

## CHAPTER XVIII : MINISTRY OF RURAL DEVELOPMENT

### 18.1 Double payment due to failure of internal control

**Failure of internal control checks resulted in double payment of ₹ 1.26 crore to an agency which remained undetected till pointed out by audit.**

The Ministry of Rural Development (Ministry) approved (November 2010) a special project under the Swaranajayanti Gram Swarajgar Yojana (SGSY) for placement of rural youth in the security sector in some eastern and north-eastern states. The project was to cost ₹ 15 crore of which Central share was ₹ 11.25 crore i.e. 75 per cent. The project was to cover 7,860 beneficiaries for training leading to placements within a period of three years from date of sanction. A security service training academy was selected as the Project Implementing Agency (PIA) which was to bear 25 per cent of the project cost. NABARD Consultancy Services was the Technical Support Agency (TSA) for the project.

The Ministry released (January 2011) ₹ 2.81 crore as first instalment to the TSA for disbursement to the PIA. The Ministry received (November 2012) proposal from TSA to release the second instalment of Central share and for extension of the project by two years. However, due to shortfall in achievement as against targets and insufficient time left to complete the project, the Ministry decided to close the project in January 2015. Based on work done and after adjusting penalties for shortfall in targets, the Ministry approved (February 2015) release of final payment of ₹ 1.26 crore through the TSA to the PIA.

Audit scrutiny of the records revealed that the Ministry had again processed (May 2015) the final payment of ₹ 1.26 crore through e-office on the grounds that sanction orders had not been issued due to non-availability of funds in 2014-15. The Finance Wing had also re-validated its concurrence (May 2015) and the Ministry issued fresh sanctions based on which ₹ 1.26 crore was again released (June 2015) to the TSA. The Ministry thus released ₹ 1.26 crore twice to the TSA for the same purpose.

On being pointed out by audit, the Ministry accepted (February 2017 and October 2017) that the payment had been released twice inadvertently. It added that the TSA had refunded ₹ 1.26 crore on 25 January 2017. The Ministry, however, has not explained as to how the double payment occurred despite the Finance Wing having scrutinized both the releases and why did the double payment remain undetected for over two years till pointed out by audit.

Thus, failure of internal control checks resulted in double payment of ₹ 1.26 crore to an agency which remained undetected till pointed out by Audit.