

## CHAPTER-III

### PERFORMANCE REVIEWS

#### HEALTH AND FAMILY WELFARE DEPARTMENT

##### 3.1 Rural Health Services in Mizoram

###### *Highlights*

*The review highlights the failure of the department to make rural health centres functional with requisite medical and paramedical staff, and the non-functioning of Primary Health Centres (PHC) and Sub-Centres (SCs). It also brings out cases of diversion of funds, injudicious investment and unproductive expenditure, which adversely affected the delivery of health care services to the rural population.*

**Rupees 2.81 crore allocated for rural health care services were diverted for urban health services.**

*(Paragraph 3.1.8)*

**There was excess establishment of CHCs (100 per cent), PHCs (159 per cent) and SCs (146 per cent) over the norms prescribed by the Government of India.**

*(Paragraph 3.1.11)*

**The established CHCs were functioning without requisite medical and paramedical staff, PHCs were functioning without medical officers and required paramedical staff, while the SCs were functioning without requisite health workers.**

*(Paragraph 3.1.12)*

**Rupees 1.20 crore was paid to the contractors for construction of 37 staff quarters on the basis of fictitious measurement of work.**

*(Paragraph 3.1.22)*

**There was unproductive expenditure of Rs.1.26 crore due to unnecessary procurement of 20 mobile toilets, of which two toilets worth Rs.12.60 lakh were totally damaged.**

*(Paragraph 3.1.23)*

**There was injudicious investment of Rs.3.75 crore in procurement of three mobile clinic vans, which remained largely unproductive.**

*(Paragraph 3.1.24)*

### **3.1.1 Introduction**

Delivery of primary health care is the foundation of the rural health care system and forms an integral part of the national health care system. In Mizoram, health care services in rural areas are provided through a network of Sub-Centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs). The programme is funded by both the Central and State Government.

According to Government of India norms, in hilly and tribal areas, one SC, PHC and CHC is to be set up for every 3,000, 20,000 and 80,000 to 1,20,000 population, respectively. Each PHC with 4 to 10 beds and one medical officer is to cover six SCs. Each CHC with 30 beds and four medical officers (specialists) and other ancillary staff is to serve as a referral institution for four PHCs.

### **3.1.2 Audit objectives**

The audit objectives were to assess whether:

- a plan was drawn to achieve the policy objective in an economic, efficient and effective manner;
- the aspect of providing requisite manpower, equipment and medicines was taken into consideration while formulating the programme;
- assessment was made for required medical, specialists and paramedical staff to run all the rural health centres;
- requisite manpower had been deployed in the rural health centres;
- funds provided were used economically and efficiently to achieve the desired objectives;
- there was efficient and effective control over execution of works and
- the monitoring system evolved was effective and evaluation had been made to assess the achievement of the desired objectives.

### **3.1.3 Audit criteria**

Audit examination was based on the following criteria:

- whether data available on rural population was reliable and accurate with reference to Census data;
- whether health centres were established as per prescribed norm;
- adequacy of planning for launching the programme and need based allocation of funds;
- proper planning for setting up of health centres *vis-à-vis* deployment of requisite man power;

- deployment of requisite manpower and availability of equipment, medicines in the health centres established for their proper functioning and delivery of rural health care services;
- proper and timely utilisation of funds and
- whether monitoring, evaluation and impact assessment was done properly.

#### **3.1.4 Organisational set-up**

At the State level, the Commissioner and Secretary, Health and Family Welfare is the administrative head of the department. The Director of Health Services (DHS), Mizoram is the overall in-charge of rural health services. At district level, nine Chief Medical and Health Officers<sup>5</sup> (CMOs) supervise the rural health services through CHCs, PHCs and SCs.

#### **3.1.5 Audit Coverage**

Activities of rural health services in the State during 2000-01 to 2004-05 were reviewed in audit through test check (March – April 2005) of records of the Director of Health Services and four (44 *per cent*) Health Administrative Districts *viz.*, Aizawl East, Aizawl West, Kolasib and Lawngtlai, out of nine besides records of three (50 *per cent*) CHCs out of six, seven PHCs (45 *per cent*) out of 16 and 37 SCs (26 *per cent*) out of 142 and covering expenditure of Rs.61.12 crore (39 *per cent*) out of Rs.158.38 crore. The selection of districts and rural health centres for comprehensive review was done on the basis of stratified random selection.

#### **3.1.6 Financial management**

For delivery of rural health services in the State funds are provided through the budget under PHC (Plan and Non-Plan), Pradhan Mantri Gramodaya Yojana (Plan) and Rural Family Welfare Services (CSS). Year-wise budget allotment and expenditure under rural health services for five years from 2000-01 to 2004-05 were as under:

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<sup>5</sup> Aizawl East, Aizawl West, Champhai, Mamit, Lunglei, Lawngtlai, Saiha, Serchhip and Kolasib.

**Table 3.1**

(Rupees in crore)

Year	Allotment				Expenditure				Excess (+) Savings (-)
	Plan	Non-Plan	CSS	Total	Plan	Non-Plan	CSS	Total	
2000-01	9.91	13.19	2.60	25.71	9.91	13.19	2.55	25.65	(-)0.06
2001-02	10.58	14.44	2.98	28.00	10.66	14.48	2.98	28.12	(+)0.12
2002-03	10.13	15.51	3.88	29.52	10.32	15.49	3.83	29.64	(+)0.12
2003-04	24.98	11.97	6.32	43.27	24.31	12.18	6.32	42.81	(-)0.46
2004-05	11.29	16.69	7.66	35.64	11.50	14.55	6.11	32.16	(-) 3.48
<b>Total</b>	<b>66.89</b>	<b>71.80</b>	<b>23.44</b>	<b>162.14</b>	<b>66.70</b>	<b>69.89</b>	<b>21.79</b>	<b>158.38</b>	<b>(-) 3.76</b>

(Source: Appropriation Accounts and information furnished by DHS)

### 3.1.7 Unauthorised retention of funds under civil deposit

Between March 2003 and March 2004 a total amount of Rs.10.28 crore was drawn by the department against eight bills and booked as expenditure although the amount was kept in civil deposit. Of this, Rs.9.29 crore was withdrawn from civil deposit and actual expenditure was incurred between April 2003 and February 2005. The remaining amount of Rs.99 lakh was lying in civil deposit till the date of audit (April 2005), of which Rs.6 lakh was lying from March 2003 and Rs.93 lakh from March 2004. The details have been shown in *Appendix-XX*.

Funds allocated for rural health services were thus irregularly retained in civil deposit which not only resulted in blocking of funds but also deprived the rural people of the benefits of the programme.

During the exit conference (June 2005) the department stated that due to non-supply of the materials by the suppliers, financial crisis faced by the State Government and receipt of fund at the end of the year, funds were kept in civil deposit. The fact remains that without incurring actual expenditure the amount was booked as expenditure.

### 3.1.8 Irregular diversion of funds

During the years 2000-01 to 2004-05, the department incurred an expenditure of Rs.2.81 crore for urban health services by debiting the expenditure to the heads under rural health services. The details of such expenditure are given in *Appendix-XXI*. Thus, Rs.2.81 crore allocated for rural health services were irregularly diverted for urban health services depriving the rural population of the benefit of health care services. A few major cases of diversion of PMGY funds were (i) procurement of imported medical equipment and appliances for Civil Hospital, Aizawl (Rs.2.07 crore), (ii) procurement and installation of Ligasure TM system in Civil Hospital, Aizawl (Rs.19.60 lakh), (iii) procurement of imported disinfectant (1,500 bottles) for Civil Hospital, Aizawl (Rs.25.74 lakh), and, (iv) procurement of medicines for Civil Hospital, Aizawl (Rs.7.54 lakh). Due to the diversion, the rural population was deprived of the benefit of the funds originally allocated for maintenance of CHCs/PHCs/SCs and machinery & equipment of CHCs.

During the exit conference (June 2005) the department stated that the Civil Hospital Aizawl is functioning as a referral hospital and rural patients are also referred to the Civil Hospital, Aizawl. The reply is not tenable as Civil Hospital, Aizawl comes under urban health services with a separate budget provision.

### 3.1.9 Planning

Effective implementation of a programme for delivery of rural health care services depends upon proper planning for establishment of health centres and provision of requisite manpower and infrastructure.

It was noticed in audit that though the department continued to establish the centres (12 CHCs, 57 PHCs and 366 SCs already established as of March 2005) the aspect of providing requisite medical and paramedical staff was never taken into consideration before setting up the centres. There was no plan or policy formulated in this regard and as a result, the CHCs established were functioning with one medical officer (against four), PHCs were functioning without a medical officer and SCs were functioning with only one health worker (against two). Details of shortfall are discussed in the succeeding paragraphs.

The department stated (June 2005) that due to ban on creation of posts, necessary manpower could not be provided but that after recent lifting of the ban, the department has taken initiative to fill up the posts.

### Implementation

#### 3.1.10 Establishment of rural health centres – targets and achievements

The achievements *vis-a-vis* targets in establishment of CHC, PHC and SC during five years ending March 2005 were as under:

**Table 3.2**

Year	Target			Achievement			Shortfall (-)/excess (+)		
	CHC	PHC	SC	CHC	PHC	SC	CHC	PHC	SC
2000-01	4	5	5	3	5	5	(-) 1	--	--
2001-02	2	3	5	1	1	--	(-) 1	(-) 2	(-) 5
2002-03	1	2	10	2	1	--	(+) 1	(-) 1	(-) 10
2003-04	2	1	--	--	--	15	(-) 2	(-) 1	(+) 15
2004-05	1	1	--	--	--	--	(-) 1	(-) 1	--
<b>Total</b>	<b>10</b>	<b>12</b>	<b>20</b>	<b>6</b>	<b>7</b>	<b>20</b>	<b>(-) 4</b>	<b>(-) 5</b>	<b>--</b>

(Source : Information furnished by the department)

#### 3.1.11 Excess establishment of rural health centres

According to Government of India norms for establishment of rural health centres in hilly and tribal areas, one SC, one PHC and one CHC are to be established for every 3,000, 20,000, and 80,000 to 1,20,000 population respectively.

Mention was made in paragraph 3.4.5.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000 regarding establishment of excess numbers of SCs and PHCs.

Test check of records and information collected from the DHS revealed that 217 SCs, 35 PHCs and 6 CHCs were established up to March 2005 in excess over the requirement with reference to the total rural population of 4.48 lakh (according to the 2001 census) as detailed below:

**Table 3.3**

Centres	Requirement as per norms of GOI	Actual number of Centres established	Excess	Percentage of excess
SCs	149	366	217	146
PHCs	22	57	35	159
CHCs	6	12	6	100

(Source: Information furnished by the DHS)

It would be seen from the table that the percentage of rural health institutions established in excess over the norm ranged between 100 and 159. As regard PHCs, except Lawngtlai District where there was a deficit of two centres, there were 28 centres already in excess in seven districts out of eight as of March 2000, while further 12 centres were targeted of which seven were established in those seven districts as of March 2005. Regarding SCs, there were 197 centres in excess as of March 2000 in all the eight districts, while further 20 centres were targeted and established in seven districts.

The department stated (April 2005) that due to hilly terrain and bad communication, the State had to exceed the prescribed norm. The reply is not tenable as the Government of India was never moved to revise the norms nor did the State Government prescribe any norm of its own for establishment of health institutions. In the absence of any such norm prescribed by the State Government, excess establishment of health institutions was not justified. Besides, though the department continued to establish the centres in excess of the norms, the aspect of providing requisite staff to the centres was not taken into consideration. As a result, CHCs established were functioning with only one medical officer who was not a specialist, against the requirement of four MOs who should either be qualified as specialists or specially trained to work as surgeon, obstetrician, physician and paediatrician. PHCs were functioning without any medical officer and SCs were functioning with only one health worker against the requirement of two. Besides, 15 SCs in the State though established could not be made functional for want of manpower.

During the exit conference (June 2005) the department stated that based on the State population as a whole, excess establishment was one CHC, 13 PHCs and 70 SCs. The reply is not tenable as the excess establishment was computed based on the rural population for the rural health centres only.

### 3.1.12 Deployment of Manpower

The following deficiencies were noticed in deployment of manpower:

#### (i) Shortfall in deployment of manpower

According to national norms, there should be four Medical Officers (MOs) and 19 para medical staff in each CHC, one MO and 12 para medical staff in each PHC and two Health Workers (one male and one female) in each SC. The actual deployment and shortfall *vis-à-vis* the requirement of manpower in CHCs, PHCs and SCs in four selected districts is shown below:

**Table 3.4**

#### CHCs

No. of CHCs	Requirement		Actual deployment		Short fall		Percentage of shortfall	
	MO specialist	Para medical staff of seven categories	MO specialist	Para medical staff of seven categories	MO specialist	Para medical staff of seven categories	MO specialist	Para medical staff of seven categories
6	24	114	12	55	12	59	50	52

#### PHCs

No. of PHCs (including one non-functional)	Requirement		Actual deployment		Short fall		Percentage of shortfall	
	MO	Para medical staff of six categories	MO specialist	Para medical staff of six categories	MO specialist	Para medical staff of six categories	MO specialist	Para medical staff of six categories
18	18	216	12	123	6	93	33	43

#### SCs

No. of SCs (including 11 non-functional)	Requirement		Actual deployment		Short fall		Percentage of shortfall	
	Health Worker		Health Worker		Health Worker		Health Worker	
	Male	Female	Male	Female	Male	Female	Male	Female
142	142	142	108	114	35	29	25	20

It would be seen from the table above that in the CHCs there was 50 per cent shortfall in deployment of specialist MOs and 52 per cent shortfall in para-medical staff. Four CHCs (Chawngte, Saitual, Sakawrdai and Vairengte) were functioning with only one MO each and one (Lawngtlai) with three MOs without any specialist while one CHC (Kolasib) was functioning with three specialists and two MOs. In PHCs, there was 33 per cent shortfall in deployment of MOs and 43 per cent shortfall in deployment of para medical staff. Five PHCs (Khawruhlian, Suangpuilawn, Bungtlang 'S', Sairang and Aibawk) were functioning without any MO. In SCs, there was 23 per cent shortfall in deployment of health workers (Male: 25 per cent, Female: 20 per cent). 17 SCs<sup>6</sup>

<sup>6</sup> Lenchim, Khawlian, Sakawrdai, N. Vervek, Sumsuih, Darlung, Damdep, Parva, Vaseitlang, Chawngte 'p', Azasora, Thingkah, Serkhan, Lungmuat, Nisapui, Saiphai, and Phaisen.

were functioning without any female health worker and 23 SCs<sup>7</sup> without any male health worker. Five SCs (Chawnpui, Builum, Buhchang, Thingsat and Mauchar) were functioning with only one female health worker each who were posted under Reproductive and Child Health Programme.

The department stated (June 2005) that due to ban on creation of posts, vacant posts could not be filled up. However, the fact remains that the department failed to consider this aspect before establishment of the health centres.

**(ii) Irrational deployment of health workers**

The requirement *vis-à-vis* deployment of health workers in 17 functional PHCs in four test checked districts were as under:

**Table 3.5**

Name of the district	Number of PHCs	Requirement of health worker (@ 3 in each PHC)	Number of health worker actually deployed	Excess (+) Shortfall (-)
Aizawl East	5	15	Nil	(-) 15
Kolasib	5	15	Nil	(-) 15
Lawngtlai	1	3	1	(-) 2
Aizawl West	3	9	12	(+) 3
	1	3	6	(+) 3
	1	3	10	(+) 7
	1	3	3	Nil
<b>Total</b>	<b>17</b>	<b>51</b>	<b>32</b>	<b>(-) 19</b>

It would be seen from the above table that against the requirement of 51 health workers in 17 PHCs, the department deployed 32 health workers resulting in short deployment of 19 health workers. The deployment of 32 health workers was also done in an irrational manner as in 10 PHCs (five each in Kolasib and Aizawl East) there was no health worker against the requirement of 30. Again in five PHCs (Aizawl west), there was excess deployment of 13 health workers and in one PHC (Lawngtlai) there was short deployment of two health workers. Thus, it is evident that there was little rationale in the deployment of manpower. The department accepted (June 2005) the fact and assured rational posting of manpower in future.

**3.1.13 Unfruitful expenditure on construction of PHC/SCs and staff quarters**

Scrutiny of records revealed that the following expenditure incurred for construction of buildings remained unfruitful:

- (i) One CMO's quarter at Lawngtalai constructed (March 2003) at a cost of Rs.8.82 lakh and one bachelor doctor's quarter at Kolasib constructed (March 2004) at a cost of Rs.10.32 lakh remained unoccupied since no CMO and bachelor doctor had been posted. The department stated (June 2005) that the staff

<sup>7</sup> Buhban, Daido, Thingsat, Vaitin, Tingmum, Palsang, Mauchar, Phullen, Khawlek, Khawmawi, Chandur 'p', Devasora, Damdep, Parva, Barapansuri, Pangbalkawn, Hortoki, Bualpui, Saipum, Bairabi, Chuhvel, Suarhliap, Phainuam.



quarters were recently occupied by one CMO and one staff nurse. The fact remains that till the date of audit the quarters remained vacant and the doctor's quarter had been occupied by a non-entitled staff nurse.

(ii) In Lawngtlai District, one PHC building along with staff quarters established in 1991-92 at a total cost of Rs. 14.02 lakh remained non-functional till the date of audit due to non-posting of staff. The PHC building is at present not serviceable. The department while admitting the facts stated (June 2005) that in order to make the PHC functional staff was being posted.

(iii) Eleven SCs along with 11 staff quarters established between the period from 2000-01 and 2003-04 at a total cost of Rs.52.12 lakh as indicated in **Appendix-XXII** and **XXIII** remained non-functional due to non-deployment of any staff.

#### **3.1.14 Idle X-ray technician and Laboratory assistant**

In Lungdai PHC in Kolasib District, the X-ray machine provided with the PHC was not functioning since September 2001 and the X-ray technician posted in the PHC remained idle. No action was taken either to repair the X-ray machine to make it functional or to transfer the X-ray technician elsewhere for utilisation of his services. During the period from September 2001 to March 2005 the department incurred a total expenditure of Rs.4.08 lakh towards the pay and allowances of the idle X-ray technician.

In February 2001, one X-ray technician was posted to the Darlawn PHC. However, the X-ray machine provided with the PHC was not installed till the date of audit (April 2005) due to non-availability of dark room. The department incurred an expenditure of Rs.4.47 lakh on pay and allowances of idle X-ray technician for the period from February 2001 to March 2005.

One laboratory assistant initially posted (March 1994) to TB Hospital, Zemabawk by the DHS, was transferred (February 1999) by the CMO, Aizawl East and posted in his office and retained till the date of audit (April 2005), although there was neither any sanctioned post nor any work of laboratory assistant in the CMO's Office. As a result the department incurred idle expenditure of Rs.4.14 lakh towards his pay and allowances for the period from March 1999 to March 2005.

The department stated (June 2005) that the concerned CMO has been instructed to ensure that X-ray machine is functioning and service of X-ray technician utilised.

Thus, the department incurred unproductive expenditure of Rs.12.69 lakh on maintaining the idle staff.

#### **3.1.15 Poor outturn of patients**

The PHCs and CHCs were established to provide health care facilities to both indoor and outdoor patients. The position of indoor patients in the test checked

PHCs and CHCs in four selected health administrative districts during 2000-2005 were as follows:

**Table 3.6**

Name of the health administrative districts	Health centres (No of beds available)	Availability of beds in a year	Number of patients admitted during 2000-2005	Average number of patient in a year	Percentage with reference to no. of beds available	Shortfall with reference to column 3 (percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Aizawl East	Saitual CHC (20)	7,300	5,206	1041	14	6,259 (86)
	Thingsulthliah PHC (10)	3,650	3,979	796	22	2854 (78)
	Darlawn PHC (10)	3,650	3,092	618	17	3,032 (83)
Aizawl West	Lengpui PHC (10)	3,650	2,861	572	16	3,078 (84)
	Sairang PHC (10)	3,650	2,502	500	14	3,150 (86)
Lawngtlai	Lawngtlai CHC (30)	10,950	7,873	1,575	14	9,375 (86)
Kolasib	Kolasib CHC (46)	16,790	18,655	3,731	22	13,059 (78)
	Bairabi PHC (10)	3,650	2,039	408	11	3,242 (89)
	Lungdai PHC (10)	3,650	1,326	265	7	3,385 (93)

(Source: Information furnished by the concerned CMOs and MO in charge of the centres)

The table above indicates poor utilisation of facilities in the CHCs/PHCs. In the CHCs, the shortfall with reference to the number of beds available in a year ranged between 78 and 86 per cent while in the PHCs it ranged between 78 and 93 per cent.

The out-turn of outdoor patients was also not encouraging as would be seen from the table below indicating the position of the test checked CHCs/PHCs in the selected districts.

**Table 3.7**

Name of health administrative districts	Name of the health centres	Number of outdoor patients attended during 2000-05	Average number of patients	
			In a year	In a day (considering 310 days in a year)
1	2	3	4	5
Aizawl East	Saitual CHC	47,394	9,479	31
	Thingsulthliah PHC	14,185	2,837	9
	Darlawn PHC	14,999	3,000	10
Aizawl West	Lengpui PHC	11,731	2,346	8
	Sairang PHC	12,664	2,533	8
Lawngtlai	Lawngtlai CHC	43,136	8,627	28
Kolasib	Kolasib CHC	1,38,131	27,626	89
	Bairabi PHC	14,709	2,942	9
	Lungdai PHC	11,820	2,364	8

(Source: Information furnished by the concerned CMOs and MO in charge of the centres)

It would be seen from the above that except for Kolasib CHC which has three specialists and two MOs the average number of outdoor patients in a day in the CHCs ranged between 28 and 31. The average outturn of outdoor patients in a day in the PHCs ranged between 8 and 10.

The department stated (September 2005) that no target for the patients to be attended to could be kept and the department has to run the health centres irrespective of the number of patients.

The reply of the department is not tenable as the outturn of the patients (indoor and outdoor) is directly linked to the availability of medical officers, specialists and paramedical staff and other infrastructural facilities which were inadequate in health centres where there was poor outturn of patients.

### **3.1.16 Delivery of dental care services**

For delivery of dental care services to the rural population, no dental camp had been organised by the department during the five year period covered in the review. It was noticed during audit of selected districts/functional health centres that dental surgeons were posted in four CHCs out of six, and one PHC out of 17 for delivery of dental care. However, these five health centres were not provided with the requisite equipment needed for dental treatment and thus frustrated the very purpose of their deployment. Besides, due to failure of the department to organise dental camps and absence of dental surgeons in the CHCs/PHCs, large part of the rural population had been deprived of dental care services.

The department stated (September 2005) that dental camps were not organised as there was no specific programme and attempts were being made to post at least one dental surgeon in each CHC initiated under the National Rural Health Mission.

### ***3.1.17 Lack of ambulance facilities***

For delivery of rural health care services, ambulance facilities are essential. It was noticed during audit of 4 selected health administrative districts that out of 6 CHCs and 17 PHCs, ambulance facilities were available only in 3 CHCs. No initiative was taken to provide ambulance facilities in the remaining 3 CHCs and 17 PHCs, although there was a provision of Rs.3.75 crore during 2003-04 under motor vehicle (CHC-PMGY) against which the department procured three mobile clinic vans. Performance of three mobile clinic vans has been discussed in para 3.1.24.

### ***3.1.18 Injudicious upgradation of PHCs into CHCs***

In the test checked districts, during the period from 2000-01 to 2002-03 four PHCs<sup>8</sup> (10 bed) were upgraded to CHCs (30 bed) but the same could not be made functional as full-fledged CHCs as the requisite manpower/para medical staff was not available. Further, out of these four CHCs, two had been functioning with 10 beds and one with 20 beds since the requisite manpower had not been posted.

Despite the position stated above the State Government accorded (March 2004) administrative approval and expenditure sanction of Rs.1.50 crore for construction/upgradation of 10 bed PHCs to 30 bed CHCs at Lengpui and Thingsulthliah at an estimated cost of Rs.75 lakh each. The work of construction of both the CHC buildings including X-ray and kitchen were commenced through contractors from August and September 2004 respectively and till the date of audit, an expenditure of Rs.68.60 lakh had been incurred and the works were in progress.

When the department had failed to make the already established CHCs functional as 30 bed referral institutions with requisite specialist and para medical staff, the decision to upgrade two more PHCs to CHCs was injudicious.

The department stated (June 2005) that every effort was being made to operationalise all the CHCs as per prescribed norms under the National Rural Health Mission.

### ***3.1.19 Irregular procurement of health care kits***

Between May 2003 and February 2004 the Director of Health Services (DHS) procured 427 sub-health centre kits containing 28 items (Rs.9,910 each), 400 midwifery kits for Auxiliary Nurse cum Midwife (ANM) containing 19 items

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<sup>8</sup> Sakardai and Saitual (Aizawl East District) established during 2000-01.  
Vairengte (Kolasib District) established during 2001-02.  
Chawngte (Lawngtlai District) established during 2002-03.

(Rs.8,700 each) and 70 primary health care equipment kits containing 20 items (Rs.20,000 each) from an Aizawl based firm. For these purchases involving Rs.91.12 lakh, the DHS invited restricted tender in January 2003 from three Aizawl based firms although none of the firms were manufacturers of the equipment contained in the kits.

Moreover, purchase through limited tender deprived the Government of the benefit available through purchases at a reasonable competitive market rate by inviting open tender. The department stated (April 2005) that the open tender was not invited due to limitation of time. The reply is not tenable because the restricted tender was invited in January 2003 and supply orders were placed between May and November 2003, while the kits were supplied between September 2003 and February 2004 which indicated that there were no urgent need for such procurement.

### ***3.1.20 Procurement and distribution of drugs and other consumable items***

#### ***Procurement of drugs without ensuring quality control***

It was seen in audit that the supply orders issued by the DHS for purchase of drugs did not include the vital clauses to ensure the quality of drugs purchased as detailed below:

- (i) The supply orders did not include the condition of having minimum period before expiry of drugs to be supplied.
- (ii) There was no clause in the supply orders that each consignment should have a laboratory test report.
- (iii) There was no penal clause included for supply of substandard drugs and for fixing responsibility in case the drugs supplied were found substandard on testing.

Thus, the department had been purchasing drugs without ensuring quality and drugs so purchased were also never tested in a drug testing laboratory. While appreciating the points raised by Audit, the DHS during the exit conference assured that the clauses of supply orders will be modified.

### ***3.1.21 Distribution of medicines, injections and consumable items***

Test check of the records of selected CHCs<sup>9</sup> and PHCs<sup>10</sup> revealed that the CMS (under DHS) had been issuing medicines, injections and other items to the health centres on quarterly quota basis as per availability in store, without receiving any indent from the health centres. As a result medicines and injections issued to the health centres, without requirement, were lying in stock and some had lost their shelf life as the expiry date was over.

<sup>9</sup> CHCs: Lawngtlai and Sakawrdai.

<sup>10</sup> PHCs: Darlawn, Lungdai, Bairabi, Sairang and Lengpui.

The department stated (June 2005) that at the instance of Audit the concerned centres were instructed to return such items for further distribution to other needy centres but no comments were offered for expired medicines.

It was further noticed that between April 2003 and November 2004, large quantities of consumable items, equipment and appliances, kits, *etc.* were shown as issued to 'VIP' from stock by the CMS. For that purpose issue vouchers were prepared containing 6 to 22 items every month without indicating the name of individual to whom issued. Some of the major 28 items issued between April 2003 and November 2004 were valued at Rs.0.93 lakh. The DHS also failed to furnish the details of requisition and acknowledgement against such issues. The DHS, however, stated (April 2005) that the department had decided to stop issue of items from CMS to 'VIP'/individuals.

### ***3.1.22 Payments to contractors based on fictitious measurement of works***

During the year 2003-04 the DHS constructed 37 Type I, II, and IV quarters through contractors involving a total expenditure of Rs.1.20 crore. It was, however, seen from the estimates, measurement books and bills/vouchers that all the items of work shown as executed, were exactly the same as provided in the estimate. Measurement for the items of works executed at different stages were not taken in stages and one time measurement for all the items was taken after completion of the buildings. The details of such execution have been shown in ***Appendix-XXIV***. The DHS could not explain as to how the measurement for items like earth work, cement concrete work at foundation level, steel work, *etc.*, executed could be measured after completion of the building. Further, as in the estimate, in actual execution also the quantity/value for all the items of similar type buildings executed at different locations and different site conditions remained the same, which was implausible and required further investigation.

The department stated (June 2005) that in order to avoid revision/modification of the original estimate, the bills were prepared exactly as provided in the estimate and measurement for the items of works executed at different stages was unnecessary, as no advance or running bill payment was allowed and that the concerned CMOs, MOs, EE and JEs supervised the construction works, as per specifications.

The reply of the department is not tenable as the CMOs and MOs were not the technical persons to supervise the construction works. Thus, the payment of Rs.1.20 crore made to the contractors for construction of 37 building works was based on fictitious measurement and was irregular.

### ***Other points***

#### ***3.1.23 Unproductive expenditure on procurement of Mobile toilets***

During October and November 2003 the DHS procured 20 mobile toilets<sup>11</sup> at a cost of Rs.1.26 crore (@ Rs.6.30 lakh each) out of the funds provided for machinery & equipment under Rural Health Services (PMGY) and allotted the same to Civil Hospital, Aizawl (three), seven CMOs (13) and three CHCs (four). However, it was noticed during audit of selected districts/CHCs, that six mobile toilets were received without any demand and that from the date of receipt all were lying unutilized. Further, out of three mobile



***Mobile Toilet Unit costing Rs.6.30 lakh.***



***Two damaged Mobile Toilet Units***

toilets received by the Civil Hospital, Aizawl and kept on the road side, two costing Rs.12.60 lakh were totally damaged (June 2004) and costly parts were removed and stolen reportedly by miscreants. The department failed to furnish report of utilisation of the remaining 12 toilets.

Procurement of mobile toilets was thus not a priority item and the funds spent on this item could have been better utilised for providing other important health care services by the health centres.

While admitting the fact, the department instructed (June 2005) the CMOs to make maximum use of the toilets.

#### ***3.1.24 Injudicious investment in procurement of mobile clinic vans***

In order to deliver health care facilities in rural areas of the State, the department proposed to procure three Mobile Clinic Vans (MCV) equipped with all the basic required sophisticated diagnostic equipment and invited (January 2003) restricted tenders from three Aizawl based and one Guwahati based firm. The State

<sup>11</sup> A unit of 14 seaters toilet built on chassis without engine for self moving and require heavy vehicle for towing and carrying.

Purchase Advisory Board in its meeting held in March 2003 recommended the purchase of three MCVs from one Aizawl based firm @ Rs.1.25 crore each. Accordingly, the DHS placed the supply order to the Aizawl based firm in May 2003. The Aizawl based firm, on receipt of supply order from DHS, placed (June 2003) supply order to another firm viz. Siemens Ltd, New Delhi. The department did not explain the reasons for inviting restricted tenders from Aizawl and Guwahati based firms. The firm delivered 3 MCVs and the department paid Rs.3.75 crore to the firm in November 2003 from the funds allocated under PMGY (Motor Vehicle).

Scrutiny of records revealed that the department issued one MCV on lease to a private hospital for a term of three years from 12 August 2004 at a monthly rent of 50 per cent of the net income subject to a minimum of Rs.1000 per month. The hospital authority, however, paid monthly rent @ Rs.1000 for the period from August 2004 to February 2005. Thus, the investment of Rs.1.25 crore in one MCV for delivery of rural health services and its subsequent letting out to a private hospital for three years was injudicious.

Further, out of the remaining two MCVs, one was received in the Civil Hospital, Aizawl in February 2004 and utilised for delivery of rural health services only for 10 days (between September and November 2004) till the date of audit (April 2005). The remaining one was received in the Civil Hospital, Lunglei in March 2004 and utilised for four days (between July 2004 and January 2005) till the date of audit (April 2005). Thus, against the investment of Rs.2.50 crore, the department could utilise the two MCVs for delivery of health care service to the rural people only for 14 days in a year. Besides, for rendering rural health care services with the MCVs, the medical officers/specialists and paramedical staff of both the Civil Hospitals were engaged since no post had been created to man the MCVs, thereby depriving the urban people of their services during their absence from the civil hospitals.

The investment of Rs.3.75 crore in procurement of three MCVs for delivery of rural health care services was injudicious and the expenditure remained largely unproductive.

The department admitted the facts during the exit conference (June 2005).

### ***3.1.25 Excess payments in procurement of imported medical equipment and consumables***

In January 2004, a New Delhi based firm acting as the authorised Indian representative of 13 foreign companies of nine countries offered rates for 46 items of imported medical equipment and consumables. With a view to utilise the funds available under the Pradhan Mantri Gramodaya Yojana, the department proposed and the State Purchase Advisory Board (SPAB) recommended (March 2004) procurement of 37 items as per rate and quantity offered by the firm. Accordingly the supply order was placed with the firm in April 2004.



Audit scrutiny revealed that the rate offered by the firm was inclusive of all taxes. However, the bill preferred by the firm for a total amount of Rs.2.07 crore included Rs.7.98 lakh being 4 *per cent* Central Sales Tax, which was paid in August 2004. This resulted in excess payment of Rs.7.98 lakh to the firm as they had offered rates inclusive of all taxes.

Further, the firm preferred the claim for supply of 38 items against 37 items ordered. The extra item *viz.*, poroffix adhesive tape (1,000 nos.) for which the bill for Rs.4.50 lakh was raised along with other items was neither initially offered by the firm nor ordered for supply by the department. It was also not taken into stock book. It was further noticed that payments for two items<sup>12</sup> valued at Rs.3 lakh was made to the firm without recording stock entry certificate in the bill. The concerned stock book also did not indicate receipt of the items. Thus, there was further excess payment of Rs.7.50 lakh to the firm against the three items.

The department stated (June 2005) that as per usual practice for interstate supply, 4 *per cent* CST had been paid and stock entry will be investigated. The reply is not tenable as the rate offered by the firm was inclusive of all taxes.

### **3.1.26 Monitoring and evaluation**

Successful implementation of the programme depended on proper monitoring and evaluation, but no monitoring system existed in the department to oversee the performance in implementation of the programme under rural health services and the overall impact of implementation was not evaluated. Thus, the performance of the department/Government towards delivery of rural health care services remained un-assessed.

During the exit conference, the department stated that although review meetings used to be conducted twice a year, monitoring will be taken up in a more intensive and planned manner.

### **3.1.27 Conclusions**

The delivery of rural health care services was only partial in the State because of the failure of the Government to make the health centres functional with requisite medical and paramedical staff, irrational deployment of manpower and the non-functioning of the PHC and SCs. Excess establishment of health centres, blocking and irregular diversion of funds, idle X-ray technician due to non-functioning of X-ray machine, injudicious and unproductive expenditure also adversely affected the delivery of health care services to the rural population. The impact of implementation of the programme was not evaluated and no monitoring system to oversee performance was in existence.

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<sup>12</sup> Syringe infusion pump for mass concentration infusion pilot delta (one no.): Rs.1.65 lakh  
Polypropylene mesh for hernia & laproscopic surgery (50 nos. @ Rs.2700) : Rs.1.35 lakh  
**Total: Rs.3.00 lakh**

**3.1.28** The foregoing points were reported to the Government in June 2005; reply had not been received (October 2005).

**3.1.29 Recommendations**

For delivery of proper rural health care services in the State, the Government should take the following steps.

- The State Government should prepare norms for establishment of Rural Health Centres taking into consideration the ground reality of the State, in consultation with the Government of India, and follow such norms for opening of rural health institutions.
- Availability of required manpower needs to be ensured before establishment/upgradation of health centres.
- The Government should ensure functioning of the CHCs, PHCs and SCs already established with requisite medical and paramedical staff to achieve the desired objectives.
- The Government should avoid diversion and blocking of funds, unproductive expenditure and ensure effective utilisation of funds made available for rural health care.
- A comprehensive monitoring and evaluation system to assess the performance should be evolved.
- Quality drugs should be procured with laboratory test report with each consignment. Supply orders should have penal clauses for substandard and expired drugs.

## PUBLIC WORKS DEPARTMENT

### 3.2 Pradhan Mantri Gram Sadak Yojana (PMGSY)

#### *Highlights*

*Under the PMGSY Scheme Government of India sanctioned between 2000-05, 71 road works on 61 roads for providing connectivity to 73 habitations. Out of 71 sanctioned works, only 66 works were taken up for execution and remaining five works had not been started. 47 out of 66 road works executed between 2001-05 were completed as of March 2005 but only 17 habitations (23 per cent) were provided connectivity by construction of 15 all weather roads (AWRs) through 20 road works. As a result, 23 out of 31 habitations with population of 1000 persons and above could not be provided connectivity through AWRs by the year 2003 as envisaged under the scheme.*

Unspent balance of BMS (Rs.0.36 crore) was lying in the Consolidated Fund of the State while Rs.7.67 crore was shown as expenditure although the proposed works under Basic Minimum Services (BMS) were not executed.

*(Paragraph 3.2.8 (i))*

Of 248 unconnected habitations in Mizoram, 73 were targeted for connection through all weather roads but only 17 habitations were actually connected in five years despite a total expenditure of Rs.118.75 crore (including expenditure under Basic Minimum Services (BMS))

*(Paragraph 3.2.8, 3.2.10 & 3.2.11)*

Execution of seven road works which did not connect any habitation resulted in irregular/injudicious utilisation of funds for Rs.16.64 crore.

*(Paragraph 3.2.10 (iii))*

Adoption of higher rates in the estimates led to extra expenditure of Rs.1.52 crore.

*(Paragraph 3.2.13 (i))*

Expenditure of Rs.0.69 crore were incurred in execution of earthwork in lined side drain on four roads which was already completed in the first phase of works.

*(Paragraph 3.2.13 (vi))*

Two road works executed in two districts at Rs.2.50 crore were as substandard.

*(Paragraph 3.2.13 (viii))*

Execution of two road works on a road, selected beyond the scope of the scheme and subsequently handed over to the Border Road Organisation in an incomplete shape, led to injudicious utilisation of fund for Rs.2.16 crore.

*(Paragraph 3.2.13 (ix))*

**Quality of 14 road works executed at a cost of Rs.29.64 crore was found unsatisfactory by NQM.**

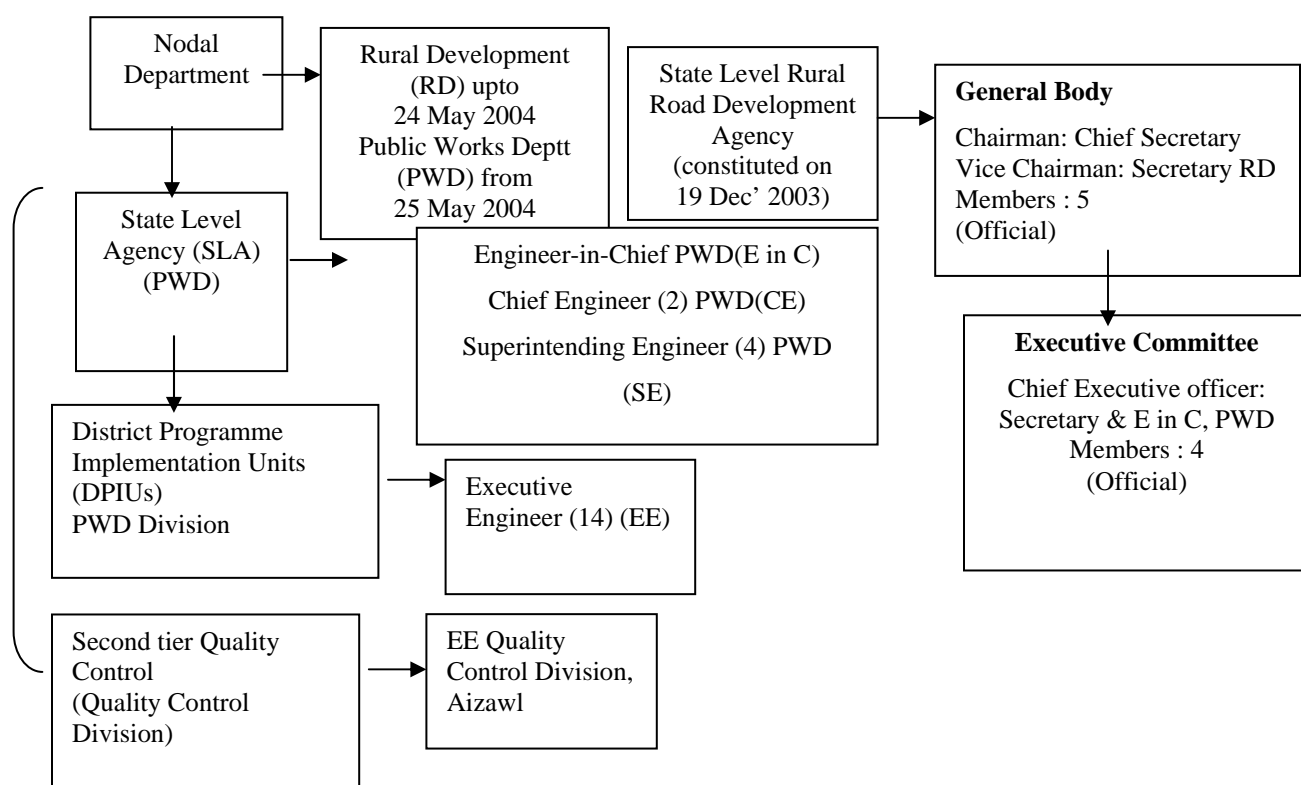
*(Paragraph 3.2.15)*

### **3.2.1 Introduction**

The Pradhan Mantri Gram Sadak Yojna (PMGSY), a 100 percent Centrally Sponsored Scheme, was launched by the Government of India on 25 December 2000 to promote access to economic and social services to rural people by providing connectivity through construction of All Weather Roads (AWRs). This in turn was to generate increased agricultural income and productive employment opportunities. The main objective of the PMGSY scheme was to connect every habitation having a population of 1,000 persons and above through all weather roads by 2003, and habitations with population of 500 and above by the year 2007. In respect of North Eastern States and other hill states, habitations with a population of 250 persons and above were also to be connected by 2007. Besides, nine incomplete works initiated under the erstwhile Basic Minimum Services (BMS) were also to be taken up under PMGSY during the year 2000-01 only.

### **3.2.2 Organisational set-up**

An organisational chart showing the flow of responsibilities to various agencies associated with the implementation of the programme in the State is given below:



### 3.2.3 Scope of Audit

Records of the Engineer-in-Chief, the Chief Engineer (Zone I and II) and seven divisions<sup>13</sup> (out of 15) in six districts (out of eight) for the period from April 2000 to March 2005 were test checked during the period from January to June 2005. Out of 69 packages containing 71 road works sanctioned between 2000-2005, 64 packages containing 66 road works were taken up for execution as of March 2005. Of this, 15 packages containing 17 road works were covered in test check. The coverage was 26 per cent in respect of road works and 28 per cent in respect of expenditure (Rs.30.66 crore out of Rs.111.08 crore).

### 3.2.4 Audit objectives

The objectives of the review were to ascertain whether –

- the assessment of funds/requirement was realistic and targets were fixed after adequate and systemic planning to achieve the programme objectives;

<sup>13</sup> Saiha, Serchhip, NEC division Champhai, Kolasib, Hmuifang, Kawartha PW division and Quality control division.

- the project proposals were prepared economically and efficiently and execution was also managed efficiently and effectively;
- the Quality Control by State Quality Monitors (SQM) and National Quality Monitors (NQM) were enforced satisfactorily;
- the monitoring system evolved/envisaged in the programme was adequate and effective and the Ministry had an effective system of evaluation of the programme objectives and
- the programme achieved its desired objectives of providing connectivity through good All Weather Roads (AWRs) to unconnected habitations and upgradation of existing roads in the rural areas in the State.

### **3.2.5 Audit criteria**

The criteria for assessing the achievement of the objectives of the programme in the state were as follows:

- Source of data on unconnected habitation as well as the total road works involved to provide connectivity.
- Basis of unit cost considered in estimating the fund requirement.
- Projected cost of the programme and fund received thereagainst under the programme.
- Presence of documentation relating to selection/prioritisation/connectivity/upgradation.
- Presence of competitive bidding, timely possessing of bids, timely completion of works and conformity of work to approved specifications. Selection of SQM, involvement of a standard/certified institution rather than an individual in assessing the quality of works.
- Adequate measures for maintaining inventory of assets created under the programme.
- Information of progress of works, presence of performance parameters.

### **3.2.6 Audit methodology**

The audit methodologies adopted in the review were to analyse the data furnished by the State Government to the Government of India, to assess the reliability of selection of roads, scrutiny of project reports and to ascertain whether the cost

adopted were adequate to achieve the desired objectives of the scheme, to analyse the achievement of connectivity against the target and habitations benefited. To see the extent of monitoring and evaluation by scrutinising the reports of SQM and NQM and to ensure proper accounts of transactions and fulfillment of requisite quality parameters of works taken up in the State.

### 3.2.7 Audit findings

The review disclosed inadequate planning, improper identification of projects, non-reconciliation of cash balance with bank account and irregular utilisation of BMS funds. Adoption of higher rates during preparation of estimates leading to extra expenditure on road works, unauthorised and injudicious expenditure and lack of adequate supervision of the execution of the work resulting in unsatisfactory execution of works were also noticed.

The audit findings are discussed in the succeeding paragraphs.

### 3.2.8 Financial out lay and expenditure

The State Level Agency (SLA) kept the funds received from Government of India for PMGSY in a bank account and subsequently released it to 15 programme implementation units (PIUs) including the Quality Control division as per their requirement. The Government of India also released (March 2002 and March 2004) funds for administrative expenses. The position of receipt of funds, expenditure thereagainst and balance for the period from 2000-2005 is given in the table below:

Table 3.1

*(Rupees in crore)*

Year	No. of sanctioned road works	Sanctioned cost	Funds received from Government of India		Interest earned	Total fund	Expenditure as of March 2005		Unspent balance (as of March 2005)
			Programme	Administrative expenses			Programme	Administrative expenses	
2000-01	<u>BMS</u> 09	8.03	8.03	---	---	8.03	7.67	---	(+)0.36
	<u>PMGSY</u> 10	11.92	11.90	---	---	11.90	11.93	---	(-) 0.03
2001-02 & 2002-03	26	49.38	49.38	0.13	0.19	49.70	48.08	0.13	(+) 1.49
2003-04	21	48.87	48.81	---	1.66	50.47	44.46	---	(+) 6.01
2004-05	14	92.79	46.40	1.88	0.60	48.88	4.75 (+) 1.86 <sup>14</sup>	0.15	(+) 42.12
Total	<u>BMS</u> 09	8.03	8.03	---	---	8.03	7.67	---	(+) 0.36
	<u>PMGSY</u> 71	202.96	156.49	2.01	2.45	160.95	111.08	0.28	(+) 49.59

(Source: Sanction letter of Government of India, Monthly accounts of 14 PIUs, quality control division & Government account for 2001-02)

<sup>14</sup> Represent expenditure by the quality control division, Aizawl between August 2004 and March 2005 for procurement of material.

**(i) Non release of fund for BMS works**

According to the information furnished in February 2005 by the SLA, the fund for PMGSY (Rs.8.03 crore) received in 2000-01 was meant to complete the incomplete works under the erstwhile BMS programme. Out of the total receipt of Rs.8.03 crore, Rs.7.67 crore was shown as expenditure in the Appropriation Accounts for the year 2001-02 against State Plan/PMGSY.

Government stated (October 2005) that the expenditure of Rs.7.67 crore was incurred for works under the normal State Plan and not for BMS. Government further stated that the actual expenditure for BMS works was Rs.8.03 crore. The reply is not tenable as the Central funds for Rs.8.03 crore was received through the State budget and the Appropriation Accounts – 2001-02 showed total expenditure of Rs.7.67 crore under the State Plan. Thus, entire amount of Rs.8.03 crore was not released for BMS works.

**(ii) Discrepancy between book balance and bank balance**

Besides unspent balance of Rs.49.59 crore as of March 2005, there was another amount of Rs.3.97 crore being security deposit deducted from the contractors' bills which was to be refunded to the contractors after completion of works and thus, the bank balance should have been Rs.53.56 crore (Rs.49.59 + Rs.3.97 crore). But as per pass book and term deposit account made available to Audit, Rs.48.75<sup>15</sup> crore was available in the bank accounts maintained against Mizoram Rural Road Development Agency (MIRRDA) which shows shortage of Rs.4.81 crore (Rs.53.56 – Rs.48.75 crore). During exit conference (September 2005) the Finance Controller, MIRRDA stated that Rs.4.65 crore were lying with the Vijaya Bank (Rs.4.48 crore) and the State Bank of India (0.17 crore) as of March 2005. But category of accounts maintained in the banks in favour of Chief Engineer (I) & (II) and Bank Statement showing the balances were not furnished. Reasons for retention of scheme fund in two separate accounts in favour of Chief Engineer (I) & (II) even after formation of MIRRDA in favour of which another two accounts were maintained wherein balance of Rs.48.75 crore was lying as of March 2005 were however not stated. The fact remains that there was no system of reconciliation of book balance and bank balance under the scheme and there was a discrepancy of Rs.4.81 crore between the book balance and bank balance of the MIRRDA.

**3.2.9 Formation of Autonomous Agency and other Committees**

According to the guidelines of the PMGSY scheme, the State Government was to

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<sup>15</sup> A/c for programme fund -	Rs. 1.47 crore
A/c for administrative expenses -	Rs. 0.28 crore
Term Deposits -	<u>Rs. 47.00 crore</u>
<b>Total -</b>	<b>Rs.48.75 crore</b>

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nominate a nodal department/SLA, which would be responsible for implementing the scheme in the State. The nodal department/SLA was to identify a State-level Autonomous Agency (SLAA) for receiving funds from Government of India and vetting of project proposals before scrutiny by the State level Standing Committee (SLSC). At the district level, the scheme provided for the identification of an executing agency and formation of a Programme Implementation Unit (PIU)/District Planning Committee for preparation of District Rural Road Plan (DRRP).

The RD Department being the nodal department (upto 24 May 2004), constituted District Planning Committees in all the eight districts of the State. The said committees were, however, not involved in the preparation of DRRPs. The Government of Mizoram constituted the SLAA. The Mizoram Rural Roads Development Agency (MIRRDA) was established belatedly in December 2003 to facilitate and receive funds from Government of India, regulate further activity and monitor expenditure *etc.* But in the absence of any evidence on record (minutes of meetings/proceedings *etc.*), the system of functioning of the MIRRDA could not be assessed. In Mizoram, 14 divisions of the PWD functioned as both Executing Agency and DPIU. All the activities under the programme were performed only by the PWD both at the State and District level.

### 3.2.10 Planning

As reported by the State Government in December 2000 to the Government of India, 285 habitations (1000+:47, 500+:114 and 250+:124) were to be covered under the scheme. However, according to 2001 Census the number of habitations unconnected by all weather roads at the time of launching of the programme was 248 (1000+:31, 500+: 102 and 250+:115). Against this, only 73 habitations (29.43 *per cent*) (1000+:26, 500+:19 and 250+: 28) were targeted between 2000-2005 to be covered under the scheme. As all the unconnected habitations with population of 1000 and above were to be provided connectivity by the year 2003 and other habitations (250-999) by the year 2007, the setting of targets for the 5 years ending March 2005 was on the lower side.

Proper planning is imperative for achieving the objectives of a programme in a systematic and cost effective manner. Under the programme, PIU in each district is responsible for preparation of block level and district level Master Plan/district level road plan. This is to be approved in the General Body (GB) of the respective DRDA/District Planning Committee before forwarding to the SLAA/SLSC for vetting to make a formal District Rural Road Plan (DRRP). PIUs are to select road works and prepare project proposals based on formal DRRP.

In Mizoram, DRRPs were not prepared. The PWD, Government of Mizoram,

however, prepared block level maps and district level maps, list of habitations alongwith status of the road link in the block level and priority list for covering habitations under the programme.

The requirement of resources for execution of projects as proposed by the State Government (SLA) during 2000-01 to 2004-05 and that sanctioned by Government of India as of March 2005 are given in the table below:

Table 3.2

Proposal (New)					Sanction (Proposal-wise)						
Year	No. of proposal	No. of roads	No. of road works	Cost (Rs. in crore)	Proposal approved by GOI (as per sanction)	No. of roads	Year of sanction	No. of packages	No. of road works	No. of habitations to cover against new proposals	Cost (Rs. in crore)
2000-01	<u>BMS</u> <sup>16</sup> 09	09	09	8.03	09	09	2000-01	09	09	---	8.03
	<u>PMGSY</u> 10 (all items of work)	10	10 (2 phases)	30.00	10	10	2000-01	10	10 (1 <sup>st</sup> phase)	10	11.92
							2001-02	05	05 (2 <sup>nd</sup> phase)		12.40
							2003-04	02	02 (2 <sup>nd</sup> phase)		3.77
							2004-05	01	01 (3 <sup>rd</sup> phase)		5.00
2001-02	25	27 <sup>17</sup>	27 <sup>17</sup>	49.94	23	25 <sup>17</sup>	2001-02	19	21 (1 <sup>st</sup> phase)	23	36.98
2003-04							04	04 (1 <sup>st</sup> phase)	03	7.83	
2003-04	16	14 <sup>18</sup>	16	38.69	16	14 <sup>18</sup>	2003-04	15	15 (1 <sup>st</sup> phase)	17	37.27
2004-05	13	12 <sup>18</sup>	13	90.42	13	12 <sup>18</sup>	2004-05	13	13 (1 <sup>st</sup> phase)	20	87.79
Total	<u>BMS</u> 09	09	09	8.03	09	09	---	09	09	---	8.03
	<u>PMGSY</u> 64	63	66	209.05	62	61	---	69	71	73	202.96

(Source: Records of the SLA Mizoram and information furnished by the SLA)

(i) The programme emphasised construction of new roads for providing connectivity to unconnected habitations by AWRs. However, upgradation of existing roads involving conversion of gravel roads/water bound macadam (WBM) to AWR was also permissible upto 20 per cent of the State's allocation where unconnected habitations in the State still exist. In the State, 61 fair weather roads (FWRs) covered under the programme were categorised as "New

<sup>16</sup> GOI sanctioned Rs.8.03 crore during 2000-01 to the State Govt. as additional central assistance out of programme fund which was released for execution of balance work under the erstwhile BMS scheme as proposed by the State Govt.

<sup>17</sup> 1 proposal (MZ 0112) for the year contained 3 road works on 3 roads

<sup>18</sup> 2 proposals for 2003-04 and 1 proposal for the year 2004-05 contained 3 road works on different chainages of a road which was already included against 2000-01 wherein 1<sup>st</sup> phase work was executed on different chainage.

connectivity” instead of “upgradation”. The Government stated in October 2005 that categorisation of FWR done by the Department was not correct which would actually be jeepable track and necessary correction would be made. Accordingly, 61 roads categorised by the department as “New connectivity” was correct, as stated. But, guidelines of the scheme did not specify any road as “Jeepable track” to be treated as “New connectivity”. Thus, in the State, only existing roads were covered under the scheme. In the absence of any documentary evidence on record, number of habitation that remained un-connected even with FWR/Jeepable track could not be ascertain in audit.

(ii) Under the programme, the rural roads to be taken up would by and large be surfaced road. Construction of gravel road would also be permissible depending upon soil condition but with all necessary cross drainage structure. Between 2000-2005, the SLA submitted 64 proposals to Government of India for 66 roadworks on 63 roads. Of this, 25 packages (10 for the year 2000-01, 8 for 2001-02, 3 for 2003-04 and 4 for 2004-05) contained proposals for earthwork-pavement works on 25 roads valued at Rs.85.50 crore and the rest 39 packages for 38 roads covered cost of Rs.123.55 crore for earthwork, cross drainage and protection work only. Thus, total requirement of funds for construction of 63 nos. of AWRs under the scheme were not assessed. As per information furnished by the SLA, Government of India approved 62 proposals for the years 2000-2005 for covering 61 roads under the scheme, as against 64 proposals submitted by the SLA to the Government of India, and sanctioned Rs.202.96 crore against 69 packages for 71 road works as claimed by the SLA on phased manner. While in the case of 22 roads, sanction for Rs.76.73 crore (*Appendix-XXV*) was accorded for earthwork-pavement works, for the remaining 39 roads, only earthwork, cross drainage and protection works for Rs.126.23 crore were sanctioned. Thus, only 38 *per cent* of the total allocation of funds of Rs.202.96 crore was provided towards construction of surfaced roads leading to improper planning in the State for providing connectivity to eligible unconnected habitations by all weather roads. Documentary evidence of submission of project proposals to Government of India and project-wise approval/sanction accorded by Government of India were, however, not made available to Audit.

The Government in the reply stated in October 2005 that under the guidelines of NRRDA (July 2004), formation cutting in the first stage and pavement work in the second stage were permissible. But, the fact is that estimates for all the items of work *i.e* Earthwork-pavement work were not prepared in most of the works proposed between 2001-02 and 2004-05. As a result, total requirement of funds for converting an existing road to AWR was not assessed. Execution of work in stages was to be done after obtaining approval of total cost of the project first.

(iii) Between 2000-01 and 2003-04, Government of India sanctioned seven road works on five roads at a cost of Rs.17.12 crore for providing connectivity to five habitations (villages) in Aizawl (2), Champhai (1), Lunglei (1) and Serchhip (1) (as per DPR). The department completed all the seven works on five

roads at a total cost of Rs.16.64 crore. Verification of priority list and list of habitations made available to audit revealed that out of five roads, three (Sl. 1 to 3 of **Appendix-XXVI**) had been included in the priority list without identifying the habitation to be covered while remaining two had not been included in the priority list. Although, works were completed, no habitation was benefited.

Thus, the main objective of the scheme to connect the unconnected habitations even after incurring an expenditure of Rs.16.64 crore was frustrated leading to injudicious expenditure.

The Government in reply stated in October 2005 that some roads were split up into two to three sections for convenience of execution and each section might have to be again taken up in two stages. When two stages of one section were completed, the next village might still not be connected fully by AWR unless all sections are completed upto pavement. But, Government did not offer any comment as regard non-inclusion of targeted coverage of habitation in the priority list in three cases and execution of two works prior to their inclusion in the priority list work. Thus, expenditure of Rs.16.64 crore under the scheme was not judicious, as each section of the road was not made AWR in one go.

### 3.2.11 Programme Performance Appraisal

#### Physical and financial achievements

##### Roads constructed

The physical and financial performance of works taken up under the programme in the State as of March 2005 to provide connectivity to the targeted habitations is given in the table below:

**Table 3.3**

Year	No. of road works sanctioned (Phase-wise)	Net length coverable	Sanctioned cost (Rs. in crore)	No. of road works taken up as of March 2005	No. of works completed as of March 2005	Net road length covered	Value of work done (Rs. in crore)	No. of works in progress as of March 2005	Value of work done for incomplete works (Rs. in crore)
2000-01	10	106.93	11.92	10	---	---	---	---	---
2001-02 and 2002-03	26	201.90	49.38	26	12	118.38	15.51	(01) <sup>19</sup>	(1.15)
2003-04	21	250.51	48.87	21	11	124.30	21.50	---	---
2004-05	14	276.70	92.79	9	24	195.05	46.67	18	24.39
<b>Total</b>	<b>71</b> (61 roads)	<b>836.04</b>	<b>202.96</b>	<b>66</b> (56 roads)	<b>47</b> (41 roads)	<b>437.73</b> (52 per cent)	<b>83.68</b> (41 per cent)	<b>(01)</b> 18	<b>(1.15)</b> 24.39

(Source: information furnished by SLA)

<sup>19</sup> The work was suspended in December 2002 and handed over to BRO.

Out of 71 sanctioned works, 66 works were taken up for execution and remaining five works had not been started as of March 2005. 44 out of 47 works were completed after a delay ranging from 1 to 24 months, the reasons for which were not on record. Penalty leviable for the delay (one *per cent* of the balance tendered value/estimated value per day limited to value of balance work) as stipulated in the bidding document was not levied in any of the cases. Out of 18 works on 18 roads which were in progress as of March 2005, nine works for 2003-04 were in progress beyond due date of which, seven were due for completion in July 2004 and two in March 2005. In the absence of progress reports with the SLA, reasons for delay in completion after incurring 89 *per cent* expenditure of the sanctioned amount of Rs.22.19 crore could not be ascertained. Nine works for 2004-05 were in progress. Thus, adequate system of supervision of works and internal control mechanism of the SLA were absent.

### ***Habitations connected***

According to guidelines of the scheme, habitations would be treated as connected only when construction of road from earthwork stage to desired specification was complete. Based on above criteria, habitations that were benefited as of March 2005 are shown in the table below:

**Table 3.4**

Size of population	No. of habitation unconnected by AWR at the time of launching of the programme (based on 2001 census)	Category of connectivity & no. of habitation to be benefited as targeted (based on items of work taken up & sanctioned of packages)		No. of sanctioned road works	No. of roads coverable	Length of road coverable (Km)	No. of roadworks completed (all items of works)	No. of road covered	Length of road covered (Km)	No. of habitation actually benefited with AWRs	Cost involved (Rs. in crore)
		Category	No.								
1000+	31	NC	09	09	09	166.58	01	01	14.00	01	3.74
		Upg	17	17	17	194.65	08	07	40.31	07	12.05
500+	102	NC	06	05	05	106.01	-	-	-	-	-
		Upg	13	09	08	96.07	04	03	14.60	04	3.52
250+	115	NC	12	09	09	97.10	01	01	5.00	01	1.52
		Upg	16	22	13	175.63	07	04	55.00	04	15.44
Total	248	NC	27	23	23	369.69	02	02	19.00	02	5.26
		Upg	46	48	38	466.35	19	14	109.91	15	31.01
<b>Grand Total</b>	<b>248</b>		<b>73</b>	<b>71</b>	<b>61</b>	<b>836.04</b>	<b>21</b>	<b>16</b>	<b>128.91</b>	<b>17</b>	<b>36.27</b>
<b>Percentage of targeted coverage</b>							<b>30</b>	<b>26</b>	<b>15</b>	<b>23</b>	

[Source: Based on item of works as per DPRs and information as furnished by the SLA]

Between 2000-01 and 2004-05, Government of India sanctioned 71 road works on 61 roads for covering 73 habitations. Of these, 24 habitations were only planned for providing connectivity through construction of 22 all weather roads (AWRs) with 32 road works covering all items of works. Only 21 road works

(30 per cent of sanction) on 16 roads (26 per cent of sanction) (Table 3.4) were completed from earthwork to pavement work and accordingly made AWRs. From Table 3.4 it can also be seen that 23 per cent (17 out of 73) habitations were benefited under the programme till March 2005. Low achievement was mainly due to inadequate planning in the State. While, 31 unconnected habitations with population above 1000 were to be provided connectivity by the year 2003, only 8 habitations (25 per cent) could be provided benefit of surfaced roads till March 2005. Against 217 unconnected habitations with population 250-999, only 9 habitations (four per cent) were benefited by AWRs till March 2005. In view of poor coverage of connectivity, possibility of providing benefit to the rest 231 habitations (1000+: 23, 250-999: 208) even by the year 2007 appeared remote. As a result, the main objectives of the scheme not only remain unachieved but investment of Rs.68.20<sup>20</sup> crore (Rs.104.47 crore minus Rs.36.27 crore) under the scheme till March 2005 against road works for the years 2000-01 to 2003-04 (Table 3.1) proved idle.

The Government stated in October 2005 that the original target of the programme to connect all habitation having population of 1000 and above by the year 2003 could not be achieved due to insufficient fund flow, inadequate capacity. The contention of the department is not acceptable as there was little planning for providing connectivity to 31 habitations with population of 1000 and above through AWR on priority basis.

**3.1.12 District-wise (test checked) imbalance in achievement**

The position of connectivity by surfaced roads as provided till March 2005 against the targeted habitation in six districts as test checked were as follows:

**Table 3.5**

District	No. of road coverable as per sanction (Road works)	Sanctioned cost (Rs. in crore)	Expenditure as of March 2005 (No. of road-works)	No. of habitation coverable as per DPR	No. of roads where all sanction road-works completed till March 2005	Cost involved (Rs. in crore)	No. of roads converted AWR	Cost involved (Rs. in crore)	No. of habitation with size of population				Percentage of coverage of habitation against target
									1000+	500+	250+	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Aizawl	14 (19)	58.02	25.94 (18)	18	9	16.15	7	14.48	5	2	1	8	44
Champhai	11 (12)	30.04	22.26 (12)	13	10	22.24	2	3.82	-	-	2	2	15

<sup>20</sup> Expenditure against 71 roads works as of 31.3.05 (Table 3.1)	Rs.111.08 crore
Less expenditure for 2004-05 not due for completion as of March 2005	Rs.4.75 crore
Less materials purchased for which details of issue not available	Rs.1.86 crore
Less cost involved on works which provided connectivity by AWR	<u>Rs.36.27 crore</u>
<b>Total</b>	<b>Rs.68.20 crore</b>

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Kolasib	1 (1)	1.12	1.12 (1)	1	1	1.12	Nil	Nil	Nil	Nil	Nil	Nil	0
Mamit	5 (7)	11.54	11.54 (7)	7	5	11.36	2	5.28	-	1	1	2	29
Saiha	7 (8)	32.30	11.52 (6)	10	3	7.91	1	3.74	1	-	-	1	10
Serchhip	5 (6)	19.55	12.17 (6)	5	2	4.42	2	4.42	1	-	1	2	40
<b>Total</b>	<b>43 (53)</b>	<b>152.57</b>	<b>84.60 (50)</b>	<b>54</b>	<b>30</b>	<b>63.20</b>	<b>14</b>	<b>31.74</b>	<b>7</b>	<b>3</b>	<b>5</b>	<b>15</b>	<b>28</b>

In six districts as mentioned above, percentage of achievement varied between 0-44. The low achievement in providing connectivity to the habitations by surfaced roads is attributable to inadequate planning for implementation of the scheme in the State.

### 3.2.13 Implementation

#### (i) Adoption of higher rates in preparation of estimates

As per the PMGSY guidelines, the estimates of the works were to be prepared as per schedule of rates (SOR) applicable in the respective rural areas. In the State, three SORs (one each for Northern Mizoram, Southern Mizoram and National Highway) were applicable between 2000-01 to 2003-04 and SOR of National Highway (NH) would not be applicable for village roads. Estimates for the works proposed during 2000-01 and 2001-02 were prepared as per applicable SOR – 2000. However, for Water Bound Macadam-Black Topping (WBM-BT) works, analysed rates were adopted. Estimate for the works proposed during 2003-04 were prepared as per NH SOR – 2002. Scrutiny revealed that analysed rates as adopted for WBM-BT works in the estimates of nine works for the years 2000-01 to 2003-04 and rates for earthwork in the estimates of 14 works for 2003-04 exceeded the rates of even SOR – 2003 of both Northern and Southern Mizoram. This difference of rates which ranged between (+) Rs.13.47 and (+) Rs.198.35 per cubic metre against item of work “ WBM/BT ” in case of nine road works for 2000-01 to 2003-04 and (-) Rs.2.70 to (+) Rs.309 per cum/Rm against earthwork on 14 road works for 2003-04 led to overall extra expenditure of Rs.1.52 crore (**Appendix-XXVII**). Out of this, Rs.75.13 lakh had already been paid to the contractors against 15 works which were completed between August 2002 and March 2005 at Rs.30.05 crore.

The Government in reply stated in October 2005 that rates adopted for WBM-BT work were not analysed rates but rates for providing the material for laying and for carriage were clubbed together as a single rate, whereas, in the schedule of rates, each of the above mentioned items were given separate rates. The SOR for

NH was adopted since 2003 considering the quality control requirement, the specification and other parameter as laid down for PMGSY works which were found similar to ones as laid down for National Highway works. The contention of the Government is not acceptable in the absence of any documentary evidence of the fact as stated.

**(ii) Lack of competitive bidding**

Under the scheme, the projects to be executed by the PIUs were to be tendered through competitive bidding. In the State, tenders for the works were finalised and awarded by the SE of the circle concerned. In four districts, 19 tenderers were selected (Saiha: 6, Serchhip: 9 and Champhai: 4) for execution of 14 works for the years 2000-01 to 2003-04 by three PIUs (Saiha:6, Serchhip: 5 and NEC Champhai P.W. division: 3) as test checked, where bidding of the tenders were not competitive. While, 32 tenderers in Saiha district and 25 in Champhai district quoted the same rates (sanctioned cost of works), 34 tenderers in Serchhip district did not quote any rate. In the absence of competitive bidding, basis of selection of 19 tenderers for execution of works valued Rs.33.30 crore could not be assessed in audit.

**(iii) Extra expenditure due to rejection of lowest tenders**

According to information furnished by the SE, Western circle, Aizawl, three road works (package no. 0112) for the year 2001-02 under Hmuifang Division in Aizawl district were awarded to the second lowest tenderer at Rs.2.09 crore although, two tenderers had offered the lowest rate of Rs.1.97 crore each (below 6 per cent). As stated in September 2005 by the SLA, the lowest rate was not accepted in terms of the State Government Notification dated 15 December 1992 wherein the acceptable lowest rate was restricted upto 5 per cent below the estimated cost. But according to the said notification, in case where significantly low rates were to be rejected, the competent authority accepting the tender should obtain the approval of the higher authority. In this case the tender accepting authority (SE) did not obtain any such approval. While, the scheme emphasised competitive bidding of tender, rejection of the lowest rate without referring the matter to the higher authority/Government had no basis. Non acceptance of the lowest rate, thus, resulted in extra expenditure of Rs.12 lakh (payment made on completion of the work in May 2004: Rs.2.09 crore – Rs.1.97 crore).

**(iv) Bank guarantees**

According to the PMGSY guideline, roads constructed under the programme were to be of very high standard requiring no major repair for at least 5 years. For this purpose a bank guarantee valued at 10 per cent of the work and valid for 5 years was to be obtained from the contractor. Test check of records revealed that



against 17 works valued at Rs.34.09 crore executed in six districts, bank guarantee amounting to Rs.3.40 crore had not been obtained from the contractors for which the expenditure of Rs.34.09 crore remained uncovered by warranty as prescribed in the guide line.

The Government in reply stated in October 2005 that five years liabilities period prescribed under the guidelines was for pavement work which were imposed after prescribed bidding documents were issued (March 2003) by NRRDA. For formation cutting it was two years. The Government's reply was not corroborated by the guidelines. It was further stated that the security deposit to be deducted at 10 *per cent* of contract value was permitted to be replaced by a bank guarantee which was realised from a contractor. The contention of the Government is not acceptable as, details of bank guarantee received against the works from the contractor were not furnished. Further scrutiny also revealed that out of Rs.1.88 crore recovered from the contractor as security deposit against 18 road works for the year 2000-01 to 2003-04, Rs.1.81 crore were already refunded between December 2003 and March 2005.

**(v) Refund of security deposit prior to completion of work**

In terms of the standard bidding document, security deposit recoverable at the rate of 10 *per cent* from the contractor's bill was to be refunded only after completion of work. Test check revealed that NEC Division Champhai refunded (July 2004) security deposit of Rs.9.31 lakh to a contractor against the work (Khungleng-Bungzung road) prior to completion of the work. Thus, the contractors were granted undue benefit of Rs.9.31 lakh.

The Government, however, stated in October 2005 that the contractor submitted "National Savings Certificate" for Rs.10 lakh in favour of the Executive Engineer, of the Division. But the contention of the Government is not tenable as documentary evidence of validity period for those certificate for five years were not furnished. Even certificate were not replaced by bank guarantees with validity period of five years.

**(vi) Doubtful expenditure**

During 2000-01, four works<sup>21</sup> to be executed in two phases were approved at a total cost of Rs.13.24 crore. Four PIUs (Saitual, Serchhip, Mamit and Kawarthah PW divisions) executed the Phase-I works between October 2001 and May 2004 and incurred a total expenditure of Rs.4.00 crore on earthwork, cross drain and protection works. For execution of Phase-II work, the estimates were revised and

<sup>21</sup> E. Phaileng- Rungdil, Hreichuk-Khawrihnim, Moroichera-Lusaichera, N. Vanlaiphai-Thingsai.

Rs.9.93 crore was sanctioned (2001-02) by SLA, which included earthwork in lined side drain for Rs.0.69 crore already completed in Phase-I at a cost of Rs.0.10 crore. The works of Phase-II were completed (July 2004) at the sanctioned cost of Rs.9.93 crore.

Thus, execution of earthwork in lined side drain in Phase-II at a cost of Rs.0.69 crore that was already completed in Phase-I (as per original provision) constituted doubtful expenditure.

The Government stated in October 2005 that in the second sanction, earthwork included construction of culverts and for profile correction of sub grade. But, scrutiny of detailed project report revealed that Rs.0.69 crore actually included Rs.0.03 crore for formation cutting in lined side drain against two works (Package No.0603 (b) and 0601 (a) for 2001-02) which was already executed during Phase-I work at Rs.0.03 crore as was originally provided. The balance Rs.0.63 crore was for masonry lined side drain work against all the four road works which were not provided in the original estimates submitted to the Government of India during 2000-01. In the absence of any documentary evidence, it could not be ascertained whether additional item of work was executed during Phase-II work with the approval of the Government of India.

***(vii) Unauthorised expenditure***

For construction of Khamrang-Mualpheng road (6.84 km) in Kolasib district for providing connectivity to one habitation with population of 1000 and above, project cost of Rs.2.13 crore was approved (2001-02) by Government of India, which included earthwork, improvement work, cross drain, protection work (Rs.84.80 lakh) and pavement work (Rs.128.67 lakh). The SLA sanctioned (2001-02) Rs.1.12 crore to the PIU. However, the PIU framed one estimate of Rs.1.12 crore (formation cutting and side drain: Rs.60.52 lakh and culvert, retaining wall: Rs.51.66 lakh) against the approved provision of Rs.84.80 lakh and completed the work (May 2003) at a cost of Rs.1.12 crore. Reasons for non-execution of pavement work was neither on record nor stated. Even after a lapse of 24 months, no effort had been made to execute the pavement work and the targeted habitation could not be provided connectivity by AWR which led to idle expenditure of Rs.1.12 crore. Again, due to execution of work at a total cost of Rs.1.12 crore against the approved provision of Rs.0.85 crore, the PIU incurred unauthorised extra expenditure of Rs.27.00 lakh.

The Government stated in October 2005 that Government of India did not sanction pavement work till October 2005. Reasons for not according sanction and release of Rs.1.12 crore against the approved provision of Rs.0.85 crore for Earthwork-protection work were not stated.

**(viii) Execution of sub-standard work**

The SLA, Mizoram proposed in 2001-02 one package (MZ 0112) containing three roadworks valued at Rs.1.76 crore (1<sup>st</sup> – Sateek – Phulpui Rs.34.06 lakh, 2<sup>nd</sup> -Lungsai – Maubuang Rs.92.21 lakh and 3<sup>rd</sup> work – Aibawk-Tachhip Rs.49.24 lakh) in Aizawl district. Against this, the SLA, however, provided funds for Rs. 2.09 crore during the year to the PIU (Hmuifang Division) for execution of three road works (1<sup>st</sup> – Rs.122.54 lakh, 2<sup>nd</sup> - Rs.37.41 lakh and 3<sup>rd</sup> work Rs.49.24 lakh). Thus, against the proposal for Rs.34.06 lakh for the first work, which covered only the earthwork, funds were provided for pavement work for Rs.88.48 lakh in addition to Rs.34.06 lakh as proposed for earthwork. In the case of the second work Rs.37.41 lakh was sanctioned for earthwork-protection work while original proposal included pavement work for Rs.54.81 lakh also. Thus, instead of providing funds for the pavement work on the second road, extra funds for Rs.88.48 lakh were sanctioned towards pavement work for the first road. This diversion of work of one road to another without any reason on record was not only irregular but led to excess release of funds of Rs.0.34 crore. The PIU awarded three works to a contractor in February 2002 who completed the works in May 2004 at Rs.2.09 crore. The National Rural Road Development Authority (NRRDA), New Delhi based on NQM's inspection in December 2004, however, graded the quality of the first work as unsatisfactory. Thus, even after an excess sanction of Rs.0.88 crore against the first work, the execution of the work at a cost of Rs.1.23 crore was sub-standard.

The Government stated in October 2005 that works were executed as per sanctioned estimate and there was no diversion of item of work from one road to another. Reasons for not according sanction for first and second work as per detailed project report that was submitted to Government of India as per package No. 0112 for 2001-02 were however, not given. Further, comment on unsatisfactory execution of work as graded for the first work by NQM was not offered.

The work “Construction of Hume pipe culvert (5), retaining wall (4) and pavement of 8.50 km with road width 3.30 metre on Champhai-Hmunmeltha road” was sanctioned during 2003-04 at Rs.2.39 crore. The NEC Division, Champhai executed the work between October 2003 and March 2005 through two contractors at an expenditure of Rs.2.37 crore. Scrutiny revealed that for execution of 28,059 sqm Water Bound Macadam works, 2,103.75 cum of Indian Road Congress Grade-II metal was required but the contractors utilised 2,584.21 cum of Grade-II metal which was in excess by 480.46 cum valuing Rs.8.10 lakh. Again, against the requirement of 3,506.25 cum of Grade-I metal in sub-base course, the contractor utilised 3,301.35 cum. Thus, execution of the pavement work at Rs.1.27 crore was sub-standard. The SLA, however stated in September 2005 that the work was not sub-standard as the pavement thickness as per actual execution was as per design thickness. But the fact remains that the

work was not executed according to the approved provision of the DPR and the sub-base was also made weaker.

**(ix) *Injudicious selection of road and injudicious expenditure***

Two road works (Phase-I & II) on one road (Tuipang-Zawngling) of 14 kms length in Saiha district sanctioned at Rs.1.01 crore and Rs.2.47 crore during 2000-01 and 2002-03 respectively, were taken up for execution through two contractors. Phase-I work (formation cutting, cross drain, protection wall) was awarded to a contractor in October 2001 and the work was completed in August 2002 at a cost of Rs.1.01 crore. The Phase-II work (pavement for 14 km) was also awarded to a contractor in October 2001 with the stipulation to complete the work by October 2002. The second contractor started the work in January 2002 and till December 2002 an expenditure of Rs.1.15 crore was incurred in execution of pavement work (sub base – 9.610 km, base course Grade II 2.840 km, Grade III 2.750 km and BT 0.450 km) and thereafter the work was stopped. It was, however, ascertained that the road was handed over to the Border Road Organisation (BRO) in May 2003 (as per direction of E in C dated July 2002). It was further noticed that the road was not included in the priority list for covering under PMGSY.

Thus, inclusion of work under PMGSY was injudicious and suspension of work in incomplete stage even after incurring an expenditure of Rs.2.16 crore (Rs.1.01 + Rs.1.15 crore) was injudicious as the habitation was not connected with the specified road.

The Government stated in October 2005 that the road was handed over to BRO as it was included under defence road and unutilised balance of Rs.1.32 crore (Rs.2.47 crore minus Rs.1.15 crore) were kept in the bank account. Reasons for taking up of work in October 2005, without its inclusion in the priority list, were not given.

**(x) *Avoidable expenditure***

Government of India approved the work Improvement and Widening of 12 km Moroichera –Lushaichera road from existing width of 3.20 metre to 5.20 metre, 2000-01 for Rs.3.86 crore. The DPR included 1,14,273 cum earthwork in A-D classes of soil/cleaning and grubbing<sup>22</sup> of road land and 3,000 cum earthwork for side drain valued at Rs.54.62 lakh. The work was awarded to a contractor in October 2001. The contractor excavated 1,34,878.64 cum earthwork only in formation cutting at a cost of Rs.54.62 lakh. According to detailed measurement and information available, 10.38 km length of road was widened by three metre and 1.26 km length was widened by 3.50 metre as against two metre required to be widened in entire chainage of 12 km. Thus, extra widening of one metre to

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<sup>22</sup> Uprooting and removing the stumps and roots of small trees, plants, hedges etc., from the site of the work.

1.50 metre in the entire 12 km length led to extra avoidable expenditure of Rs.18.21 lakh (*Appendix - XXVIII*).

While admitting the fact that 1,34,878.64 cum earthwork was excavated on the road, the Government did not offer any comment as regards extra widening of one metre to 1.50 metre beyond requirement.

### **3.2.14 Material management**

Between August 2004 and March 2005, the SLA released funds of Rs.1.86 crore to the Quality Control Division, Aizawl for procurement of material viz., explosives and bitumen (Bitumen: Rs.1.27 crore and explosive: Rs.0.59 crore) for subsequent issue to PIUs as per requirement of the works under them. According to information furnished, the division procured material valued at Rs.1.86 crore between April 2004 and December 2004 and issued material valued at Rs.1.18 crore to the PIUs leaving balance stock worth Rs.0.68 crore with the division as of March 2005. But, work wise details for requirement of material and issue there against was not made available to audit, although called for. The Government stated in October 2005 that procurement was done on rough assessment for a certain period. But, details of material valued at Rs.1.18 crore shown to have been issued till March 2005 from the Quality Control Division, Aizawl, however, not furnished. As such, veracity of issue of materials worth Rs.1.18 crore could not be ascertained in audit.

### **3.2.15 Quality control/assurance**

For effective supervision, a three-tier quality control mechanism was envisaged. In the first tier, each PIU would ensure that the workmanship and materials utilised on works conformed to the prescribed specifications. In the second tier, the SQM were to inspect all the works periodically including testing of materials used in works. Independent monitors to be engaged by NRRDA as National Quality Monitors (NQM) would be the third tier which would inspect the road work with particular reference to quality and furnish reports to NRRDA. The NRRDA in turn would send NQM's report to the State Government for appropriate action. In Mizoram, Quality Control Division created in June 2001 performed the function of second tier control.

Out of 57 road works executed between October 2001 and March 2005, the second tier quality monitor (SQM) inspected 38 road works without quality grading. In April/May 2003, the third tier monitor (NQM) inspected 23 road works for the years 2000-2002, of which 21 works were graded as 'good'. Report of gradation of the remaining two works was not available. In terms of changes of the grading system of works made in January 2005 by the NRRDA, 14 road works (out of 15) for 2001-02 and 2003-04, constructed at Rs.29.64 crore, were graded as 'unsatisfactory', by the NQM on inspection in July and December 2004. Reasons for such sudden degradation in the quality of works were not on record.

Government stated (October 2005) that the SQM at the initial stage of implementation of the scheme had given grading of work. From July 2004, SQM followed NQM report and hence grading was not done. Details of grading done by SQM at the initial stage were not furnished. As regards unsatisfactory grading done by NQM, Government stated that these were mainly due to minor omission such as absence of logo sign, road sign and in most of the cases, it did not reflect the quality of work *per se*. Reply is not tenable because the NQM was to inspect the road work with particular reference to quality and thus, the grading of works done by the NQM reflected the quality of works.

### **3.2.16 Monitoring and evaluation**

Under the scheme, the District Vigilance and Monitoring Committee (DVMC) to be set up by the Ministry of Rural Development, Government of India would monitor the progress and exercise vigilance on the scheme as implemented in the State. But no evidence was available on record to show that the DVMC was set up by the Ministry in the State. Further, evaluation of the performance of the scheme in the State was not done by any of the agencies as of March 2005. Due to non-formation of SLSC, works as supervised by the executing authorities were also not evaluated by the SLSC as stipulated in the scheme.

The Government stated in October 2005 that DVMC was set up in all the districts, but the department did not keep any document about the action taken by the committee, as the said committee was constituted under the Deputy Commissioner of the districts. The reply is not tenable because the DVMC, which was set up in May 1997 (prior to launching of the scheme), was for all the programmes implemented by Rural Development Department. The said committee was, however, not specifically assigned to monitor the PMGSY scheme implemented in the State by the PWD.

### **3.2.17 Conclusions**

In view of the various shortcomings as detected on implementation of the scheme in the State, the following conclusions are drawn:

- Major part of the habitations with population of 1,000 and above were not provided connectivity through all-weather roads indicating lack of planning in achieving the objective of providing road connectivity by 2003.
- There were instances of irregular/injudicious utilisation of funds because of failure in providing road connectivity to the habitations.
- The objective of the PMGSY for construction of very high standard roads was frustrated because of execution of unsatisfactory road works.

### **3.2.18 Recommendations**

For proper implementation of PMGSY in the State, the Government should

- give preference in providing connectivity to unconnected habitations as per norm instead of upgradation of existing roads;
- ensure periodical reconciliation of cash balance with bank to avoid any probable misappropriation of money;
- ensure utilisation of fund as per the approved estimate and
- gear up the first and second tier quality monitors for ensuring quality of road works.

The above mentioned recommendations were noted for compliance as confirmed in October 2005 by the Government.