

INTRODUCTION

1. Introduction

The primary objective of the Karnataka Housing Board (KHB) is ‘to make such schemes and to carry out such works as were necessary for the purpose of dealing with and satisfying the need of housing accommodation’. In order to bring the entire State under the purview of uniform law, Government enacted Karnataka Housing Board Act, 1962.

2. Organisational arrangement

KHB functions under the overall control of the Principal Secretary, Department of Housing. It is headed by a Chairman, assisted by a Commissioner, and eight official and five non-official members. The Commissioner is the Chief Executive and Administrative Officer of KHB and also a member of KHB. The Commissioner is assisted by four Special Land Acquisition Officers (SLAO) in matters relating to acquisition of land, a Joint Director Town Planning responsible for matters relating to town planning and a Chief Engineer entrusted with the responsibility of the development of the land acquired. While the Deputy General Manager is responsible for allotment of sites/houses developed, a Deputy Commissioner is responsible for recovery. The Controller of Finance assisted by Accounts Officer is responsible for advising KHB on matters relating to Finance. The Secretary, assisted by Revenue officers is entrusted with public relation, general administration, systems and legal matters.

KHB consists of two tier administrative structure comprising of a Head Office and Executive Engineer Offices being first level and Project Offices situated at all districts being the second level. There are 10 offices of the Executive Engineers and 27 Project Offices in different districts.

3. Programme Management

The Housing Schemes implemented by KHB during 2008-13, their financial and physical progress are as detailed below.

3.1 100 Housing Scheme

The scheme was formulated with the primary objective of providing 13,500 houses affordable to various income groups and 15,000 developed sites of various dimensions at affordable prices, at 100 locations covering all districts in the State. Out of 100 Housing Schemes taken up during 2002-03, 91 schemes have been completed, seven schemes are under progress and two schemes are under formulation.

3.2 Suvarna Karnataka Housing Scheme

Suvarna Karnataka Housing Scheme was approved during 2007 to be taken up in 50 places identified. Out of 50 housing projects, 21 projects have been

completed, 22 projects are under progress and seven projects are under formulation.

3.3 225 Housing Scheme

In order to provide affordable 1,31,051 houses and 3,05,786 sites at various Taluks and District Headquarters, 225 Housing Scheme was taken up in May 2010. Out of 225 Housing Schemes, two Schemes have been completed and 35 Schemes are under progress.

The physical and financial progress of all the three schemes is detailed in **Table-1**.

Table-1: Details of Housing Schemes

Name of the Scheme	Completed				Under progress				Under formulation		
	Sites	Houses	Apartments	Cost (₹ in crore)	Sites	Houses	Apartments	Cost (₹ in crore)	Sites	Houses	Estimated cost (₹ in crore)
	(in numbers)				(in numbers)				(in numbers)		
100 Housing	24,212	4,158	Nil	950.49	2,376	139	Nil	59.56	1,203	120	40.25
Suvarna Karnataka Housing Programme	6,634	562	40	228.85	14,495	703	1,183	1,221.30	7,050	790	416.10
225 Housing Scheme	449	80	Nil	28.71	2,946	384	Nil	3,377.26	--	--	--
Total	31,295	4,800	40	1,208.05	19,817	1,226	1,183	4,658.12	8,253	910	456.35

(Source: Information furnished by KHB)

3.4 53 Housing Scheme

The Government in its order (September 2012) accorded approval for implementation of a composite housing scheme at 53 locations in the State.

4. Audit objectives

Audit was taken up with the objectives of ascertaining whether:

- the acquisition/direct purchase of land for implementation of various housing schemes was consistent with provisions in the Acts and Rules;
- the development works were executed as per Karnataka Transparency in Public Procurement (KTTP) Act and Rules resulting in efficient contract management facilitating completion of projects as per schedule plan and time;
- the allotments of sites under different categories were compliant with the rules framed for the purpose; and
- KHB had inventoried its assets to have an effective tool for managing them, besides guarding against encroachments.

5. Audit Scope and Methodology

- The Performance Audit was conducted during February to July 2013 covering the period 2008-13. An entry conference was held on 7 May 2013 with the Principal Secretary, Department of Housing, wherein the audit methodology and scope was discussed. The audit covered the records of Secretariat, Land Acquisition Section, Engineering Section, Town planning and Allotment Section of KHB.
- The audit sample based on simple random sampling method covered 50 *per cent* of the land purchased directly and 33.33 *per cent* of land through compulsory acquisition under the provisions of the Land Acquisition Act (LA Act), 1894. Audit sample for execution and allotment covered 40 *per cent* of completed as well as ongoing projects and 35 *per cent* of allotments in sites/houses/Civic Amenity (CA) sites respectively. The audit comprised of joint inspections apart from scrutiny of records and discussions with KHB's Officers/Officials.
- The report has taken into account the replies furnished by various officers of KHB to the observations communicated by audit. The audit findings were discussed with the Principal Secretary, Department of Housing in the exit conference held on 5 August 2014.

6. Audit Criteria

The audit criteria were derived from the following sources:

- The Karnataka Housing Board Act, 1962 (KHB Act);
- The Karnataka Housing Board Rules, 1964 (KHB Rules);
- The Karnataka Housing Board Regulations, 1983;
- The Land Acquisition Act, 1894 (LA Act) as amended by the Land Acquisition (Karnataka Extension and Amendment) Act, 1961;
- The Karnataka Land (Restriction on Transfer) Act, 1991;
- Karnataka Town and Country Planning Act, 1961 (KTCP Act);
- Karnataka Urban Development Act, 1985;
- Zoning of Land Use and Regulations and Zoning Regulations of Town Planning Authorities of respective districts including Bangalore Metropolitan Region Development Authority;
- Relevant Government Orders, instructions and circulars.

7. Acknowledgement

We place on record our appreciation for the cooperation extended by the Karnataka Housing Board in conducting the Performance Audit.

