

CAG Report Summary

Audit of Pradhan Mantri Gram Sadak Yojana

- The Comptroller and Auditor General (CAG) submitted a report on the ‘Performance of the Pradhan Mantri Gram Sadak Yojana (PMGSY)’ on August 12, 2016. PMGSY was introduced in 2000 to provide single, all-weather road connectivity to unconnected habitations in rural areas. The Ministry of Rural Development along with state governments is responsible for the implementation of PMGSY. The CAG audit covered 29 states and is for the period from April 2010 to March 2015. Key findings and recommendations of the audit include:
 - **Programme planning:** Discrepancies in District Rural Road Plans (DRRPs) were observed in seven states, including Andhra Pradesh, Maharashtra and Karnataka. These include absence of information on population of habitations, status of connectivity, and road inventory and maps. In 19 states, discrepancies such as unconnected habitations being shown as connected and eligible habitations not included in the core network (the network of all rural roads that is necessary to provide access to all habitations) were observed.
 - The CAG recommended: (i) creation of a Geographical Information System database with information on rural roads for each state, and (ii) removal of deficiencies in DRRPs to cover eligible unconnected habitations under PMGSY.
 - **Programme implementation:** In 11 states, 372 projects were abandoned due to non-availability of land or land disputes, after incurring an expenditure of Rs 280 crore. Some projects were completed without required bridges or cross drainage structures, making the roads non-usable for all-weather connectivity.
 - The CAG recommended: (i) preparation of detailed project reports by adopting proper laid down procedures, (ii) completion of works with required bridges and cross drainage structures to ensure all weather connectivity, and (iii) monitoring by implementation authorities to check cases of undue advantage to contractors and poor execution of work, among others.
 - **Fund management:** In eight states, programme funds worth Rs 25 crore for road construction were diverted towards maintenance and administrative expenditure, salaries and wages, etc. In 11 states, funds of Rs 2,693 crore released during 2014-15 were transferred to states with delays of up to 200 days.
 - The CAG recommended that states should ensure that funds released for a specific purpose are not diverted. In addition, states should ensure that the annual physical and financial targets are met. The Ministry of Rural Development may also put a system in place to collect real time data on release of funds to states and expenditure by them.
 - **Quality Control, Monitoring and Evaluation:** Irregularities such as non-establishment of field laboratories, non-availability of equipment, and non-deployment of trained manpower were observed in 12 states. In 10 states, State Level Standing Committee meetings were not held regularly to monitor the implementation of the programme. In addition, it was also noted that the concept of social audit (information on the quality and maintenance of constructed roads) was not a part of PMGSY guidelines.
 - The CAG recommended that the Ministry of Rural Development should review the quality control system to address deficiencies in the implementation of PMGSY. It may devise a mechanism to fix responsibility and accountability on agencies responsible for quality control at the local, state and national level. The CAG also suggested that social audit should be adopted as part of the programme.
 - **IT audit of Online Management, Monitoring and Accounting System (OMMAS):** The CAG observed that data was not updated on OMMAS on a regular basis, which led to Management Information System reports being inaccurate and unreliable.
 - The CAG recommended that deficiencies in the operationalisation of OMMAS should be rectified. This will make it an effective tool for monitoring and decision making in the implementation of the programme.

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