

## **CHAPTER III**

### **DISTRICT-CENTRIC AUDIT OF PANCHAYAT RAJ INSTITUTIONS**

#### **3.1 Introduction**

Consequent upon the 73<sup>rd</sup> Amendment of the Constitution, the State Legislature enacted the Kerala Panchayat Raj Act, 1994 (KPR Act). This Act established a three-tier Panchayat Raj system in the State, aimed at ensuring greater public participation in planned development and local governance. It constituted Grama, Block, and District Panchayats at the village, intermediary, and district levels respectively. The District-Centric Audit of Panchayat Raj Institutions (PRIs) evaluates how effectively these institutions are discharging the functions devolved through the 73<sup>rd</sup> Amendment of the Constitution.

##### **3.1.1 Focus areas of Audit**

The District Centric Audit of PRIs focuses on service delivery to ensure efficiency, transparency and accountability in local governance. Audit assesses whether the PRIs efficiently deliver services, meet development objectives, and maintain financial discipline.

The key areas of audit emphasis on service delivery include:

- i. Planning and implementation of different Central and State schemes – Assessing whether schemes align with local needs.
- ii. Quality and effectiveness of Service delivery – checking whether essential services i.e. water supply, sanitation, education, health, etc. meet the prescribed standards.
- iii. Financial management and fund utilisation – ensuring proper accounting, financial reporting and adherence to the budget allocation.
- iv. Transparency and public participation – examining the meetings of Grama Sabhas, Working groups, Sub-committees, etc.
- v. Compliance with laws and regulations – assessing the adherence to the Act, scheme guidelines and Government Orders.
- vi. Monitoring and evaluation system – evaluating whether PRIs have proper mechanism for monitoring the progress of projects and its impact.

#### **3.2 Audit Scope and Methodology**

##### **3.2.1 Function selected for District-Centric Audit (DCA)**

73<sup>rd</sup> Constitutional Amendment Act (1992) vested the responsibility of safeguarding the interests of weaker sections including Scheduled Castes and Scheduled Tribes with the Local Self-Government Institutions. For welfare of Scheduled Castes and Scheduled Tribes, Tribal Sub Plan (1974-75) and Scheduled Caste Sub Plan<sup>12</sup> (1979-80) were initiated by Government of India (GoI) to channelise the flow of plan outlays to cater to the development of Scheduled Tribes (STs) and Scheduled Castes (SCs) respectively, at least in their proportion to the population. The SCs with a population of 30.39 lakh and

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<sup>12</sup> originally known as Special Component Plan

the STs with a population of 4.85 lakh, as per 2011 Census, constituted 9.10 *per cent* and 1.45 *per cent* respectively of Kerala's population.

The broad objectives of Scheduled Caste Sub Plan (SCSP) were:

- Substantial reduction in poverty and unemployment among SC communities and
- Bridging the gaps in socio-economic development of SC communities.

The broad objectives of Tribal Sub-Plan (TSP) were:

- Human resources development by enhancing their access to education and health services,
- Enhance the quality of life by providing basic amenities in tribal area/localities including housing,
- Substantial reduction in poverty and un-employment, creation of productive assets and income generating opportunities,
- Enhanced capacity to avail opportunities, gain rights and entitlement and improved facilities at par with other areas and
- Protection against exploitation and oppression.

As part of function-based audit approach, audit of formulation and implementation of projects under SCSP and TSP by PRIs under the devolved function - 'Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes' - item No. 27 of the eleventh schedule of the Constitution was selected for District Centric Audit (DCA).

### **3.2.2 Audit Scope**

Local Self Government Institutions (LSGIs) along with SC/ST Development Departments administer the SCSP and TSP funds in the State. The audit scope was restricted to cover the implementation of SCSP and TSP by LSGIs.

Four districts viz., Kottayam, Thrissur, Malappuram and Kozhikode were selected for the DCA. SC and ST population in PRIs of these four selected districts, as per 2011 census, was 8.56 *per cent* and 0.66 *per cent* respectively. The audit was conducted in four District Panchayats, 16 Block Panchayats and 48 Grama Panchayats in the selected districts covering the period from 2020-21 to 2022-23. Details of selected 68 PRIs are given in **Appendix 3.1**.

### **3.2.3 Audit Criteria and Methodology**

Audit criteria were mainly derived from the Kerala Panchayat Raj Act, 1994, Plan formulation guidelines issued by GoK from time to time and State Finance Commission Reports.

Audit Methodology included scrutiny of records/documents maintained in the audited PRIs, issuing Audit Enquiries, conducting Joint Physical Verifications (JPVs) and beneficiary surveys, etc. Information was also collected from Scheduled Castes and Scheduled Tribes Development Departments, State Planning Board, Finance Department, Local Self Government Department and Information Kerala Mission (IKM). An entry conference was held on 27 March 2023 with Principal Secretary, LSGD, GoK wherein the audit objectives, scope and methodology were discussed and agreed upon. On conclusion of

Audit, an exit conference was conducted on 12 September 2024, wherein the audit findings were discussed in detail.

### 3.3 Overview of the Function and Districts Selected

#### 3.3.1 Overview of the Function

The 73<sup>rd</sup> Constitutional Amendment Act, 1992 introduced eleventh Schedule to the Constitution of India, of which, item No. 27 is ‘Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes’. The Kerala Panchayat Raj Act, 1994 devolved the function to PRIs and the schedules III, IV and V of the Act prescribed the responsibilities of each tier of PRIs with respect to the implementation of the function. Role of each tier of PRIs is given in **Table 3.1**.

**Table 3.1: Role of each tier of PRIs**

Role of GPs	Role of BPs	Role of DPs
1. Implementation of beneficiary-oriented schemes under SCSP, TSP 2. Running of nursery schools for Scheduled Caste-Scheduled Tribes 3. Arrange basic facilities in Scheduled Caste-Scheduled Tribe Colonies 4. Provide assistance to Scheduled Caste-Scheduled Tribe students 5. Provide discretionary assistance to Scheduled Caste-Scheduled Tribe when necessary	1. Management of Pre-matric hostels for SC and ST 2. Promotion of co-operative societies meant for SC and ST	1. Management of Post-matric hostels for SC and ST 2. Management of vocational training centres for SC and ST

(Source: Kerala Panchayat Raj Act, 1994)

However, Audit noticed that schemes relating to the development of the Scheduled Castes/Scheduled Tribes were also taken up/implemented in a parallel manner by Scheduled Caste/Schedule Tribe Development Departments using department funds. Thus, the function delivered by PRIs overlap with the functions of the line departments of the State Government.

#### 3.3.2 Overview of Districts selected

The key parameters viz., Geographical Extent, Population Statistics, Administrative Divisions and Social Composition in the four selected districts are depicted in **Table 3.2**.

**Table 3.2 Details of selected Districts**

Sl. No.	Particulars	Kottayam	Thrissur	Malappuram	Kozhikode
1	Area (in Sq. Km.)	2208	3032	3550	2344
2	Population (in lakh)	19.75	31.21	41.13	30.86
3	Population density (persons/sq. km.)	895	1031	1157	1316
4	Rural population	14.09	10.25	22.96	10.13

Sl. No.	Particulars	Kottayam	Thrissur	Malappuram	Kozhikode
5	Number of PRIs	BP: 11 GP: 71	BP: 16 GP: 86	BP: 15 GP: 94	BP: 12 GP: 70
6	Percentage of SC population	7.80	10.40	7.50	6.50
7	Percentage of ST population	1.10	0.30	0.60	0.50

(Source: Economic Review 2023 – Vol. I)

### 3.3.3 Organisational arrangements

The Local Self Government Department (LSGD) headed by Principal Secretary is empowered to issue general guidelines to PRIs in accordance with national and State policies. The PRIs prepare annual development plans, including projects for development of SCs and STs and submit to the District Planning Committee (DPC) for approval and the projects are executed by PRIs through various implementing officers as shown in **Table 3.3**.

**Table 3.3: Implementing officers in the PRIs**

Sl. No.	Name of the Implementing Officers under SCSP/TSP	Implementation of Projects related to
1	Secretary of the PRI	Overall co-ordination and implementation
2	Assistant Secretary	Ashraya, MGNREGS, Self-employment and other projects where there is no separate implementing officer
3	Assistant Engineer	Construction and maintenance works
4	Headmaster /Principal of Government School	Education
5	Medical officers	Allopathy, Ayurveda and Homoeo medical services
6	Veterinary Surgeon	Animal Husbandry
7	Agricultural Officer	Agriculture
8	ICDS Supervisor	Women and Child welfare, Supplementary Nutrition Programme
9	Scheduled Caste Development Officer	Social welfare programmes for SCs
10	Tribal Extension Officer	Social welfare programmes for STs
11	Village Extension Officer	Housing, House maintenance, waste management and other social welfare programmes
12	Industries Extension Officer	Assistance for mini production centres, self-employment, etc.

(Source: Annual Expenditure statements of PRIs)

## Audit Findings

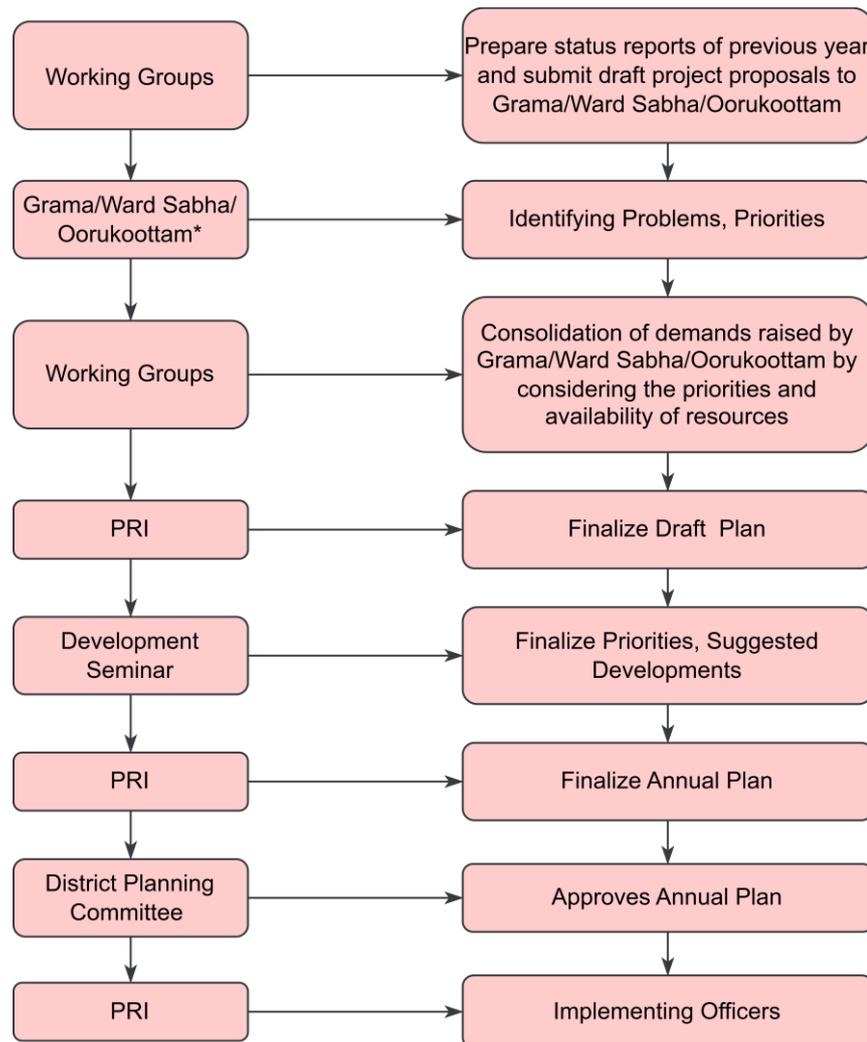
Audit findings are categorised into three key areas (i) Planning - examining the effectiveness of planning processes in PRIs (ii) Financial Management - evaluating the management of funds allocated to SCSP and TSP and (iii)

Formulation and Implementation of projects – assessing the formulation and execution of projects under various sectors.

### 3.4 Planning

Consequent to the 73<sup>rd</sup> amendment to the Constitution and enactment of Kerala Panchayat Raj Act in 1994, PRIs have assumed an important role in the formulation and implementation of developmental programmes at the grassroots level which involve active participation of all sections of people. The PRIs have to prepare every year a development plan for the succeeding year adhering to the guidelines issued by the Government and submit it to the District Planning Committee (DPC) for approval. The DPC scrutinises and approves the Annual plan prepared by the PRIs. Various authorities/institutions/groups involved in planning and execution of projects are depicted in the **Chart 3.1**.

**Chart 3.1: Delineation of authority for execution of projects under SCSP/TSP**



*(Source: Plan formulation guidelines issued by GoK)*

*\*Community-level meeting where people of a tribal neighbourhood come together to discuss local development needs.*

In the decentralised planning set-up, WGs, Ward Sabhas/Ward Committees, Sub Committees, DPC and Implementing Officers are the institutions/groups involved in the plan formulation process and implementation. Audit noticed following deficiencies in planning by PRIs:

### **3.4.1 Absence of updated SC/ST data**

PRIs together with SC and ST Departments had conducted a comprehensive survey of SC and ST communities by analysing population, land ownership and availability of basic amenities viz., house, drinking water, electricity, sanitation, availability of employment, educational status, health and social security during 2008-10(ST) and 2010-11 (SC) and the reports were published by GoK in October 2011 and November 2013 respectively. The 13<sup>th</sup> and 14<sup>th</sup> Five Year Plan formulation guidelines issued by GoK stipulated for regular updating of this data through comprehensive survey of SC/ST communities. In order to ensure socio-economic development of SC and ST communities, GoK directed PRIs to formulate projects under SCSP and TSP on the basis of updated survey data. However, out of 68 PRIs test checked, the Scheduled Caste population data was updated only by 29 PRIs. Similarly, the Scheduled Tribe population data was updated only by 35 PRIs. Audit noticed that other than updating the population figures, no comprehensive survey was conducted by the test checked PRIs to ascertain the socio-economic status to estimate the gap in development of these communities.

Though sixth State Finance Commission had recommended (December 2020) for conducting a survey of Scheduled Tribe families, and GoK had accepted the recommendation, no action in this regard was taken by PRIs/ST Department. Audit noticed that at present the State does not have data on the extent of socio-economic deprivation in SC/ST communities (March 2024). In the absence of updated survey data, PRIs/GoK still depend on data which is more than 12-15 years old for formulation of SCSP and TSP plans and allocation of SCSP/TSP funds.

### **3.4.2 Non-formulation of projects on the primary needs recommended by Grama Sabha/Oorukoottams and SC/ST working groups**

Grama Sabha/Oorukoottam is the cornerstone of local democracy, fostering grassroot citizen participation and reflecting the needs of citizens and beneficiaries. Empowered to recommend<sup>13</sup> developmental activities for specific wards or places within the PRIs, Grama Sabha/Oorukoottam plays a vital role in local governance.

Working Groups<sup>14</sup> facilitate inclusive planning by consolidating diverse public views, particularly from People's representatives, local experts, voluntary activists and beneficiaries. SC/ST working groups are responsible for preparing updated status report of SC/ST communities, compiling the list of projects for inclusion in the Annual Plan on the basis of recommendations of Grama Sabha, presenting these reports and project lists before the Panchayat Committee for consideration and approval.

The 13<sup>th</sup> and 14<sup>th</sup> Five Year Plan formulation guidelines direct PRIs to prioritise basic needs in SC/ST settlements, focusing on drinking water supply, toilet facilities and waste management. These essential services should take

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<sup>13</sup> Kerala Panchayat Raj Act sections 3A and 3B

<sup>14</sup> Working Groups comprise of Standing Committee Chairpersons, Government officials, subject experts, Community Development Society (CDS) members, SC/ST/Women members, Accredited Social Health Activists (ASHA), etc.

precedence over other projects, except mandatory ones, for ensuring that the basic needs of people living in SC/ST settlements are addressed<sup>15</sup>.

Audit conducted a cross-check of demands for the two essential requirements of drinking water and toilet facilities recorded in Oorukoottam and SC/ST Working Group minutes<sup>16</sup> with the Annual Expenditure Statements of selected PRIs for 2020-21 to 2022-23. Audit observed that test-checked PRIs failed to consider demands raised for drinking water and toilet facilities in these meetings while formulating their annual plan as discussed below:

**(a) Demands for Drinking Water facilities**

During 2020-21 to 2022-23, a significant shortfall was observed in the formulation and implementation of drinking water facilities demanded by beneficiaries in SC/ST Working groups and Oorukoottam meetings. Out of 173 demands raised in 38 PRIs, only 96 projects (55.49 *per cent*) were formulated, resulting in non-formulation of projects against 77 demands. Furthermore, only 73 of the formulated projects (76.04 *per cent*) were implemented during the period, leading to an implementation shortfall of 23 projects. The details are given in the **Table 3.4**.

**Table 3.4: Percentage of implementation of drinking water projects against demand**

Period	Name of District	Number of PRIs	Number of Demands raised	Number of Projects formulated	Percentage of formulation	Projects implemented	Percentage of implementation against projects	Percentage of shortfall of implementation against demands
2020-21 to 2022-23	Kottayam	8	42	20	47.62	16	38.10	61.90
	Thrissur	12	54	35	64.81	30	55.56	44.44
	Malappuram	8	32	17	53.13	8	25.00	75.00
	Kozhikode	10	45	24	53.33	19	42.22	57.78
<b>Total</b>		<b>38</b>	<b>173</b>	<b>96</b>	<b>55.49</b>	<b>73</b>	<b>42.20</b>	<b>57.80</b>

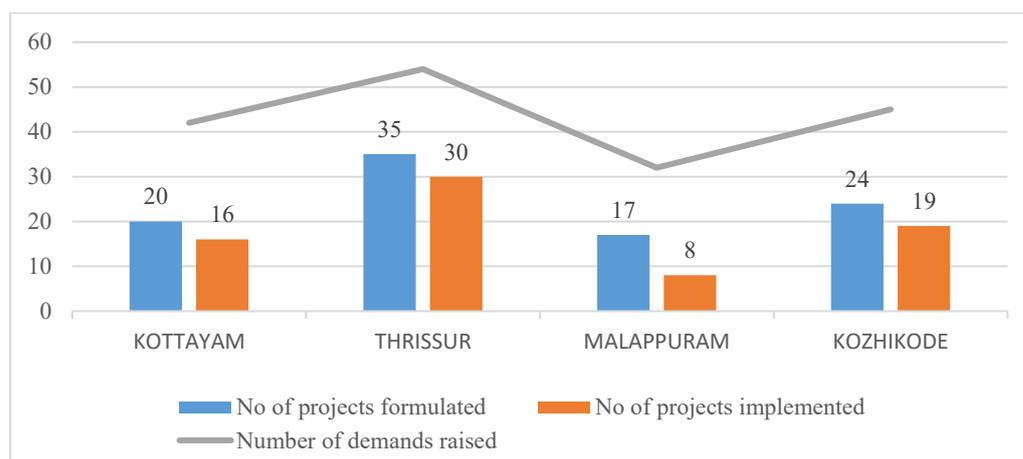
(Source: Minutes of meetings of Grama Sabha/ Oorukoottam/ Working Groups)

PRIs met only 42.20 *per cent* of the demands related to drinking water supply, indicating a substantial gap in addressing the needs of the beneficiaries. Status of implementation of Drinking Water Projects vis-à-vis demand raised is depicted in **Chart 3.2**.

<sup>15</sup> Supplementary Nutrition Programme, Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan, Palliative care, etc.

<sup>16</sup> One Ward/Grama Sabha/Oorukoottam selected from each PRI

**Chart 3.2: Status of implementation of Drinking Water Projects vis-à-vis demand**



(Source: Minutes of meetings of Grama Sabha/ Oorukoottam/ Working Groups)

This shortfall in formulation and implementation of projects against demands raised by the beneficiaries defeated the primary objective of constitution of Ward Sabha/Oorukoottam in test-checked PRIs.

**(b) Demands for Toilet Facilities**

A significant discrepancy was found in the implementation of toilet facilities for SC/ST beneficiaries. Audit noticed that though demand for toilet facilities was raised by SC/ST beneficiaries in 130 Working groups and Oorukoottam meetings during the period 2020-21 to 2022-23, in 36 PRIs, only nine projects were formulated by four<sup>17</sup> PRIs. This is a staggering shortfall, considering the pressing need for proper sanitation facilities. Details of demands raised and projects implemented are given in the **Table 3.5**.

**Table 3.5: Demand for Toilet Facility**

Period	Name of District	Number of PRIs	Number of Demands raised	Projects formulated	Percentage of projects formulated	Projects implemented	Percentage of implementation of projects demanded	Percentage of shortfall in implementation against demands
2020-21 to 2022-23	Kottayam	8	27	2	7.41	2	7.41	92.59
	Thrissur	12	41	4	9.76	3	7.32	92.68
	Malappuram	7	35	2	5.71	Nil	0	100
	Kozhikode	9	27	1	3.70	1	3.70	96.30
<b>Total</b>		<b>36</b>	<b>130</b>	<b>9</b>	<b>6.92</b>	<b>6</b>	<b>4.62</b>	<b>95.38</b>

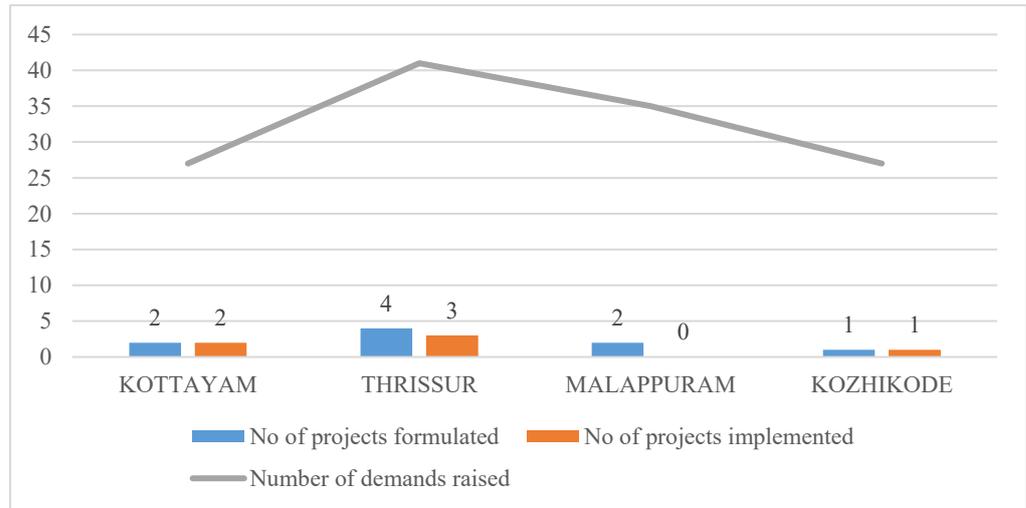
(Source: Minutes of meetings of Grama Sabha/ Oorukoottam/ Working Groups)

The data highlights a significant gap between demands raised and projects implemented. Out of 130 demands for toilet facilities, only nine (6.92 per cent) were taken up for project formulation, and merely six projects (4.62 per cent) were implemented, revealing significant gap in addressing sanitation needs in

<sup>17</sup> Kurichy, Kodassery, Edavanna, Unnikulam GPs

the test checked 36 PRIs. Status of implementation of toilet facilities vis-à-vis demand raised is depicted in **Chart 3.3**.

**Chart 3.3: Status of implementation of Toilet facilities vis-à-vis demand**



(Source: Minutes of meetings of Grama Sabha/Oorukoottam/ Working Groups)

This shortfall undermines the objectives of Grama Sabha/Oorukoottam and Working groups as mandated by Kerala Panchayat Raj Act, 1994, which were aimed to empower local governments to deliver essential services including sanitation.

Despite initiatives such as Swachh Bharat Mission (Gramin), launched by GoI in 2014 to accelerate efforts towards universal sanitation coverage, the 4.62 per cent fulfilment rate indicates the need for more effective planning, implementation, and monitoring of sanitation programmes at local level.

### 3.4.3 Information, Education and Communication activities

GoK through 13<sup>th</sup> and 14<sup>th</sup> Five Year Plan guidelines, directed LSGIs to give wide publicity to the programmes/schemes implemented by the State/LSGIs and to ensure participation of all sectors of people in the Grama Sabha/Oorukoottam meetings.

The beneficiary survey conducted by audit in 96 SC/ST settlements revealed that 27.27 per cent (135 out of 495) of surveyed SC beneficiaries and 35.36 per cent (99 out of 280) surveyed ST beneficiaries were not aware of the schemes and projects formulated and implemented by the PRIs.

Survey results indicate that steps taken by test checked PRIs were not effective in creating awareness among SC/ST communities and in ensuring their participation in Grama Sabha/Oorukoottam meetings.

## 3.5 Financial Management

The basic objective of SCSP and TSP was to channelise the flow of outlays and benefits from general sector for the development of SCs and STs, at least in proportion to the population, both in physical and financial terms. The Government of Kerala allocated 37.53 per cent of SCSP funds during 2020-22 and 37.48 per cent during 2022-23. Similarly, 21.56 per cent of TSP funds were

allocated during 2020-22 and 21.57 per cent during 2022-23 to the PRIs in the State. Details of allocation of funds to PRIs are shown in the **Table 3.6**.

**Table 3.6: Allocation of SCSP and TSP funds to PRIs**

(₹ in crore)

Year	Scheduled Caste Sub-Plan			Tribal Sub-Plan		
	Total SCSP Budget Outlay*	Percentage of SCSP outlay to PRIs	SCSP Outlay to PRIs	Total TSP Outlay*	Percentage of TSP outlay to PRIs	TSP outlay to PRIs
2020-21	2708.54	37.53	1016.61	781.36	21.56	168.45
2021-22	2708.54	37.53	1016.61	781.36	21.56	168.45
2022-23	2979.40	37.48	1116.63	859.50	21.57	185.43

(Source: Data from the State Planning Board)

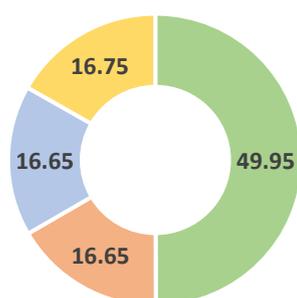
\* Total budget allocation apportioned among SC/ST Departments, PRIs and ULBs

The annual earmarked SCSP and TSP funds were apportioned among LSGIs based on the recommendations of the State Finance Commission (SFC). For the period covered in audit, the apportionment was made based on the fifth and sixth SFC recommendations approved by GoK. The SCSP funds were distributed among PRIs and ULBs in the ratio of 83.25:16.75. The TSP funds were distributed among PRIs and ULBs in the ratio of 92:8. Distribution of SCSP and TSP fund among GPs, BPs, and DPs was in the ratio 60:20:20.

Distribution of SCSP and TSP funds among PRIs and ULBs is given in **Chart 3.4**.

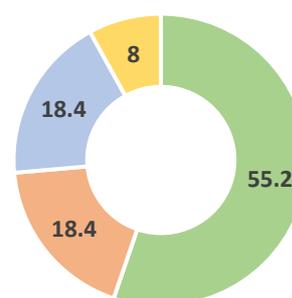
**Chart 3.4: Distribution of SCSP and TSP funds among PRIs and ULBs**

SCSP- Fund sharing Pattern



■ GP ■ BP ■ DP ■ ULB

TSP- Fund Sharing Pattern



■ GP ■ BP ■ DP ■ ULB

(Source: SFC Recommendations)

Audit analysed allocation of funds under SCSP and TSP and found following deficiencies in allocation and utilisation of SCSP and TSP funds.

### 3.5.1 Decline in allocation of SCSP/TSP funds among test checked PRIs

The allocation of SCSP/TSP funds to PRIs was made solely on the basis of population till 2020-21. From 2021-22 onwards, the State Finance Commission introduced a new allocation methodology, by assigning weightage to population and deprivation index in the ratio 60:40. The deprivation index was calculated by giving equal weightage to seven key indicators viz., landless and houseless

households, housing status, housing amenities, un-employment status, education and population in habitats. Data from the SC/ST Socio Economic Survey conducted between 2008-2011 was adopted for the calculation.

Audit noticed a significant decline in the allocation of SCSP and TSP funds to test checked PRIs during the period 2020-21 to 2022-23. Details of year-wise allocation and expenditure of SCSP and TSP funds among test checked PRIs for the period 2020-21 to 2022-23 are given in **Table 3.7**.

**Table 3.7: SCSP/TSP – Allocation and Expenditure details of 68 test checked PRIs**  
(₹ in crore)

Year	Local body	SCSP				TSP			
		Allocation	Expenditure	Balance	Percentage of expenditure	Allocation	Expenditure	Balance	Percentage of expenditure
2020-21	GP	46.11	34.81	11.30	75.49	10.00	6.98	3.02	69.80
	BP	32.11	25.36	6.75	78.98	4.37	2.89	1.48	66.13
	DP	86.56	56.24	30.32	64.97	6.25	4.21	2.04	67.36
	<b>Total</b>	<b>164.78</b>	<b>116.41</b>	<b>48.37</b>	<b>70.65</b>	<b>20.62</b>	<b>14.08</b>	<b>6.54</b>	<b>68.28</b>
2021-22	GP	40.30	35.24	5.06	87.44	8.74	7.49	1.25	85.70
	BP	24.50	20.75	3.75	84.69	3.44	2.70	0.74	78.49
	DP	73.27	54.04	19.23	73.75	4.17	3.42	0.75	82.01
	<b>Total</b>	<b>138.07</b>	<b>110.03</b>	<b>28.04</b>	<b>79.69</b>	<b>16.35</b>	<b>13.61</b>	<b>2.74</b>	<b>83.24</b>
2022-23	GP	46.22	35.62	10.60	77.07	10.07	8.13	1.94	80.73
	BP	29.07	22.10	6.97	76.02	4.45	3.46	0.99	77.75
	DP	82.03	55.05	26.98	67.11	3.93	3.39	0.54	86.26
	<b>Total</b>	<b>157.32</b>	<b>112.77</b>	<b>44.55</b>	<b>71.68</b>	<b>18.45</b>	<b>14.98</b>	<b>3.47</b>	<b>81.20</b>

(Source: Annual Expenditure statements of selected PRIs)

- Though total allocation of SCSP and TSP funds to PRIs remained at ₹1016.61 crore and ₹168.45 crore respectively, during 2020-21 and 2021-22, Audit noticed a decline in allocation of SCSP and TSP fund to test checked PRIs. While the SCSP fund allocation was reduced by 16.21 per cent in 2021-22, TSP fund was reduced by 20.71 per cent.
- Though there was increase in allocation of SCSP and TSP funds during 2022-23 compared to the year 2021-22, there was overall reduction in allocation of SCSP fund by 4.53 per cent and TSP fund by 10.52 per cent compared to the year 2020-21.
- Expenditure out of these funds ranged from 70.65 per cent to 79.69 per cent in respect of SCSP funds and 68.28 per cent to 83.24 per cent in respect of TSP funds.
- Audit noticed that the expenditure was below 50 per cent in five PRIs<sup>18</sup> and 15 PRIs<sup>19</sup> under SCSP and TSP funds respectively.

The reduced allocation of funds may have negative impacts on the social and economic development of marginalised communities.

<sup>18</sup> Thrissur DP, Pambady BP, Moonnilavu, Pothukallu and Kurichy GPs

<sup>19</sup> Kottayam DP, Areekode, Wandoor, Chalakudy, Koduvally and Pambady BPs, Athirappilly, Chathamangalam, Erumeli, Kodassery, Pazhayannur, Pampady, Pothukallu, Puthur and Pazhayannur GPs

Though GoK guidelines emphasise effective utilisation of these funds to support the development of SC/ST communities, underutilisation of funds indicates the laxity in the implementation of schemes meant for SC/ST communities. The findings highlight the need for improved management and oversight to ensure that the SCSP/TSP funds are allocated/utilised efficiently and effectively.

### 3.5.2 Non/short allocation of pro-rata share of TSP funds to test checked PRIs

Audit compared the allocation of SCSP/TSP funds due to be received by test checked PRIs, based on weightage fixed by SFC on the basis of population, with the actual amounts allocated to test checked PRIs. Audit found that four, eight and eight PRIs respectively did not receive any TSP fund during the period 2020-21 to 2022-23. Further 32 PRIs received allocation less than what was due during 2021-22 and 2022-23. The total shortfall in TSP fund allocation amounted to ₹5.43 crore during the period 2020-21 to 2022-23 as detailed in **Table 3.8**.

**Table 3.8: Non/Short allocation of pro-rata share of TSP funds**

(₹ in crore)

Year	District	Number of PRIs which received short allocation	Amount	Number of PRIs which did not receive any allocation	Amount Due
2020-21	Kottayam	0	0	0	0
	Thrissur	0	0	1	0.01
	Malappuram	0	0	2	0.14
	Kozhikode	0	0	1	0.03
<b>Total</b>		0	0	4	0.18
2021-22	Kottayam	16	1.98	1	0.01
	Thrissur	4	0.11	3	0.04
	Malappuram	2	0.02	2	0.08
	Kozhikode	10	0.24	2	0.03
<b>Total</b>		32	2.35	8	0.16
2022-23	Kottayam	16	2.17	1	0.02
	Thrissur	4	0.12	3	0.04
	Malappuram	2	0.02	2	0.08
	Kozhikode	10	0.26	2	0.03
<b>Total</b>		32	2.57	8	0.17
<b>Grand Total</b>			<b>4.92</b>		<b>0.51</b>

(Source: Data from State Finance Commission Cell and Sixth SFC Report)

Audit observed that the non/short allocation of SCSP/TSP funds would reduce the ability of PRIs to formulate projects across various sectors, as outlined in the plan and subsidy guidelines issued by GoK.

### 3.5.3 Lapse of SCSP and TSP funds due to non-implementation of projects

The plan formulation guidelines issued by GoK explicitly states that funds allocated under SCSP/TSP should not be diverted or lapsed. However, Audit noticed that the test checked PRIs did not implement 18 per cent to 28 per cent projects formulated with SCSP funds and 10 per cent to 17 per cent projects formulated with TSP funds during the audit period as detailed in the **Table 3.9**.

**Table 3.9: Non-implementation of SCSP and TSP fund projects by test checked PRIs***(₹ in crore)*

Year	Number of projects formulated	Project Cost	Number of projects not implemented	Amount lapsed due to non-implementation	Amount lapsed due to partial implementation
<b>SCSP</b>					
2020-21	2020	164.78	360	23.88	24.48
2021-22	1386	138.07	277	17.74	10.30
2022-23	1513	157.31	428	27.11	17.43
<b>Total</b>	<b>4919</b>	<b>460.16</b>	<b>1065</b>	<b>68.73</b>	<b>52.21</b>
<b>TSP</b>					
2020-21	641	20.62	112	3.79	2.75
2021-22	476	16.34	47	1.60	1.14
2022-23	509	18.45	57	1.30	2.17
<b>Total</b>	<b>1626</b>	<b>55.41</b>	<b>216</b>	<b>6.69</b>	<b>6.06</b>

*(Source: Annual Expenditure statements of selected PRIs)*

Audit noticed that ₹120.94 crore of SCSP funds and ₹12.75 crore of TSP funds lapsed due to various reasons such as non-implementation of projects, non-completion of taken up projects, non-utilisation of savings from completed projects etc. The major reasons behind non-implementation of projects were non-identification of adequate beneficiaries, defective planning and non-availability of funds due to administrative lapses. A few instances are detailed below:

- Puduppady GP had formulated three projects viz., constructing crematorium shed, crematorium steps and construction of a road at a total project cost of ₹27.19 lakh during the years 2021-22 and 2022-23 utilising SCSP fund. However, the projects were not implemented by the GP and the GP stated that the projects were not implemented as GoK did not allocate funds for spill-over projects.
- Chaliyar GP formulated (2020-21) a project for providing laptop to seven students studying degree level courses and an amount of ₹1.92 lakh was paid (March 2021) in advance to KELTRON. However, the project was not implemented due to lapse on the part of the implementing officer in timely submitting the work order to KELTRON for procurement of laptops. Audit noticed that the implementing officer made enquiry with KELTRON only during February 2022 and by that time rate per laptop was increased by ₹16,000. Hence the project was not implemented and the amount was refunded to Government. Thus, the seven eligible students (four SC and three ST) were denied the laptop assistance due to administrative lapse.

### 3.6 Formulation and Implementation of projects

Landlessness, houseless condition, livelihood insecurity and difficulty in getting access to opportunities for higher studies and appropriate job opportunities, lack of proper infrastructure in the habitats, poor access to IT and communication facilities in SC/ST habitats, etc., were the difficulties identified by the State and planned to be addressed during 13<sup>th</sup> and 14<sup>th</sup> Five Year Plan. The projects formulated by LSGIs in Annual Development Plan under SCSP/TSP have been categorised into (i) Infrastructure (ii) Productive and (iii) Service sectors. An illustration of various sub-sectors under the three sectors is given in **Figure 3.1**.

**Figure 3.1: Various sub-sectors under the three sectors**

Service Sector	Productive Sector	Infrastructure Sector
<ul style="list-style-type: none"> <li>• Education</li> <li>• Art, Culture and sports oriented schemes</li> <li>• Youth welfare</li> <li>• Health and Drinking Water Supply Schemes</li> <li>• Hygiene and waste management schemes</li> <li>• House construction, electrification, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture schemes</li> <li>• Animal Husbandry Schemes</li> <li>• Irrigation</li> <li>• Dairy development</li> <li>• Fisheries</li> <li>• Skill development and employment schemes, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Roads, Bridges and culverts</li> <li>• Construction of protection walls, foot path</li> <li>• Bus shelters, etc.</li> </ul>

(Source: Plan formulation guidelines issued by GoK)

Audit examined the formulation and implementation of projects under SCSP and TSP by the selected LSGIs during 2020-21 to 2022-23, and Audit findings have primarily been categorised under the three sectors as detailed below:

#### Service Sector

Effective implementation of service sector projects is crucial to ensure economic and social development of marginalised communities. The analysis of annual expenditure statements of 68 PRIs for the period 2020-2023 revealed that a significant portion of SCSP and TSP funds (77.98 per cent and 81.45 per cent respectively) was allocated towards service sector projects. These projects primarily focused on education, housing and drinking water.

The test-checked PRIs had formulated 3312 projects during the audit period under the service sector earmarking ₹358.83 crore out of SCSP fund. Of this, 2663 projects (80.40 per cent) were implemented incurring an expenditure of ₹282.26 crore (78.66 per cent) during this period. Similarly, of 1327 TSP projects formulated with an estimate of ₹45.14 crore under service sector 1155 (87.04 per cent) projects were implemented incurring an expenditure of ₹34.55 crore (76.54 per cent). Details are given in **Appendix 3.2**. Evaluation of projects under major sub-sectors under service sector revealed the following:

### 3.6.1 Education

Education is the prime factor of any programme for uplifting the backward classes and socially disadvantaged groups. Effective implementation of projects under this sub-sector is crucial for shaping the future of children by empowering them with knowledge, skills and values essential for personal growth and development, ultimately transforming their lives and shaping a brighter future. Audit examined the implementation of selected projects and observed the following:

#### 3.6.1.1 Implementation of Scholarship schemes

PRIs implemented the scheme for providing scholarship to SC and ST students studying professional/degree/polytechnic courses etc., in addition to the scholarship scheme implemented by GoK through SC/ST Development Departments.

Audit observed deficiencies/lapses viz., adoption of income as eligibility criterion for scholarships, deviation from prescribed procedure for selection, non-receipt of scholarship due to administrative lapses, etc., as detailed in the succeeding paragraphs:

##### *i. Adoption of income as eligibility criterion for scholarships*

GoK while permitting LSGIs to grant scholarship to SC and ST students has not fixed any eligibility criteria for granting scholarship. Plan formulation Guidelines issued by GoK stipulated that income should not be a criterion for educational benefits under SCSP/TSP. However, Audit noticed that 16<sup>20</sup> PRIs had fixed the income limit as one of the eligibility criteria for scholarship. District wise details are given in **Table: 3.10**.

**Table 3.10: Details of PRIs which fixed income limit as one of the eligibility criteria**

Name of District	Number of PRIs which fixed income limit as one of the eligibility criteria	Name of PRIs which fixed income limit as one of the eligibility criteria
Kottayam	7	Kottayam DP, Pambady GP, Pallom BP, Kurichy GP, Pallickathodu GP, Melukavu GP, Thalanad GP
Thrissur	3	Nadathara GP, Pariyaram GP, Athirappilly GP
Malappuram	4	Pandikkad GP, Kalikavu BP, Wandoor GP, Chokkad GP
Kozhikode	2	Puduppadi GP, Koduvally BP
<b>Total</b>	<b>16</b>	

(Source: Project statements of selected PRIs)

##### *ii. Non-adoption of selection procedure prescribed by GoK*

In order to have a fair distribution of benefits under each project, the plan formulation guidelines prescribed a formula for ward-wise selection of beneficiaries when there are large number of applicants from each ward of an LSGI. The formula for determining the number of eligible applicants in a ward was (Number of eligible applicants in the ward ÷ Total number of eligible

<sup>20</sup> Kottayam DP, Kalikavu, Pallam, Wandoor and Koduvally BPs, Pandikkad, Puduppady, Pampady, Nadathara, Kurichi, Chokkad, Pariyaram, Pallickathodu, Athirappilly, Melukavu and Thalanadu GPs

applications from all wards) × Total number of scholarships. For example, if the number of applicants from Ward A is eight and the total number of applicants from all the wards is 32, when the available number of scholarships is 20, the pro-rata number of scholarship to be given for the Ward A should be calculated as  $8 \div 32 \times 20 = 5$ .

Audit analysed the method of selection of beneficiaries for Scholarships in the selected PRIs and found that 10 PRIs<sup>21</sup> sanctioned scholarships to 368 students<sup>22</sup> during the audit period, on the basis of priority lists prepared by the PRIs concerned, without complying with the selection procedure prescribed. District-wise details are given in **Table 3.11**.

**Table: 3.11 Details of scholarships disbursed violating criteria**

Name of District	Number of PRIs which did not comply with the prescribed selection procedure	Number of applications received	Number of students to whom scholarships were sanctioned in each District	Number of eligible students who were denied scholarships
Kottayam	2	158	86	22
Thrissur	3	459	107	34
Malappuram	1	116	34	12
Kozhikkode	4	258	141	22
<b>Total</b>	<b>10</b>	<b>991</b>	<b>368</b>	<b>90</b>

(Source: Data furnished by selected PRIs)

The non-compliance of guidelines resulted in exclusion of 90 eligible students from receiving scholarships in 10 PRIs. Non-adopting the procedure prescribed by GoK defeated the very intention of fair and equitable distribution of benefits under scholarship scheme to SC and ST students.

For instance, in Pambady GP in Kottayam district, the GP received four applications for scholarships from ward 6 during 2020-21, but none were given scholarship. GP had received 32 applications from all the wards and 15 students were given scholarships during the year. Had the formula been adhered to, two students ( $4 \div 32 \times 15 = 1.88$ ) from ward 6 would have received scholarships.

**iii. Non-payment of scholarship to 15 students due to the administrative lapses of the Implementing Officer - Malappuram District**

Chaliyar GP in Malappuram district formulated a project during 2021-22 to provide scholarships to SC students with the Headmaster, GLP School, Konamunda as the implementing officer. The estimated cost of the project was ₹95,160. Of the 14 applications received, five SC students were selected for scholarship. However, the project was not implemented by the implementing officer during the financial year 2021-22. The project was again formulated during the year 2022-23 to grant scholarship to 15 students, including five students who were denied the benefit during 2021-22, at an estimated cost of ₹3.05 lakh. However, the Headmaster (implementing officer) submitted

<sup>21</sup> Kottur, Kodassery, Kunnamangalam, Athirappilly, Puthur, Pariyaram, Pampady, Mampad, Erumeli and Kodanchery GPs

<sup>22</sup> In 2020-21: 98 beneficiaries, 2021-22: 103 beneficiaries, 2022-23: 167 beneficiaries

requisition for funds to the GP only in March 2023 and the project was not implemented due to non-availability of funds. The repeated lapses on the part of the implementing officer resulted in the denial of scholarships to five SC students in 2021-22 and 15 SC students in 2022-23.

### 3.6.1.2 Sarva Shiksha Abhiyan – Diversion of SCSP/TSP Funds ₹0.67 crore.

Plan formulation guidelines issued by GoK, stipulate for mandatory allocation of plan funds towards implementation of Sarva Shiksha Abhiyan (SSA)<sup>23</sup> programme. The guidelines specified that the SSA share for SC/ST students should be allocated in proportion to the student strength. However, audit observed that 14 PRIs under the SCSP and six PRIs under TSP formulated projects by allocating excess SCSP/TSP funds than required for SC/ST students. This resulted in the diversion of ₹0.50 crore under SCSP and ₹0.17 crore under TSP funds, for the benefit of general category, during the period from 2020-21 to 2022-23 as detailed in **Tables 3.12** and **Table 3.13**.

**Table 3.12: Diversion of SCSP funds to SSA**

(₹ in lakh)

Period	Amount diverted				Total SCSP Fund Diverted
	Kottayam	Thrissur	Malappuram	Kozhikode	
2020-21	0.92	1.25	14.34	2.70	19.21
2021-22	1.28	1.90	7.92	2.79	13.89
2022-23	5.96	1.86	4.15	5.07	17.04
<b>Total</b>	<b>8.16</b>	<b>5.01</b>	<b>26.41</b>	<b>10.56</b>	<b>50.14</b>

(Source: Data furnished by PRIs and Annual Expenditure statements)

**Table 3.13: Diversion of TSP funds to SSA**

(₹ in lakh)

Period	Amount diverted				Total TSP Fund Diverted
	Kottayam	Thrissur	Malappuram	Kozhikode	
2020-21	2.53	Nil	4.04	Nil	6.57
2021-22	3.04	Nil	3.95	Nil	6.99
2022-23	0.93	Nil	2.43	Nil	3.36
<b>Total</b>	<b>6.50</b>	<b>Nil</b>	<b>10.42</b>	<b>Nil</b>	<b>16.92</b>

(Source: Data furnished by PRIs and Annual Expenditure statements)

Above figures indicate a significant diversion of SCSP/TSP funds towards the SSA (General) share, particularly in Malappuram District.

Audit noticed that in Pulpatta GP, Malappuram district, a project was formulated during 2020-21 by allocating ₹five lakh under SCSP for 5526 students towards SSA Scheme. However, of the 5526 students, only 483 students were from SC category and the remaining 5043 students belonged to the general category. As such, the proportionate share for SC students was only ₹0.44 lakh and ₹4.56 lakh SCSP fund was diverted for general category students. This diversion of funds undermines the purpose of SCSP, which aims to support the development of Scheduled Caste communities.

<sup>23</sup> SSA is a comprehensive and integrated flagship programme of Government of India to attain Universal Elementary Education

Audit did not find any diversion of TSP funds in the selected PRIs in Thrissur and Kozhikode districts.

### 3.6.2 Drinking Water

National Water Policy 2012 stipulated that the Central government, the States and the local governments must ensure access to a minimum quantity of potable water to all its citizens for maintaining essential health and hygiene. Following the 73<sup>rd</sup> and 74<sup>th</sup> Amendment of the Constitution, responsibility for supply of drinking water was vested with the Local Self-Government Institutions. Drinking water supply (DWS) projects implemented by test checked PRIs accounted for 5.82 per cent and 4.50 per cent respectively of SCSP and TSP service sector expenditure during the audit period.

During the audit period, test checked PRIs formulated 452 DWS projects with project cost of ₹32.35 crore for the benefit of SC and 73 DWS projects with project cost of ₹2.51 crore for the benefit of ST population. However, 168 projects with project cost of ₹10.87 crore for SC beneficiaries and 22 projects with project cost of ₹0.65 crore for ST beneficiaries were not implemented by 37 PRIs. Details are given in **Appendix 3.3** and **Appendix 3.4**. Audit examined the implementation of selected projects and observed the following:

#### 3.6.2.1 Use of non-potable water in 65 SC/ST settlements due to contamination of water sources

Audit conducted joint physical verification of drinking water sources of 65 SC/ST settlements (35 SC and 30 ST settlements) in 45 PRIs. Water samples were collected and tested for general drinking water quality including pH, total dissolved solids (TDS), chlorides, coliform and E. coli count, etc., in government approved laboratories. It was seen that presence of Coliform bacteria was detected in 88 per cent (57) samples, E. Coli in 60 per cent (39) samples and low pH of water was noticed in 63 per cent (41) samples. Details are given in **Appendix 3.5**. Audit noticed that all the test checked drinking water sources in SC/ST settlements in the 45 PRIs were contaminated and non-potable. Further, in 12 samples, the presence of Coliform and E. coli bacteria was 'too numerous to count'. Details are given in **Table 3.14**.

**Table 3.14: Drinking water test results compilation**

Category	Districts	No. of PRIs	No. of sources from which samples taken	High turbidity*	Low pH*	Presence of Coliform bacteria *	Presence of E. Coli bacteria*	High Iron presence *
SC Settlements	Kottayam	8	8	Nil	7	6	4	Nil
	Thrissur	8	8	1	6	8	5	1
	Malappuram	7	7	Nil	2	7	6	3
	Kozhikode	12	12	3	7	9	6	3
<b>Total</b>		<b>35</b>	<b>35</b>	<b>4</b>	<b>22</b>	<b>30</b>	<b>21</b>	<b>7</b>
ST Settlements	Kottayam	7	7	1	6	6	6	Nil
	Thrissur	6	6	Nil	4	5	4	Nil
	Malappuram	9	9	Nil	3	9	6	4
	Kozhikode	8	8	Nil	6	7	2	Nil
<b>Total</b>		<b>30</b>	<b>30</b>	<b>1</b>	<b>19</b>	<b>27</b>	<b>18</b>	<b>4</b>

(Source: Test Results of Drinking Water samples collected from PRIs)

\*The desirable limit for Turbidity is one NTU - five NTU, pH is 6.5-8.5, Iron is 0.3 mg/L, Coliform and E. coli should be Nil.

During joint physical verification in Vettilakolli tribal settlement in Chaliyar GP, Audit noticed that water was collected in two PVC tanks directly from Choorappuzha stream by gravitational force using garden hoses. Water sample taken from the tank was tested for general drinking water quality in the KWA Lab and found that the water was not potable as it was contaminated with Coliform and E. Coli bacteria (presence of both bacteria were numerous to count). Details are given in Paragraph 3.6.10.

Failure of PRIs to provide potable water forced the residents to consume contaminated water from available sources, exposing them to serious health risks.

### 3.6.2.2 Unfruitful expenditure of ₹1.18 crore on drinking water supply facilities in 14 SC and five ST settlements

Implementation of small demand driven community led water supply projects is a viable solution to provide drinking water in areas where major schemes are not viable. Successful implementation of community-oriented drinking water projects requires scientific identification of water sources and ensuring availability of water through yield tests before formulating projects.

During a joint physical verification conducted in selected SC/ST settlements, Audit found that 19 minor drinking water supply facilities implemented in SC and ST settlements during 2020-21, at a total cost of ₹1.18 crore, failed to achieve the intended objectives. District-wise details of DWS facilities are given in Table 3.15.

**Table 3.15: Unfruitful expenditure on drinking water supply projects**

(₹ in crore)

Districts	DWS facilities under SCSP		DWS facilities under TSP	
	Number	Expenditure incurred	Number	Expenditure incurred
Kottayam	6	0.26	3	0.07
Malappuram	3	0.12	0	0
Thrissur	2	0.15	1	0.07
Kozhikode	3	0.49	1	0.02
<b>Total</b>	<b>14</b>	<b>1.02</b>	<b>5</b>	<b>0.16</b>

(Source: Data furnished by PRIs)

Reasons for failure included improper feasibility studies, identification of unsuitable locations, lack of periodic maintenance of motor pumps, broken pipes, non-availability of water, etc., as detailed below:

#### *Failure of projects due to defective planning*

Eight DWS projects implemented in SC colonies by seven PRIs<sup>24</sup> incurring expenditure of ₹0.63 crore became unfruitful due to non-availability of water in wells erected, unsuitability of water due to the presence of impurities etc. Audit observed that implementation of the projects without ensuring availability of water through yield test, water quality study, etc., led to failure of the projects. Further, six drinking water supply facilities constructed in four PRIs (two SC and two ST)<sup>25</sup> at a cost of ₹0.30 crore remained non-functional due to non-

<sup>24</sup> Pallom, Nilambur, Kunnamangalam, Koduvally and Kanjirappally BPs, Edavanna and Kodassery GPs

<sup>25</sup> Thrissur DP, Kanjirappaly and Erattupetta BPs, Moonnilavu GP

installation of motor for pumping, pending construction/maintenance of water tanks etc., depriving the communities of the intended benefits. Details are given in **Appendix 3.6**.

### *Lack of periodical maintenance*

Five DWS projects implemented at a total cost of ₹0.25 crore in five SC/ST settlements<sup>26</sup>, were non-functional due to leakage in storage tank. Audit observed that absence of regular maintenance led to the deprivation of drinking water to the intended beneficiaries. Details are given in **Appendix 3.7**.

Above instances highlight the need for careful planning, scientific identification of water sources, and regular maintenance to ensure the success of community-led drinking water projects.

### *3.6.2.3 Non-implementation of drinking water projects - Malappuram District*

Kalikavu Block Panchayat in Malappuram district formulated 12 projects (**Appendix 3.8**) with a total project cost of ₹0.85 crore for the construction of minor drinking water supply facilities in various SC colonies during 2021-22 and 2022-23. However, only eight projects with project cost of ₹61.05 lakh were implemented incurring an expenditure of ₹54.43 lakh.

Audit analysed the reasons for the non-implementation of four projects involving ₹24.34 lakh and observed that identification of unsuitable land, non-obtaining feasibility certificate from the department of Ground Water (GWD) before formulation of projects, etc., resulted in non-implementation of the projects. The Block Panchayat's failure to ensure effective implementation, denied the intended benefits to the beneficiaries.

### *3.6.2.4 Blocking up of SCSP/TSP funds of ₹42 lakh with Kerala Ground Water Department -Kottayam district*

Kanjirappally Block Panchayat in Kottayam district formulated a comprehensive drinking water project during 2017-18 at an estimated cost of ₹0.76 crore. The project aimed to dig 16 tube wells to provide drinking water to Scheduled Caste settlements in seven GPs under the Block Panchayat. An agreement was executed (February 2018) between Secretary, Kanjirappally BP and District Officer, GWD with time of completion of one month (March 2018) and the entire amount was deposited with the GWD (February 2018). However, of the 16 tube wells, the GWD completed projects of only three tube wells. In seven tubewells constructed, electric pump was not installed due to non-availability of sufficient water and instead handpumps were installed. In six sites, tubewells were not constructed due to non-availability of water. The project was discontinued in May 2024 after incurring an expenditure of ₹0.34 crore and the balance amount of ₹0.42 crore was retained by the GWD for the last five years (March 2023).

Audit revealed significant deficiencies in the implementation of drinking water projects in Scheduled Caste and Scheduled Tribe settlements. Despite substantial investments, many projects were found to be non-functional, incomplete, or provided contaminated water. This has resulted in the denial of basic amenities to the most deprived communities.

<sup>26</sup> Balussery, Kalikavu and Kodakara BPs, Koodaranhi and Moonilavu GPs

### 3.6.3 Implementation of Housing Schemes

The Kerala State Housing Policy, 2011 aims at intensifying efforts for meeting the housing needs of the marginalised sections of the society especially SCs and STs, fishermen, the landless, destitute, women-headed households and the poorest of the poor. With the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional amendments, the responsibility for implementation of housing schemes to economically weaker sections has shifted to the Local Self-Government Institutions in the State.

Project Life - Livelihood, Inclusion and Financial Empowerment (LIFE) is the State level housing development scheme, aimed to provide safe and decent housing for all landless and homeless families in the State. Under the scheme, the financial assistance of ₹four lakh is provided to SC and ST beneficiaries for construction of houses and ₹six lakh is provided to the beneficiaries living in remote tribal settlements. The assistance is provided in four instalments, based on the stage-wise construction of houses.

The beneficiary survey conducted by a joint team of Audit and official representatives of the respective PRIs in 96 SC/ST settlements revealed that 6.46 *per cent* (32) of surveyed SC families and 7.50 *per cent* (21) of surveyed ST families had no own houses. Audit analysed implementation of LIFE projects under SCSP/TSP in the test checked PRIs and found the following deficiencies:

#### 3.6.3.1 Non-inclusion of houseless and landless SC/ST people in the list of beneficiaries under LIFE scheme

According to the details furnished by 40 test checked PRIs, there were 5683 houseless<sup>27</sup> and 2795 landless houseless<sup>28</sup> SC/ST families. Audit found that only 5085 (SC 4090 and ST 995) houseless and 2398 landless families (SC 1873 and ST 525) were included in the LIFE beneficiary list. As such, 598 houseless families (SC-460 and ST- 138) and 397 landless and houseless (SC-300 and ST-97) families were excluded from the beneficiary list in 12 test checked PRIs (March 2023) as detailed in **Table 3.16** and **Table 3.17**.

**Table 3.16: Status of SCSP Inclusion/Exclusion of LIFE scheme beneficiaries**

District	Number of houseless SCs in PRIs	Number of landless houseless SCs in PRIs	Total	Number of houseless SCs included in LIFE Scheme	Number of landless houseless SCs included in LIFE Scheme	Total	Number of houseless and landless houseless SCs excluded
Kottayam	664	479	1143	569	412	981	162
Thrissur	1346	779	2125	1336	779	2115	10
Malappuram	1350	594	1944	1254	456	1710	234
Kozhikode	1190	321	1511	931	226	1157	354
<b>Total</b>	<b>4550</b>	<b>2173</b>	<b>6723</b>	<b>4090</b>	<b>1873</b>	<b>5963</b>	<b>760</b>

(Source: Data furnished by PRIs)

<sup>27</sup> SC 4550 and ST 1133

<sup>28</sup> SC 2173 and ST 622

**Table 3.17: Status of TSP Inclusion/Exclusion of LIFE scheme beneficiaries**

District	Number of houseless STs in PRIs	Number of landless houseless STs in PRIs	Total	Number of houseless STs included in LIFE Scheme	Number of landless houseless STs included in LIFE Scheme	Total	Number of houseless and landless houseless STs excluded
Kottayam	355	182	537	278	104	382	155
Thrissur	204	94	298	194	91	285	13
Malappuram	265	275	540	260	273	533	7
Kozhikode	309	71	380	263	57	320	60
<b>Total</b>	<b>1133</b>	<b>622</b>	<b>1755</b>	<b>995</b>	<b>525</b>	<b>1520</b>	<b>235</b>

(Source: Data furnished by PRIs)

The PRI-wise number of beneficiaries excluded is given in **Appendix 3.9**.

During joint physical verification in the Vettilakolli tribal settlement in Malappuram district, Audit noticed that 27 families of the settlement were living in 17 dilapidated thatched huts covered with plastic sheets. However, only three of the 27 families were included in the LIFE beneficiary list. Details are given in Paragraph 3.6.10.

Audit observed that the preparation of beneficiary lists by PRIs, solely on the basis of applications received, rather than conducting periodical surveys to identify eligible families, resulted in non-inclusion of eligible families.

### 3.6.3.2 Non-completion of houses within the prescribed period

According to the LIFE scheme guidelines, house construction should be completed within six months, with the Secretary of the LSGI responsible for ensuring timely completion. LSGIs are also required to assist beneficiaries who are unable to commence/complete construction despite receiving instalments. However, Audit noticed that 317 houses, for which ₹6.66 crore SCSP funds were disbursed to the beneficiaries up to March 2023, remained incomplete at various stages in the test checked PRIs (March 2024). Audit noticed that no subsequent instalments were released during 2023-24 and houses remained incomplete. Details are given in **Table 3.18**.

**Table 3.18: Number of beneficiaries and SCSP funds disbursed**

(₹ in lakh)

Name of Scheme	Kottayam		Thrissur		Malappuram		Kozhikode	
	No. of beneficiaries	Total amount disbursed						
LIFE Phase I	7	8.09	-	-	-	-	-	-
LIFE 2020	3	5.30	26	48.14	5	2.60	3	7.40
LIFE Phase II	1	2.00	7	13.80	-	-	3	9.00
LIFE Phase III	32	81.97	5	11.50	1	2.00	4	7.40

Name of Scheme	Kottayam		Thrissur		Malappuram		Kozhikode	
	No. of beneficiaries	Total amount disbursed						
LIFE SC Additional	40	107.60	7	18.50	40	58.70	85	187.72
AWAS Plus	1	3.76	-	-	-	-	-	-
PMAY	7	17.36	7	10.40	29	51.56	4	10.70
<b>Total</b>	<b>91</b>	<b>226.08</b>	<b>52</b>	<b>102.34</b>	<b>75</b>	<b>114.86</b>	<b>99</b>	<b>222.22</b>

(Source: Data furnished by PRIs)

Further, 109 houses, for which ₹3.98 crore TSP funds were disbursed to the beneficiaries, remained incomplete at various stages for the last one year in test checked PRIs (March 2024) as detailed in **Table 3.19**.

**Table 3.19: Number of beneficiaries and TSP funds disbursed**

(₹ in lakh)

Name of Scheme	Kottayam		Thrissur		Malappuram		Kozhikkode	
	No. of beneficiaries	Total amount disbursed						
LIFE Phase I	-	-	-	-	-	-	-	-
LIFE 2020	6	9.90	-	-	-	-	-	-
LIFE Phase II	-	-	1	2	-	-	1	4.2
LIFE Phase III	4	14.80	-	-	1	3	-	-
LIFE ST Additional	10	39.50	5	19.60	26	85.40	41	175.52
AWAS Plus	-	-	-	-	-	-	2	7.04
PMAY	7	25.57	2	3.90	2	3.38	1	3.76
<b>Total</b>	<b>27</b>	<b>89.77</b>	<b>8</b>	<b>25.50</b>	<b>29</b>	<b>91.78</b>	<b>45</b>	<b>190.52</b>

(Source: Data furnished by PRIs)

According to the LIFE Mission guidelines, the LSGIs should facilitate the completion of house constructions by involving the public and NGOs, especially for beneficiaries facing financial or other construction issues. Audit noticed that the construction of houses remained incomplete due to reasons such as financial problems of the beneficiaries, land disputes, death of beneficiaries, diversion of funds for emergency requirements like hospitalisation of the beneficiary or family members, constructions violating LIFE norms, etc.

Audit observed that construction of houses were remaining incomplete for want of effective intervention of the PRIs. Test checked PRIs failed to follow up the cases and to extend support to the beneficiaries for the completion of the houses that were stopped at different stages.

**3.6.3.3 Purchase of waterlogged paddyland for the construction of houses to 22 landless Scheduled Tribes under TSP by Chungathara GP -Unfruitful expenditure of ₹24.83 lakh - Malappuram District**

Chungathara Grama Panchayat in Malappuram district purchased 89.35 cents of land, in March 2013, in Sy. No. 98/804 at Kurumbalangode Village in Nilambur taluk, for distribution among 22 landless tribal people at a total cost of ₹24.83 lakh<sup>29</sup>. The land was registered directly in the name of 22 landless tribal people except 8.20 cents of land registered in the name of the Secretary, GP for common utility purposes.

Audit noticed that despite the land being registered in their names years ago, the registration deeds were not handed over to the beneficiaries. Furthermore, as per the Agriculture Officer's report (August 2023), the land could not be used for house construction as the land was surrounded by paddy fields and there was no road connectivity to the land. It was also mentioned in the report that though the Kerala Conservation of Paddy Land and Wetland Act, 2008 prohibited the use of paddy and wetlands in the State for any other purpose, rubber trees were planted with the intention to convert the land (**Figure 3.2** and **Figure 3.3**).



**Figure 3.2 and Figure 3.3: Waterlogged paddy land planted with rubber trees in Chungathara GP, Malappuram district (Photographs taken by Audit on 03 January 2024)**

The imprudent decision by Chungathara GP to purchase waterlogged land for tribal housing has resulted in the denial of houses and exclusion of these 22 landless tribal families from other housing schemes. Audit noticed that these 22 landless tribal families in the Grama Panchayat were not included in any other housing scheme beneficiary lists till date (March 2023).

**3.6.4 Supplementary Nutrition Programme – Diversion of SCSP/TSP funds ₹0.70 crore**

Plan formulation and subsidy guidelines issued by GoK, stipulate for mandatory allocation of plan funds towards implementation of Supplementary Nutrition

<sup>29</sup> 81.15 cents at the rate of ₹30,000 each cent + Registration fee

Programme (SNP)<sup>30</sup>. The guidelines also stipulate that the SNP share of the SC/ST students should be allotted by the respective PRIs in proportion to the number of beneficiaries. Test checked PRIs formulated separate projects for SC/ST beneficiaries allocating SCSP/ TSP funds and for the general category beneficiaries allocating Development Fund (General). The project cost was worked out based on the number of beneficiaries and the rates fixed by the Ministry of Woman and Child Development, GoI for the children below six years and for pregnant and lactating women. However, Audit noticed that 13 PRIs formulated projects worth ₹1.94 crore, of which ₹0.56 crore was allocated in excess of proportion of SC beneficiaries. Similarly, seven PRIs formulated projects worth ₹0.47 crore, of which ₹0.14 crore was allocated in excess of proportion of ST beneficiaries. Details of excess allocations are given in the Table 3.20 and Table 3.21.

Table 3.20: Diversion of SCSP funds for SNP

(₹ in lakh)

Period	Amount diverted				Total SCSP Fund Diverted
	Kottayam	Thrissur	Malappuram	Kozhikode	
2020-21	0.17	2.25	12.39	0.50	15.31
2021-22	14.05	0.45	7.82	1.95	24.27
2022-23	0.24	0.00	15.76	0.30	16.30
<b>Total</b>	<b>14.46</b>	<b>2.70</b>	<b>35.97</b>	<b>2.75</b>	<b>55.88</b>

(Source: Data furnished by PRIs and Annual Expenditure statements)

Table 3.21: Diversion of TSP funds for SNP

(₹ in lakh)

Period	Amount diverted				Total TSP Fund Diverted
	Kottayam	Thrissur	Malappuram	Kozhikode	
2020-21	-	-	1.89	-	1.89
2021-22	0.05	-	6.11	-	6.16
2022-23	0.92	-	5.29	-	6.21
<b>Total</b>	<b>0.97</b>	<b>-</b>	<b>13.29</b>	<b>-</b>	<b>14.26</b>

(Source: Data furnished by PRIs and Annual Expenditure statements)

Diversion of funds compromised the very objective of the SCSP/TSP schemes, which were established to bridge the socio-economic disparities faced by these communities. By diverting funds away from their intended purpose, the PRIs have inadvertently perpetuated the existing gaps, thereby undermining the Government initiatives aimed at promoting social justice and equality.

## Productive Sector

The main objectives of SCSP and TSP funds are to reduce poverty and unemployment and create productive assets and income generating opportunities. The 13<sup>th</sup> and 14<sup>th</sup> Five Year Plans and GoK guidelines stipulate for prioritising projects under the productive sector, focusing on agriculture production, skill development, and income-generating activities for Scheduled

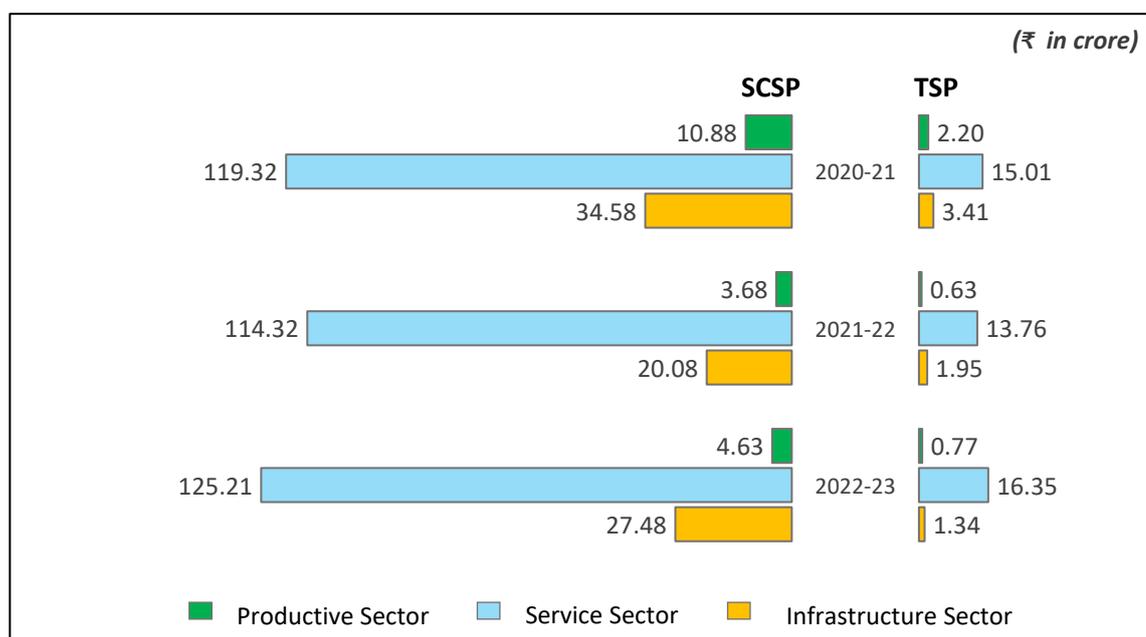
<sup>30</sup> SNP is primarily designed to bridge the gap between the Recommended Dietary Allowance (RDA) and the Average Daily Intake (ADI) in children (six months to six years), pregnant women and lactating mothers

Caste and Scheduled Tribe communities. Evaluation of projects under major sub-sectors under productive sector revealed the following:

### 3.6.5 Low priority for formulation and implementation of projects under Productive Sector

Audit of the selected PRIs revealed that the productive sector projects intended for enhancing the socio-economic status of the targeted communities through income and employment generation were given least priority as shown in **Chart 3.5**.

**Chart 3.5: Sector-wise allocation of SCSP/TSP funds**



(Source: Annual expenditure statements of selected PRIs)

Audit analysed allocation of funds under productive sector during 2020-21 to 2022-23 and found that test-checked PRIs formulated only 4.07 to 10.92 per cent projects and allocated only 1.37 to 10.06 per cent of SCSP fund towards productive sector. Similarly, only 2.25 to 13.07 per cent projects were formulated and allocated only 2.36 to 17.87 per cent of TSP fund towards productive sector. Details are given in **Appendix 3.10** and **Appendix 3.11**.

Sub-sector wise analysis of projects implemented under productive sector revealed that selected PRIs gave very low priority towards implementation of projects under the sub-sectors viz., agriculture, animal husbandry and self-employment as detailed in **Table 3.22**. Further details are given in **Appendix 3.12**.

**Table 3.22: Sub-sector wise allocation of SCSP/TSP funds**

Purposes	Total SCSP fund utilised	SCSP fund utilised	Percentage of SCSP utilisation against total SCSP allocation	Total TSP utilisation for entire sectors in PRIs	TSP fund utilised	Percentage of TSP utilisation against total TSP allocation
Agriculture	339.21	1.02	0.30	42.67	1.04	2.44

Purposes	Total SCSP fund utilised	SCSP fund utilised	Percentage of SCSP utilisation against total SCSP allocation	Total TSP utilisation for entire sectors in PRIs	TSP fund utilised	Percentage of TSP utilisation against total TSP allocation
Animal Husbandry		1.76	0.52		1.45	3.40
Self-employment		3.62	1.07		0.08	0.19

(Source: Annual Expenditure Statements of PRIs)

It was seen that only 0.30 per cent, 0.52 per cent and 1.07 per cent of SCSP funds respectively were spent towards agriculture, animal husbandry and self-employment assistance schemes. Similarly, only 2.44 per cent, 3.40 per cent and 0.19 per cent of TSP funds respectively were spent towards agriculture, animal husbandry and self-employment assistance schemes. Audit observed that this disinterest in income generating activities weakened the objective of reducing poverty and unemployment among SC and ST communities.

### 3.6.6 Implementation of projects under productive sector

Test checked PRIs implemented 74 per cent to 84 per cent of projects formulated using SCSP funds during the audit period and expended 60 per cent to 72 per cent of amount allocated towards productive sector. Similarly, test checked PRIs implemented 89 per cent to 94 per cent of projects formulated using TSP funds and expended 75 per cent to 85 per cent of amount allocated towards productive sector. Details are given in **Appendix 3.13**. Analysis of implementation of agriculture, animal husbandry and self-employment assistance schemes revealed the following:

#### 3.6.6.1 Agriculture

A scrutiny of agriculture related projects implemented using SCSP funds revealed a concerning trend. Of 68 test-checked PRIs, only 16 PRIs implemented agriculture related projects (27 projects) during the period 2020-21 to 2022-23 incurring an expenditure of ₹1.02 crore. Similarly, for TSP funds, only 11 PRIs implemented agriculture related projects (33 projects) from 2020-21 to 2022-23 incurring an expenditure of ₹1.04 crore.

Audit observed that agriculture, a sector prioritised in the 13<sup>th</sup> and 14<sup>th</sup> Five Year Plans and a primary source of livelihood for 29.90 per cent of SC and 69.52 per cent of ST populations, was accorded low priority by PRIs.

#### 3.6.6.2 Self-Employment Assistance schemes

The utilisation of SCSP and TSP funds for self-employment and employment assistance projects was very low. Out of 68 test-checked PRIs, only 31 PRIs implemented self-employment assistance projects during 2020-21 to 2022-23, incurring an expenditure of ₹3.62 crore. Similarly, under TSP funds, five PRIs implemented five self-employment assistance projects incurring an expenditure of ₹0.08 crore during the Audit period.

#### 3.6.6.3 Animal Husbandry and Fisheries

Audit revealed that the expenditure on animal husbandry and fisheries was 0.88 per cent of the total SCSP and TSP funds, indicating a lack of attention and resources for these critical sectors.

As the objectives of the SCSP/TSP schemes were to create the potential to accelerate the pace of development of SC and ST categories and to bridge the gaps in socio-economic development indicators between them and other sections of the society, formulation and implementation of income generating programmes for SCs and STs under productive sector is essential.

### 3.6.7 Misclassification of projects under productive sector

Formulation of projects under SCSP and TSP in productive sector include projects under Agriculture, Job Assistance, Animal Husbandry, Self-Employment Schemes etc. However, a review of records revealed that certain projects, such as the installation of solar mini mast lights and construction of retaining walls in houses, were incorrectly classified under productive sector. The details of misclassification in selected PRIs are detailed in **Table 3.23**.

**Table 3.23: Misclassification of projects under productive sector**

(₹ in crore)

Year	SCSP					TSP				
	Number of PRIs	Total number of projects implemented under productive sector	Total no. of service sector projects misclassified under productive sector	Expenditure of the projects misclassified under productive sector (₹ in crore)	Percentage of number of service sector projects misclassified under productive sector	Number of PRIs	Total number of projects implemented under productive sector	Total no. of service sector projects misclassified under productive sector	Expenditure of the projects misclassified under productive sector (₹ in crore)	Percentage of number of service sector projects misclassified under productive sector
2020-21	10	56	38	3.24	67.86	3	7	5	0.07	71.43
2021-22	5	26	13	0.23	50.00	1	4	1	0.03	25.00
2022-23	4	27	12	0.70	44.44	2	5	2	0.15	40.00
<b>Total</b>		<b>109</b>	<b>63</b>	<b>4.17</b>	<b>57.80</b>		<b>16</b>	<b>8</b>	<b>0.25</b>	<b>50.00</b>

(Source: Annual Expenditure statements of PRIs)

This misclassification resulted in projection of inflated figures under productive sector. Audit observed that three PRIs<sup>31</sup> used ₹2.93 crore (24.40 per cent) of the SCSP funds utilised and two PRIs<sup>32</sup> used ₹0.16 crore (5.41 per cent) of the TSP funds towards implementing mini mast and solar light projects and incorrectly included in the productive sector expenditure, violating Government guidelines. Audit noticed that of the 25 projects implemented (₹3.48 crore) by Malappuram DP under productive sector utilising SCSP fund, 18 projects with project cost of ₹2.96 crore were service sector projects incorrectly classified under productive sector.

<sup>31</sup> Malappuram DP, Areekode BP, Koruthode GP

<sup>32</sup> Nilambur BP, Koruthode GP

These discrepancies have significant implications, as they artificially inflate the percentage of projects implemented under the productive sector. Audit observed that this misclassification reduced the actual percentage of projects implemented under the productive sector from 79.39 per cent to 61.84 per cent for SCSP funds and from 90.44 per cent to 84.56 per cent for TSP. District-wise misclassification is detailed in **Appendix 3.14** and **Appendix 3.15**.

### Infrastructure Sector

PRIs play a crucial role in formulation of infrastructure projects which is essential to ensure sustainable development, improve quality of life and enhance economic opportunities. Analysis of formulation and implementation of infrastructure sector projects revealed the following:

#### 3.6.8 Status of projects under Infrastructure Sector

Year-wise details of projects formulated and implemented in the Infrastructure Sector by the test-checked PRIs during the audit period are given in **Table 3.24** and district-wise details in **Appendix 3.16** and **Appendix 3.17**. The major activities undertaken under infrastructure sector utilising SCSP and TSP funds were construction of roads, installation of streetlights, etc.

**Table 3.24: SCSP/TSP – Infrastructure Sector expenditure details of 68 test checked PRIs**

(₹ in crore)

Year	SCSP					TSP				
	No. of projects formulated	Amount Allocated	No. of project implemented	Expenditure	Percentage of expenditure	No. of projects formulated	Amount allocated	No. of projects implemented	Expenditure	Percentage of expenditure
2020-21	568	34.57	470	22.71	65.69	98	3.41	78	2.39	70.09
2021-22	322	20.07	247	11.29	56.25	35	1.94	32	1.77	91.24
2022-23	358	27.48	192	10.97	39.92	30	1.33	22	1.02	76.69
<b>Total</b>	<b>1248</b>	<b>82.12</b>	<b>909</b>	<b>44.97</b>	<b>54.76</b>	<b>163</b>	<b>6.68</b>	<b>132</b>	<b>5.18</b>	<b>77.54</b>

(Source: Annual Expenditure Statements of PRIs)

During the period 2020-23, Audit noticed a drastic decline in the number of infrastructure projects formulated by test checked PRIs. While there was 37 per cent decrease in projects formulated under SCSP, number of infrastructure projects formulated under TSP came down by 69 per cent. Further, only 72.84 per cent of SCSP projects and 80.98 per cent of TSP projects formulated under infrastructure sector were implemented during the audit period.

Scrutiny of projects executed under infrastructure sector and availability of infrastructure in tribal colonies revealed instances of lack of basic infrastructure facilities in tribal colonies, non-utilisation of created asset, etc., as discussed below:

#### 3.6.9 Idling of assets created under SCSP/TSP

Test checked PRIs utilised the SCSP/TSP funds for the creation of various assets such as employment training centres, marketing centres, hostels, 'Pakalveedu' for elderly people, toilets, crematorium, study centres, etc., for the

benefits of the Scheduled Caste and Scheduled Tribe people. Audit test checked the records of such assets and conducted joint physical verifications to see whether the assets created were utilised for the intended purposes and whether they have been properly maintained. Audit noticed that 13 buildings constructed for purposes such as Training Centre, Community/Welfare centres, Crematorium, etc., utilising ₹2.28 crore in 10 test checked PRIs were lying idle. Details are given in **Table 3.25**.

**Table 3.25: Idling of Assets created under SCSP and TSP**

District	Assets idling	Total Expenditure (₹ in lakh)	Year of completion	Reasons for idling
<b>SCSP</b>				
Kottayam	SC Community Centre, Erattupetta BP	7.71	2020	No water or electric connection
	SC Women Training Centre, Pambady GP	5.77	2023	No specific reason furnished
Thrissur	SC Women Training Centre, Thrissur DP	37.86	2020	No water connection
	SC Crematorium, Chalakudy BP	4.62	2021	No water or electric connection
	Community Study Centre, Chalakudy BP	7.84	2020	Electrification not done
	SC Welfare Centre, Thrikkur GP	47.40	2015	No specific reason furnished
Malappuram	SC Pakal Veedu, Pulpatta GP	6.56	2015	No specific reason furnished
Kozhikkode	SC Community Centre, Kozhikode DP	42.91	2022	No electric connection
	SC Women Employment Training Centre, Kunnangalam BP	6.09	2020	No specific reason furnished
	SC Cultural Centre, Kozhikode DP	35.97	2021	No specific reason furnished
	SC Multi-Purpose Centre, Kozhikode DP	20.15	2020	No specific reason furnished
<b>Total</b>	<b>11</b>	<b>222.88</b>		
<b>TSP</b>				
Kottayam	Production and Sales Centre for ST Women, Melukavu GP	4.03	2019	No specific reason furnished
	ST Employment Training Centre, Moonilavu GP	0.77	2020	No specific reason furnished
<b>Total</b>	<b>2</b>	<b>4.8</b>		

(Source: Data furnished by PRIs)

It is seen from the table that five out of 13 buildings were remaining idle for more than three years due to non-availability of electricity and water connections.

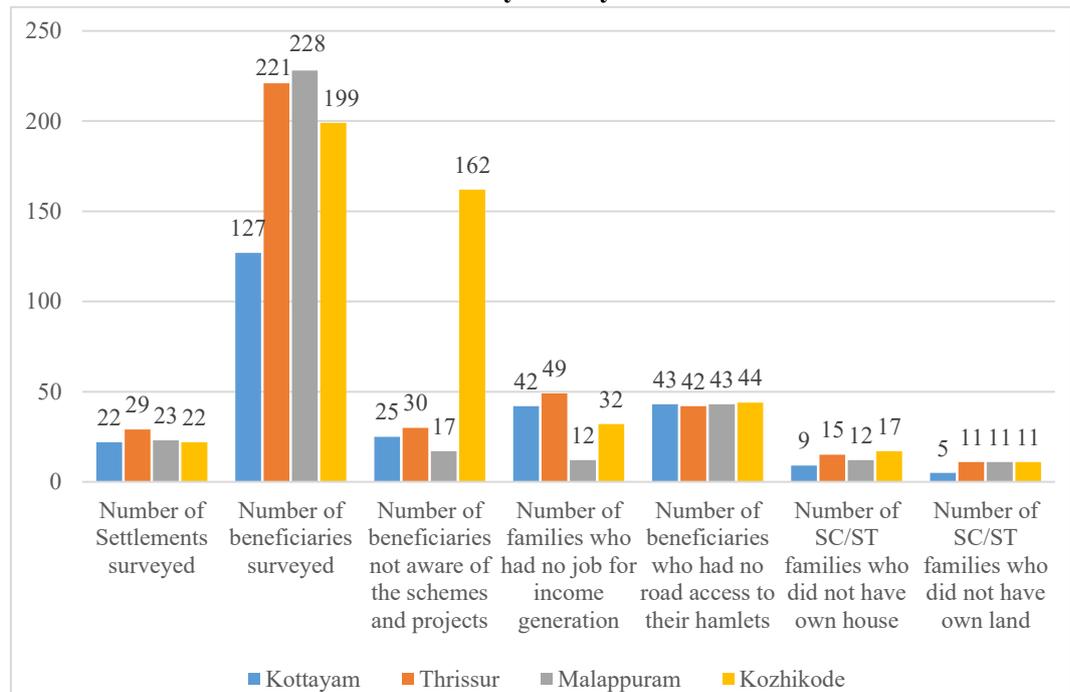
Audit noticed that plan formulation guidelines stipulated for conduct of employment training programmes through GoI/GoK empanelled

agencies/schemes. However, Thrissur DP, Kunnamangalam and Pampady BPs and Moonilavu GP constructed four employment training centre buildings during 2020-23 with the objective of imparting employment training to SC/ST women utilising SCSP/TSP funds. Construction of buildings in violation scheme guidelines and idling of buildings by not providing basic amenities, indicate gross negligence on the part of the PRIs.

### 3.6.10 Beneficiary Survey results of 96 SC/ST settlements

A joint team of Audit officials and representatives from 42 PRIs conducted a survey in 96 settlements (62 SC and 34 ST) across four districts. The team interacted with 775 beneficiaries (495 SC and 280 ST) to evaluate the effectiveness of projects implemented under the SCSP/TSP schemes. The survey highlighted significant gaps in essential facilities for the beneficiaries. The **Chart 3.6** details the deficiencies observed.

**Chart 3.6: Beneficiary Survey of SCSP/TSP in PRIs**



(Source: Beneficiary Survey results)

The survey highlights the following gaps.

- **Inadequate IEC activities** - 27.27 per cent (135 out of 495) of surveyed SC beneficiaries and 35.36 per cent (99 out of 280) of surveyed ST beneficiaries lacked awareness about the projects and programmes implemented by the PRIs.
- **Absence of jobs for Income Generation** - 90 SC families (18.18 per cent) in 40 settlements and 45 ST families (16.07 per cent) in 21 settlements had no job for income generation.
- **Lack of Road Access** - Out of 495 beneficiaries from 62 settlements in four districts, 81 Scheduled Caste beneficiaries (16.36 per cent) and 91 Scheduled Tribe beneficiaries (32.50 per cent) opined that they had no road access to their hamlets.
- **Inadequate Housing facilities** - The survey also revealed that 6.46 per cent (32 out of 495) of surveyed SC families and 7.50 per cent (21 out of 280) ST families had no own house.

- **Land Deprivation** - Out of 775 beneficiaries surveyed, 38 beneficiaries had no own land.

The survey's findings underscore the pressing need for targeted interventions to address the glaring gaps in essential facilities and services for SC/ST families. The inadequacies in IEC activities, income generation opportunities, road access, housing facilities and land ownership reveal a systemic neglect of these marginalised communities.

### Case study on the living status of the tribals in Vettilakolli Tribal Settlement

The Vettilakolli tribal settlement is situated in the thick forest of the Edavanna Forest Range. The inhabitants of the Vettilakolli Tribal Settlement are from the Paniyar category of scheduled tribes, which is the most backward and poorest among ST categories in the State. Twenty seven families with a total population of 94 people were residing in 17 houses. The male female ratio was 48:46 and there were eight children in the age group of one to five years and 23 in the age group of six to 18 years.

#### 1. Housing

In the settlement, 22 families were living in 12 thatched huts covered with plastic sheets, which were in a dilapidated condition. Audit noticed that of these 22 families, only two families are included in LIFE beneficiary list.

Figure 3.4



Figure 3.5



*Thatched huts in the Vettilakolli settlement in Chaliyar GP  
(Photographs taken by Audit on 29 December 2023)*

#### 2. Poor road connectivity

The settlement is situated approximately 18 kilometres away from the Chaliyar Grama Panchayat office. The access to the nearest hospital, schools, market, other offices, etc., is 18 kilometres away from the settlement. Audit noticed that six kilometre stretch in the forest area was in off-road condition and was accessible only by four-wheel drive vehicles like jeeps with experienced drivers. As such the settlement is not accessible to any ambulance in case of medical emergencies. Audit noticed that Chaliyar GP has not formulated any project so far to provide accessibility to the settlement.

#### 3. Unhealthy drinking water facility

The tribal people in the settlement have no drinking water facility. A project was implemented by the GP utilising CFC grant of ₹1.84 lakh during 2021-22 for supply of water from the Choorapuzha water stream. Audit noticed that water was collected in two PVC tanks having a capacity of 1000 litres each, by gravitational force by using garden hoses from the river. It was stated by

the inhabitants that water is not available during summer season. As the GP has not provided any individual or common taps, water was continuously overflowing from the tanks. Water sample taken from the tank was tested for general drinking water quality in the KWA Lab and found that the water was not potable as it was contaminated with Coliform and E.Coli bacteria (presence of both bacteria were numerous to count).

Figure 3.6



Figure 3.7



*Water tanks and garden hoses laid for bringing water from the stream  
(Photographs taken by Audit on 29 December 2023)*

#### 4. Toilet facilities

The 27 families with a total of 94 members were living in the settlement without any common or individual toilet facilities and they fully depended up on the forest land for their primary needs.

#### 5. Electricity

No electricity has reached the settlements till date, and they are depending fully on Kerosene lamps during nights. However, during scrutiny of the ration cards issued to three families, audit noticed that their houses were recorded as electrified and hence they were eligible only for the reduced quantity of kerosene (500 ml) per month.

#### 6. Drop out of 14 school going students during the academic year 2022-23 for want of transport facilities

Right to Education Act ensures compulsory education to all children up to the age of 14 years, and it has become the legitimate right of such age group to get education free of cost. In order to ensure the continuous education up to the age 14, the Gothra Saradhi scheme was introduced by the GoK to be implemented both by the Department and LSGIs. However, Chaliyar GP discontinued the Gothra Saradhi scheme for Vettilakolli settlement from April 2022 due to high trip cost. Audit noticed that 14 children of the settlement studying in the classes up to fourth Standard (Two first standard students, one student each of second and third Standard and 10 students of fourth standard) discontinued their education and dropped out during the year 2022-23 for want of transport support facilities. Audit observed that discontinuing the Multi Grade Learning Centre (MGLC) scheme<sup>33</sup> by GoK and stoppage of transport facility by the Grama Panchayat resulted in discontinuation of education of 14 children.

<sup>33</sup> Multi-Grade Learning Centres were single-teacher schools in the remote tribal and coastal areas of the State

### **3.7 Monitoring Mechanism**

Monitoring of project implementation under SCSP/TSP is an essential activity to ensure effective use of resources within given time frame. Audit noticed lack of effective monitoring of the projects implemented by the test checked PRIs to ensure that SCSP and TSP funds received are utilised effectively as detailed in the following paragraphs.

#### **3.7.1 Non-functioning of Working Groups as Monitoring Committees**

Plan formulation guidelines stipulate that each working group on completion of formulation of the plan for the year should act as the Monitoring Committee of the LSGI concerned and should monitor each project formulated and implemented. However out of 68 PRIs test checked, the Working Groups did not act as Monitoring Committees in 17 PRIs.

Further, the Monitoring Committees should be re-constituted when the Convener of the Monitoring Committee becomes the implementing officer. However, out of 68 PRIs test checked, in 54 PRIs the Monitoring Committees were not reconstituted when the Convener became the implementing officer and the implementing officers themselves acted as Conveners of Monitoring Committees.

#### **3.7.2 Non-constitution of Social Audit committees and absence of Social Audit**

The Plan and subsidy guidelines issued by the Government of Kerala stipulate that a Social Audit committee should be constituted at the ward/institution levels to conduct social audit of the various projects implemented by the LSGIs. However, audit revealed that except in Kodakara Block Panchayat, none of the other test checked PRIs has constituted Social Audit Committees and no Social Audit was conducted as stipulated.

#### **3.7.3 Non-conducting of evaluation of the schemes**

Evaluation of projects and schemes helps in enhancing efficiency in planning and implementing schemes/projects thereby promoting better utilisation of resources. Evaluation of the schemes implemented under SCSP/TSP, on regular basis, is essential to assess their impact on the upliftment of socio-economic conditions of the SCs/STs. However, such evaluation studies at the State/PRI level have not been conducted till date.

### **3.8 Conclusion**

Audit revealed significant gaps in the implementation of Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) by Panchayat Raj Institutions in the selected districts in Kerala. The use of outdated data, inadequate allocation to productive sector projects, declining allocation to PRIs and lapse of funds to the tune of ₹68.73 crore and ₹6.69 crore from SCSP and TSP respectively were notable concerns. Furthermore, contaminated drinking water sources were found in 65 Scheduled Caste/Scheduled Tribe settlements. To address socio-economic disparities, it is essential to revamp SCSP and TSP implementation, prioritizing community-centric initiatives and robust monitoring mechanisms.

### 3.9 Recommendations

To address the socio-economic disparities faced by SC and ST communities, the following recommendations are made:

- 1. Conduct comprehensive surveys: Ensure that PRIs conduct regular surveys to identify the socio-economic status of SC and ST communities, for enabling effective SCSP and TSP project formulation.*
- 2. Prioritise basic amenities: Give priority to drinking water supply schemes and individual toilet facilities when planning projects for SC/ST settlements.*
- 3. Promote entrepreneurship: Formulate adequate projects to promote entrepreneurship development among SC/ST communities.*