

PUBLIC ACCOUNTS COMMITTEE

(2014-2015)

ANDHRA PRADESH LEGISLATURE

REPORT (FIRST)

ON

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL  
OF INDIA (CIVIL) FOR THE YEAR 2010-11 PERTAINING TO  
PLANNING DEPARTMENT

(Presented to the Legislature on 27-03-2015)

ANDHRA PRADESH LEGISLATURE (PAC) SECRETARIAT  
PUBLIC GARDENS, HYDERABAD-500004.

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COMMITTEE ON PUBLIC ACCOUNTS (2014-15)

(Constituted on 22-09-2014)

|     |                           |   |                      |
|-----|---------------------------|---|----------------------|
| 1.  | Sri Bhuma Nagi Reddy      | : | Chairman             |
| 2.  | Sri Thota Trimurthulu     | : | Member from Assembly |
| 3.  | Sri P.G.V.R. Naidu        | : | "                    |
| 4.  | Sri B.K. Partha Sarathi   | : | "                    |
| 5.  | Sri Y. Srinivas Rao       | : | "                    |
| 6.  | Sri B. Uma Maheswara Rao  | : | "                    |
| 7.  | Sri P. Vishnu Kumar Raju  | : | "                    |
| 8.  | Sri A. Suresh             | : | "                    |
| 9.  | Sri K. Govardhan Reddy    | : | "                    |
| 10. | Sri Rudraraju Padma Raju  | : | Member from Council  |
| 11. | Smt Pamidi Samanthakamani | : | "                    |
| 12. | Sri M.V.S. Sarma          | : | "                    |

LEGISLATURE SECRETARIAT:

1. Sri K. Satyanarayana Rao, Secretary (i/c.)
2. Sri P. Balakrishnamacharyulu, Deputy Secretary
3. Sri P.V. Subba Reddy, Assistant Secretary
4. Sri K.V.V. Satyanarayana, Section Officer

## INTRODUCTION

I, the Chairman of the Committee on Public Accounts (2014-15) having been authorized the Committee to present the First Report, on their behalf, do present this report on the Report of the Comptroller and Auditor General of India (Civil) for the year 2010-11 pertaining to Planning Department.

2. The Report of the Comptroller and Auditor General of India (Civil) for the year 2010-11 was laid on the Table of the House on 29-03-2012.

3. The Committee examined the report of the Comptroller and Auditor General of India (Civil) for the year 2010-11 pertaining Planning Department at their sitting held on 19<sup>th</sup> February and 2<sup>nd</sup> March 2015.

4. A statement showing the Summary of Observations/ Recommendations of the Committee is appended to this Report.

5. A record of proceedings of the sitting of the Committee, which has been maintained forms part of this Report

6. The Committee placed on record their appreciation of the assistance rendered to them by the Principal Accountant General (G&SSA), Andhra Pradesh and their officers and staff; Secretary to State Legislature and their Officers and Staff in examination and preparation of the Report. The Committee would like to express their thanks to the officers of Planning Department and other Officers and Staff of the Government of Andhra Pradesh for the Co-operation in giving information to the Committee.

Hyderabad,  
Dated: 18-03-2015

**BHUMA NAGI REDDY,**  
CHAIRMAN,  
Public Accounts Committee.



*Report of the Public Accounts Committee on the Report of the  
Comptroller and Auditor General of India for the year 2010-11  
(Civil) – Government of Andhra Pradesh*

**PLANNING DEPARTMENT**

PAC discussed the matters relating to the Department on 19 February 2015 and 02 March 2015.

**Para 10.2 Constituency Development Programme**

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**Para 10.2.1 Introduction**

Government of Andhra Pradesh launched "Assembly Constituency Development Programme (ACDP)" in April 2005 to enable the Members of Legislative Assembly (MLAs) to initiate developmental works within their constituencies. The scheme was implemented during 2005-08 and was revived in 2010-11 after a gap of two years, as "Constituency Development Programme (CDP)" extending it to Members of Legislative Council (MLCs). The annual allocation under the scheme was ` 50 lakh per constituency during 2005-06 and was enhanced to ` 1 crore per constituency<sup>1</sup> with effect from 2006-07. The works under the scheme should be developmental in nature based on locally felt needs and the emphasis is on creation of durable assets.

Audit of implementation of ACDP/CDP was carried out to assess whether funds allotted were utilised economically, effectively and efficiently for achieving the scheme objectives and proper books of accounts were maintained by the district authorities as prescribed in the scheme guidelines.

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<sup>1</sup> ` 50 lakh under MLA/MLC quota and ` 50 lakh under District in charge Minister quota

## 1. Para 10.2.2.6 Utilisation Certificates

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As per the guidelines, district authorities should handover the assets created to user organisation and submit utilisation certificate (UC) to the Planning Department within a period of one month from the date of completion of the work.

In respect of ACDP funds of `114.67 crore released by CPOs to the executing agencies, final UCs and expenditure particulars were not received by the CPOs of East Godavari (`43.31 crore), Guntur (`43.22 crore), and Visakhapatnam (`28.14 crore) districts. Thus, actual expenditure under the Scheme was not available either with the CPOs or the Government.

Government in its reply stated (December 2011) that instructions were issued to the executing agencies for submission of UCs.

*1.1 In the Explanatory Notes furnished (January 2015) to Public Accounts Committee Government stated that since the funds were already utilised, all the District Collectors were instructed to furnish the utilisation certificates.*

**1.2** When the Paragraph came up for discussion on 19 February 2015, Special Secretary Planning Department informed the Committee that Utilisation Certificates for the amounts released up to the year 2014 have been received from the respective implementing agencies. The Special Secretary further stated that submission of UCs at the end of each financial year is a common practice and hence, UCs would be received in March. However, in case of completion of works, UCs were to be submitted within a month after completion of the works.

**1.3** The Committee sought district-wise and project-wise details from the Government. Further, the Committee queried the following:

- i. How did the Government satisfy itself about the implementation of the scheme (execution of sanctioned works, etc) without receipt of UCs from the executing agencies?
- ii. What action was taken by the Government to ensure receipt of UCs immediately after incurring the expenditure?
- iii. Why were further funds released in the absence of UCs for earlier releases? Has accountability been fixed for the lapse of non-monitoring UC's for over 5 years?
- iv. Have the UCs been received for the entire expenditure from the executing agencies?

**1.4** In response to the Committee's observations, the Special Secretary stated that funds were provided (by the Finance Department) to the departments as per the number of MLAs and MLCs in the district. Funds were being released directly to the PD Accounts of the Chief Planning Officers concerned. As and when the works were sanctioned by the Hon'ble MLAs or MLCs, the funds would be released to the Executing Agency. Further, the Special Secretary proposed to include a clause in the guidelines that funds would not be released for new works if the UCs were not furnished for the works already executed and to the extent of amount utilised.

**1.5** The Committee, however, felt that imposing such a condition would complicate the release of funds for new works and opined that a condition in the guidelines regarding furnishing UCs along with final bill of the work would suffice.

**1.6** The Committee enquired about the existing monitoring mechanism in the department with regard to receipt of UCs.



1.7 The Special Secretary replied that monitoring is being done regularly and UCs in respect of the funds released up to March 2014 were received. UCs for the year 2014-15 would be received by end of March 2015. The Special Secretary further stated that there are about 90,000 works which are in progress and there existed some problems in executing these works.

1.8 The Committee desired to have the district-wise details of non-receipt of UCs for all the 13 districts. However, Government could not furnish the details and sought extension of time for furnishing the same.

1.9 When the Paragraph came up for discussion again on 02 March 2015, Special Chief Secretary informed that under Constituency Development Programme 2010-11, UCs in respect of East Godavari, Guntur and Chittoor districts had been received in full and in case of Visakhapatnam district however, UCs were furnished for `8.96 crore against `13.61 crore released to the end of March 2014.

1.10 The Committee expressed displeasure over non-receipt of UCs for such a long period and sought the reasons therefor. The Committee further observed that CAG's audit was only a test-check and therefore sought to know the status of receipt of UCs in all the 13 districts and action taken for the delays in receipt of UCs.

1.11 The Special Chief Secretary informed the Committee that records relating to UCs under ACDP for the years 2005-06, 2006-07 and 2007-08 are not traceable in Visakhapatnam district as the officials who dealt with the subject are not presently working there and therefore it would require some time to trace the records.

1.12 The Director, Planning stated that action has not yet been taken in the above cases but strict instructions were already given.

1.13 The Chairman expressed anguish over the lethargic approach of the officials in this regard.

1.14 The Special Chief Secretary stated that UCs were received in time from the Executing Agencies, but they were not able to trace the copies of UCs. The Special Chief Secretary further stated that although the receipt of UCs was acknowledged, the UCs were not traceable.

1.15 The Committee expressed dismay at the state of affairs in managing the ACDP/CDP funds and viewed that copies of UCs should be obtained and if not, accountability should be fixed on the officials responsible for the said lapse.

1.16 The Special Chief Secretary replied that the works would be verified to check for their completion and utilisation of the amounts released.

1.17 The Committee took a serious note of the whole issue and sought explanation as to why were the funds released in the absence of UCs. The Committee felt that UCs should be furnished before releasing further funds for the works already sanctioned and there is no need of linking it for sanction of new works.

1.18 The Special Secretary explained that 100 per cent works cannot be started/ completed at once and generally, funds are being released on quarterly basis. It was however, promised that UCs would be insisted for all the completed works before releasing the next instalment. The Special Secretary also stated that instructions would be issued to obtain UCs along with final bills of the works for all the completed works along with details of cheques, etc. The Special Secretary further stated that District Collectors would be requested to take disciplinary action against the officials who failed to furnish UCs on time.

1.19 The Committee pointed out that although the instructions already exist, these are not being followed by the concerned officers and there is no seriousness for issuance/receipt of UCs indicating ineffective monitoring in this regard. It was also observed that even the executing agencies are not verifying the quality of works undertaken. The Committee felt that if the District Collectors are made accountable for furnishing UCs, they would take action against the officers responsible for the lapses.

1.20 The Special Chief Secretary agreed to the Committee's view and stated that instructions would be reiterated and necessary directions would be issued to all the District Collectors for taking disciplinary action against the officers responsible for non-issuance of UCs on time.

1.21 While concluding the discussion on the issue, the Committee made the following recommendations:

1.22 Government should issue strict instructions to all the implementing agencies to furnish Utilisation Certificates forthwith for the amounts already released and expended on the works.

1.23 Government should issue instructions making the District Collectors responsible for submission of UCs.

1.24 With regard to Visakhapatnam District, Government should identify the officials responsible for misplacing the UCs already received and fix accountability on them for non-submission/delay in submission of UCs.

1.25 The Committee recommends that Government submit a report to the Committee with regard to the district-wise details of works sanctioned, taken up, completed, works in progress, and works stopped midway including the details of expenditure etc. as on 1 March 2015 in respect of all the districts, within three months from the date of tabling of this Report.

1.26 The Committee recommends that simultaneously Government institute a proper mechanism if necessary by constituting a special team to cause verification of the completeness of the works taken up under the scheme to satisfy itself as to the complete utilisation of the funds released and submit a report in this regard to the Committee within six months from the date of tabling of this Report.

## 2. Para 10.2.3.2 Status of Works

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Guidelines stipulate that proposals received from the MLAs/MLCs should be scrutinised by the District Collectors and if found in order, sanction should be accorded for works within a period of 30 days from the date of receipt of proposals and the works should be completed within nine months thereafter. The CPOs had not maintained any data about the number of proposals received and those rejected. Out of 56,977 works sanctioned under ACDP in 295 Assembly Constituencies during 2005-08 (estimated cost: `640 crore), 6,393 works (estimated cost: `76.68 crore) were not completed and another 2,034 works (estimated cost: `23.97 crore) have not even started as of March 2011. Further, 6,872 works (estimated cost: `120.59 crore) sanctioned during 2010-11 under CDP, had not been taken up as of 31 March 2011. The year-wise details are given in Table 10.5.

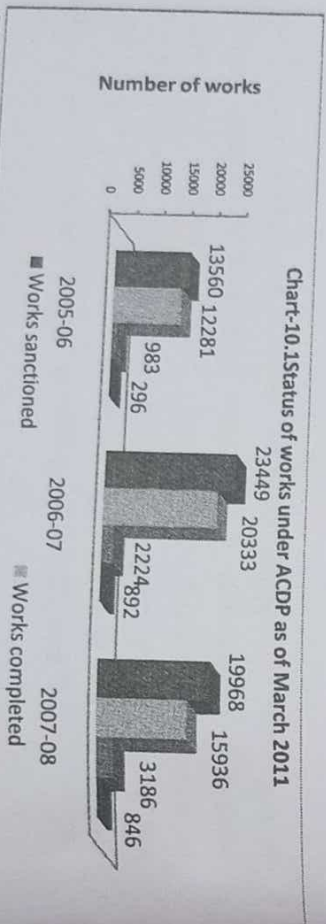


Table-10.5

## Status of works under ACDP and CDP in the State

| Year           | Works Sanctioned              |                | Works Completed |                 | Works in progress |                | Works not yet taken up |                |
|----------------|-------------------------------|----------------|-----------------|-----------------|-------------------|----------------|------------------------|----------------|
|                | No of works                   | Estimated Cost | No of works     | Estimated Cost* | No of works       | Estimated Cost | No of works            | Estimated Cost |
| 2005-06 (ACDP) | 13560                         | 129.07         | 12281           | 116.22          | 983               | 10.86          | 296                    | 1.98           |
| 2006-07 (ACDP) | 23449                         | 263.58         | 20333           | 227.48          | 2224              | 25.23          | 892                    | 10.87          |
| 2007-08 (ACDP) | 19968                         | 247.29         | 15936           | 195.59          | 3186              | 40.59          | 846                    | 11.12          |
| 2008-09        | Programme was not implemented |                |                 |                 |                   |                |                        |                |
| 2009-10        | Programme was not implemented |                |                 |                 |                   |                |                        |                |
| 2010-11 (CDP)  | 18497                         | 252.49         | 4907            | 44.74           | 6718              | 87.16          | 5872                   | 120.59         |
| Total          | 75474                         | 892.43         | 53457           | 584.03          | 3111              | 163.84         | 906                    | 144.56         |

\*Actual cost of completed works is not available  
Source: Information furnished by Planning Department



The status with regard to the works sanctioned in the sampled districts is given in Table-10.6.

Table-10.6

## Status of works under ACDP in test checked districts

| District      | Number of constituencies | Sanctioned   |                | Completed    |                 | In progress  |                | Not started  |                |
|---------------|--------------------------|--------------|----------------|--------------|-----------------|--------------|----------------|--------------|----------------|
|               |                          | No. of works | Estimated Cost | No. of works | Estimated Cost* | No. of works | Estimated Cost | No. of works | Estimated Cost |
| Visakhapatnam | 13                       | 300          | 33.75          | 259          | 26.30           | 406          | 7.44           | 0            | 0.00           |
| East Godavari | 21                       | 350          | 51.38          | 262          | 40.91           | 726          | 8.73           | 15           | 1.74           |
| Guntur        | 19                       | 300          | 47.03          | 249          | 40.14           | 373          | 5.04           | 13           | 1.85           |
| Chittoor      | 15                       | 361          | 36.46          | 360          | 36.25           | 12           | 0.22           | 0            | 0              |
| Total         | 68                       | 1311         | 68.62          | 1131         | 143.60          | 517          | 1.43           | 28           | 3.59           |

\*Actual cost of completed works is not available since expenditure figures are not available

\*\* includes works of two constituencies of Vizianagaram district  
Source: Information furnished by CPOs

In the four sampled CPOs covering 68 constituencies, we observed that, out of 13,117 works sanctioned under ACDP during 2005-08, 11,314 works were completed. Of the 1,803 incomplete works (14 per cent), 286 works (estimated cost: 3.59 crore) in 40 constituencies had not been started and 1,517 works (estimated cost: 21.43 crore) sanctioned in 68 constituencies were still in progress as of March 2011.



Table-10.7

Status of works under CDP in test checked districts

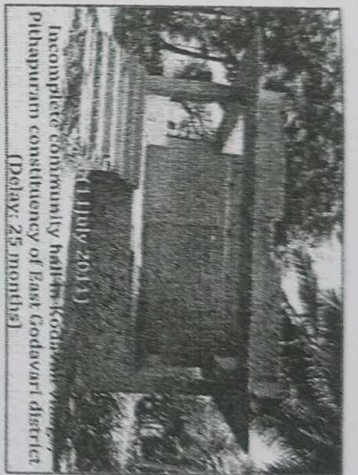
(In crore)

| District      | Number of constituencies | Sanctioned   |                | Completed    |                 | In progress  |                | Not started  |                |
|---------------|--------------------------|--------------|----------------|--------------|-----------------|--------------|----------------|--------------|----------------|
|               |                          | No. of works | Estimated Cost | No. of works | Estimated Cost* | No. of works | Estimated Cost | No. of works | Estimated Cost |
| Visakhapatnam | 19                       | 106          | 13.27          | 53           | 0.31            | 44           | 0.97           | 964          | 11.99          |
| East Godavari | 26                       | 809          | 16.41          | 21           | 0.26            | 428          | 8.81           | 360          | 7.34           |
| Guntur        | 23                       | 833          | 17.10          | 15           | 0.29            | 345          | 5.96           | 473          | 10.85          |
| Chittoor      | 19                       | 702          | 7.87           | 130          | 1.29            | 378          | 4.36           | 194          | 2.22           |

\* Actual cost of completed works is not available

Source: Information furnished by CPOs

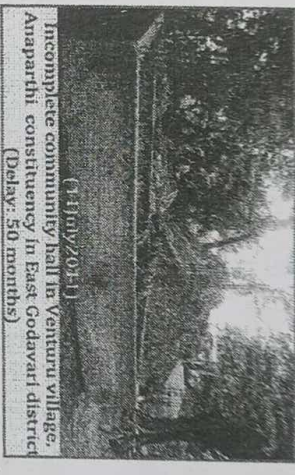
Under CDP, in 87 constituencies of the four sampled districts, out of 3,405 works (estimated cost: `54.65 crore) sanctioned in 2010-11, 219 works (estimated cost: `2.16 crore) were completed, 1,991 works (estimated cost: `32.40 crore) (58 per cent) have not even started and the remaining 1,195 works (estimated cost: `4.36 crore) were in progress as of March 2011. Photographs of some of the incomplete works in the sampled districts are given below.



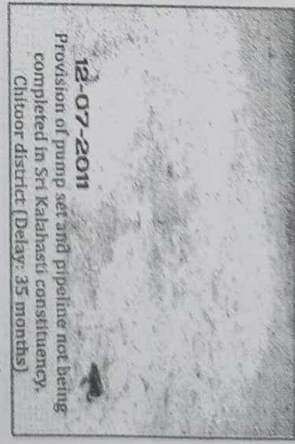
(11 July 2011)  
Incomplete community hall in Kothamreddy, Pithapuram constituency, East Godavari district (Delay: 25 months)



(13 July 2011)  
Incomplete community hall in Vedantapuram, Tirupathi constituency, Chittoor district (Delay: 28 months)



(11 July 2011)  
Incomplete community hall in Venturu village, Anaparthi constituency, East Godavari district (Delay: 50 months)



12-07-2011  
Provision of puning set and pipeline not being completed in Sri Kalahasti constituency, Chittoor district (Delay: 35 months)

Note: Date on photographs indicate the date on which photographs were taken

**Thus, there were inordinate delays in completion of works, resulting in blocking of scheme funds with the executing agencies for long periods and depriving the benefit of those works to the public at large.**

Government attributed (December 2011) the delay in commencement/completion of works to (a) non-submission of technically sanctioned estimates on time by the executing agencies, (b) site problems, (c) proposal of alternative works by MLAs by cancelling already proposed works, etc. Government however, assured that instructions were issued to the executing agencies to speed up the works.

**2.1 In the Explanatory Notes, Government stated that all works sanctioned in the test checked districts as on 31 March 2011 under ACDP/CDP schemes had been completed.**

*In the further Explanatory Notes (January 2015), Government stated that some works were still in progress and not started by the end of November 2014. In Guntur District there was delay in commencement /completion of works due to non-submission of problems, and receipt of*



proposals of alternative works from Hon ble MLAs by cancelling already proposed works etc. It was further stated that instructions to speed up the works have been issued to the executing agencies.

## 2.2 Para 10.2.5 Inspections of Works

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As per the scheme guidelines, 10 per cent of the works taken up under the programme are to be inspected by the nodal agency/district authorities. In East Godavari district, only 5 per cent of works were inspected. In all the other sampled districts, information regarding conduct of inspections was not on record with the CPOs. While confirming that no inspections had been conducted so far, the CPOs of these districts assured that inspection of works would be taken up in future.

*In the absence of regular inspection of works, the correctness of works taken up, their commencement, completion and quality could not be verified.*

Government accepted (December 2011) the audit observation and stated that instructions were issued for inspection of works by the departmental officers.

2.3 *In the Explanatory Notes, Government reiterated its earlier reply that instructions were issued to all the concerned engineering departments and District Collectors to instruct all the departmental officers (from the headquarters and the district offices) to inspect the works whenever they visit field/work spots and before the final installment is paid and that inspection reports are being obtained.*

2.4 Initiating discussion on the paragraphs, Special Secretary stated that 90 per cent of the sanctioned works were completed and the remaining 10 per cent works are in final stage. It was further stated that funds to the extent of ` 340.46 crore were utilised as against ` 385 crore released.

2.5 The Chairman observed that the CPOs were not maintaining any data with regard to execution of works and desired to know the reasons for non-maintenance of such data by CPOs.

2.6 The Special Secretary replied that on introduction of new computerised system, the data is being maintained at different stages at different levels and the data contains the details viz., total number of proposals received, district-wise number of works and value, total number of works sanctioned, works completed, works not started, works in progress, funds received from Government, expenditure incurred, etc.

2.7 The Chairman enquired about the status of works not completed.

2.8 The Special Secretary replied that most of the works i.e, 204 works under MLA quota and 78 works under MLC quota were yet to be started.

2.9 The Chairman pointed out that about 75,474 works were completed from the year 2005 and about 9000 works are yet to be started and queried as to where were the funds kept in respect of the works that were not started.

2.10 The Special Secretary replied that the amount pertaining to the year 2010-11 is available in the PD accounts of the respective CPOs. Special Chief Secretary stated that the decision with regard to utilisation of the funds is pending at the Government level and there are no directions from the Government to stop the ongoing works.

2.11 The Committee observed that there were instructions from the Government to stop the works and enquired about the change in the Government stand if any. The Committee also desired to know how long the works would be kept incomplete, if there is no change in directions of Government.

2.12 The Chairman pointed out that about 8906 works at an estimated cost of ` 144.56 crore are yet to be started.

2.13 The Special Chief Secretary stated that out of ` 144.56 crore, ` 108 crore is pending with the Government (in Finance Department) as the file with regard to release of two quarterly installments had been



cleared in Planning Department for release of ` 108 crore and this amount is expected to be released shortly.

2.14 The Special Chief Secretary further stated that in respect of the funds that were kept in the PD accounts of the CPOs, the funds were utilised for completed works for which payments were stopped. Special Chief Secretary further stated that in respect of the works pertaining to the year 2010-11, `2.52 crore under MLA quota and ` 1.20 crore under MLC quota are yet to be released and 2,377 works with estimated cost of ` 49.50 crore are to be started. Special Chief Secretary further stated that considering both Assembly Constituency Development Programme and the Constituency Development Programme, works worth ` 88 crore are yet to be started out of the total works costing ` 254 crore sanctioned. Special Chief Secretary promised that a comprehensive report would be submitted to the Committee in six months time.

2.15 The Chairman enquired about the number of works that commenced but not completed after release of funds to the district collectors. The Chairman also desired to know whether the amounts in respect of the works that were not started have been returned back by the Collectors or retained with them.

2.16 The Special Chief Secretary replied that one of the reasons for the inordinate delay is lack of sanctions. Actually most of the MLAs had completed the works, but for the new works money could not be given as the money was not in their account. The funds were not diverted from one source to other source or one district to other district.

2.17 The Chairman reiterated that the data is not being maintained at CPOs level and queried about the organisation that maintains the data.

2.18 The Special Chief Secretary replied that the data is being maintained work-wise in the new computerized system instead of old (manual) system and the system has been streamlined now. Special Chief Secretary also informed the Committee that the data about the proposals received and works sanctioned is available with the department.

2.19 The Committee pointed out that works were not started due to non-release of funds on time and in some cases funds were not being spent though released.

2.20 The Special Chief Secretary, Planning replied that in some areas funds were released and spent and some MLAs were ready with proposals for more works, but could not get them. In some areas it was not happening.

2.21 The Chairman enquired as to why were the works being sanctioned by Collectors even prior to release of amounts by Government.

2.22 The Special Chief Secretary replied that there are written instructions from the Government side to sanction works before release of funds by assuming that Government would release required funds. The Collectors are requested to sanction the works and keep everything ready and as soon as the money is released, they were to start the works. Special Chief Secretary further stated that most of the MLAs wanted to take up the works knowing fully that two installments are not released. It is a matter of right that the MLAs funds should be released. Even if today, if the works are not started, it is a legal issue, because they are legally eligible. Now the two installments are being released and the works would be completed within six months.

2.23 The Committee pointed out that the MLAs are being asked about the nomenclature of the works and trial estimate by works sanctioning authorities. As the funds are being released in four quarters, some time it gets overlapped. The Committee further pointed out that all the Collectors are not following the same procedure and sought to know whether any directions were given to the district collectors to insist such data.

2.24 The Special Chief Secretary replied that efforts are being made to improve the system. The Department is insisting that the Collectors follow the instructions scrupulously to accord two kinds of sanction i.e., administrative sanction at the District Collector level and technical sanction by the Executing Agency. The Special Chief Secretary



promised to include these issues in the computer software for strict adherence to these instructions.

**2.25** The Committee opined that at the time of making proposal itself, it should see that a check list of requirements is insisted upon for hassle free sanction duly observing the guidelines in force.

**2.26** Agreeing to the suggestion, the Special Chief Secretary promised to issue revised guidelines duly including the clause about the checklist of requirements.

**2.27** The Committee desired to know whether there exists any provision of transferring of left over funds from the incumbent MLC/MLA to new MLC/MLA after completion of the tenure of the existing member.

**2.28** The Special Chief Secretary replied that in case of MLCs the amount is not lapsed. In case of MLAs however, the funds cannot be transferred. It was further stated that sanction of the same is to be verified legally.

**2.29** The Committee opined that the funds released are for the development of the Constituency and hence it should be carried forward for the next term/ to new MLA.

**2.30** The Special Chief Secretary informed the Committee that Government directions are such that the amount cannot be carried forward in cases where the works were not started.

**2.31** The Committee opined that there might be change in priorities of the works and hence proposals of the earlier member need not be continued.

**2.32** The Special Chief Secretary clarified that in individual cases the decision of the sitting Member is final.

**2.33** The Committee noted that these lapses occurred due to non-conduct of periodical inspection of the works.

**2.34** The Special Secretary stated that inspection of the works was being done as per norms. Special Secretary also stated that there existed

a State Level Committee consisting of Chief Engineers of the respective departments and Special Chief Secretary, Planning department, to monitor the works. Special Secretary further stated that the works as per norms of the Board of Engineers are being checked and super checked.

**2.35** The Chairman desired to know why CPOs are not being involved in conduct of inspection of works.

**2.36** The Special Chief Secretary replied that CPO is only budget releasing/ controlling authority and there is a procedure with regard to verification of a percentage of works by the Chief Engineers (CE). Special Chief Secretary also stated that the procedure would be reiterated in the monthly meetings. It was further stated that the CEs have cheque drawing power and Superintendent Engineer/ Executive Engineers are the Inspecting authorities and the CPOs are not technically qualified.

**2.37** The Special Chief Secretary further stated that in August 2013 a committee consisting of Engineers in Chief of Panchayat Raj, Tribal Welfare, Roads and Buildings, and others was constituted and the Special Chief Secretary is reviewing the performance through them. Special Chief Secretary further stated that in case of deficiencies, action taken report is being obtained.

**2.38** The Chairman reiterated the guidelines of the scheme that 10 per cent of the works taken up under the programme are to be inspected by the nodal agency/district authorities and advised the Government to give specific directions to the district collectors to conduct periodical review of the works taken up in the districts concerned.

**2.39** The Special Chief Secretary promised to reiterate the guidelines for strict adherence by the implementing agencies.

**2.40** While concluding the discussion on the paragraph the Committee made the following recommendations:

**2.41** *The Committee recommends that effective steps should be taken to ensure completion of all the pending works on urgent basis. The Committee also recommends that suitable action should be taken to commence the 'not started' works duly ensuring the availability of*



funds, etc. or to close those works in the light of the changed/current priorities.

2.42 The Committee noted that uniform procedure is not being followed by all the District Collectors in the State with regard to sanction/execution of Constituency Development Works. Therefore, the Committee recommends that all the District Collectors be directed to strictly adhere to the guidelines issued by the Government while sanctioning the works. The Committee also recommends that a check list containing the specific requirements for sanction of works be prepared and communicated to all the District Collectors for sanction of works.

2.43 The Committee observed that certain works were stopped midway and the expenditure incurred on these works had become wasteful. The Committee also observed that works are being sanctioned by the District Collectors without availability/ receipt of funds from Government. Therefore the Committee recommends that works should be sanctioned only after ensuring receipt of money from Government and the releases in full to ensure completion of the works.

2.44 The Committee noted that funds not utilised by the previous Member are not being carried forward thereby hampering the development of the constituency. Therefore the Committee recommends that unutilized portion of the funds of the previous Member be carried forward to the next term/ to the newly elected Member.

The new member should have the flexibility to take up new work depending on the locally felt need.

2.45 The Committee noted that works sanctioned under the scheme are not being monitored at various levels and therefore recommends that specific instructions be given to the District Collectors to review the progress/ inspection of works at periodical intervals to ensure quality of works being undertaken.

### 3. Para 10.2.4 Maintenance of Assets Registers

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The scheme guidelines provide for maintenance of a constituency-wise asset register by the district authorities for the works executed with the ACDP funds. Further, district authorities should hand over the assets created to user organisations and submit utilisation certificates to the Planning Department within a period of one month from the date of completion of the works.

Scrutiny in the four sampled districts revealed that asset registers were not maintained by any of the CPOs. Moreover, assets were not handed over to user organisations and relevant utilisation certificates were not on record with the CPOs in all the four districts.

*No system of ensuring effective monitoring of implementation of the scheme was in existence. Since verification of assets created was not possible, potential risk of non-existence of assets cannot be ruled out. Also, since in many cases assets had not been handed over to the actual users there was no assurance about future maintenance of such assets which defeats the basic objective of creating durable assets under the scheme.*

Government stated (December 2011) that necessary instructions were issued to the executing agencies to maintain assets registers in future.

3.1 In the Explanatory Notes (January 2015), Government reiterated its earlier reply that instructions were issued to all the district authorities to maintain the Assets Registers and to hand over the created assets to the Village level Committees for maintenance after completion of works.

3.2 Initiating discussion on the paragraph the Special Secretary informed the Committee that the Executing Agencies/line departments have to maintain the registers and they are maintaining now.



3.3 The Chairman stated that as per the guidelines, Assets Registers should be maintained Constituency-wise after completion of the work and it would be better if the Assets Registers are maintained by CPOs as they are the implementing agencies of the Scheme.

3.4 The Committee further observed that Executing Agencies/line departments were not maintaining the asset registers in all cases and opined that this issue should be thoroughly monitored by the CPOs. The Committee felt that even if the Executing Agencies/line departments maintain the Assets Registers, all the relevant details should also be kept/maintained by CPOs since funds are released by CPOs. This would ensure avoidance of release of funds for creation of same asset subsequently.

3.5 The Chairman opined that CPOs should monitor this aspect and if no action is initiated against the responsible persons this cannot be rectified.

3.6 The Special Chief Secretary stated that one more column in the software (being maintained by the Department) would be included to ensure maintenance of asset register by the executing agency.

3.7 The Committee desired to know whether there existed any mechanism with the Collectors to review the scheme.

3.8 Responding to the Committee's observation, the Special Chief Secretary informed the Committee that it would be incorporated in the guidelines.

3.9 The Committee therefore recommends that in addition to maintenance of Assets Register by Executing Agencies/line departments, the CPOs should maintain all the relevant details with regard to creation of assets. The CPOs should also monitor this aspect thoroughly and ensure that the Executing Agencies/line departments maintain assets registers in all cases.

### Summary of Observations and recommendations

1. Government should issue strict instructions to all the implementing agencies to furnish Utilisation Certificates forthwith for the amounts already released and expended on the works. (1.22)

2. Government should issue instructions making the District Collectors responsible for submission of UCs. (1.23)

3. With regard to Visakhapatnam District, Government should identify the officials responsible for misplacing the UCs already received and fix accountability on them for non-submission/delay in submission of UCs. (1.24)

4. The Committee recommends that Government submit a report to the Committee with regard to the district-wise details of works sanctioned, taken up, completed, works in progress, and works stopped midway including the details of expenditure etc. as on 1 March 2015 in respect of all the districts, within three months from the date of tabling of this Report. (1.25)

5. The Committee recommends that simultaneously Government institute a proper mechanism if necessary by constituting a special team to cause verification of the completeness of the works taken up under the scheme to satisfy itself as to the complete utilisation of the funds released and submit a report in this regard to the Committee within six months from the date of tabling of this Report. (1.26)

6. The Committee recommends that effective steps should be taken to ensure completion of all the pending works on urgent basis. The Committee also recommends that suitable action should be taken to commence the 'not started' works duly ensuring the availability of funds, etc. or to close those works in the light of the changed/current priorities. (2.41)





7. The Committee noted that uniform procedure is not being followed by all the District Collectors in the State with regard to sanction/execution of Constituency Development Works. Therefore, the Committee recommends that all the District Collectors be directed to strictly adhere to the guidelines issued by the Government while sanctioning the works. The Committee also recommends that a check list containing the specific requirements for sanction of works be prepared and communicated to all the District Collectors for sanction of works. (2.42)

8. The Committee observed that certain works were stopped midway and the expenditure incurred on these works had become wasteful. The Committee also observed that works are being sanctioned by the District Collectors without availability/ receipt of funds from Government. Therefore the Committee recommends that works should be sanctioned only after ensuring receipt of money from Government and the releases in full to ensure completion of the works. (2.43)

9. The Committee noted that funds not utilised by the previous Member are not being carried forward thereby hampering the development of the constituency. Therefore the Committee recommends that unutilized portion of the funds of the previous Member be carried forward to the next term to the newly elected Member.

The new member should have the flexibility to take up new work depending on the locally felt need. (2.44)

10. The Committee noted that works sanctioned under the scheme are not being monitored at various levels and therefore recommends that specific instructions be given to the District Collectors to review the progress/ inspection of works at periodical intervals to ensure quality of works being undertaken. (2.45)



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