

CHAPTER IX : MINISTRY OF YOUTH AFFAIRS AND SPORTS

Rajiv Gandhi National Institute of Youth Development

9.1 Irregular expenditure

Rajiv Gandhi National Institute of Youth Development had been paying House Rent Allowance and City Compensatory Allowance to its employees at Chennai rates even after shifting its headquarters from Chennai to Sriperumbudur resulting in irregular expenditure of ₹ 67.11 lakh during the period from February 1999 to October 2010.

Rajiv Gandhi National Institute of Youth Development was set up in April 1993 as an autonomous body registered under Societies Act. The Service by-Laws of the Institute provide that House Rent Allowance (HRA) and City Compensatory Allowance (CCA) will be admissible to the employees of the Institute at the same rates and conditions as are admissible to employees of Government of India from time to time or as are sanctioned by Government of India for the Institute. The Institute was initially functioning at Chennai and shifted to Sriperumbudur, a town nearby Chennai in November 1998.

Audit scrutiny (April 2010) revealed that the Institute continued payment of HRA and CCA to its employees at rates applicable to Chennai (UA) city¹ even after shifting to Sriperumbudur which was included under unclassified category of cities² for the purpose of payment of these allowances. This resulted in irregular expenditure of ₹ 67.11 lakh for the period from February 1999³ to October 2010 and this still continued as of December 2010.

On being pointed out by audit, the Institute stated (July 2010) that the Executive Council of the Institute decided (May 1999) to pay HRA and CCA at Chennai city rates on the following grounds:

- The employees were reluctant to shift to the new place owing to the lack of accommodation and transportation.
- The employees were forced to stay at Chennai on account of study of their children and other facilities.

¹ Rate of HRA for Chennai (A-1 city) was 30 *per cent* of basic pay. The rate of CCA ranged from ₹ 90 to ₹ 300 per month according to basic pay which was abolished w.e.f. 1 September 2008.

² The rate of HRA for unclassified cities was five *per cent* of basic pay up to 31 August 2008 which has been enhanced to 10 *per cent* w.e.f. 1 September 2008 and no CCA was allowed.

³ Though the Institute started functioning at Sriperumbudur from November 1998, the irregular expenditure has been worked out from February 1999 for want of records.

It further stated that as the Union Minister for Youth Affairs is the President of the Executive Council and Secretary, Joint Secretary and Financial Adviser of Ministry are the members of the Council, the decision of the Executive Council was as good as the decision of the Ministry.

However, while accepting the audit observation, the Ministry stated (August 2010) that the reply of the institute conveying that the benefits of HRA and CCA was extended as a special case resulting out of the decision of the Executive Council did not hold good as all benefits extended to any Government of India officials were subject to rules and regulations of the Government framed from time to time. Thus, the benefit to the staff of Rajiv Gandhi National Institute of Youth Development was irregular.