committee feel that it is high time the Ministry rose to the occasion and considered setting up of an effective institutional mechanism for regular and concurrent monitoring of the ongoing works in view of the fact that the cumulative number of works is increasing every year. Needless to stress that the upkeep of data on the implementation of the MPLAD Scheme requires tremendous improvement. In fact, the implementation process, right from sanction of works till their completion must be IT enabled and a comprehensive software portal is an absolute must for effective data compilation, management and monitoring. The Committee, therefore, emphasize that urgent centralized efforts at the level of the Ministry be made to develop a single portal, if required by outsourcing reputed IT firms, for streamlining the data base management system and obtaining data on real time basis so that not only the assets created under the scheme are highlighted for public awareness and scrutiny but also requisite corrective measures are taken as and when warranted. The Committee further desire that the Ministry should appropriately take up with the State Governments the matters of procedural impediments like non-identification of land, local disputes, delay in tendering procedure etc. so that

timely action is taken and delay in implementation/execution of works is avoided. It is also imperative on the part of the Ministry to unfailingly bring to the notice of the Chief Secretaries of those States who have not yet clarified the delays on their part in the execution of MPLADS works. Even after that, if the State Governments concerned fail to comply, the matter should be brought to the notice of the Chief Ministers so that responsibility is fixed on the errant officials and action taken against the defaulting Implementing Agencies.

**Serial No -18, Para -18 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

From the replies received from the State Nodal Authorities/UTs Authorities, it has been seen that most of works were pending either have been completed or cancelled except those cases who are held up due to court cases. Ministry is aware about the undue delay on the part of the State Government/UTs and have directed all the States/UTs to look into matter and investigate and initiate disciplinary cases against the erring officials of District Authorities found responsible for irregular sanction and further invoking the penalty clause against the Implementing agencies who failed to complete the work in time as stipulated in the Guidelines.

The Ministry of Statistics & Programme Implementation has already initiated the process of development of an integrated MPLAD Scheme system for monitoring MPLAD Scheme funds release, funds monitoring, Monitoring of expenditure incurred at Macro and Micro level through NICS. The proposed system will be a dynamic user friendly web application and will be a single portal of reference for all the stake holders. The portal will ensure Micro (works), Macro (release and expenditure level) reporting and monitoring of timely utilization of funds.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

19. The Committee are concerned to note that 391 works at an estimated cost of Rs. 18.08 crore, already released by the DAs, could not be commenced during the period 2004-09 in 10 States/UTs. Further, 2006 works amounting to Rs. 279.99 crore in 16 States/UTs remained incomplete for periods ranging from one year to five years and in some cases even upto 15 years. Not only that, 307 works on which Rs. 13.90 crore was spent were abandoned or at standstill in 11 States/UTs. Such a large number of works involving huge sum of money remaining incomplete, nonstarters and stand still belie the Ministry's assurance that they do review the physical and financial performance of the MPLAD Scheme in their biannual and monitoring meetings with the State Government/DAs. In fact, as per their own admission before the Committee, the Ministry initiate action and give appropriate directions only on receipt of specific complaints, if any, in a particular District. The Committee are of the considered opinion that in a Centrally sponsored Scheme like MPLADS, the Ministry cannot and should not remain content by merely issuing the Guidelines and expecting the State Governments/DAs to perform according to the provisions contained therein. As an ounce of practice is worth more than tons of preachings, the Ministry ought to strengthen their own monitoring mechanism, take serious note of the inordinate delays in the commencement and completion of the projects under the Scheme and resort to corrective measures viz. stopping further release of funds and bringing the non-performance of the Officers/Agencies concerned to the notice of the Central/State Government Authorities for initiating necessary disciplinary action.

**Serial No -19, Para -19 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

This Ministry monitors the MPLADS work through Monthly Progress reports, Utilisation Certificates and the Audit Certificates submitted by the District Authorities. Physical and financial progress is reviewed in Bi-annual Review Meetings wherein state Nodal secretaries of the States/UTs participate. Senior Officers of the Ministry from time

to time visit States/UTs to review MPLADS works and provide the training to the State/UTs Government Officials for better utilization and effective monitoring. The State/UT Nodal Authorities/District Authorities are instructed to strictly adhere to the provisions of the Guidelines to avoid recurrence of lapses. The major handicap in effective monitoring at the Ministry level is lack of staff for monitoring. The case has been taken up with Ministry of Finance, Department of Expenditure for creation of posts for a Monitoring Cell in MPLADS.

As regard incomplete works is concerned, it has been ascertained from the reply received from the States/UTs, the works have either been completed or in case the work is abandoned due to one reason or the other, the funds have been recouped.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

20. The Committee find that one of the main reasons for a substantial number of projects, especially immovable, remaining incomplete is that a large sum cannot be sanctioned at one go under MPLAD Scheme and projects like school buildings cannot be normally completed in one season. The Committee would, therefore, like the Ministry, as also assured by the Secretary in evidence, to examine the feasibility of obtaining commitment from the MPs that the subsequent amount would also follow for completion of the projects. To be fair to the District Authorities who are primarily responsible for execution of works under the MPLADS, a mechanism should be devised whereby the DAs could get written assurance from the MPs regarding timely and subsequent release of funds so that they can take into account the cost of the projects, the pattern of release of funds, the tenure of the MPs concerned etc. for smooth completion of the projects within a definite time frame. The Committee also desire that a concurrent monitoring mechanism for the ongoing projects may be introduced in the Guidelines to resolve various issues including delay in release of installment of funds so that time and cost overrun in the execution of projects are avoided.

**Serial No -20, Para -20 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

As per Para 3.9 of the MPLADS Guidelines, the work should be sanctioned and executed only if the MP concerned has allocated the full estimated cost of the work in the year. If the commitment for the full estimated amount is not forthcoming and the amount recommended by the MP is less than the estimates for the work and there are no other sources from which the deficit can be made good, then the work should not be sanctioned, as in such an eventuality, the project will remain incomplete for want of sufficient funds. The shortfall in the estimated cost vis-à-vis the one recommended by the MP should be intimated to the MP as early as possible but not later than 45 days of the receipt of the proposal and the district authority is not supposed to sanction any work for which financial clause is not complete, i.e. total resources are not tied up. In view of the clear provision already available in the guidelines, there is no need to further amend the guidelines.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

21. Although the Guidelines stipulate the time frame for sanction and completion of eligible works under the MPLADS, the Committee note that there has been no provision for the completion of abandoned/suspended works. The Ministry have clarified that as the implementation of the Scheme is the responsibility of the DAs, the State Governments are expected to complete the abandoned/suspended works from their own funds. The Committee desire that a suitable provision to this effect be incorporated in the Guidelines so that if it becomes mandatory for the State/UT Governments to complete the abandoned/suspended projects from their own funds, they would certainly take action against the DAs/IAs who abandon works after incurring expenditure on them.

**Serial No -21, Para -21 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The Ministry has incorporated a provision, as per Para 3.3.1 of the Revised Guidelines that in case there is still any abandoned/ suspended MPLAD work under the Scheme, it shall be completed by the State Government from their own funds. The Government will also fix responsibility and take necessary disciplinary action against the erring officials. District Authority (DA) may ensure that the funds must have been utilized as sanctioned earlier so that duplication of allocation of funds does not arise.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

22. The Committee note that the Ministry themselves have not assessed the adverse impact of the delay in execution of works under the MPLAD Scheme. They have, however, assigned to NABARD Consultancy Service Pvt. Ltd. (NABCONS) the job of having an independent/monitoring review of the works completed under the MPLADS. The NABCONS accordingly carried out its study in three phases in the years 2007-08 to 2009-10 covering 30, 43 and 60 Districts respectively. The Committee's perusal of the NABCONS 2009-10 report covering 60 Districts in 24 States/UTs has revealed that the Consultancy Service has given some very useful suggestions/recommendations in the effective implantation of the MPLAD Scheme. The Committee desire that the Ministry should appropriately consider the suggestions made by the NABCONS for implementation in the smooth functioning of the Scheme. They also recommend that more Agencies like the NABCONS be engaged in such independent assessment of the Scheme so that more and more Districts are covered and corrective action taken to make the Scheme fruitful.

**Serial No -22, Para -22 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

Based on reports received from the NABCONS, this Ministry has already taken up the issue of irregularities/shortcomings observed with the concerned Districts and the States/UTs Governments and the corrective action that needs to be taken in this regard. The Ministry also takes up these issues in the Bi-annual Review meetings held with the State Nodal Secretaries of all States/UTs. Besides, the monitoring meetings are also held with State/District Authorities concerned during the visit of senior officials of the Ministry. Training is also imparted to the States/Districts officials on the MPLADS Guidelines for effective implementation and monitoring of the Scheme.

As far as the suggestion of the PAC for engaging more agencies like NABCONS for independent assessment through physical monitoring is concerned, it is mentioned that the Ministry has now assigned the physical monitoring third party physical monitoring work of 50 districts each in North and West Zones to independent agency viz. Agriculture Finance Corporation (AFC). The selection of agencies for East and South Zone (50 districts each Zone) is under process.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

23. The MPLADS Guidelines provide that all the eligible works under the Scheme are to be sanctioned within 45 days of the receipt of the recommendations from the MPs. But, the Committee note that there were delays, in many cases even upto one year, in according sanction by the DAs in respect of 28,135 works in 104 Districts of 28 States/UTs. The Ministry have furnished reasons for the inordinate delay in sanction of works which *inter-alia* include delay in administrative and tendering procedures, non-submission of the estimates from the IAs in time, non-identification of land and work place, dependency on engineering/other officers for technical estimates of the recommended works, non-fulfillment of formalities by the IAs, lack of additional infrastructure and manpower, imposition of model code of conduct of elections and change in design on the recommendation of the MPs as per the demand of the public. Taking into account the reasons given by the State Governments, the Ministry have reportedly emphasized that rejection of the works, if any, has to be made within 45 days from the date of receipt of the proposal and approval has to be accorded after obtaining all the clearances within 75 days. The Committee are unhappy with the reasons adduced for the delay in sanction of works and they are not convinced with the rationale on which the Ministry have given 30 days more to the State Governments for sanction of work when the Guidelines clearly stipulate that all the eligible works under the Scheme are to be sanctioned within 45 days of the receipt of the recommendations from the MPs. The Committee, therefore, stress that the time line prescribed between the recommendation and sanction of works under the Scheme be strictly adhered to and the DAs be impressed upon to resolve the administrative impediments in coordination with the other departments concerned so as to timely overcome the procedural shortcomings like delay in tendering process, non-identification of land/site, non-fulfillment of formalities by the IAs etc. The Committee specifically emphasise that no work should be awarded without requisite administrative approval or without following proper tendering procedure as any deviations in this regard would lead to irregularities. The Committee also desire that the Ministry should take up with the State Governments the matter of strengthening the staff position at the DA level, who are primarily responsible for the overall implementation of the MPLADS. In fact, there is an urgent

need for an assessment of the ideal staffing pattern and redesigning of job specifications of the staff at the DA level with a view to facilitating creation of dedicated cell for MPLADS in each DA's office with appropriate staff and adequate infrastructure for effective inspection and implementation of the Scheme.

**Serial No -23, Para -23 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The time period for sanction of the recommended works was raised to 75 days from 45 days taking into account that the district authorities were finding it difficult to complete various requirements like obtaining of technical estimates, clearances from various authorities, identification of land/site, ascertaining of title deeds in respect of land in question, etc. within the stipulated 45 days. However, in case of rejection, the time period of 45 days was retained in the guidelines.

With regard to the suggestion of the Committee that no work should be awarded without administrative approval and without proper tendering process, it may be mentioned that the provisions of the MPLADS guidelines are very clear as district authorities are required to follow the established work scrutiny, technical work estimation, tendering and administrative procedure of State/UT government in the matter of execution. As and when any deviation is brought to Ministry's notice, appropriate disciplinary action including recoupment of fund is suggested to the State government.

For creation of dedicated cell in the DA's office for MPLADS a provision has been made under administrative expenses of 2% for hiring of services/consultants for handling accounts, data entry, uploading of data on website. As far as inspection of works is concerned, provision also exists in Paras 6.3 & 6.4 of the MPLADS guidelines.

(Arvind Kumar)
Joint Secretary

24. Instances of sub-standard works under the MPLAD Scheme in Delhi and Uttar Pradesh have come to the notice of the Committee during the course of the examination of the subject. While the Delhi Government have explained the position i.e. difference in specification in the schedule items and the job mix formula leading to a financial implication of Rs. 66 lakh, the report from the UP Government is still awaited in the Ministry. In order to maintain the quality and credibility of the assets created out of MPLAD funds, the Committee impress upon the Ministry to introduce and operationalise an effective quality control mechanism for the MPLADS, in line with other CPWD/PWD works, The Committee also recommend that the DAs should carry out regular and surprise monitoring of the ongoing and completed projects so that in case of any quality compromise action could be taken against the Implementing Agencies. The Ministry/State Government authorities should also take periodic stock of the position during their field visits so that appropriate action could be initiated against the District Authorities, if found wanting in their assigned roles and responsibilities. The Committee further recommend that the Ministry should obtain and compile periodical reports/returns from the DAs indicating the total number of works undertaken in their respective Districts and the number of inspections carried out by them as per the provisions of the Guidelines so that effective checks and corrective measures, wherever needed, could be initiated concurrently.

**Serial No -24, Para -24 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

As per MPLADS guidelines, the district authorities are mandated to inspect at least 10% of the works under implementation every year, involving MPs in the inspection of projects to the extent feasible. Additionally the State Nodal department are also required to inspect a minimum of 1% of the MPLADS work in a district every year. An Inspection Register is required to be maintained at State level and Follow up Action is required to be taken on the findings during these inspections.

With regard to obtaining reports regarding number of works undertaken and number of inspections carried out from the district authorities, a column No. III (k) already exist in the MPR under which, the district authorities are required to indicate the number of inspections undertaken during the month as well as the cumulative number .

Senior officers of the Ministry also from time to time make field visits.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

25. The Committee are highly concerned to note some instances of the MPs recommending the names of the Implementing Agencies alongwith their recommendations for works, although the Guidelines debar the MPs from making such recommendations. Worse, in some cases the recommended IAs were found to be the used agencies, to whom the funds, were released. Explaining the position, the Ministry have clarified that wherever the DAs, who shall identify the IAs under the provisions of the Guidelines, deviate from the prescribed procedure, the Ministry writes to the States for taking necessary action against the officials concerned. In this context, the Committee feels that the Ministry should periodically advise and remind the MPs not to recommend the names of the IAs which is strictly prohibited under MPLADS guidelines. However, before identifying the IAs to carry out the works, the DAs may have informal consultations with the MPs, to short list IAs having done exemplary work in specific areas and have expertise in certain types of works. Thereafter, the DAs should exercise due diligence in scrutinizing the suggestions of the MPs, in accord with the provisions contained in the Guidelines, failing which responsibility be fixed on the DAs for non-adherence to the prescribed procedure.

**Serial No -25, Para -25 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

A free hand has been given in Guidelines to the District Authority to identify the agency through which a particular work recommended by the MP should be executed. The executing agency so identified by the District Authority is the implementing agency.

District Authorities are required to adhere to the Guidelines while selecting the Implementing Agencies. Where ever District Authorities are found responsible for non adherence of Guidelines in this regard, Ministry writes to the States for taking necessary action against the concerned officials.

In order to obviate any irregularities, this Ministry hold meetings in the States and also at the centre at least twice in a year to review the implementation of MPLAD Scheme. Besides, this Ministry conducts training of district officers on MPLADS at regular intervals for effective implementation and execution of Guidelines. It is expected that the State Government will make all efforts to implement the scheme in letter and spirit.

The District Authorities have been requesting in writing to the Hon'ble MPs for desisting from the practice of nominating the Implementing Agency while recommending the works. This measures help and make aware the MPs regarding the provision of the Guidelines in the area of selection of Implementing agencies.

The advice of the PAC in this regard is being communicated to MPs.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

26. As per the Guidelines the District Authorities are required to maintain Works Register indicating the position of each work recommended by the MPs. They are also required to maintain the Assets Register showing the assets created under the Scheme funds. But, much to the consternation of the Committee, cases of either non-maintenance or incomplete Work and Asset Registers have come to the notice. The Ministry have reportedly been requesting the State/UT nodal authorities to direct all the DAs to ensure maintenance of Work and Asset Registers. Even after that, there are slippages for which the Ministry is planning to have an integrated system to monitor the maintenance of such Registers. Since non-maintenance of Work and Asset Registers is a serious flaw, as also agreed to by the Ministry in evidence, which greatly impedes proper inspection and effective monitoring of the ongoing works and assets created, the Committee urge the Ministry to expeditiously develop a comprehensive integrated system, as under their consideration, so that scrupulous maintenance of the Registers by the DAs is effectively monitored and appropriate action taken in case of aberrations.

**Serial No -26, Para -26 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

As per para 6.4 (iii) & (iv) of the Guidelines, the district Authority shall maintain the work-registers indicating the position of each work recommended by the MPs. The district Authority shall also maintain a register of assets created with the Scheme funds. It is, therefore, mandatory to maintain the work Register and asset Register indicating the position of the work recommended by the MPs and record of assets created with funds scheme. This will facilitate the process of monitoring of MPLADS work. Maintenance of Work & Asset Register was also discussed in the Bi-annual Review Meeting held on 06 February, 2012 and the need for effective monitoring of works created under MPLADS was emphasised. All the States/UTs have again been urged to maintain the Assets and Works Registers at the District level as well as Implementing Agencies level. In the replies received from the State Government /UTs Authorities, it

has been mentioned that Work Register and Assets registers are being maintained at the District level as well as Implementing Agencies level. The states/UTs who were not maintaining the assets registers at the district level have intimated that directions have been issued for maintenance of Work and Asset register at the district level and ensured compliance.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

27. The DAs are expected to get in advance a firm commitment about the operation, upkeep and maintenance of the proposed assets from the user agency concerned before the execution of the work is sanctioned. But , the Committee observe that in practice many cases of non-use or misuse of the assets are there. Although, based on the replies received from some of the States concerned, the Ministry have informed that no case of misuse has been reported so far, the Committee desire the Ministry to investigate the reported cases of misuse of assets in view of the Audit observation with photographic evidences in some cases. Based on the findings of such investigation, action should be initiated against the persons responsible for misuse of assets. They also desire that documentation in respect of handing over of assets created under MPLAD be streamlined at the DA level by effective supervision and monitoring.

**Serial No -27, Para -27 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

Para 3.6 of the Guidelines stipulates that the District Authority should get in advance a firm commitment about the operation, upkeep and maintenance of the proposed asset from the User Agency concerned before the execution of the work is sanctioned. Once the assets are created under the MPLAD Scheme, these are handed over to the User Agencies. It is the responsibility of the user agency for upkeep, maintenance and use for the purpose for which it was created. The Ministry also undertakes the third party independent monitoring of the scheme under which proper utilization of the assets created is being examined and reported. The State Nodal Authorities/UTs Administrator have intimated that instructions have been issued to all the District Authorities to adhere to the Guidelines and upkeep and maintenance of the assets created is ensured by the User Agencies. This Ministry has already taken up the issue with the State Nodal Authorities with a copy to Nodal District for entering into agreement with the user agencies for upkeep and maintenance of the assets. The replies received from the State Nodal Authorities indicate that instructions have been issued to all the Nodal Districts for proper implementation of the provision of the

Guidelines. Nodal District Authorities have indicated in their replies that they have started taking agreement from the user agencies ensuring proper implementation of the scheme.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

28. The Committee note that the assets created by utilizing the MPLADS funds are handed over to user agency and thereafter it is the responsibility of the user agency to maintain/upkeep these assets. The Committee are, however, informed that there is no provision under the Scheme for use of MPLADS funds for the maintenance or replacement of assets created under the Scheme. In view of the fact that some assets such as vehicles, ambulances, medical equipments or machines have a limited life span after which such assets wear away and maintenance of these assets cannot be done or may not be economical, the Committee feel that in such cases, existing Guidelines of the Scheme is not helpful in replacement of such assets. The Committee are of the view that the Guidelines should be suitably reviewed by the Ministry with a view to reexamining the existing provisions of the maintenance of assets so that adequate provisions are incorporated which would allow the MPLADS funds to be utilized for maintenance, repair and replacement of the assets. The Committee would also like the Ministry to explore the Public Private Partnership model for the maintenance of assets like roads created under the MPLADS.

**Serial No -28, Para -28 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The main objective of the MPLAD Scheme is to enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their Constituencies. Accordingly, right from inception of the Scheme, durable assets of national priorities viz. drinking water, primary education, public health, sanitation and roads, etc. are being created. Maintenance, repair and replacement of the assets created under the MPLADS are not permissible. If we allow such activities under the MPLADS, the very purpose for which the scheme has been conceived will be defeated. It may, however, be stated that for maintenance, the responsibility rests with the State authority to whom the assets have been handed over. For replacement of assets, it may be stated that once useful life of asset is over as per State rules, then, new assets can be created under the MPLADS if so recommended afresh by any MP out of his/her MPLADS fund. The condemned vehicles

are required to be auctioned as per State procedure and the proceeds remain with the State Authorities.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

29. The Committee observe that the State level Monitoring Committee headed by the Chief Secretary/Divisional Commissioner, which is to hold annual meeting with DAs & MPs to review the progress of implementation of MPLADS, have not even been constituted in three States/UTs. In other States, the Monitoring Committee either failed to meet annually or never held any meeting. The Committee express their serious displeasure on this pathetic state of affairs and recommend that the Monitoring Committee at the State level under the Chairmanship of the Chief Secretary/Divisional Commissioner/ Additional Chief Secretary be constituted expeditiously and the meetings of such Committees be convened at least once in a year with wider participation of MPs to enhance the accountability of the DAs. The Ministry should ask for regular compliance reports in this regard in their biannual meetings with the State authorities so that corrective measures are taken as and when required. As assured in evidence, the Committee would like the Ministry to involve the Minister to write to the Chief Ministers so that the officers responsible for dereliction of duty could be taken to task.

**Serial No -29, Para -29 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

As per para 6.3 (i) of the Guidelines, meeting under the Chairmanship of Chief secretary/Development Commissioner should be held to review implementation of the MPLAD Scheme with District Authorities and MPs at least once in a year. District Authority is required to review and monitor the Progress of the Scheme on quarterly basis in which MPs are also to be called. However, during the recently held Bi-annual Review Meetings on MPLADS, the District Authorities informed that despite their repeated requests to the MPs to attend such meetings, some of the MPs are not attending the review meetings nor do they send any reply to the notice of the meeting. The District Authorities have however been asked to continue to invite the MPs in the meetings.

All the state Government/UTs administration have been advised to hold Monitoring Committee Meetings at least once in a year and furnish the Minutes to the Ministry.

(Arvind Kumar)
Joint Secretary

**(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)**

30. The Committee are concerned to note that in 18 States/UTs, only 13.69 percent of MPLADS funds were sanctioned for areas inhabited by the SC/ST community against the requirement of 22.5 percent as per the Guidelines. It shall be the responsibility of the DAs to enforce the provisions of the Guidelines in this regard. Although the Guidelines have recently been amplified to give ample flexibility to the MPs to go beyond the list of shelf of Projects in order to meet the needs of the SC/ST people, the Ministry have not collated the data on expenditure under the Scheme for the benefit of the SC/ST people on the plea of inadequate manpower. The Committee are not satisfied with the reply of the Ministry. They desire that the Ministry must compile and collate on an annual basis the expenditure under the MPLADS for SC/ST population, either utilizing the available resources or by augmenting them, so that any aberrations/slippages on the part of the DAs are rectified. The Committee specifically desire that in case a constituency does not have ST inhabited area, the 22.5 percent earmarked funds may be utilized in SC inhabited areas and *vice-versa*, in consonance with the provisions contained in the Guidelines.

Serial No -30, Para -30 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)

Action Taken/Comments

The works are recommended by the Hon'ble MPs to the District Authorities. As per para 2.5 of the Guidelines, the MPs are expected to recommend every year works costing at least 15% of MPLADS fund for areas inhabited by Scheduled Caste population and 7.5% for areas inhabited by Scheduled Tribe population. Provision already exists in the Guidelines that in case, a constituency does not have ST inhabited area, such fund may be utilized in SC inhabited areas and vice-versa. It is the responsibility of the District Authority to enforce this provision of the Guidelines.

The Guidelines have recently been amplified to include para 3.27 which provides availability of shelf of Projects including projects for SC/ST inhabited areas to MPs. Though the Shelf of Projects is only suggestive, it gives ample flexibilities to the MP to go beyond the list in order to meet the needs of the people.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

31. The Committee are shocked to note that neither the Ministry nor 17 States/UTs have made any arrangements for an internal audit of the MPLAD Scheme. Much to the chagrin of the Committee, the internal audit wing of the Ministry have submitted that internal audit of the Scheme has never been conducted since the inception of the Scheme. In view of the fact that internal and concurrent audit is an integral part of a strong internal control and monitoring system, the Committee impress upon the Ministry to put in place forthwith a robust internal auditing mechanism and ask the State/UT Governments to engage the office of the C&AG of India at the state level for periodically auditing the MPLADS account of each individual MP. In this context, the Committee would like the Ministry to take into consideration the suggestions of the Institute of Chartered Accountants of India regarding changes in the Guidelines relating to Accounting procedures, improvements in quality of audit, guidance note on the conduct of audit on MPLADS funds etc. which have already been communicated to the Ministry by the ICAI.

**Serial No -31, Para -31 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

In order to consider changes in regard to audit accounts related matters under MPLADS, a committee was constituted in the year 2008. The report was received in the Ministry and was to be discussed in the presence of the representative from the Ministry of Finance (D/o Expenditure). The report was forwarded to Ministry of Finance, JS (PF-II) on 03.02.2012. The representative was also invited to the meeting held on 07.03.2012 and 12.4.2012 but no one attended the meeting from the Ministry of Finance nor their comments received. The Internal Audit Division of the Ministry in the meeting informed that as per Rule 6 (1) and (2) of the GFR, any change in these procedures/formats should have the approval of the M/Finance (D/o Expenditure). The Comments of the Ministry of Finance (D/o Expenditure) is still awaited.

At present, 'Internal Audit Wing' of Principal Accounts Office is conducting internal audit of two Ministries i.e Planning and Statistics & Programme Implementation.

However, it has been requested to the Office of the CGA to create 27 posts (01 DCA, 02 Sr AO, 06 A.A.O, 12 Accountant, 03 LDC and 03 MTs) in Internal Audit Wing to strengthen the internal Audit in the Ministry of Planning, Statistics and Programme Implementation. As soon as the posts are created and the staff are positioned, the work on the Internal Audit for the scheme as MPLAD etc will be taken up. The Ministry has also separately moved a proposal for creation of posts in the MPLADS Division as well as for posts for MPLADS accounts work. However, recently, Department of Expenditure, Ministry of Finance has issued Economy Instructions wherein ban has been imposed on creation of new posts and the proposal of this Ministry was returned with advice to resubmit after the ban is lifted. However, this Ministry had requested Department of Expenditure to consider the proposal for creation of post of this Ministry as a special case.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No C-16/2011-MPLADS/55th PAC Report dated October, 2012)

32. The Committee note that many of the systemic weaknesses affecting the implementation of the MPLAD Scheme were brought to the notice of the Ministry by the C&AG in two earlier performance Audit Reports in 1998 and 2001. Based on the suggestions of the C&AG for devising a robust monitoring mechanism, strengthening internal controls and impose greater financial discipline for the release and expenditure of MPLADS funds, the Ministry have reportedly modified the Release and Expenditure Guidelines in August, 2011 in consultation with the Department of Expenditure. What, however, concerns the Committee is the inordinate delay on the part of the State/UT Governments in furnishing Action Taken Notes to the Audit observations. For example, while partial replies to the Audit comments contained in their Report of 2010 have been received from most of the States/UTs, a single reply has not yet been received from eight States/UTs i.e. Arunachal Pradesh, Bihar, Dadra and Nagar Haveli, Goa, Gujarat, Jharkhand, Kerala and Nagaland. The Ministry, on their part, are just sending reminders. In view of the fact that Audit observations are meant to plug the loopholes and foster good governance, they ought to be taken with the seriousness they deserve. The Committee, therefore, desire that the Ministry should take up the matter at the Chief Secretary/Chief Minister level so that the State/UT authorities resort to adequate and timely preventive and punitive measures on the Audit observations in their own interest.

Serial No -32, Para - 32 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)

Action Taken/Comments

The Ministry has already taken up the with the Hon'ble Chief Minister of the concerned state. This has resulted in receiving the reply from the state of **Arunachal Pradesh, Jharkhand and Nagaland**. However reply from UT of **Dadra & Nagar Haveli** is still awaited despite following up the matter vigorously with the Administrator, UT of DNH. Suitable action will be taken against the concerned in case of non-compliance.

(Arvind Kumar)
Joint Secretary

(Ministry of Statistics & Programme Implementation Office Memorandum No
C-16/2011-MPLADS/55th PAC Report dated October, 2012)

33. To sum up, the Committee find that many basic flaws and fundamental weaknesses have been plaguing the MPLAD Scheme primarily due to inadequate monitoring of the Scheme at various levels. As regular monitoring at all the three levels i.e. Central, State and District is a powerful tool and an essential *sine qua non* for overcoming the shortcomings that bedevil the proper and effective implementation of the Scheme, the Committee exhort the Ministry to take note of their considered suggestions/recommendations, as highlighted in the preceding paragraphs.

**Serial No -33, Para -33 of the 55th
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken/Comments

The Ministry has taken note of the various suggestions/ recommendations of the Committee. Regular monitoring at all three levels i.e. Central, State and District of MPLADS works is a priority with the Ministry. At the Central level the Ministry is in the process of developing an integrated MPLADS website through which micro and macro level monitoring of all releases, expenditure, work status will be monitored. The Ministry also has taken steps to strengthen third party physical monitoring through independent agencies. The Department of Expenditure, Ministry of Finance has also been requested to sanction posts for creation of a dedicated monitoring cell in the MPLADS Division of the Ministry to enable exhaustive and extensive monitoring of MPLADS works at Central level. In addition the Ministry organizes bi-annual review meetings of Nodal Secretaries on implementation of MPLADS. The senior officers of the Ministry also undertake field visits from time to time to review proper implementation. At the State level provision of monitoring has been prescribed in the MPLADS Guidelines and the Nodal Departments in the State Governments have also been allowed to use 2% administrative expenses amount for undertaking third party inspection, physical audit, quality checks etc. At the district level various items of expenditure have been allowed to be incurred out of 2% of MPLADS funds earmarked for administrative expenses to facilitate monitoring of MPLADS works.

(Arvind Kumar)
Joint Secretary

ACTION TAKEN NOTES ON THE FIFTY FIFTH (55th) REPORT (15TH LOK SABHA) OF THE PUBLIC ACCOUNTS COMMITTEE ON 'MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME' (MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION)

**ACTION TAKEN NOTES ON THE FIFTY FIFTH (55TH) REPORT OF THE
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