

CHAPTER VI

AUDIT OF TRANSACTIONS (PANCHAYAT RAJ INSTITUTIONS)

Audit of transactions in the Rural Development and Panchayat Raj Department in the Secretariat, Directorate of Rural Development and Panchayat Raj, three Panchayat Unions in Dindigul, Madurai and Kanniyakumari Districts brought out some instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

6.1 Avoidable expenditure

AGASTEESWARAM PANCHAYAT UNION

6.1.1 Avoidable expenditure on pay and allowances

Pay and allowances of an employee of Agasteeswaram Panchayat Union deputed to District Rural Development Agency was met from its general funds, which resulted in avoidable expenditure of Rs 6.81 lakh.

One carpentry unit was functioning under Agasteeswaram Panchayat Union (Panchayat Union) with one supervisor. As the Director of Rural Development instructed (July 1989) all the District Collectors to ban production of wooden articles in the workshops, the carpentry unit was closed. The supervisor of the carpentry unit was engaged to assist in office work at Panchayat Union. As ordered by District Collector (October 2002), he was deputed to work as Office Assistant in the District Rural Development Agency (DRDA), Nagercoil and his pay and allowances were met from the Panchayat Union funds.

Government of India (GOI) introduced a new scheme 'DRDA Administration' from April 1999 under which administrative cost of DRDA would be funded by GOI and State governments at 75:25 ratio with a ceiling on funding based on the number of blocks in each district. However, the pay and allowances of the employee of erstwhile carpentry unit, deputed to DRDA, Nagercoil was met from the Panchayat Union funds, though the DRDA was receiving funds from GOI under 'DRDA Administration' scheme.

The orders of the District Collector resulted in irregular and avoidable expenditure of Rs 6.81 lakh to the Panchayat Union for the period from November 2002 to March 2008.

The Government stated (October 2008) that the concerned person was redeployed on other duty to another office of the same unit and such practice was followed to cope up with urgent, emergent and increased load of work in that office where the sanctioned strength was insufficient. The Government

further stated that in such cases the pay and allowances were normally met by the parent office.

The reply of the Government is not acceptable as the Panchayat Union is a local body and DRDA is an autonomous body. Further, the person in this case is working in DRDA for the past six years (October 2008).

6.2 Idle investment

T.KALLUPATTI AND KODAIKANAL PANCHAYAT UNIONS

6.2.1 Idle investment due to non-provision of basic amenities

Failure to provide basic amenities resulted in idle investment of Rs 16.21 lakh on construction of four community halls.

Director of Rural Development instructed (February 2000) all Collectors and Project Officers of District Rural Development Agencies not to encourage construction of community halls under any scheme as community halls constructed under various schemes were not being put to use. It was further stated that it would not be wise if community halls were kept locked for months together without generating income. In spite of these instructions, two Panchayat Unions constructed four community halls at a cost of Rs 16.21 lakh resulting in idle investment as discussed in succeeding paragraphs.

(a) T. Kallupatti Panchayat Union

District Collector, Madurai granted administrative approval (June 2001 and July 2002) for construction of community halls in S.Narikudi, Chinnareddipatti and Solaipatti villages in T.Kallupatti Panchayat Union under Member of Parliament Local Area Development (MPLAD) Scheme. The construction of the community halls in the above said villages was completed at a cost of Rs 9.21 lakh (estimated cost: Rs 9.25 lakh) between January 2002 and January 2003. The anticipated yearly income from letting out the halls for private functions was Rs 4,000 at Rs 200 per day (S.Narikudi and Chinnareddipatti) and Rs 6,000 at Rs 300 per day (Solaipatti).

As there were no basic amenities such as power, kitchen utensils and water, and also because the halls were located away from the habitation, community halls were not made use of for five years. The Commissioner, T.Kallupatti Panchayat Union stated (December 2007) that the amount sanctioned was not sufficient to provide such facilities.

On this being pointed out the Government stated (March 2008) that the Presidents of the Village Panchayats were instructed to motivate the public to use the halls as water and power connections were now provided. Further, the Government stated that the community halls were used for conducting Self Help Group, Grama Sabha and Village level meetings and from January 2008 onwards the community halls were also let out for functions on rental basis. The claim that the community halls were being utilised for Grama Sabha, Village level and Self Help Group meetings was not, however, substantiated with dates of such meetings.

From the above, it is evident that the community halls constructed in violation of the instructions of Director of Rural Development was not made use of by the public for more than five years since construction. Even after provision of basic amenities, utilisation was negligible after February 2008 and hence the expenditure of Rs.9.21 lakh incurred on construction of these halls was largely idle investment.

(b) Kodaikanal Panchayat Union

District Collector, Dindigul accorded (September 2006) administrative sanction for construction of a community hall at a cost of Rupees seven lakh at Vadagaunchi Village of Kodaikanal Panchayat Union under MPLAD Scheme.

Scrutiny of records revealed that the construction of community hall was completed in October 2007 at a cost of Rupees seven lakh without providing basic amenities such as power connection and utensils. The hall was not used for any function to date (October 2008). The Commissioner, Kodaikanal Panchayat Union also confirmed (October 2008) the above position.

Construction of a community hall not adhering to the instruction of Director of Rural Development and non-provision of power supply and utensils resulted in idle investment of Rupees seven lakh.

Government replied (December 2008) that the purpose of construction of such community halls was for providing amenities to rural people at a lower cost. Government further stated that the hall can be used for community meeting during day time and hence non-availability of electricity was not a hindrance and that Director of Rural Development did not ban construction of such halls.

As no function has so far been held in the community hall, the reply of the Government did not hold good. The fact remains that a community hall constructed at a cost of Rupees seven lakh was not made use of by public so far.

KODAIKANAL PANCHAYAT UNION

6.2.2 Idle investment on construction of shopping complex

Kodaikanal Panchayat Union did not provide electricity connection to the shopping complex constructed resulting in idle investment of Rs 13 lakh.

Government of Tamil Nadu accorded administrative sanction (March 2002) to Kodaikanal Panchayat Union (Panchayat Union) for the construction of shopping complex comprising 12 shops under Swarnajayanthi Grama Swarozgar Yojana (SGSY). The estimated cost of the work including water supply and electrification was Rs 15 lakh. The work was completed in March 2005 without providing electricity connection at a cost of Rs 13 lakh and the shops were allotted to the self help groups (February 2006) as ordered by Project Officer, District Rural Development Agency at a monthly rent of Rs 250.

The self help groups did not make use of the shops so far (December 2008) and have also not paid the rent due. The Commissioner of the Panchayat Union stated (October 2008) that as there was no electricity connection, none

of the shops were utilised and no rent was collected from the self help groups. The Panchayat Union had not taken action to get electricity connection inspite of instructions (March 2007) of the Project Officer, District Rural Development Agency, Dindigul.

Thus, the failure of the Panchayat Union to provide electricity connection to the shopping complex, even though provision was made for electrification in the estimate, resulted in idle investment of Rs 13 lakh for the past 45 months (December 2008).

Government in their reply (December 2008) stated that (i) self help groups have requested to reduce the rent; (ii) they have agreed to open the shops on assurances given by the Project Officer, Mahalir Thittam; and (iii) provision for electricity connection was not included in the estimate and action was being taken to get electricity connection by utilising the general fund of the Panchayat Union.

The reply of Government proves that the shops were not being used by self help groups. The contention of Government that no provision was made in estimate for electric connection was not also correct as Rs 0.49 lakh was provided in the estimate for electrification and an amount of Rs 0.22 lakh was spent for electrification and the balance amount (Rs 0.27 lakh) should have been utilised for electric connection. Further, as the construction of the complex was completed at Rs 13 lakh as against the estimate of Rs 15 lakh, electricity connection could have been given at that time itself from the savings amount also.

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