

CHAPTER V

PERFORMANCE REVIEW (PANCHAYAT RAJ INSTITUTIONS)

This chapter presents one long paragraph dealing with Anaithu Grama Anna Marumalarchi Thittam.

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

5.1 Anaithu Grama Anna Marumalarchi Thittam

5.1.1 Introduction

To inject substantial resources for improving infrastructure in all 12,618 Village Panchayats (VPs) of the State over a period of five years, Government of Tamil Nadu launched (September 2006) a scheme called Anaithu Grama Anna Marumalarchi Thittam (AGAMT). The scheme is being implemented in one fifth of the VPs in each Panchayat Union each year with priority to VPs with lower per capita income. For each VP selected under the scheme, Rs 20 lakh were allocated, of which Rs 15 lakh were to be utilised for works under tied component and the remaining Rupees five lakh for untied component. Provision of ponds/oranies¹/tanks, sports centres, libraries, burial/cremation grounds and water supply could be taken up under tied component and other works such as concrete pavements, extension of street lights, fish ponds, shandies (markets), etc., as felt necessary by the village committee could be taken up under untied component. During 2006-07 and 2007-08, the scheme was implemented in 2,540 and 2,534 VPs respectively. The scheme also contemplated dovetailing of schemes implemented by other departments in the villages selected under AGAMT.

5.1.2 Organisational set up

There are 29 District Panchayats, 385 Panchayat Unions (PUs) and 12,618 VPs in Tamil Nadu. The organisational set up for the implementation of AGAMT is as follows:

Organisation/Agency	Responsibility
Principal Secretary to Government, Rural Development and Panchayat Raj Department	Assists Government in formulating policies
Commissioner of Rural Development and Panchayat Raj	Head of the department at State level
District Collector and Project Officer, District Rural Development Agency (DRDA)	Monitor the scheme at State level
Block Development Officer (Village Panchayats) (BDO(VPs))	Responsible for implementation of the scheme at Panchayat Union level

¹ Oorani: A type of pond.

5.1.3 Audit scope

An evaluation of performance under AGAMT implemented in 207 and 208 Village Panchayats during 2006-07 and 2007-08 respectively in 39 selected PUs (**Appendix 5.1**) in six districts (Coimbatore, Erode, Madurai, Perambalur, Sivagangai and The Nilgiris) was conducted between April 2008 and September 2008. Audit findings are discussed in the succeeding paragraphs.

5.1.4 Financial management

Under the scheme Rs 20 lakh were allocated to each Village Panchayat, of which Rs 15 lakh were to be used for works under tied component and the remaining Rupees five lakh for untied component. Funds provided under untied component could also be utilised for filling the gap in resources for works under tied component. As per details furnished by Commissioner of Rural Development and Panchayat Raj (CRDPR), the financial and physical progress upto June 2008 without taking into account achievement under dovetailing were as given in **Table 1**.

Table 1

Sl. No.	Scheme year	No. of VPs selected	Allocation	Expenditure	No. of works selected	No. of works completed
			(Rupees in crore)			
1.	2006-07	2,540	508.00	479.04 (94.30)	43,435	43,418 (99.96)
2.	2007-08	2,534	506.80	439.08 (86.64)	37,248	35,440 (95.15)
	Total		1,014.80	918.12	80,683	78,858

Figures in brackets indicate percentage of achievement

Details of receipt and expenditure (as of September 2008) in test checked PUs for the years 2006-07 and 2007-08 are given in **Appendix 5.2**.

5.1.4.1 *Dovetailing of schemes with AGAMT*

Achievement under dovetailing was inflated.

AGAMT envisaged concentration of activities of other departments/agencies² for substantial mobilisation of resources into the villages selected during a particular year. The indicative target for such dovetailing was Rs 80 lakh for each AGAMT Village Panchayat.

In test checked districts achievement under schemes such as free supply of colour television, free supply of gas stoves, old age pension, loan / subsidy to the self help groups, loan under self employment scheme, loans disbursed by primary agricultural co-operative bank, scholarship to students, etc., amounting to Rs 120.98 crore³ were shown as achievement during 2006-08 although these did not result in mobilisation of resources into the villages for creation of infrastructure as envisaged under the scheme.

² Agricultural Engineering, Animal Husbandry, Dairy Development, Education, Health, Highways, Horticulture, Public works, Social Welfare, Tamil Nadu Water Supply and Drainage Board, etc.

³ Coimbatore : Rs 97.21 crore; Erode : Rs 3.34 crore; Madurai : Rs 13.71 crore; Perambalur : Rs 5.74 crore; Sivagangai : Rs 0.94 crore (2006-07 only) and The Nilgiris : Rs 0.04 crore.

Government replied (April 2009) that though the concept of dovetailing was indicated, no target was fixed for 2006-07 and 2007-08 and hence no compulsory financial target could be enforced on AGAMT Village Panchayats.

The reply is not acceptable as indicative target of Rs 80 lakh for dovetailing has been incorporated in the AGAMT guidelines issued in April 2007 itself and further, the paragraph deals with inflated achievement and not with shortfall in achievement of target.

Government further stated that achievement under schemes like supply of free colour television, supply of gas stove, two acre land, etc., would not be dovetailed in future.

5.1.4.2 Temporary diversion of scheme funds

Scheme funds were temporarily diverted to Indira Awas Yojana.

Funds provided under the scheme should be utilised in the villages for which it was sanctioned and diversion of funds from one scheme to another scheme should be avoided.

During March 2007 to July 2008, eight PUs diverted Rs 26.42 lakh from AGAMT to Indira Awas Yojana scheme. Out of this, four PUs recouped Rs 18.70 lakh and Rs 7.72 lakh were not recouped by four PUs as of August 2008 (**Appendix 5.3**).

After being pointed out by audit the amount of Rs 7.72 lakh was recouped between December 2008 and February 2009.

5.1.4.3 Under utilisation of funds

District Collector, Coimbatore accorded administrative sanction (November 2007) for the year 2006-07 for Rs 16.01 crore for 82 VPs, while the requirement was Rs 16.40 crore (82 VPs x Rs 20 lakh per VP) as per guidelines. The Project Officer (PO), DRDA, Coimbatore replied (June 2008) that some of the works were cancelled due to difficulty in execution and the BDOs (VP) were instructed to submit proposals for pending works. Improper planning resulted in under utilisation of allotted funds to the extent of Rs 39 lakh (September 2008).

After being pointed out by Audit, District Collector, Coimbatore issued (March 2009) administrative sanction for 109 works for Rs 1.11 crore, which included unspent balance, savings and interest earned.

5.1.4.4 Interest earned kept unutilised

State Government had neither specified any time frame for utilisation of funds provided under the scheme nor issued instructions for utilisation/refund of interest earned on the unutilised amount kept in savings bank account. As a result, interest of Rs 1.79 crore earned on the amount deposited with banks remained unutilised in 38 PUs and in six DRDAs test checked.

After being pointed out by Audit, Government issued administrative sanction (February 2009 and March 2009) for utilising the unspent balance.

5.1.4.5 Approval of works by Grama Sabha

Grama Sabhas conducted in 26 Village Panchayats for selection of works during 2006-08 did not have the required quorum.

As per scheme guidelines, approval of Grama Sabha should be obtained for all the works selected under the scheme. The quorum for Grama Sabha as prescribed (September 2006) by the State Government was as given in **Table 2**.

Table 2

Sl.No.	Population of Village Panchayat	Quorum for the meeting
1	Up to 500	50
2	501 to 3,000	100
3	3,001 to 10,000	200
4	Above 10,000	300

However, the Grama Sabhas conducted for approval of works to be taken up under the scheme for 2006-07 and 2007-08 in 26 villages in test checked PUs did not have the required quorum. The shortfall in quorum was up to 25 per cent in 11 VPs, between 26 and 50 per cent in 12 VPs and between 51 and 75 per cent in three VPs. Thus the process of selection of works in those villages lacked public participation in the planning of the scheme.

Government replied (April 2009) that putting up the list of works in Grama Sabha was only for information and that the selection of works by Village Level Selection Committee and administrative sanction by the District Collector were only crucial. Government further stated that where the Grama Sabha did not have the required quorum, the list of works was put up in subsequent meeting.

The reply of the Government is not tenable as the orders of Government issued in December 2006 was very specific that while finalisation of works was the responsibility of the Village Level Selection Committee, approval of Grama Sabha should be obtained before administrative sanction by the District Collector. The guidelines of the scheme did not contemplate *post facto* approval of Grama Sabha for works selected.

5.1.4.6 Information, Education and Communication activities

Out of grants released for information, education and communication to Commissioner of Rural Development and Panchayat Raj, Rs 38.22 lakh remained unutilised.

In addition to Rs 20 lakh per village, State Government allocated (September 2006 and June 2007) funds equal to one per cent of the total annual allocation towards information, education and communication (IEC) for creating awareness on education, communication, sanitation and social activities among the people. The amount was distributed to CRDPR, DRDA and BDO (VP) for incurring expenditure at State, district and village level.

For IEC activities at State level, Rs 2.17 crore was made available to CRDPR for the years 2006-07 (Rs 1.09 crore) and 2007-08 (Rs 1.08 crore). As of March 2008, Rs 1.79 crore was spent out of this amount for advertisement in newspapers to mark completion of one year of implementation and inauguration ceremony. The balance amount of Rs 38.22 lakh with interest accrued was kept unutilised.

In Erode and Sivagangai DRDAs, Rs 15.63 lakh out of Rs 20 lakh released under IEC component for 2006-08 was kept unutilised.

Government replied (April 2009) that the amount was meant for distribution of awards for the best performing collectors under AGAMT for which necessary proposals were received and were under scrutiny. Government further stated that the money was required for IEC activities such as preparation of success stories, documentation, preparation of award proposals.

Government's reply is not acceptable because as seen from records of the PUs expenditure under this component was mainly on preparation of booklets and putting up boards in the work-sites. No expenditure was incurred on conduct of awareness programmes. Lack of public participation in the Grama Sabha meetings as commented in Paragraph 5.1.4.5 could be attributed to non-conduct of public awareness programmes.

5.1.4.7 Incorrect selection of works

(i) In Chettikulam and Samayanallur Village Panchayats of Madurai West PU of Madurai District, two shopping complexes with five shops each were constructed (March 2008 and July 2007) at a total cost of Rs 8.24 lakh⁴ under untied component of the scheme. The BDO stated (October 2008) that as there was no demand, the shops were not let out. Failure to assess the demand for shops before taking up the work resulted in blocking of funds of Rs 8.24 lakh.

Five community halls constructed at a cost of Rs 23.94 lakh were not made use of due to non-provision of electricity connection.

(ii) One community hall each was constructed (October/November 2007) in five⁵ VPs in Madurai and Sivagangai Districts at a total cost of Rs 23.94 lakh under the untied component of the scheme. None of the constructed community halls were utilised due to non-availability of electricity connection and non-supply of vessels resulting in unfruitful expenditure (May 2008).

5.1.4.8 Sports centres/Play grounds

The scheme envisaged establishment of school sports centre in the Government or aided high / higher secondary schools. If Government or aided schools were not available, a community sports centre could be provided in a panchayat poramboke land with courts for volley ball, badminton and tennicoit for girls and ground for foot ball, etc.

In the 39 PUs test checked, expenditure as of September 2008 on formation of sports centres was Rs 1.89 crore and Rs 1.96 crore for the scheme years 2006-07 and 2007-08 respectively and the physical achievement was 232 (out of 232) and 199 (out of 207).

Provision of combined courts

During the year 2006-07, combined courts for volley ball, badminton and tennicoit were provided in the community sports centres in 76 VPs of

⁴ Shopping complex at Chettikulam: Rs 3.49 lakh and at Samayanallur: Rs 4.75 lakh.

⁵ Madurai District: Alandur (Rs 4.75 lakh); Chattrapatti (Rs 4.99 lakh); Kovilpappakudi (Rs 4.58 lakh) and Thenur (Rs 4.62 lakh). Sivagangai District: Kathunedunkulam (Rs five lakh); **Total: 23.94 lakh.**

Due to provision of combined courts in 76 Village Panchayats in Sivagangai District, all games could not be played at the same time.

Sivagangai District at a cost of Rs 56.89 lakh. Since all games cannot be played at a time in the combined courts, the objective of the scheme was defeated.

The PO, DRDA, Sivagangai stated (April 2009) that 57 courts are being re-established and Zonal Officers concerned were instructed to inspect and identify suitable site for the balance 19 courts.

Non-formation of youth club

As per AGAMT guidelines, maintenance of sports facilities and replacement of balls, nets, etc., shall be the responsibility of the VPs. The scheme contemplated that President of the Village Panchayat concerned should, however, encourage formation of youth clubs for the village which should in due course take over the responsibility of the operation and maintenance of the sports centres.

It was seen that in 214 VPs in 21 test checked PUs⁶ no youth club was formed so far.

Government stated (April 2009) that formation of youth club was not compulsory under AGAMT.

The reply of the Government is not tenable as the AGAMT guidelines stipulates that the Village Panchayat President shall, however, encourage formation of youth club indicating community participation in maintenance of community sports centres. Due to non-formation of youth club, the opportunity for community participation was lost.

Formation of community sports centres in temple land

In Jeyankondam PU, three community sports centres were formed (January 2007) at a cost of Rs 1.98 lakh in temple land due to non-availability of site. The centres were, however, formed without formally taking possession of the land as gift deed from temple authorities.

Government replied (April 2009) that necessary proposals have been sent to the Commissioner, Hindu Religious and Charitable Endowment Department for getting the land as gift to the Village Panchayats concerned.

Deficiencies in formation of play grounds

According to the guidelines issued (January 2007) by the CRDPR, prior to erection of sports material, it should be ensured that earth or gravel coat is sufficient, absolute level of the floor is maintained and boundaries are as per specifications.

⁶ Coimbatore District : Avinashi, Karamadai, Madathukulam, Pongalur, Sultanpet, Thondamuthur and Udumalpet.
Erode District : Ammapet, Bhavani, Erode, Kangeyam, Kundadam, Perunthurai, TN Palayam and Uthukuli.
Madurai District : Thirumangalam.
Perambalur District : Andimadam, Jeyankondam, Senthurai and Thirumanur
Sivagangai District : Manamadurai.

During field visits made (April 2008 to September 2008) by Audit along with the BDO (VP) concerned, it was noticed that play grounds formed in Tirumanur, Sannavur and Sembiangudi Village Panchayats (Perambalur District) were not in good condition for playing games as levelling was not done. However, Rs 2.84 lakh was spent (September 2008) for supply and erection of sports equipment in these playgrounds.

Government replied (April 2009) that though levelling was done, cent *per cent* smooth levelling was not possible.

Reply of the Government is not acceptable as the purpose of formation of play grounds was lost as the grounds were not fit for playing games.

5.1.4.9 Formation of ponds/oorani

In the 39 PUs test checked, 215 and 209 works relating to water harvesting structures such as oorani, tanks, etc. were taken up and completed for the scheme years 2006-07 and 2007-08 respectively expending Rs 6.86 crore and Rs 7.11 crore (September 2008).

Irregular expenditure

Under AGAMT, ponds located within the village and predominantly used by the villagers were to be selected for improvement. However, bathing ghat (Expenditure: Rs 4.11 lakh) in Veppur PU (Perambalur District) and bathing ghats and check dams (Expenditure: Rs 5.62 lakh) in Bhavani PU (Erode District) were constructed respectively in the rivers controlled by the Public Works Department.

Government replied (April 2009) that bathing ghat at Aduthurai Village Panchayat of Veppur Block was taken up under untied component of the scheme. In respect of check dam in Bhavani PU, Government stated that improvement of check dam constructed by PWD was taken up due to non-availability of adequate poromboke land for construction of new pond.

The reply is not acceptable as responsibility for construction and maintenance of check dams and bathing ghats in rivers was with PWD, the works should have been done by dovetailing and the amount spent on these works could have been utilised for other development works under AGAMT in the Village Panchayats concerned.

5.1.4.10 Libraries

For setting up of library, an existing public building can be renovated or if any suitable building was available on rent it may be considered. If both these options were not available then a new building nearer to the Village Panchayat office building may be constructed.

In the 39 PUs test checked, Rs 2.15 crore and Rs 3.19 crore were spent (September 2008) on construction/renovation of buildings and provision of furniture for housing 149 and 174 libraries for the scheme years 2006-07 and 2007-08 respectively.

Non-supply of books

AGAMT envisaged supply of books for libraries set up in the villages selected under the scheme at Rs 35,000 per village. The District Purchase Committee comprising the District Collector, PO/DRDA, District Library Officer and Chief Educational Officer would decide on books to be purchased and the PO, DRDA would purchase and deliver the books to the respective Village Panchayats. However, no books were purchased for any of the villages in the test checked districts for the year 2006-07. The State Government constituted a State level committee for purchase of books only in January 2008. As such, the villages selected for implementation of the scheme for 2006-07 were not supplied with books even two years after introduction of the scheme. An amount of Rs 72.45 lakh released to 207 VPs for purchase of books for 2006-07 remained unutilised with the DRDAs of the test checked districts concerned.

In 12 PUs of Coimbatore, Madurai and Perambalur Districts, 83 new library buildings⁷ were constructed during 2006-08 at a cost of Rs 1.74 crore. It was seen, that one or two magazines and daily news papers were only being supplied to the libraries. Books were neither pooled out from other libraries nor new books purchased by the CRDPR in spite of availability of funds.

Thus, the library buildings constructed at a cost of Rs 1.74 crore were not utilised to the optimum level.

Government in reply stated (April 2009) that after launching the scheme in January 2007, it was felt that books for 2006-07 and 2007-08 to AGAMT village libraries could be purchased in a combined manner. It further stated that expression of interest for supply of books was called for in August 2007 and committee for selection of books was formed in January 2008. The committee met on 11 February 2008, 21 February 2008, 23 and 24 June 2008 and completed selection process. Writ petitions filed by some publishers against the procedure of selection of books was dismissed in December 2008. Orders were placed for supply of books in December 2008 and January 2009 and supply of books have already started.

From the above reply of the Government, it is clear that there were avoidable delays in calling for expression of interest for supply of books, constitution of committee for selection of books and selection process. The time lost in court case was only about four months as the writ petitions were filed by some publishers in September and October 2008. The above delays postponed the accrual of benefit of libraries to villagers.

Non-utilisation of funds

As per AGAMT guidelines, a building for the library could be constructed or any existing public building in AGAMT village could be renovated for housing the library. Total allocation per library was Rupees two lakh

⁷ Anaimalai : 2; Avinashi : 12; Karamadai : 6; Madathukulam : 2; Pollachi (North) : 14; Pongalur : 4; Sakkottai : 10; Sedapatti : 12; Thirumanur : 3; Udumalpet : 10; Usilampattai : 6 and Veppur : 2. - Total : 83.

(construction/renovation: Rupees one lakh; purchase of furniture: Rs 65,000 and purchase of books: Rs 35,000). In 60 VPs in Perambalur District, existing public buildings were utilised for housing the library and the earmarked funds of Rupees one lakh per village for renovation of library building was not utilised. No action was taken either by the BDOs (VP) or by the DRDA for utilising the amount of Rs 60 lakh under other components. On this being pointed out, the PO/DRDA stated (August 2008) that the amount would be released to the implementing agency.

After being pointed out by Audit, Government issued administrative sanction (March 2009) for Rs 1.47 crore.

5.1.4.11 Improvements to cremation grounds

In the 39 PUs test checked, Rs 5.68 crore and Rs 5.63 crore were spent (September 2008) on 300 and 269 works relating to cremation grounds for the scheme years 2006-07 and 2007-08 respectively and the physical achievement in this regard was 100 per cent.

Deficient planning

The cremation sheds constructed at a cost of Rs 3.67 lakh in October 2007 in Sottagoundanpalayam of Uthukuli PU and in Kallakulam and Pappampalayam of Perunthurai PU were not utilised by the villagers. Site inspection revealed growth of grass in the cremation platform. When reasons were called for, the Department replied that the cremation shed was used for performing last rites only and cremation platform was not used since customary practice in the area was predominantly "burial".

Another cremation shed constructed (September 2007) at a cost of Rs 1.38 lakh at Sooriparai habitation in Ellapalayam Village Panchayat (Erode PU) was not at all utilised and natural vegetations had grown. To an enquiry it was replied that there was no practice of cremation and only burial was being done.

Cremation sheds were provided in VPs, where burial was the customary practice indicating deficient planning.

Government replied (April 2009) that the shed would be used as cremation shed or waiting shed depending upon the practice of the village.

The reply is not acceptable as guidelines did not provide for modification of cremation shed into a waiting shed where cremation was not in practice, and construction of cremation sheds in the above villages was due to deficient planning only.

5.1.5 Conclusion

In some districts the District Rural Development Agency included ineligible items for the purpose of dovetailing. There were temporary diversions of AGAMT funds to Indira Awas Yojana. In some Village Panchayats, the Grama Sabha did not have the required quorum, while approving works to be taken up under the scheme defeating the objective of public participation. Combined courts for volley ball, badminton, tennicoit, etc., were provided in

some sports centres with the result that all games could not be played at the same time. There was avoidable delay in selection of books for AGAMT libraries.

5.1.6 Recommendations

- Diversion of scheme funds for other purposes should be avoided.
- The village population should be educated about the importance of participation in selection of works under the scheme.
- Implicit adherence to scheme guidelines should be ensured, so as to avoid deficiency in planning and execution of works.