

Press Brief

The Report of the Comptroller and Auditor General of India on Local Self-Government Institutions for the period ended March 2023, Government of Kerala (Report No.8 of 2025) has been laid on the table of Kerala Legislative Assembly on 24 February 2026.

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

Overview of Panchayat Raj Institutions and Urban Local Bodies

Audit noticed parallel implementation of schemes related to transferred functions by both LSGIs and Government departments, thereby undermining the autonomy of LSGIs.

(Paragraphs 2.3.1 and 4.2.1)

In Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) during the financial year 2022-23 an amount of ₹1274.63 crore (15.35 *per cent*) and ₹384.98 crore (17.54 *per cent*) respectively lapsed, against the allotment of ₹8303.40 crore and ₹2195.08 crore.

(Paragraphs 2.7.2 and 4.6.3)

Subject-Specific Compliance Audit on Asset Management by Urban Local Bodies

Test checked ULBs had not prepared Asset Management Plan and Strategy for effective management of assets in their jurisdiction. Despite the instructions from Government to digitise their asset registers and to maintain in the Sachithra software developed by Information Kerala Mission (IKM), none of the 24 selected ULBs completed the digitisation of Asset register as prescribed.

(Paragraphs 5.5.1 and 5.6.1)

Selected ULBs lacked title deeds or valid ownership records in respect of 82 *per cent* of their land assets, leading to encroachments and failure to assert municipal ownership. Instances of encroachments due to failure to protect own land were noticed in Palakkad Municipality and Kochi Corporation.

(Paragraphs 5.6.4 and 5.10.6)

ULBs purchased land that were not suitable for the intended purposes resulting in unfruitful expenditure of ₹7.50 crore (Wetlands for Sewage Treatment Plant in Thrissur Corporation and Paddy land for implementation of a Housing Scheme). Site

condition was not ascertained before commencement of construction in the case of various service delivery projects resulting in unfruitful expenditure of ₹7.96 crore.

(Paragraphs 5.9.1 and 5.9.2)

Test checked ULBs formulated Women Component Plan projects without analysing feasibility, mode of operation, etc., resulting in idling of assets worth ₹12.12 crore. Five She Lodges/Women Hostels (₹7.19 crore) in four ULBs (Thiruvananthapuram and Kochi Corporations, Kalpetta and Attingal Municipalities), 11 Women Vyavasaya/Vipana Kendrams (₹3.23 crore) in six ULBs and seven women rest rooms/women-friendly centres (₹1.37 crore) in Thiruvananthapuram and Kochi Corporations, remained idle for years due to lack of planning and management, undermining their intended objectives.

(Paragraph 5.10.1)

Idling of market buildings (Thiruvananthapuram and Kochi Corporations), shopping complexes (Thrissur and Thiruvananthapuram Corporations), gas crematoria (five in four ULBs), etc., were also noticed.

(Paragraphs 5.10.3 and 5.10.4)

Palakkad Municipality initiated seven major commercial building construction projects without ensuring availability of funds, resulting in all works remaining incomplete even after lapse of six years, despite spending ₹14.17 crore. The partially built structures failed to attract lessees, rendering the expenditure unproductive.

(Paragraph 5.9.3.1)

Plant and machinery such as effluent treatment plants, solid waste management equipment, etc., were lying idle in seven test checked ULBs resulting in unfruitful expenditure of ₹2.66 crore.

(Paragraph 5.10.7)

Audit found that the proportion of vehicles remaining non-operational ranged from 17.65 per cent in Thrissur Corporation to 74.12 per cent in Kochi Corporation. Delay at multiple levels in sanctioning estimate, issuing work order, release of payment to workshop, etc., by Kochi Corporation resulted in prolonged idling of the vehicles for a period up to seven years causing irreparable damage and resultant loss of public money.

(Paragraph 5.10.8)

District-Centric Audit on formulation and implementation of projects under Scheduled Caste Sub Plan and Tribal Sub Plan

Updated survey of SC/ST families was not conducted, leaving PRIs/ULBs/GoK to rely on 12 to 15 year old data for planning and fund allocation for SCSP/TSP, despite the recommendation by Sixth State Finance Commission.

(Paragraphs 3.4.1 and 7.4.1)

PRIs and ULBs allocated only a minimal share of SCSP/TSP funds (PRIs: 1.37 per cent to 10.06 per cent under SCSP and 2.36 per cent to 17.87 per cent under TSP; ULBs: 0.51 per cent to 2.14 per cent under SCSP) to productive-sector projects, reflecting very low prioritisation of livelihood-oriented interventions.

(Paragraphs 3.6.5 and 7.6.5)

Test checked PRIs met just 42.20 per cent of drinking water demands and only 4.62 per cent of toilet-related requests, while ULBs in Malappuram and Kozhikode districts achieved only 20 per cent of drinking water demands - highlighting significant gaps in local planning and execution.

(Paragraphs 3.4.2 and 7.4.2)

Beneficiary selection formula for scholarships prescribed by GoK was ignored by 10 PRIs and two ULBs, leading to the exclusion of 109 eligible students.

(Paragraphs 3.6.1.1 and 7.6.1.1)

995 families in 12 PRIs and 2,740 families in 10 ULBs were found excluded from the LIFE housing beneficiary lists, despite their documented houseless or landless status. Purchase of waterlogged land for 22 landless tribal families by Chungathara GP resulted in non-construction of houses and exclusion of these families from other housing schemes.

(Paragraphs 3.6.3.1 , 3.6.3.3 and 7.6.3.1)

Water samples collected from drinking water sources of 65 SC/ST settlements in 45 PRIs and nine SC/ST settlements in nine ULBs were tested for general drinking water quality test and found that all the drinking water sources were contaminated and not potable.

(Paragraphs 3.6.2.1 and 7.6.2.1)

Joint physical verification at Vettilakolli tribal settlement in Chaliyar GP revealed that 27 families with 94 people were residing in dilapidated houses, using contaminated water for drinking, lacked toilet facilities, etc., indicating systemic neglect in providing basic amenities. 14 school going students dropped out due to stoppage of transport facilities.

(Paragraph 3.6.10)

Compliance Audit paragraphs

Kozhikode Corporation, Palakkad and Kottakkal municipalities paid centage charges at higher rates for works executed through accredited agencies in violation of Government orders resulting in excess payment of ₹50.35 lakh.

(Paragraph 6.1)

Awarding of works based on estimates prepared as per Delhi Schedule of Rates, 2016 and cost indices inclusive of Value Added Tax, and payment of GST at the rate of 12 *per cent* additionally on the value of work done resulted in excess payment of GST to the tune of ₹68.61 lakh to the accredited agencies by Palakkad, Kottakkal and Kasaragod Municipalities.

(Paragraph 6.3)