

Office of the Principal Accountant General (Audit I), Kerala

Press Brief

The Compliance Audit Report of the Comptroller and Auditor General of India for the year ended March 2022, Government of Kerala (Report No. 3 of 2023) has been laid on the table of Kerala Legislative Assembly on 15 February 2024. The Audit Report has been presented to the Kerala Legislative Assembly in accordance with Article 151(2) of the Constitution of India.

The summary of the important points highlighted in the Report is given below:

Subject-specific Compliance Audit on ‘Assignment of Government land in Kerala’

- A list of assignable land approved by Government or District Collector was not maintained in any of the test-checked districts in the State.

(Paragraph 2.1.6)

- Rules for Assignment of Land within Municipal and Corporation Areas, 1995 did not prescribe any limit on the area of land assignable for purposes other than house sites, resulting in Government assigning land without limits in Municipal and Corporation areas.

(Paragraph 2.1.7)

- Land was being assigned to ineligible persons. Land was transferred on registry to various agencies without collecting the market value and such lands were even being used for commercial activities. Audit noticed irregular assignment of 15 cents and 64 cents of non-assignable *puzha puramboke* land in Ernakulam and Muvattupuzha respectively.

(Paragraphs 2.1.13, 2.1.14 and 2.1.18)

- Delay on the part of Government/ Revenue authorities to take decision regarding renewal of lease agreement/rent resulted in unauthorised possession of land by lessees as well as loss of revenue to Government.

(Paragraph 2.1.20)

- No action was seen taken by Government to enforce the statutory requirement of compulsory registration of all leases of immovable property exceeding one year and thus put in place a mechanism for checking potential illegal sale of Government land.

(Paragraphs 2.1.21)

- An area of 5.53 acres of land belonging to the Ports Department, which was leased out to Steel Industrials Kerala Limited, Kozhikode by Revenue Department was not resumed and returned to Ports Department, though the land was required for public purpose.

(Paragraph 2.1.24)

- Waiver of lease rent on land provided to two Clubs in Thiruvananthapuram caused monetary loss to the tune of ₹29 crore to the Government.

(Paragraph 2.1.27)

- Out of 1,183 lease cases as on 31 March 2022 in the selected districts, 49 lease cases amounting to ₹166.71 crore were under orders of stay by various Courts and the period of stay ranged from one to 23 years.

(Paragraph 2.1.32)

Compliance Audit paragraphs

Audit noticed instances in which funds were released by the Government of Kerala against fraudulent claims, non/ short collection of revenue, excess payment, etc., due to lack of administrative oversight and concerted action at various levels. The details are given below.

- Failure of Kerala Academy for Skills Excellence (KASE) to ensure the genuineness of documents in support of placement of candidates

submitted by two training partners in a fraudulent manner resulted in undue financial benefit of ₹16.72 lakh to the training partners.

(Paragraph 3.1)

- Erroneous application of commercial interest rate instead of bank rate by Supplyco for calculating interest on delayed payment led to excess payment of ₹1.07 crore.

(Paragraph 3.2)

- The failure on the part of officials of Revenue department to assess buildings liable for building tax resulted in non/ short collection of revenue amounting to ₹31.60 crore to the Government.

(Paragraph 3.3)

- Misclassification of buildings as flats by Kerala Water Authority resulted in short collection of water charges to the tune of ₹82.06 lakh.

(Paragraph 3.4)

- Violation of scheme guidelines of National Backward Classes Finance and Development Corporation for loan assistance resulted in imposition of excess interest burden of ₹3.61 crore on the beneficiaries by Government of Kerala.

(Paragraph 3.5)

- Non-purchase of cows for the dairy farm project by Plantation Corporation of Kerala Limited resulted in unfruitful expenditure of ₹5.54 crore.

(Paragraph 3.7)