

CHAPTER V
AUDIT OF TRANSACTIONS
(PANCHAYAT RAJ INSTITUTIONS)

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AUDIT OF TRANSACTIONS

Audit of transactions in the Rural Development and Panchayat Raj Department, District Rural Development Agency, Tiruvannamalai and in Sulthanpet Panchayat Union brought out instances of lapses in management of resources and failures in observance of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

5.1 Excess Payment

DISTRICT RURAL DEVELOPMENT AGENCY, TIRUVANNAMALAI

5.1.1 Excess release of grant to the beneficiaries

Release of grant for construction of toilets under the Total Sanitation Campaign by Panchayat Unions, in addition to ₹ 1.50 lakh given for construction of 3,038 green houses which included the cost of toilet resulted in excess release of grant to the extent of ₹ 97 lakh to the beneficiaries.

Government of Tamil Nadu (GoTN) launched (August 2011) a State Scheme called the Chief Minister's Solar Powered Green House for the poor in rural areas with unit cost of ₹ 1.80 lakh by meeting the entire cost by GoTN. The green houses were to be constructed either *in-situ* (replacing the existing dwelling structure) or in the land owned by the beneficiary. Out of the unit cost, ₹ 1.50 lakh was to be released to the beneficiaries for construction of the house including the toilet and the balance ₹ 30,000 was earmarked for installation of solar powered house lighting system. The scheme guidelines issued by the Government in August 2011 stipulated that the construction of houses should not exceed the permissible limit of 300 sq.ft. as an exclusive type design for the scheme has been developed. The guidelines further stipulated that wherever possible, the toilet was to be constructed by dovetailing funds from the scheme of Total Sanitation Campaign (TSC). The Commissioner of Rural Development and Panchayat Raj (CRDPR), Chennai accorded sanction (December 2011) for construction of 60,000 houses during 2011-12 in 31 districts at a cost of ₹ 1,080 crore.

During audit (September 2012) of the District Rural Development Agency, Tiruvannamalai, it was noticed that 3,038 houses were proposed during 2011-12 in 18 Panchayat Unions in the district at a cost of ₹ 45.57 crore and all 3,038 houses were completed (December 2012).

Audit scrutiny revealed that the model estimate prepared by CRDPR for ₹ 1.50 lakh included the provision for toilet and the beneficiaries were given the maximum permissible amount under the scheme. Based on the sanction accorded by the District Collector, the Panchayat Unions in Tiruvannamalai District had also released grant of ₹ 3,200 per house for 3,038 houses for construction of toilets under Individual Household Latrines component of the TSC.

Release of funds by the Panchayat Unions for construction of toilets under TSC when the entire cost of construction including toilets were released to the beneficiaries resulted in excess release of grant of ₹ 97 lakh to the beneficiaries of 3,038 houses constructed under the Green House scheme.

The department in its reply stated (January 2013) that the cost of construction has gone up and they actually restricted the payment to ₹ 1.50 lakh. The reply is not acceptable as the maximum permissible amount of ₹ 1.50 lakh under the scheme for construction of house was given to the beneficiaries and in addition Panchayat Unions have also released the grant under TSC to the beneficiaries which resulted in excess release of grant of ₹ 97 lakh to the beneficiaries.

The matter was referred to Government in January 2013; reply has not been received (March 2013).

5.2 Idle investment

SULTHANPET PANCHAYAT UNION

5.2.1 Incorrect selection of site for construction of houses

Incorrect selection of site, non-adherence to the recommendation of Coimbatore Institute of Technology, Coimbatore before commencement of the work resulted in idling of incomplete houses constructed at a cost of ₹ 78 lakh.

Periyar Ninaivu Samathuvapuram is a housing scheme in rural areas introduced by the Government of Tamil Nadu to promote social equality. Under the scheme, each Samathuvapuram with 100 houses shall be constructed with basic infrastructure like street lights, drinking water with overhead tank, black topped/concrete cement roads and public distribution shop.

In May 2010, Government of Tamil Nadu sanctioned ₹ 75 crore for formation of 36 Periyar Ninaivu Samathuvapurams. As per the scheme guidelines issued in May 2010, the site for construction of houses should not be selected in a low lying or swampy area prone to flooding during rainy season and there should be little or no cost on land filling or levelling. Further, the guidelines did not contemplate the drainage works to be carried out under infrastructure component.

During audit (February 2012) of the Panchayat Union Council, Sultanpet in Coimbatore district, it was noticed that the Project Director, District Rural Development Agency (DRDA), Coimbatore identified (May 2010) a low lying site at Appanaickenpatti Village Panchayat for formation of a Samathuvapuram. Based on the request made (June 2010) by the Block Development Officer (BDO), Sulthanpet, Coimbatore Institute of Technology (CIT) Coimbatore conducted (June 2010) a soil test and recommended (June 2010) to provide a proper drainage system and to fill up the site with sand gravel by removing the entire clay soil as the site was an existing pond and low lying.

The administrative sanction for construction of 100 houses in the Samathuvapuram at Appanaickenpatti Village Panchayat at an estimated cost of ₹ 2.15 lakh per house was accorded by the District Collector in July 2010. Construction of the houses were entrusted to the contractor (August 2010) at a tendered cost of ₹ 1.89 crore.

During construction there was water stagnation in the construction site due to rains in October 2010. Based on the instructions of the Assistant Executive Engineer, Sulur Sub-division, DRDA, Coimbatore, BDO, Sultanpet submitted (November 2010) proposals to the District Collector for sanction of ₹ 32.39 lakh under Collector Discretionary Fund for carrying out drainage works (₹ 27.42 lakh) and raising the level by filling earth (₹ 4.97 lakh). But the District Collector during inspection (January 2011) instructed the BDO, Sulthanpet to construct a retaining wall across southern part of the Samathuvapuram site and construct a small culvert for diversion of flood water under Collector Discretionary Fund. He further instructed that drainage across eastern part of the site under National Rural Employment Guarantee Scheme be constructed so as to prevent flood water getting into the site.

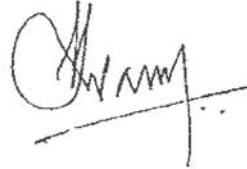
The BDO, Sulthanpet executed filling up of site at a cost of ₹ 4.71 lakh under the General Fund and also constructed a retaining wall suggested by the District Collector at a cost of ₹ 4.23 lakh in May 2011 under Collector Discretionary Fund and did not carry out the drainage and culvert works so far (November 2012). After incurring an expenditure of ₹ 78 lakh, the District Collector, Coimbatore ordered stoppage of the construction of houses in November 2011, on the ground of water stagnation at the construction site due to low lying from the road level and unsuitable location for living. The work could not re-start due to public agitation and the District Collector ordered (June 2012) stoppage of work until further orders. The work was not resumed.

Audit scrutiny revealed that the selection of low lying site for construction of houses contrary to the guidelines and non-execution of the drainage work recommended by CIT by the BDO, Sulthanpet and also as per the instructions of the District Collector resulted in idling of incomplete houses constructed at a cost of ₹ 78 lakh for more than 12 months.

The CRDPR, Chennai replied (June 2012) that the water logging in the Periyar Ninaivu Samathuvapuram was not a recurring feature except for unusual rains

and construction works were in progress. The reply is not acceptable as there was water logging during 2010 and 2011 and the work was stopped by the District Collector in June 2012 due to public agitation.

The matter was referred to Government in January 2013; reply has not been received (March 2013).



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Countersigned



(VINOD RAI)

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New Delhi
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