

DETAILED AGENDA FOR THE ALL INDIA REVIEW MEETING ON IMPLEMENTATION OF MPLADS WITH NODAL SECRETARIES OF THE STATE GOVT./UT ADMINISTRATIONS TO BE HELD AT 11.45 A.M. ON 6th FEBRUARY, 2012

Forenoon 11.45 A.M.- 2.15 P.M.

1. Review of various Constituencies of Lok Sabha and Nodal Districts of Rajya Sabha MPs .

The progress of implementation of the Scheme varies not only from State to State, but it is also seen that in the same state some districts are consistently performing better, whereas some are lagging behind. In constituencies/ Nodal Districts/ included in statement at **Annexure A**, no instalment of MPLADS funds has been released after **I/2009-10** as the requisite documents i.e. Monthly Progress Report(in case of Lok Sabha MPs) and Utilisation Certificate and/or Audit Certificate(in case of Rajya Sabha MPs) have not been submitted by the Distt. Authority. **Annexure B** shows the Constituencies/Nodal Districts which have done remarkably well in terms of fund release and utilisation. Districts which may have lagged behind as well as Districts which may have done comparatively better may share their experiences.

2. Distribution of 2% Administrative Expenses as per circular dated 08.08.2011.

Para 4.17 of the MPLADS guidelines was amended vide Reform Circular No. 7 dated 8.8.2011 providing for 2% of the annual entitlement of MPLADS fund as "Administrative Expenses". The Administrative Expenses are to be distributed among the Nodal District, Implementing Districts and State Govt. in the manner specified in Para 2 of the Circular. The 2% Administrative Expenses are to be utilised by the State/UT Nodal Departments for third party inspection/physical audit and quality checks, monitoring of works at state level and for translation of MPLADS guidelines in their respective regional languages **except Hindi**. Recently, a letter has been issued to all Nodal Secretaries to open a separate Bank Account for the purpose of getting the State Govt's share of Administrative Expenses out of MPLADS Funds released to District Authorities.

State Nodal Secretaries and District Authorities may indicate follow up action.

3. Formation of exclusive MPLADS Monitoring Cell at State level headed by Joint Secretary/Additional Secretary/Special Secretary level officer.

The MPLAD Scheme is implemented through District Authorities. Under the MPLAD guidelines nodal departments in the state governments are responsible for proper and effective supervision of the MPLADS in the State/UT. The release of funds for the scheme is dependent upon timely processing and sanctioning of recommendations and execution of the sanctioned works and furnishing of Utilization Certificates (UCs), Audit Certificates (ACs) and eligible Monthly Progress Reports (MPRs) by the District Authorities. With the increased magnitude of work under MPLAD Scheme, it has now become necessary that regular physical monitoring of MPLADS works is made by the concerned State/UT Governments. The Members of Parliament have been expressing concern over lack of a proper monitoring mechanism to ensure proper, smooth and timely implementation of the works which would also result in timely release of funds for further works. The Parliamentary Committees on MPLADS have also expressed grave concern over lack of monitoring of MPLADS works. Chief Secretaries of all the State Governments were requested vide D.O.No.C-52/2011-MPLADS dated 15.09.2011 (**Annexure C**) to examine the possibility of creation of a separate MPLADS Monitoring Division in the State headed by at least Joint Secretary level officer. Except for Government of Assam, no reply has been received from any other State/UT Govt. States may indicate follow up action.

4. Formation of MPs Advisory Committee at State level to be serviced by the above State level Cell.

The MPLADS Scheme is monitored at the State Government level and at the District level by the mechanism of Review Meetings to be held at regular intervals. Despite the various provisions for monitoring the Scheme at each stage prescribed in the guidelines, delays still occur at various levels and complaints with regard to delay in release of funds, delay in implementation at the State/UT Government level are received in the Ministry. The MPLADS Committees of Rajya Sabha and Lok Sabha have also pointed out many instances where MPs have complained to the Committees regarding delay in implementation of the scheme. With a view to redress the grievances of the MPs and other stakeholders in case of non/slow implementation of the Scheme, a proposal is under consideration to have an Advisory Committee headed by the senior-most MP in each State/UT with 4-5 MPs as members (to be nominated by Competent Authority)with a mandate to review and monitor the implementation of the scheme. The Advisory Committee will get secretarial assistance from the proposed Monitoring Cell of the nodal Department of State/UT.

5. Slow pace of execution of works including the time gap between recommendation, sanction, completion of works and delay in sending Utilisation Certificates and Audit Certificates to the Ministry.

The following time limit has been prescribed in the MPLADS guidelines for each stage of work after recommendation of the work by the concerned Member of Parliament:-

- i) Verifying eligibility of work and informing the MP of ineligible works.....
.....45 days **(para 3.5)**
- ii) Sanction of recommended eligible works75 days **(para 3.12)**
- iii) Further, Para 3.13 of the MPLADS Guidelines states that the sanction letter/order shall stipulate a time limit for completion of the works which should generally not exceed one year. In exceptional cases, where the implementation time exceeds one year, specific reasons for the same shall be incorporated in the sanction letter/order.

However, the above noted time limits are not being adhered to by the District Authorities and about 90% of the works are delayed at the scrutiny, approval and implementation level by the District Authorities and/ or Implementing Agencies. In many cases, even after completion of works, the works completion certificate is not submitted in time by the implementing agencies and /or the utilisation certificates are not given in time, which delays further release of funds and slows down the pace of implementation.

It is also noticed that there is wide variation between recommendations, sanctions and release of funds due to slow implementation on the ground /slow expenditure, which blocks further release of funds. States/District Authorities may like to comment and suggest solutions.

6. Sanctioning of MPLADS funds upto entitlement of MP and start of work before actual release.

One oft repeated complaint of the Members of Parliament is very slow implementation of work due to non release of funds despite MPs being entitled for the funds during that financial year, as many Districts Authorities are not sanctioning works without specific availability of funds in the MPLADS accounts. In this connection attention is invited to para 2.6 (as recently amended) of the guidelines and para 3.7 which are reproduced below:-

"2.6 *Each MP will recommend works upto the annual entitlement during the financial year in the format at Annex-III to the concerned District Authority. The District Authority will get the eligible sanctioned works executed as per the established procedure of the State Government."*

"3.7 *The District Authority may sanction works as per the recommendation of the MP upto the full entitlement. However, the release of funds will be regulated as specified in these Guidelines."*

In view of the above provisions and the fact that MPLADS funds are non-lapsable, Distt. Authorities may not only sanction the works, but also perhaps start physical implementation of the sanctioned works up to full entitlement of the MPs during that financial year without waiting for release of funds. It is proposed to amend para 3.7 of the guidelines accordingly.

States may like to give their views.

7. Need for maintaining uniform Works Registers and Assets Registers at Nodal and District level in all States.

As per paras 6.4 (iii) and (iv), the District Authorities are required to maintain work registers indicating the position of each work recommended by the MPs and also maintain a register of all the assets created with MPLADS funds and subsequently transferred to user agencies. However, during the physical monitoring of the scheme by NABCONS and also during inspection by the senior officers of the M/o S & PI, it is seen that the Works Registers and Assets Registers are not being maintained by many districts. All State /UT Govts. may direct the District Authorities in their States to maintain the Works and Assets Registers as per Form 40 of GFR 2005 (**copy at Annexure D**), so that the information related to assets created under the scheme is readily available.

8. Report of ICAI Committee set up by the MPLADS Committee of Rajya Sabha:

Enclosed (**Annexure E**) are the set of recommendations of ICAI Committee. States may give their views on the recommendations.

9. Single e-portal for MPLADS.

Presently the systems being used by the Ministry namely "Fund Sanction System" and "Expenditure System" enable release of funds, data entry from MPRs received from districts and reporting of fund sanction and utilization on weekly and monthly basis. Another system is implemented at website level i.e. **www.mplads.gov.in**. The website also hosts Works Monitoring System (WMS) and is developed using web technology and hosted at NIC Data Centre. These existing systems are, however, unable to give consolidated information regarding Govt. of India releases, expenditure and works at one place. The proposed single e-portal for MPLADS will be a role based user friendly, CMS driven integrated web application with a centralised database and the consolidated information w.r.t. Release, Expenditure and Works will be always available.

- * The system will ensure Micro (works) and Macro (Release and Expenditure) level reporting and monitoring for timely utilisation of funds.
- * The portal will capture the total available balances in Nodal Districts and Implementing Districts, thus resulting in timely monitoring of funds lying unutilised in the districts.
- * Districts (Nodal) will have customised role based landing page with work flow implementation including WMS and MPR integrated system.
- * The system will also interface with CPSMS for faster release of funds.
- * Showcasing of various stages of work progress and completion status through photos uploaded by district authorities from time to time.
- * To view and recommend works from the 'Shelf of Projects' kept by the Districts from a remote location.
- * A single point of reference for all stake holders – (customised for members)
- * Customised page for Hon'ble Members of Parliament.

10.Updating the information in Works Monitoring System (WMS) on real time basis.

Work Monitoring Software (WMS) was launched by the Ministry in Nov. 2004 to enhance transparency and accountability under the Scheme and to enable online access of the details of works by the Hon'ble MPs. The State/UT Nodal departments and the Nodal District Authorities have been repeatedly requested to complete the data entry and upload of details of all works undertaken since 1993. However, there are a number of deficiencies in the information generated under the system. Many important details such as date of recommendation of the work, date of commencement, name of implementing agency, date of receipt of UC, reasons for delay in completion of works, physical progress of works and reasons for discontinuance of works etc. have not been entered by the Distt. Authorities. Some entries of the Reports generated are incorrect, like dates of sanction/commencement of works are earlier than the date of receipt of proposal of work from the Member. In many cases, where works are completed, these are shown as incomplete/ongoing. In other cases, up to date expenditure is not properly reflected in Works Monitoring System. All these have invited adverse remarks from C &AG as well as from the MPLADS Parliamentary Committees.

It is reiterated that the Work Monitoring System should be updated on real time basis by the District Authorities, say, every alternate day to reflect the actual real ground situation.

11. Closing of 14th Lok Sabha accounts and old Rajya Sabha accounts and distribution of unspent balance.

(a) Distribution of unspent balance of Lok Sabha Members:

Nodal Departments of the States/UTs for MPLAD Scheme were requested to collect the information about the unspent/uncommitted balances available with the District Authorities after completion of all sanctioned works of 14th Lok Sabha and complete the process of distribution of unspent/uncommitted balances by **31st December, 2010**.

All the states except **Uttar Pradesh, Bihar, Jharkhand and Maharashtra** have completed the process of distributions of funds among the sitting MPs of 15th Lok Sabha. However, despite reminders to the Nodal Secretaries, the information from these States is still awaited.

With a view to close the account upto 14th Lok Sabha, all Nodal States Authorities were requested vide this Ministry's letter dated 16 March 2011 followed by reminder dated 15.12.2011 to issue direction to all the District Authorities to send Monthly Progress Report showing unspent balance as **ZERO** along with the **Final Utilization Certificate and the Final Audit Certificate**. However, compliance by the States/UTs are still awaited.

(b) Distribution of unspent Funds of Rajya Sabha Members

It has been noticed from the Monthly Progress Report received from the District Authorities and Performance Audit Report received that a large amount of unspent balance of MPLADS funds of the Ex-Rajya Sabha MPs is awaiting distribution amongst the successor RS MPs despite the provision of distribution contained in MPLADS Guidelines and the circulars issued by this Ministry from time to time. The issue relating to the distribution of unspent balance is also repeatedly clarified during training workshops, review meetings etc. However, the distribution of unspent balance of Rajya Sabha MPs is not being done properly. So far final status on distribution of unspent balance from **Jammu & Kashmir, Maharashtra, Orissa, Tamil Nadu, Uttrakhand, Uttar Pradesh and West Bengal** is still awaited.

In the 13th Bi-annual Review Meeting held on 17.8.2011, it has been pointed out that in Chhattisgarh, the unspent balance of Rs 0.62 crore left by predecessor RS MPs was to be equally distributed among five successor RS MPs. Instead, the DA Bilaspur distributed the unspent amount equally between only two RS MPs, Sh. Ramdhar Kashyap and Smt. Kamla Manhar, in contravention of the provisions of the scheme. However, no action has been taken in this regard.

The Nodal Secretaries of the States may direct the District Authorities of their States to adhere to the provisions of the Guidelines and circulars issued by this Ministry properly and furnish report of the distribution of unspent balance regularly.

12. Holding of regular MPLADS review meetings at State and District level, calling Members of Parliament to these meetings and sending the minutes to the MOSPI.

The MPLADS guidelines stipulate that the State Nodal departments will be responsible for proper and effective monitoring of the scheme in the states. To this effect a committee under the Chairmanship of Chief Secretary/ Development Commissioner/ Additional Chief Secretary should review MPLADS implementation progress with the District Authorities and concerned Members of Parliament at least once a year. Similarly, the District Authority should review the MPLADS works every month with the Implementing Agencies and invite the MP concerned to such review meetings. It is however seen that either the meetings as stipulated in the guidelines are not being held at Distt. and State level or the minutes of these meetings are not being sent to the Ministry.

States may indicate the latest position and also ensure the above said Review Meetings are held and Minutes are sent to the Ministry regularly.

13. Shelf of projects to be made available to the MPs by the District Authorities.

A reform circular No. 4 adding a new para No. 3.27 to the Guidelines on MPLADS requiring District Authorities to maintain a shelf of projects has been issued on 17/6/2011. According to this para, the District Authority shall maintain and make available a "Shelf of Projects" including projects for SC/ST inhabited areas to MPs. The Shelf of Projects should be suggestive only, so that it provides, flexibility to the MP, to go beyond the list in order to meet the felt needs of the people.

States may indicate whether they have made the shelf of projects; if so a list may be sent to this Office.

14. Recent Reform Circulars.

Recent modifications made in the MPLADS Guidelines may be seen at **Annexure F.**

15. Convergence of MPLAD Scheme with other schemes.

Convergence of MPLAD Scheme with MGNREGA has been permitted vide Reform Circular No. 18 dated 13.01.2012 **(copy enclosed at Annexure G)**. According to the Reform Circular , funds from Member of Parliament Local Area Development Scheme (MPLADS) can be converged with MGNREGA with the objective of creating more durable assets. MPs may recommend under MPLADS, works from out of the shelf of MGNREGA projects approved by the Zilla Panchayat for the year when recommendation is being made, provided these have been sanctioned by the District Programme Coordinator which constitutes the approved Annual Work Plan under MGNREGA of the district. As far as possible, the MPLADS Funds shall be used in respect of material component only.

The accounts of Expenditure will be strictly maintained separately for both MPLADS and MGNREGA. A joint plaque (stone/metal) indicating the cost involved, contribution from MPLADS/MGNREGA, commencement, completion and inauguration and the name of the MP sponsoring the work under MPLADS /MGNREGA should be permanently erected.

16. Making District Vigilance Committee (under NREGA) more broad based to include MPLADS.

The matter has been taken up with M/o Rural Development to explore the possibility of widening the scope of the District Vigilance Committee under MGNREGA to cover the MPLAD Scheme also.

States may offer their views.

Post Lunch 3 P.M. to 5.P.M.

17.Action on CAG Report-latest Action Taken Note by States.

Comptroller and Audit General of India has submitted **Audit Report No 31 of 2010-11** on Performance Audit of MPLADS covering 128 Districts Authorities of 35 States/UTs for the period 2004-05 to 2008-09. There are total 59 Audit Paras in the report which contains the result of the review of implementation of the MPLAD Scheme. The audit observations as contained in C&AG Report have pointed out violation of Guidelines on various aspects as well as certain irregularities in implementation of the scheme by the District Authorities/Implementing Agencies.

The Performance Audit Report was forwarded to all the States/UTs vide this Ministry's letter dated 18.04.2011 requesting the Chief Secretaries of the States/UTs to direct the District Authorities to furnish the Action Taken Report followed by spate of reminders with the request to take urgent corrective measures on the issues raised in CAG report by 15.11.2011 as the same is required to be presented before the Public Accounts Committee. Despite the repeated request by the Ministry, **no** reply from the states of **Arunachal Pradesh, Bihar, Jharkhand, Gujarat, Dadar Nagar Haveli and Nagaland**, has received so far. As regard reply from the states of Goa is concerned, reply from **South Goa District** is awaited.

PAC sub-committee-I has seriously viewed the Performance Report in its meetings held on 03.10.2011 and 24.10.2011 and has desired to take action against the erring officials for violation of Guidelines including recoupment of funds spent for irregular sanction, lodging FIR in case of embezzlement/serious violations and necessary disciplinary action against the officials of the District Authorities.

So far complete reply from the three UTs of **Chandigarh, Lakshadweep and Puducherry** has been received on all Audit Paras. Details of Audit paras involving the States/Districts with complete/part replies received are attached at **Annexure H**.

The States are requested to examine the various irregularities pointed out by the CAG expeditiously and furnish the Action Taken report on **PRIORITY BASIS** to enable this Ministry to furnish a report to Public Accounts Committee in a **Time Bound manner**.

18. Action Taken Note on observations of NABCONS.

The initiative of physical monitoring of MPLADS asset was started from the year 2007-08 by this Ministry through NABARD Consultancy Services(NABCONS). So far 208 districts have been covered in four phases. The reports submitted by NABCONS have been examined and observation/lacunae have been communicated to respective District Authorities to take corrective action and send their reports to Ministry.

The lacunae/shortcomings observed in the monitoring by NABCONS in the second phase, in which 43 districts were covered, were communicated to the concerned districts by November 2009. However, the requisite replies/ action taken reports from the 4 districts, viz. **Madhubani and Gaya** (Bihar), **Shimla** (Himachal Pradesh) and **Chandrapur** (Maharashtra) have not been received inspite of reminders and taking up with the respective State Government in the last three Review Meetings. It may be ensured that **the replies are immediately furnished from the concerned districts**.

Out of the 60 districts covered in phase III, the major lacunae/observations with regard to the implementation of the scheme observed in monitoring of 60 districts were sent to the concerned district authorities for their comments/replies, by 31st March, 2010. The requisite replies/action taken reports have been received **only from 41 districts**, and **are yet to be received** from 19 districts **inspite of repeatedly taking up in the last three Review Meetings. The concerned State Governments may get the replies expedited.** The list of defaulting districts may be seen at **Annexure I.**

The major lacunae/observations with regard to the implementation of the scheme observed in 75 districts covered in phase IV, have been communicated to the concerned district authorities for their comments/replies. The requisite replies /Action Taken Report have been received only from 26 Districts and yet to be received from remaining district Authorities. The State Government may ensure that replies are sent by **29th Feb., 2012.**

There are some districts from which replies had been received but matter was further taken up with them for provision of more details, recoupment of funds and other corrective action etc. However, the requisite information/compliance report/corrective action has not been further received. A list of such districts is at **Annexure J**. It may be ensured that the requisite replies/action taken reports are furnished by the concerned District Authorities immediately.

19. Review of Physical/Financial performance of the scheme.

Physical Status – As on 15.01.2012, 14.63 lakh works have been recommended by the Members of Parliament and District Authorities have sanctioned 12.89 lakh works since inception of the Scheme. The numbers of works completed have been reported as 11.68 lakh. The percentage of works completed to sanctioned works at the national level is **90.61%**. The State/UTwise details are available in respective State Profiles.

Financial Status - As on 15.01.2012, Rs.**24250.25** crore have been released since inception of the Scheme and as reported from the Districts, an expenditure of Rs.**21723.47** crore has been incurred. The unspent balance lying with the District Authorities is Rs. **3230.08** crore. The percentage utilization over release is **89.58%**. The percentage utilization of MPLADS funds and All India Ranking of various states/UTs are indicated in the respective State profiles.

20 Pending Tsunami works, Bihar Floods, AILA, Gujarat Earthquake and Leh cloudburst.

a) Gujarat Earthquake -

An earthquake of devastating intensity rocked the State of Gujarat on 26.01.2001 causing tremendous loss of life and property in Kutch, Rajkot, Surendernagar, Surat, Patan, Ahmedabad, Banaskantha, Navasari and Porbandar Districts of Gujarat. 153 Lok Sabha MPs contributed Rs. 22.03 crores and 163 Rajya Sabha MPs contributed Rs. 26.90croresfor rehabilitation work.HUDCO and NBCC were selected as the implementing agencies.

As per the information received from Government of Gujarat, a total of Rs.9.42 Crores [Rs. 4.66 crores (in respect of Lok Sabha MPs) and Rs.4.76 crores (in respect of RS) is available as unspent balance. The State Govt has been requested repeatedly to furnish details of works to be undertaken with this amount but no reply has been received so far. The last reminder was sent on 30.12.2011.

Govt. of Gujarat may expedite a reply in the matter.

b) Tsunami Rehabilitation

On the wee hours of 26th December 2004, Tsunami waves triggered by an earthquake severely affected the eastern coastal region of India which mainly included Andhra Pradesh, Kerala, Tamil Nadu, Andaman & Nicobar Islands and Puducherry.

207 Lok Sabha MPs and 167 Rajya Sabha MPs consented for Rs. 22.74 crore and Rs. 31.34 crore respectively for Tsunami relief, out of which Rs.21.89 crore was authorized by Lok Sabha Secretariat and Rs. 31.34 crore by the Rajya Sabha Secretariat.

Community infrastructural assets eligible under the MPLADS Guidelines, and approved by the Lok Sabha and Rajya Sabha Committees on MPLADS, such as schools, hospitals, public health centres, community halls, fisherman multipurpose halls, cyclone shelters, desalination plants, construction of old age homes, orphanage buildings, hostels, sanitary complexes, fish landing centres, library buildings, ambulances etc.,were taken up for rehabilitation in the Tsunami affected States. As on 31.12.2011, an expenditure of Rs.4886.91 lakh has been incurred on Tsunami Relief as per Tsunami Status Reports received from affected districts.

The progress report on pending works may be submitted by concerned districts.

c) REHABILITATION WORKS IN KOSI FLOOD AFFECTED AREAS IN BIHAR

Due to breach in the Kosi river's embankments on August 18, 2008 extensive damage was caused by the devastating floods particularly in the Madhepura, Supaul, Saharsa, Purnia, and Araria Distt. of Bihar. 156 Lok Sabha MPs and 173 Rajya Sabha MPs consented to contribute Rs.22.05 crore and Rs.22.81 crore respectively (Totalling Rs.44.86Cr).

In consultation with Lok Sabha /Rajya Sabha committee on MPLADS, the Ministry distributed the consented amount to the State Govt. of Bihar to construct 35 Disaster-cum-Community Shelters and 35 Cattle Shelters at the rate of 53.35 lakh per disaster shelter and Rs. 14.516 lakhs per cattle shelters from the consented amount of Hon'ble MPs of Lok Sabha and Rajya Sabha.

Progress of works undertaken is yet to be received from State Govt. of Bihar. They may like to indicate the progress of works.

d) CYCLONE AILA –WEST BENGAL

The cyclone AILA hit the state of West Bengal on 25.5.2009 in which Darjeeling, Jalpaiguri, Cooch Behar, South Dinajpur, Malda, Murshidabad, South 24 Parganas, North 24 Parganas, Hooghly, Burdwan, Hawrah and Purba Medinipur, districts were affected by the cyclone. Ministry of Home Affairs declared it as "calamity of severe nature".

In response, 12 Rajya Sabha MPs and 8 Lok Sabha MPs contributed from their respective MPLADS fund Rs.350 lakh and Rs.165 lakh respectively for the rehabilitation works in the affected districts in West Bengal. As reported by Govt.of West Bengal, 51 works out of 81 in North 24 Parganas districts and 17 works out of 73 works in South Parganas district have been completed.

The remaining works may be expedited and progress report sent to this Ministry.

e) LEH CLOUDBURST

Leh Cloud burst was declared by the Ministry of Home Affairs as 'Calamity of Severe Nature'. In response to an appeal made by the Ministry Rs.958 lakhs were contributed by the Hon'ble MPs for construction and purchase of equipment for SNM Hospital, Leh, restoration of Micro-Hydel scheme, Hunder Nubra, for construction of 14 meter clear span motorable steel girder over Hunder Nallah and construction of abutment and approaches for 60 ft. span bally bridge over Nimo Nallah and Nimo Drukpa Road.

Approval of Committees on MPLADS of Rajya Sabha and Lok Sabha has since been obtained and communicated to the State Government for undertaking the proposed rehabilitation works. Nodal Districts of the Hon'ble MPs have also been requested to transfer the committed funds to the D.C. Leh. However, no progress report on reconstruction/rehabilitation of approved works has been received from Govt. of J&K. The State Govt. has been requested to send proposals for further amount of Rs. 60 lakhs and also to send progress report on the works already approved. Reminders have been sent to Govt. of J & K on 3.10.2011, 22.12.2011 and 26.12.2011. No reply has been received yet.

The proposal for additional works for Rs. 60 lakhs and progress report on works already approved may be furnished immediately.

f) Sikkim Earthquake

An Earth quake in the North Eastern region including Sikkim caused massive damage in the region. Govt. of India declared this disaster as a "Calamity of Severe Nature". Based on the request of Hon'ble MOS(IC), S&PI, till date Rajya Sabha & Lok Sabha MPs have contributed an amount of Rs.370 lakhs and Rs.121 lakhs from their respective MPLADS fund respectively for reconstruction/rehabilitation works in the disaster affected areas of Sikkim State.

Chief Secretary, Govt. of Sikkim has been requested to furnish proposal in this regard. Latest position may be furnished.

GOI not released IIInd Instalment - Financial Year 2009-2010 for Lok Sabha

As on : 19/01/2012

<i>Sl. No.</i>	<i>Constituency</i>	<i>Name of Member</i>
<u>State Name:</u> Bihar		
1	<i>Nodal Disrtict :</i> BANKA	
	1 BANKA	Shri Digvijay Singh
2	<i>Nodal Disrtict :</i> BETTLAH (W.CHAMPARAN)	
	2 PASCHIM CHAMPARAN	Dr. Sanjay Jaiswal
3	<i>Nodal Disrtict :</i> DARBANGA	
	3 DARBHANGA	Shri Kirti Azad
4	<i>Nodal Disrtict :</i> MADHEPURA	
	4 MADHEPURA	Shri Sharad Yadav
5	<i>Nodal Disrtict :</i> SARAN (CHAPRA)	
	5 SARAN	Shri Lalu Prasad
<u>State Name:</u> Karnataka		
6	<i>Nodal Disrtict :</i> BANGALORE RURAL	
	6 BANGALORE RURAL	Shri H. D. Kumaraswamy
<u>State Name:</u> Kerala		
7	<i>Nodal Disrtict :</i> THIRUVANANTHAPURAM	
	7 ATTINGAL	Shri Anirudhan Sampath
<u>State Name:</u> Maharashtra		
8	<i>Nodal Disrtict :</i> THANE	
	8 THANE	Dr. Sanjeev Ganesh Naik
<u>State Name:</u> Rajasthan		
9	<i>Nodal Disrtict :</i> BHILWARA	
	9 BHILWARA	Dr. C. P. Joshi
<u>State Name:</u> Delhi		
10	<i>Nodal Disrtict :</i> DELHI	
	10 EAST DELHI	Shri Sandeep Dikshit
<u>State Name:</u> Pondicherry		
11	<i>Nodal Disrtict :</i> PONDICHERRY	
	11 PONDICHERRY	Shri V. Narayanasamy
<u>State Name:</u> Jharkhand		
12	<i>Nodal Disrtict :</i> GODDA	
	12 GODDA	Shri Nishikant Dubey

GOI not released IIInd Instalment - Financial Year 2009-2010 for Rajya Sabha

As on : 19/01/2012

<i>Sl. No.</i>	<i>Name of Member</i>
<u>State Name:</u> Nominated	
1	<i>Nodal Disrtict : DELHI</i>
1	Dr. Kapila Vatsyayan
2	Smt. Shobhana Bharatia
<u>State Name:</u> Andhra Pradesh	
2	<i>Nodal Disrtict : ADILABAD</i>
3	Shri Jairam Ramesh
3	<i>Nodal Disrtict : HYDERABAD</i>
4	Shri K. Keshava Rao
4	<i>Nodal Disrtict : KRISHNA</i>
5	Dr K.V.P. Ramachandra Rao
5	<i>Nodal Disrtict : RANGAREDDY</i>
6	Shri G. Sanjeeva Reddy
<u>State Name:</u> Assam	
6	<i>Nodal Disrtict : KAMRUP</i>
7	Shri Bhubaneswar Kalita
<u>State Name:</u> Bihar	
7	<i>Nodal Disrtict : BANKA</i>
8	Shri N. K. Singh
8	<i>Nodal Disrtict : JEHANABAD</i>
9	Shri Mahendra Prasad
9	<i>Nodal Disrtict : PATNA</i>
10	Shri Prem Chand Gupta
<u>State Name:</u> Goa	
10	<i>Nodal Disrtict : SOUTH GOA</i>
11	Shri Shanta Ram Naik
<u>State Name:</u> Gujarat	
11	<i>Nodal Disrtict : AMRELI</i>
12	Shri Parshottam Khodabhai Rupala
12	<i>Nodal Disrtict : BROACH</i>
13	Shri Ahmed Patel

<i>Sl. No.</i>	<i>Name of Member</i>
13	<i>Nodal Disrtict : KHEDA (NADIAD)</i>
14	Shri Arun Maharajkishan Jaitley
14	<i>Nodal Disrtict : MAHESANA</i>
15	Prof. Alkaben Balarambhai Kshatriya
15	<i>Nodal Disrtict : RAJKOT</i>
16	Shri Vijayakumar Ramnikal Rupani

State Name: Karnataka

16	<i>Nodal Disrtict : BANGALORE URBAN</i>
17	Dr. Vijay Mallya
18	Shri S.M. Krishna
19	Shri M. Venkaiah Naidu
17	<i>Nodal Disrtict : BELGAUM</i>
20	Dr. Prabhakar Kore
18	<i>Nodal Disrtict : UDUPI</i>
21	Shri Oscar Fernandes

State Name: Kerala

19	<i>Nodal Disrtict : ALAPPUZHA</i>
22	Shri Vayalar Ravi
20	<i>Nodal Disrtict : THIRUVANANTHAPURAM</i>
23	Shri M.P. Achuthan

State Name: Maharashtra

21	<i>Nodal Disrtict : LATUR</i>
24	Shri Vilasrao Dagadojirao Deshmukh
22	<i>Nodal Disrtict : MUMBAI CITY</i>
25	Shri Balavant Parshuram Apte
23	<i>Nodal Disrtict : MUMBAI SUBURBAN</i>
26	Shri Rajeev Shukla

State Name: Punjab

24	<i>Nodal Disrtict : GURDASPUR</i>
27	Shri Ashwani Kumar

State Name: Rajasthan

25	<i>Nodal Disrtict : CHURU</i>
28	Shri Narendra Budania

<i>Sl. No.</i>	<i>Name of Member</i>
----------------	-----------------------

26 *Nodal Disrtict : JAIPUR*

29 Shri Ramdas Agarwal

30 Dr. Gyan Prakash Pilonia

State Name: Uttar Pradesh

27 *Nodal Disrtict : LUCKNOW*

31 Shri Satish Chandra Misra

State Name: West Bengal

28 *Nodal Disrtict : BURDWAN*

32 Shri Ram Chandra Singh

29 *Nodal Disrtict : DARJEELING*

33 Shri Saman Pathak

30 *Nodal Disrtict : HOOGHLY*

34 Dr. Barun Mukherji

31 *Nodal Disrtict : KOLKATTA*

35 Shri Arjun Kumar Sengupta

32 *Nodal Disrtict : MURSHIDABAD*

36 Shri Mohammed Amin

State Name: Delhi

33 *Nodal Disrtict : DELHI*

37 Dr. Karan Singh

38 Shri Janardhan Dwivedi

State Name: Chhattisgarh

34 *Nodal Disrtict : MAHASAMUND*

39 Shri Shrigopal Vyas

State Name: Jharkhand

35 *Nodal Disrtict : DEOGHAR*

40 Shri S.S. Ahluwalia

GOI released 2nd instalment - Financial Year 2011-2012 for Lok Sabha

As on : 19/01/2012

<i>Sl. No.</i>	<i>Constituency</i>	<i>Name of Member</i>
<u>State Name:</u> Bihar		
1	<i>Nodal Disrtict :</i> VAISHALI	
	1 HAJIPUR(SC)	Shri Ram Sundar Das
<u>State Name:</u> Haryana		
2	<i>Nodal Disrtict :</i> KURUKSHETRA	
	2 KURUKSHETRA	Shri Naveen Jindal
<u>State Name:</u> Madhya pradesh		
3	<i>Nodal Disrtict :</i> RAISEN	
	3 VIDISHA	Smt. Sushma Swaraj
4	<i>Nodal Disrtict :</i> UJJAIN	
	4 UJJAIN(SC)	Shri Premchand Guddu
<u>State Name:</u> Orissa		
5	<i>Nodal Disrtict :</i> MAYURBHANJ	
	5 MAYURBHANJ (ST)	Shri Laxman Tudu
<u>State Name:</u> Punjab		
6	<i>Nodal Disrtict :</i> AMRITSAR	
	6 AMRITSAR	Shri Navjot Singh Sidhu
7	<i>Nodal Disrtict :</i> HOSHIARPUR	
	7 HOSHIARPUR(SC)	Smt. Santosh Chowdhary
8	<i>Nodal Disrtict :</i> PATIALA	
	8 PATIALA	Smt. Preneet Kaur
9	<i>Nodal Disrtict :</i> SANGRUR	
	9 SANGRUR	Shri Vijay Inder Singla
<u>State Name:</u> Uttar Pradesh		
10	<i>Nodal Disrtict :</i> PILIBHIT	
	10 PILIBHIT	Shri Feroze Varun Gandhi
11	<i>Nodal Disrtict :</i> SAHARANPUR	
	11 SAHARANPUR	Shri Jagdish Singh Rana
<u>State Name:</u> Jharkhand		
12	<i>Nodal Disrtict :</i> RANCHI	
	12 RANCHI	Shri Subodh Kant Sahay

GOI Released IInd Installment during Financial Year 2011-2012 Rajya Sabha

As on : 19/01/2012

<i>Sl. No.</i>	<i>Name of Member</i>
State Name: Andhra Pradesh	
1 Nodal Disrtict :	<i>HYDERABAD</i>
1	Shri Raashid Alvi
State Name: Assam	
2 Nodal Disrtict :	<i>KAMRUP METROPOLITAN</i>
2	Shri Birendra Prasad Baishya
State Name: Gujarat	
3 Nodal Disrtict :	<i>ANAND</i>
3	Smt Smriti Zubin Irani
4 Nodal Disrtict :	<i>PATAN</i>
4	Shri Dilipbhai Shivshanka Pandya
State Name: Himachal Pr.	
5 Nodal Disrtict :	<i>KANGRA</i>
5	Shri Shanta Kumar
State Name: Madhya pradesh	
6 Nodal Disrtict :	<i>DHAR</i>
6	Shri Vikram Verma
State Name: Maharashtra	
7 Nodal Disrtict :	<i>MUMBAI SUBURBAN</i>
7	Shri Husain Umar Dalwai
State Name: Nagaland	
8 Nodal Disrtict :	<i>DIMAPUR</i>
8	Shri Khekiho Zhimomi
State Name: Punjab	
9 Nodal Disrtict :	<i>HOSHIARPUR</i>
9	Smt. Ambika Soni
10	Shri Avinash Rai Khanna
10 Nodal Disrtict :	<i>SANGRUR</i>
11	Shri Sukhdev Singh Dhindsa
11 Nodal Disrtict :	<i>TARN TARAN</i>
12	Dr. M.S. Gill

Sl. No.

Name of Member

State Name: Tamil Nadu

12 *Nodal Disrtict :* CHENNAI

13 Shri A.William Rabi Bernard

State Name: West Bengal

13 *Nodal Disrtict :* BIRBHUM

14 Shri Pradip Bhattacharya

14 *Nodal Disrtict :* KOLKATTA

15 Shri Sukhendu Sekhar Ray

16 Shri Debabrata Bandyopadhyay

By SPEED Post

डॉ. टी. सी. ए. अनन्त
सचिव
DR. T.C.A. ANANT
SECRETARY



सत्यमेव जयते

भारत सरकार
Government of India
सांख्यिकी एवं कार्यक्रम कार्यान्वयन मंत्रालय
Ministry of Statistics and Programme Implementation
सरदार पटेल भवन, संसद मार्ग, नई दिल्ली - 110001
Sardar Patel Bhavan, Sansad Marg, New Delhi - 110 001
फोन /Tel. : 23742150 फ़ैक्स / Fax : 23742067
E-mail : tca.anant@nic.in

D.O. No. C-52/2011-MPLADS

Dated 15.09.2011

Dear *Shri Nath,*

You may aware, Ministry of Statistics and Programme Implementation is administering the Member of Parliament Local Area Development Scheme (MPLADS), which is a Grants -in-Aid from the Government of India, as a special central assistance to States for expenditure to be incurred for the creation of community assets, based on the recommendation by Hon'ble Members of Parliament. The annual entitlement of the MPLADS has been enhanced from Rs. 2 crore to Rs. 5 Crore from current financial year.

2. You may appreciate that with the increase in budget outlay, the successful performance of the scheme will largely depend on the implementation at the district level and the increased monitoring both at State Nodal Department and Deputy Commissioner/District Magistrate level. I may like to bring to your notice that a number of references have been received with regard to non-implementation and non-adherence to the MPLAD guidelines, which leads to criticism of the scheme.

3. In view of the non-serious and careless attitude of the District Authority towards the implementation as well as the monitoring of the MPLAD Scheme, both the Parliamentary committees desire to explore the possibility of having an exclusive monitoring agency at the State level which would be headed by at least a Joint Secretary/Additional Secretary/Special Secretary level officer in order to get more focused attention and timely implementation, keeping in mind the provisions in the MPLADS Guidelines.

4. You will be happy to note that an administrative outlay of 2% has now been approved by the Cabinet within the total annual allocation of each M.P. per annum for effective implementation and monitoring of the scheme.

5. I request you to examine and let the Ministry know regarding the possibility of creation of a separate MPLAD monitoring Division in the State level headed by at least Joint Secretary/ Additional Secretary/Special Secretary level officer exclusively for implementation as well as monitoring of the MPLAD scheme to ensure proper, effective, timely and fruitful utilisation of MPLADS funds. It would be most effective if such an officer is given no other assignment/work so that he/she could concentrate exclusively on MPLADS.

With regards,

Yours sincerely,

(T. C. A. Anant)

**REPORT ON REVIEW OF
GUIDELINES OF THE MPLAD
SCHEME RELATING TO
ACCOUNTS AND AUDIT**

4/4/18/2018

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REPORT ON REVIEW OF GUIDELINES OF THE MPLAD SCHEME RELATING TO ACCOUNTS AND AUDIT

1. Introduction

The implementation of the MPLAD Scheme is governed by a set of Guidelines, which were first issued in February 1994 and have been updated and revised from time to time. Keeping in view the recommendations of the MPLADS Committees of Parliament, observations made by the Comptroller and Auditor General of India and the Ministry's own experiences, the guidelines were last revised in November, 2005.

Under the present scheme, a grant of Rs.5.00 crores per annum (as revised in 2011) has been fixed to each Member of Parliament for recommending works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs in their constituency.

2. Objective of the Scheme

The objective of the scheme is to enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their Constituencies.

3. Functional Authorities

The Ministry of Statistics and Programme Implementation (MOSPI), Government of India has been responsible for the policy formulation, release of funds and prescribing monitoring mechanism for implementation of the Scheme. A Department in the State or the Union Territory (UT) is designated as the Nodal Department with the overall responsibility of supervision, monitoring and coordination of the MPLADS implementation with the districts and other Line Departments. The Government of India informs the State Nodal Department about the MPLADS funds release to the District Authorities (DA). The District Authority gets the MPLADS implemented through Implementing Agencies (IAs) viz, Local Self Governments or through Government agencies. In some cases, the District Authority engages reputed Non Government Organizations (NGOs) for execution of MPLADS works.

4. Accounting Procedure

The scheme guidelines contains provisions for maintenance of proper books of account for the expenditure incurred on programmes, maintenance of assets register, audit of accounts and for submission of utilization certificates, work completion reports by the implementing agencies.

The aforesaid requirements are with a view to ensuring proper accounting and effective monitoring of expenditure incurred accordance with the sanctioned scheme.

5. Presentation by ICAI

A presentation had been made by the ICAI before the Parliamentary Committee on MPLADS, Rajya Sabha on 21st May 2007 giving suggestions on accounting and auditing part of the scheme. A need was felt for review of the existing provisions, procedures and formats prescribed under the scheme in regard to accounts, audit and utilization certificate so as to make them more effective and helpful in achieving the objectives of the scheme.

Subsequently, a meeting was held at the level of Chairman, Committee on MPLADS Scheme- Rajya Sabha, Secretary, Ministry of Statistics and Programme Implementation and Secretary, ICAI. It was decided that the ICAI would set up a Group which may include apart from representatives of the ICAI, one representative from the Ministry of Statistics and Programme implementation.

Accordingly in 2007, the ICAI has constituted a Special Group with the following Council members:

- i) CA. Jayant P. Gokhale, Convenor
- ii) CA. Akashay Gupta, Member
- iii) CA. J. Venkateswarlu, Member
- iv) CA. Vijay Garg, Member
- v) CA. Vijay K. Gupta, Member

From the Ministry, Mr. Rajesh, Director (MPLADS) has been nominated onto the Group.

Consequent to the change in the composition of Council members (due to completion of tenure of the Council), there were some changes in the Council Members and presently, the following Council Members are in the Group.

- i) CA. Jayant P. Gokhale, Convenor
- ii) CA. J. Venkateswarlu, Member
- iii) CA. Nilesh Vikamsey, Member
- iv) CA. Vijay Garg, Member

6. Terms of Reference (TOR)

The Terms of Reference for the Group as approved by the Ministry are as under:-

- i) Study the MPLAD Scheme with reference to the accounts and audit for identifying areas for improvement.
- ii) Based on the above, suggest the following-
 - a) Improvements to books of account, register of fixed assets and related records under the scheme.
 - b) Improve the quality of audit, and accordingly, suggest format of auditor's report.
 - c) Suggest format of utilization certificate, and completion report so as to make them more specific and meaningful as per the requirement of users thereof.
- iii) Examine the need for preparation of a manual for audit under the scheme so as to ensure quality, uniformity and consistency of the audit procedures to be applied with reference to MPLAD scheme.

Review of the MPLAD Scheme & Identifying areas for improvement in Accounts & Audit

7. As per the above, the Group met and deliberated upon the subject at length. The Group visited two of the DAs and interacted with the officials on various matters of book keeping, accounts and audit. The Group also considered the observations of auditors who have audited the accounts of the scheme and the observations of C & AG on the scheme.

The Group noted that in its report covering the period 1997-2000, the C&AG has noticed several deficiencies in the scheme such as non creation of durable assets, lack of controls in release and monitoring of funds, inadequate administrative controls and deficiencies in reporting etc. (For details of observations, please see Annexure A).

8. It is noted that, the Ministry has taken serious note of the above audit observations and instructed the departments concerned to comply with the guidelines strictly. Though, there is some improvement in the compliance with the guidelines, still it is observed that certain deficiencies are persisting in the implementation of the scheme, mostly at DAs and IAs level.
9. In the latest report (covering the period from 2005 to 2009), the C & AG has reported the following deficiencies.

- i) Incorrect reporting of financial progress by DAs to the Ministry.
 - ii) Discrepancies in figures of Monthly Progress Reports (MPRs), UCs and Annual Accounts.
 - iii) Deficient verification of MPRs resulting in excess releases.
 - iv) Non submission of UCs for funds released to other DAs.
 - v) Non submission of UCs by IAs
 - vi) Non distribution of unspent balances of predecessor elected RS Members among the successor elected MPs in the State.
 - vii) Diversion of funds to other schemes / purposes by DAs.
 - viii) Release of advance in excess of the limits by DAs.
 - ix) Non refund of unspent balances by IAs.
 - x) Utilization of scheme funds for administrative expenses.
 - xi) Not keeping the funds in a separate bank account and at times clubbing of funds with other schemes.
 - xii) Deficiencies in book keeping and audit.
10. The Group has reviewed the guidelines with specific reference to accounts and audit and deficiencies reported by and recommendations of C&AG and other auditors and after discussing the issues with the officials of the Ministry, observes that:

Some of the DAs are not keeping proper books of account for recording the transactions of the scheme funds and also are not adhering to the "guidelines" effectively in respect of:

- a) Release of funds to IAs
- b) Keeping the funds in a single bank account
- c) Obtaining Utilization Certificates timely from IAs
- d) Release of advance in excess of the limits
- e) Reconciliation of figures given in Monthly Progress Reports with that of UCs and Annual financial statements.

- f) Recording the advances released for works as utilization of amounts under the scheme.
- g) Lack of uniformity in the financial statements and audit reports given by the auditors.
- h) Delay in the audit of accounts.
- i) Deficiencies in book keeping (for details please refer to Annexure B)

11. **Suggestions/Recommendations of the Group**

In accordance with the ToR and keeping in view the observations of C&AG and the points arising out of the review conducted by the Group, the following suggestions and recommendations are made:

i) Changes in the Guidelines relating to Accounting procedures

It is suggested that Chapter V of the Guidelines "Accounting procedures" may be amended to include the following:

- a) To prescribe Books of Account and Registers to be maintained on uniform basis
- b) To prescribe formats for financial statements, Auditor's Report and Utilization Certificates (UCs)
- c) To prescribe procedures, contents and certification of the works done by the DAs/IAs.
- d) To prescribe certification of compliance by the Nodal District Authority.

ii) Improvements in quality of audit

- a) It is suggested that the audit of MPLADS funds shall be done every year with in a period of 3 months from the end of financial year.
- b) It is suggested that the audit be conducted in accordance with the guidelines of MPLADS and the guidance issued by ICAI.
- c) It is suggested that the annual accounts be prepared in the prescribed format (as annexed).
- d) It is suggested that the audit observations are attended to by the authorities with in a reasonable time and ensure non recurrence of the same.

iii) Guidance note on conduct of Audit of MPLADS funds

- a) It is suggested that ICAI shall prepare and release a Guidance Note on conduct of audit of MPLADS funds.
- b) The Guidance Note of ICAI shall include guidance on verification of compliance with all important guidelines of the Scheme issued by the Government of India, checklist for audit and scope of audit under the Scheme.

Annexure A

Significant / major observations of C&AG on MPLADS funds covering the period 1997-2000

Significant / major audit observations of C & AG on the implementation of the MPLAD scheme are as under:

- i) While the scheme was envisaged to take up works which were developmental in nature based on local felt needs, with emphasis on creation on durable assets, the fact is that significant of amounts released were not utilized for creation of above said durable assets.
- ii) Large number of works initiated under the scheme remained incomplete for longer time.
- iii) Several inadmissible works were undertaken under the scheme.
- iv) Absence of accounting controls as followed in the Government of India are noticed in the scheme accounts.
- v) Not obtaining the Utilization Certificates (UCs) from the implementing agencies as soon as a work is completed.
- vi) Non-receipt of refund of unspent balance from the implementing agencies.
- vii) Clubbing of MPLADS funds with funds of other schemes at District Administration Level.
- viii) Sanction of works for commercial and private organizations.
- ix) Sanctioning of funds for repairs and maintenance works and purchase of stores.
- x) Deficiencies in maintenance of cash book and other books of account.
- xi) Non-commencement and dropping of works after sanction.
- xii) Execution of works without recommendation of the MPs.
- xiii) Commencement / Execution of works without technical sanction / administrative approval.
- xiv) Irregularities in awarding the works to the contractors.
- xv) Deficiencies in quality of works.

- xvi) Short / non-recovery from the contractors.
- xvii) Excess payments.
- xviii) Suspected fraud / misappropriation of funds.
- xix) Incomplete / abandoned works.
- xx) Non-maintenance of records for the assets created.
- xxi) Failure of monitoring.

Annexure B

Existing Book-Keeping, Financial statements, Audit and Utilization Certificates and suggestions for improvement

Books of Account, Financial statements and the Audit and Utilization Certificates presently followed and the suggestions for improvement are as under:

Sl. No.	Existing	Suggested	Remarks
A	Books of Account :		
	Cash Book	Columnar Cash book for each MP	Presently in some of the DAs, separate cash book for each MP is not maintained. Single cash book for all MPs (without separate column for bank transactions) is maintained.
		General Ledger	
		Journal	
		Assets Register	
B)	Financial Statements:		
	Receipts & Payments Account ✓	No change is suggested (But formats are prescribed)	Presently, no uniformity is followed in the reporting formats. Hence uniform formats are suggested. (Please see Annexure C, D & E for formats).
	Income & Expenditure Account ✓		
	Balance Sheet		
C)	Reports:		
	Audit Certificate	Audit Report	At present, the Work Completion Report received from IA is not having full details of assets generated. Hence, the record of assets generated is suggested to be maintained at the DA level. (Please see Annexure F, G, H & I)
	Work Completion Report from IA	Work Completion Report with details of work done.	
	Utilization Certificate from DA	Utilization Certificate from DA duly certified by Auditor	
D)	Internal Control System:		
	Guidelines on MPLADS issued by Ministry of Statistics and Programme Implementation	To revise the guidelines with comprehensive internal control system covering all the deficiencies observed by the Auditors and C & A G.	To review the existing controls and suggest an effective internal control system for effective utilization of the funds of the scheme and recording of transactions. (For Model audit check

			list please see Annexure J)
E)	Audit Checklist/Guidance Note		
	-Nil-	ICAI to issue a Guidance Note on Audit of Scheme funds.	Guidance Note from ICAI would help the auditors to conduct the audit efficiently.

MPLADS

Name of the Member of Parliament :
 House : Lok Sabha / Rajya Sabha
 Name of the Constituency :
 Nodal District Authority :

Balance Sheet as at 31st March 20XX

	Amount Rs.		Amount Rs.
Opening balance of fund B/f.	XX	Balance in bank A/c.	XXX
<u>Add: Excess of income over expenditure for the year carried from income and expenditure a/c.</u>	XX	Advance for scheme works (for works-in-progress)	XXX
Closing balance	XXX		
	XXX		XXX

Note: Significant Accounting Policies & Notes on Accounts attached hereto form part of Balance Sheet.

Per our report of even date attached.

for ABC & CO
Chartered Accountants

Partner / Proprietor
Ms. No.....

Nodal District Authority

Date:
Place:

Annex - D

MPLADS

Name of the Member of Parliament :

House : Lok Sabha / Rajya Sabha

Name of the Constituency :

Nodal District Authority :

Receipts & Payments Account for the year ended 31st March 20XX

Receipts	Amount Rs.	Payments	Amount Rs.
To Opening balance in Bank Account		By Funds released for various works	
		- to IAs	XX
		- to other DAs	XX
	XX	By Contingency expenses	XX
To Unspent / Unreleased balance of previous LS / RS Member	XX		
To MPLADS funds received from GOI	XX		
To Interest credited by bank	XX		
To Unspent amounts received back from IAs	XX		
To Amounts received back from IAs on cancellation of works	XX	By Closing Balance in Bank A/c	XX
	XXX		XXX

Note: Significant Accounting Policies & Notes on Accounts attached hereto form part of Receipts & Payments Account.

Per our report of even date attached.

for ABC & CO
Chartered Accountants

Partner / Proprietor
Ms. No.....

Nodal District Authority

Date:
Place:

M P L A D S

Name of the Member of Parliament :

House : Lok Sabha / Rajya Sabha

Name of the Constituency :

Nodal District Authority :

Income & Expenditure Account for the year ended 31st March 20 X X

Expenditure	Amount Rs.	Income	Amount Rs.
To Grants released for works (which are completed)		By Grants received under the scheme	XX
To Bank charges	XX	By Interest credited by bank	XX
To Contingency charges	XX		
To Excess of income over expenditure carried to Balance Sheet	XX		
	XXX		XXX

Note: Significant Accounting Policies & Notes on Accounts attached hereto form part of Income & Expenditure Account.

Per our report of even date attached.

for ABC & CO
Chartered Accountants

Partner / Proprietor
Ms. No.....

Nodal District Authority

Date:
Place:

MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME
(MPLADS)

AUDITORS' REPORT

Name of the Member of Parliament :
House : Lok Sabha / Rajya Sabha
Name of the Constituency :
Nodal District Authority :

1. We have audited the attached Balance Sheet as on 31st March _____, Income and Expenditure account and Receipts & Payments Account for the year ended on that date of Member of Parliament Local Area Development (MPLAD) Scheme of above mentioned Member of Parliament with the books of account, records and other documents maintained by the Nodal District authority _____ . These financial statements are the responsibility of the Nodal District Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the District Authority, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We have obtained the Compliance Report from the Nodal District Authority and examined the compliance with the guidelines on MPLADS in the under noted areas and report that:

- i. The works executed under the Scheme conforms to the Guidelines issued in this regard.
- ii. Not more than one Savings Bank Account is operated for the funds of each M.P. ✓
- iii. No funds are kept in the form of Fixed Deposits with any Bank/Government Treasury. ✓
- iv. Interest received on balance in Saving Bank Account has been taken as receipt for use on the MPLAD scheme. ✓
- v. Bank Reconciliation Statement has been prepared every month. ✓

- vi. Proper Books of accounts have been maintained on cash basis. ✓
- vii. Utilization Certificates and Work Completion Reports have been received from the Implementing Agencies for the works completed. ✓ *additive*
- viii. Expenditure shown in the Income and Expenditure Account is properly reflected in the Utilization Certificates. ✓
- ix. There is no case of diversion of funds. ✓
- x. Instances of non-compliance with the guidelines are reported in Annexure hereto* *additive*

4. Further to our comments referred to above, in our opinion and to the best of our information and according to the explanations and information given to us, the said accounts, subject to our observations annexed* hereto, give the information required by the guidelines on MPLADS in the manner so required and give a true and fair view in conformity with the accounting principles generally followed in India:

- i. in the case of Balance Sheet, of the State of Affairs of the above mentioned MPLADS funds as at 31st March _____.
- ii. in the case of Income and Expenditure account of the Surplus / Deficit for the year ended on that date.
- iii. in the case of the Receipts and Payment Account of the Receipts and Payments for the year ended on that date.

For ABC & Co
Chartered Accountants

Date:
Place:

Partner / Proprietor
Ms. No. _____

* **Strike off if not applicable**

(The work done should be on the written form, letter head clearly indicating signature, name & address with seal)

Annex
✓

ou

Annex-G

**MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME
(MPLADS)**

WORK COMPLETION REPORT

(To be furnished by the Implementing Agency to the District Authorities)

It is certified that work No....., (description of work as furnished below) sanctioned vide order No..... dated.../.../..... to be executed under MPLADS at a cost of Rs.....(in figures and words) at(place) has been completed at a cost of Rs..... and has been handed over to the User Agency.....(Name and address) under intimation to the District Authority for use on.....(date).

The amount of savings i.e Rs.....(in figures and words) has been remitted to the MPLADS Account of the District Authority vide Cheque No.....dated.....drawn on..... (Bank with address

Signature of the Implementing Agency

Date:

Place:

District:

Details of Work executed/Asset created

S.No	Description of the sanctioned work	Amount spent on the Work	Details of User Agency	Remarks

2-1-16

Copy to Sr.

Annex H

Annex - H

MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (MPLADS)

Utilization Certificate for funds received under MPLADS for the year ended.....for theMP constituency

Table with 3 columns: S.No, Letter No. and date, Amount. Includes a Total row.

1. Certified that out of Rs..... of grants-in-aid sanctioned during the year.....in favour ofunder the Ministry of Statistics and Programme Implementation, Government of India letter given on the margin, and Rs.....on account of unspent balance of the previous year (and Rs Of interest received on unspent balance in Bank A/c,] a sum of Rs.....has been utilized for the purpose of execution of works, recommended by MP concerned and as permissible under the Guidelines on MPLADS for which it was sanctioned and that the balance of Rs... remaining unutilized (including advance for works under execution of Rs.....) at the end of the year will be carried forward to the next year.....

Handwritten notes and checkmarks on the right side of the page.

Seal

Signature of District Authority
Name (capital letters)
Designation
Telephone

Auditor's Certificate

Having been fully satisfied, I certify that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled* and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned. The following kinds of checks were exercised by me while furnishing this Utilisation Certificate:-

- 1.
2.
3.

- 4.
- 5.

It is further certified that the above stated amount utilized is reconciled* with that of the amounts shown in the financial statements duly audited by us vide our report dated _____.

✓
Addition

For ABC & Co
Chartered Accountants

Date:
Place:

Partner / Proprietor
Ms. No. _____

* Modify where necessary

addition ✓ *mt*

Annex- I

**COMPLIANCE REPORT WITH MPLADS GUIDELINES
(TO BE SUBMITTED BY NODAL DISTRICT AUTHORITY)**

1. The works undertaken under the scheme conforms to the guidelines issued in this regard.
2. Scheme funds have not been utilized for any purposes other than for the works specified in the guidelines.
3. Proper books of account have been maintained MP-Wise.
4. Scheme funds were kept in saving bank account with a nationalized bank and separate bank account is maintained for each M.P.
5. Scheme funds have not been kept any time in the form of Fixed Deposits with any bank.
6. Interest earned on balance in Saving Bank Account has been taken as receipt for application of funds on the Scheme.
7. In the case of sanction of works to NGOs / Charitable Trusts, the applicable guidelines have been followed
8. Works Register and Asset Register are maintained for all the assets created from the MPLADS funds.
9. The unspent amount including interest if any, have been received from the implementing agencies within one month from the date of completion of the works.

Date

Place

Nodal District Authority

Model Audit Checklist

A) Review of Authorization, Sanction and Approval of works.

- To verify the eligibility of the implementing agency to undertake the work.
- To verify the eligibility of the proposal received.
- To verify the recommendation of the MP for the work.
- To verify the technical feasibility report / evaluation of the competent authority for the work.
- To verify the administrative sanction granted by the District Authority for the work.

B) Release of Funds:

- To verify the compliance with the guidelines of the scheme for release of funds.
- To verify whether UC was received for the first release, before the second release was made.

C) Receipts:

- To verify the receipt of funds from GOI.
- To verify whether all the unspent amounts were received back from the implementing agencies.
- To verify whether the amounts released for projects, which were dropped or abandoned, were received back or not.
- To verify whether the unspent funds of predecessor MP (RS) have been distributed among the new MPs from that state correctly.

D) Expenditure:

- To verify whether the administration and contingent expenditure debited to the scheme is not in excess of the permitted amount under the guidelines.
- To verify whether amounts released to implementing agencies were routed through normal banking channels.

E) Bank Transactions:

- To verify whether separate saving bank account is maintained for each MP with a Nationalized Bank only.
- To verify the Bank Reconciliation Statements and report on long pending cases, if any.

- To verify whether the interest on the balance in the bank A/c is credited to the account or not and the same is treated as scheme funds.
- To verify whether any amounts were kept in fixed deposits at any point of time.

F) Diversion of Funds:

- To verify whether funds of the MPLADS were diverted/utilized for any other purpose / scheme.

G) Ineligible Projects:

- To report on the ineligible projects funded through the scheme.

H) Release of Funds for SC / ST segments :

- To verify whether the amounts recommended under the scheme for SC / ST segments have been allocated and released for the same.

I) Review of Internal Control Systems:

- To review the existing internal control system and to report on the suggestion for improvement.

J) Utilization Certificates:

- To verify whether the works were executed within the sanctioned time and Utilization Certificates were received for all the amounts released together with report on the works executed.
- To report on long pending advances.

K) Assets Register:

- To verify the assets register maintained and to report on whether timely entries have been made in the same or not.

Recent modifications made in the MPLADS Guidelines

Various reform circulars and clarifications have been issued in the meanwhile. In brief, the following modifications have been broadly made:-

- (i) MPs have been allowed to spend a maximum of Rs. 10 lakh per year from their MPLADS funds for giving assistance to the physically challenged persons for purchase of tri-cycles and artificial limbs after relaxing the provision of item No.11 of Annexure-II of the MPLADS guidelines. All such requests are required to be examined and approved by the Chief Medical Officer of the district.

It has also been decided to provide Battery Operated Motorized Wheelchair to the deserving persons, within the overall maximum limit of Rs. 10 lakhs per year meant for the welfare of the differently abled persons from the MPLADS Funds and subject to the approval by the Committee under the Chief Medical Officer (CMO) of the District to ensure proper eligibility. The District Authority will be involved in the selection of such eligible persons. The Committee will also certify the reasonability of the rate. No recurring expenses will be admissible.

- (ii) Purchase of computers is already permissible for government and government aided educational institutions. Components and training to two teachers per school as resource person, MS-office Software (Standard Edition with Microsoft License Agreement) with media which comprises MS-Word, MS-Excel, MS-Power Point, MS-Access, MS-Outlook as per DGS&D rate contracts is also permissible.
- (iii) Para-2.9 of the guidelines has been modified to allow MPs to contribute MPLADS funds, to a place outside that State/UT or outside the constituency within the state or both, the MP can recommend eligible works, under these Guidelines upto a maximum of Rs.10 lakh in a financial year. Such a gesture on the part of an MP will promote national unity, harmony, and fraternity among the people, at the grass roots level.
- (iv) Release of advance to the implementing agencies has been made more liberal. Para-4.15 has been modified and district authorities can now release 75% of the estimated cost of a sanctioned work in advance as a first installment, if the implementing agency is a Government Agency, and 25% as second installment after sufficient progress has been achieved.

In case of all MPLAD works upto Rs.2 lakh being undertaken by Government Agencies, the entire amount shall be released as advance in a single installment. In cases even exceeding this amount, if the State Government rules permit giving advance of 100%, then the same would be applicable to the MPLADS work also.

In case of MPLAD works, where either the user agency or the implementing agency is private, the district authorities are authorized to release funds upto 60% of the sanctioned amount, as first installment and balance amount of 40% would be released as second/third installment as follows:-

- (a) 25% after 3/4th of the work is over and
 - (b) Last 15% after satisfactory completion of works.
- (v) A **new para-3.25** has been added allowing operation of ambulance/hearse services through private organizations as follows:-
- a) Ambulance/Hearse vans will be purchased with the recommendation of the CMO/Civil Surgeon/District Magistrate on the proposal of the Member of Parliament;
 - b) The ownership of the ambulance/Hearse vans so purchased would rest with the District Authority/CMO/Civil Surgeon and will be under the general supervision of the CMO/Civil Surgeon. The CMO/Civil Surgeon may outsource it for running/operation for a two years period at a time to National/State level trusts/societies of repute under a management contract after following a transparent process and on the recommendation of a 3 member Committee consisting of CMO/Civil Surgeon and two other representatives of District Magistrate and duly approved by District Magistrate;
 - c) The said Trust/Society operating the ambulance/Hearse van would be responsible for maintenance, POL and driver and user charges would be fixed by the District Authority(on the recommendation of a committee) who would be responsible to ensure that the charges so fixed are reasonable and affordable for the common man;
 - d) The District Collector/Deputy Commissioner/ District Magistrate shall monitor the services provided, by these Ambulances/Hearses vans, to ensure maximum benefit to the public; and
 - e) Each Ambulance/Hearse van so purchased, shall have bold markings on both sides, stating as:
'Ambulance/Hearse Van, purchased with Government of India, MPLADS Funds, contributed by.....MP.'

The above provisions have further been modified by reform circular No.9. According to the revised provision, the District Authority is now required to put up public notices at prominent places in the Government hospital, Municipal/Panchayat Offices, etc. together with contact numbers, about the provision of ambulance by the Member of Parliament from his/her MPLAD Scheme funds to enable the public to avail the services of the ambulance in the event of an emergency and to lodge complaints in the cases of misuse or non-use so as to enable the District Authority to take necessary action after proper enquiry into those complaints.

- (vi) Part of para-3.21 relating to trusts/societies of the guidelines has been modified. According to the revised provision, not more than Rs.25 lakh, can be spent from MPLADS fund, for one or more works of a particular Society/Trust in the lifetime of that society/trust. If a Society has already

availed of MPLADS funds up to Rs. 25 lakh, no more funds can be recommended for that Society/Trust under the Scheme. An MP can recommend funds, only upto Rs.50 lakh in all, in a financial year from MPLADS funds for works to Societies/Trusts.

- (vii) Till recently, MPs were allowed to make recommendation for any work/project costing less than Rs.1 lakh. A **new para-3.26** has been added to make Rs.1 lakh as the minimum amount to be sanctioned under MPLAD Scheme for any project or work. If, however, the District Authority is of the considered view that the work of less amount will be beneficial to the public at large, he/she may sanction the same, even if the cost of the work is less than Rs. 1 lakh.
- (viii) Para-2.6 has been amended to allow MPs to recommend works upto the annual entitlement during the financial year instead of the present limit of 90 days.
- (ix) Para-3.12 has been amended to allow the district authorities to sanction a recommended work within 75 days of the receipt of the recommendation. He/She shall, however, inform MPs regarding rejection, if any, within 45 days from the date of receipt of recommendations, with reasons thereof.
- (x) A **new para-3.27** has been added requiring district authorities to maintain and make available a “Shelf of Projects” including projects for SC/ST inhabited areas to MPs. The Shelf of Projects should be suggestive only, so that it provides, flexibility to the MP, to go beyond the list in order to meet the felt needs of the people.
- (xi) With the approval of the Cabinet and Department of Expenditure, the annual entitlement of MPs has been increased from Rs.2 crore to Rs.5 crore. Necessary changes have been reflected in paras 2.1 to 2.3 of the guidelines.
- (xii) A **new para-3.29** has been added for purchase of books for schools, colleges and public libraries. MPs are now allowed to make recommendation for purchase of books upto Rs.22 lakh. The recommendations made by the Hon’ble MPs will be examined/approved by a Committee consisting of:-
 - (i) District Education Officer - Chairman
 - (ii) A representative of District Magistrate/District Collector;
 - (iii) Two Principals/Head Masters; and
 - (iv) Co-opt Head Master/Principal of the School/college/institution to whom the books are proposed to be supplied.
- (xiii) Para-4.17 relating to contingency expenses has been rewarded as administrative expenses and the fund has been raised from 0.5% to 2%, which will be distributed in the following manner:-

(a) For Lok Sabha MPs, on receipt of each installment of MPLADS funds, the Nodal District Authority shall immediately divide 1% (out of the 2% earmarked for Administrative expenses) between the State /UT Nodal Department, and itself, in the ratio 0.2: 0.8.

(b) The remaining 1% shall be equally distributed among all Implementing Districts within the constituency of the MP, including the Nodal district as an Implementing District.

(c) For Rajya Sabha MPs, on receipt of each installment of MPLADS funds, the Nodal District Authority shall immediately divide 1% (out of the 2% earmarked for Administrative expenses) between the State /UT Nodal Department, and itself, in the ratio 0.2 : 0.8. The remaining 1% shall be retained by the Nodal District.

(d) In the case of nominated Members of the Lok Sabha and Rajya Sabha, the entire 2% Administrative charges will be retained by the Nodal District.

The Administrative Expenses shall be utilized in the following manner:

(a) By the States/UTs Nodal Department, for executing the following activities,

(i) Third party inspection/physical audit and quality checks, and

(ii) Monitoring of works at state level.

iii) Translating the Members of Parliament Local Area Development Scheme Guidelines in their respective regional languages, except in Hindi

(b) By the Nodal District, for executing the following activities,

i) Hiring of services/consultants for handling Accounts, Data Entry, uploading of data on website, etc.

ii) Creating awareness among public about the Scheme and dissemination of information of ongoing and completed works,

iii) Purchase of stationary,

iv) Office equipment including computer hardware /software for MPLADS planning/monitoring (excluding laptop),

v) Telephone/fax charges, postal charges,

vi) Expenses incurred (a) to make MPLADS Works Monitoring Software and other MPLADS portal(s) operational, (b) to get the audit of the accounts done and obtain audit certificate, and

vii) Out sourcing of technical estimates (if found necessary) in specialized cases.

(c) By the Implementing Districts for executing the following activities,

i) Creating awareness among public about the Scheme and dissemination of information of ongoing and completed works,

ii) Purchase of stationary,

iii) Office equipment including computer hardware/software for MPLADS planning/monitoring (excluding laptop),

- iv) Telephone/fax charges, postal charges,
- v) Hiring of services/consultants, for maintenance of accounts and monitoring of works, and
- vi) Out sourcing of technical estimates (if found necessary) in specialized cases.

A separate bank account and office cash book for such expenditure incurred during a year under MPLAD Scheme, has to be maintained by the Nodal Department at State level, as also by Nodal District and by the implementing district.

- (xiv) With the increase of annual allocation of MPs from Rs.2 crore to Rs.5 crore, paras 4.1, 4.2 and 4.3 have been modified. The provisions now stand as follows:-

“4.1 The annual entitlement of Rs 5 crore shall be released, in two equal instalments of Rs 2.5 crore each, by Government of India directly to the District Authority of the Member of Parliament concerned.

4.2 At the time of the constitution of Lok Sabha, and election of a Rajya Sabha Member, the first instalment of Rs. 2.5 crore shall be released to the District Authority without the documents stipulated under para 4.3 below. The subsequent instalments of the continuing Members of Rajya Sabha and Lok Sabha will be released as per the eligibility criteria indicated in Paragraph 4.3. The District Authority shall maintain a separate bank account for each MP for the purpose of MPLAD Scheme. Physical and Financial Progress for each MP (sitting and former) will be sent by the District Authorities, separately as per Annexure VI.

4.3 The first instalment of Rs. 2.5 crore will be released in the beginning of the financial year. In the remaining years, the first installment will be released in the beginning of the financial year subject to the condition that the second installment of the previous year was released for the MP concerned and also subject to furnishing of the provisional Utilization Certificate of previous year covering at least 80% of the expenditure of the first installment of the previous year.

The second installment of the MPLADS funds will be released subject to the fulfillment of the following eligibility criteria:-

- i) the unsanctioned balance amount available in the account of the District Authority after taking into account the cost of all the work sanctioned is less than Rs.1 crore;
- (ii) the unspent balance of fund of the MP Concerned is less than Rs. 2.5 crore; and
- (iii) Utilization Certificate of the previous financial year and the Audit Certificate for the funds released for MP concerned in the year prior to the previous year have been furnish by District Authority (in format at Annexure viii & ix of the guidelines respectively”.

- (xv) Purchase of mobile library for educational institutes belonging to Central/State/UT and Local self government has now been made permissible **as per newly added para-3.31**.
- (xvi) As suggested by Vice Chairman, National Disaster Management Authority, para-2.7 of the guidelines relating to National Calamity has been amended to include man-made disaster and the related provision in Annexures-II & IV (E).
- (xvii) The sub-Committee I of the Public Accounts Committee in its meeting held on 24/10/2011 had recommended that copies of the work completion report of the recommended work should also be sent to the concerned Member of Parliament by the District Authority. Necessary modification has been made in the guidelines.
- (xviii) As suggested by the Chairman MPLADS Committee, Rajya Sabha, a special group was constituted to recommend areas of improvement in regard to audit, accounts and related matters. The Committee has submitted its report and based on the various improvements/changes suggested have been taken into account while modifying chapter-5 on accounting procedure.
- (xix) New borings in view of the existing non-functional hand-pumps using the re-usable components of the parts of the non-functional hand pumps are permissible subject to the following conditions:-
 - (a) Such new borings may be allowed subject to techno-economic feasibility and as per laid-down procedures of the State/UT concerned.
 - (b) All usable components/parts of the defunct hand pumps must be used in the new borings.
 - (c) Such new borings should be only for water required for drinking and household purposes and in no circumstances should water be diverted for any purpose such as agricultural, industrial, commercial, horticultural etc.
 - (d) Such new borings may be allowed only in need-based cases and not as a matter of routine and it should in no case be detrimental to the water table.
 - (e) The proposals for such new borings should satisfy all other conditions stipulated in the Guidelines on MPLADS.
- (xx) As per the instruction of the Ministry of Water Resources, their specific clearance would invariably be required before sanctioning any irrigation, flood control structure/project on any river within 8 Kms of international border. A **new para-3.33** has been added to cover this requirement.
- (xxi) Para 3.17.1 has been added to allow convergence of MPLADS with MGNREGA
- (xxii) Para 4.10.1 has been added to make it mandatory to complete the work within 18 months from the date of demitting office in case of Rajya Sabha MPs or dissolution of Lok Sabha. DA are now required to settle and close the account of the concerned MP after completing all the pending eligible works in another 3 months time.

Member of Parliament Local Area Development Scheme



भारत सरकार
 सांख्यिकी एवं कार्यक्रम कार्यान्वयन मंत्रालय
 सरदार पटेल भवन, नई दिल्ली - 110001
 GOVERNMENT OF INDIA
 MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION
 SARDAR PATEL BHAVAN, NEW DELHI-110001
 FAX : 23364197
 E-mail : mplads@nic.in

File No. C/16/2009-MPLADS

Dated.....13.01.2012

To

The Commissioners,
 Corporation of Kolkata/Chennai/Delhi
 Districts Collectors/District Magistrates /Deputy Commissioners.

Sub: - Convergence of Member of Parliament Local Area Development (MPLADS) with MGNREGA.

Sir/Madam,

Government has received representations for allowing convergence of MPLADS with MGNREGA. The matter has been examined and it has been decided to allow convergence as per the following para, which may be added as para 3.17.1 of the MPLADS Guidelines:-

"3.17.1- Convergence of Member of Parliament Local Area Development (MPLADS) with MGNREGA- Funds from Member of Parliament Local Area Development Scheme (MPLADS) can be converged with MGNREGA with the objective of creating more durable assets. MPs may recommend under MPLADS, works from out of the shelf of MGNREGA projects approved by the Zilla Panchayat for the year when recommendation is being made, and should have been sanctioned by the District Programme Coordinator which constitutes the approved Annual Work Plan under MGNREGA of the district. As far as possible, the MPLADS Funds shall be used in respect of material component only.

Once a work is recommended for MGNREGA, MPs will not be authorized to withdraw the same. In case of request of withdrawal of MPLADS Funds, NOC from MGNREGA would be required. The guidelines of MGNREGA including all non-negotiables, such as, no contractors, no use of machinery, social audit, etc. shall be strictly followed. The Gram Panchayat shall be nominated as the Implementing Agency by the District Planning Committee (DPC) for the convergence works under MPLADS. The DPC shall provide adequate technical support to the Gram Panchayat to implement the

works. Since the material and labour components are expected to flow simultaneously, it will not be necessary in these convergence cases for MPLADS Funds to be used only at the end.

The accounts of Expenditure will be strictly maintained separately for both MPLADS and MGNREGA. A joint plaque (stone/metal) indicating the cost involved, contribution from MPLADS/ MGNREGA, commencement, completion and inauguration and the name of the MP sponsoring the work under MPLAD Scheme/MGNREGA should be permanently erected."

2. These instructions should strictly be adhered to in implementation of convergence schemes of MPLADS/MGNREGA.
3. This issues with the approval of Hon'ble Minister, Ministry of Statistics & Programme Implementation.

Yours faithfully,


(A.K. Choudhary)
Director

Copy for information to:

1. All Hon'ble Members of Parliament (Lok Sabha/Rajya Sabha).
2. The Secretaries, Nodal Departments, dealing with MPLADS (All States/UTs).
3. Rajya Sabha Committee on MPLADS, Rajya Sabha Secretariat, New Delhi.
4. Lok Sabha Committee on MPLADS, Lok Sabha Secretariat, New Delhi.
5. To all concerned in MPLADS Division.
6. NIC for uploading on the MPLADS Website.

ANNEXURE - H
STATUS ON C&AG PERFORMANCE AUDIT REPORT NO 31 OF
2010-11 AS ON 31 January 2011

Sr No	State/UT	No of Audit para CAG Report 2011	Status of para reply received	Part reply recd Audit Para	Remarks
1.	Andhra Pradesh	19	08	11	
2.	Arunachal Pradesh	18	-	18	No reply received
3.	Assam	21	01	20	
4.	Bihar	22	-	22	No reply received
5	Chhattisgarh	13	06	07	
6	Goa	10	08	02	
7	Gujarat	13	-	13	Part Reply recd for 11 paras. 02 paras no reply
8	Himachal Pradesh	14	06	08	
9.	Haryana	18	11	07	
10	J&K	23	08	15	No reply received for 05 Audit para.
11	Jharkhand	22	-	22	No reply received.
12	Karnataka	17	05	12	No reply received for 04 paras.
13	Kerala	17	11	06	
14	Madhya Pradesh	21	03	18	
15	Maharashtra	16	03	13	
16	Manipur	15	02	13	
17	Meghalaya	21	06	15	

18	Mizoram	20	04	16	
19	Nagaland	20	-	20	No reply received
20	Orissa	21	-	21	
21	Punjab	13	12	01	
22	Rajasthan	19	-	19	
23	Sikkim	12	10	02	
24	Tamil Nadu	24	-	24	
25	Tripura	15	03	12	
26	Uttar Pradesh	24	03	21	
27	Uttrakhand	15	09	06	
28	West Bengal	21	09	12	
29	A&N Islands	17	05	12	
30	Chandigarh	06	06	-	
31	D&N Haveli	06	-	06	No reply received
32	Damn & Diu	12	10	02	
33	Delhi	12	06	06	
34	Lakshdweep	09	09	-	
35	Pondicherry	13	13	-	

Note – Reply not yet received - 06 States (**Arunachal Pradesh, Bihar, Gujarat, Jharkhand, Nagaland and D&N Haveli**)

Annexure I

List of Defaulting Districts – ATR on report of NABCON not recieved

- | | | |
|-----|----------------------------|---------------------|
| 1. | Mahaboob Nagar | (Andhra Pradesh) |
| 2. | Srikakulam | -do- |
| 3. | Sonitpur | (Assam) |
| 4. | Gopalganj | (Bihar) |
| 5. | Rahtas | -do- |
| 6. | Saharsa | -do- |
| 7. | Rajnandgaon, | (Chhattisgarh), |
| 8. | Kangra | (Himachal Pradesh), |
| 9. | Dhanbad | (Jharkhand), |
| 10. | Chamrajnagar | (Karnataka), |
| 11. | Parbhani | (Maharashtra) |
| 12. | Osmanabad | -do- |
| 13. | Aizwal | (Mizoram) |
| 14. | Dimapur | (Nagaland) |
| 15. | Barmer | (Rajasthan) |
| 16. | Tirunelveli | (Tamil Nadu) |
| 17. | Kanpur (Rural) | (Uttar Pradesh) |
| 18. | Tehri Garhwal | (Uttrakhand) |
| 19. | Aandaman & Nicobar Islands | |

Annexure -J

Details of District with whom matter taken-up for compliance during Phase-I, Phase-II and Phase-III

Sl. No.	State/U.T.	District
Phase-I		
1	Arunchal Pradesh	Lohit
2	Bihar	Patna and Nalanda
3	Chhattisgarh	Raipur
4.	Gujarat	Anand
5	Maharashtra	Aurangabad
6	Punjab	Ludhiana
7	Uttar Pradesh	Agra
8.	Puducherry	
Phase-II		
9	Andhra Pradesh	Rangareddy, Chittoor & Guntur
10	Assam	Cachar
11	Goa	South Goa
12	Karnatka	Bangalore Rural and Bijapur
13	Kerala	Malappuram
14	Madhya Pradesh	Bhopal, Ujjain and Rewa
15	Maharashtra	Ahmed Nagar
16	Rajasthan	Udaipur
17	Sikkim	East District
18	Uttrakhand	Almora
Phase-III		
19	Assam	Kamrup Urban and Dibrugarh
20	Chhattisgarh	Surguja
21	Haryana	Hissar and Faridabad
22	Madhya Pradesh	Vidisha
23	Odisha	Jagatsinghpur and Mayurbhanj
24	Tripura	West Tripura