

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2006-2008)**

**TWENTY THIRD REPORT**

**On**

**Paragraphs relating to Rural Development Department, contained in  
the Reports of the Comptroller and Auditor General of India  
for the year ended 31st March 2002 (Civil)**

813/2007.

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COMMITTEE ON PUBLIC ACCOUNTS (2006-2008)

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## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report on their behalf, present the Twenty-third Report on paragraph relating to Rural Development Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil).

The Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil) was laid on the Table of the House on July 8, 2003.

The Committee considered and finalised this Report at the meeting held on May 16, 2007.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram,  
10th July, 2007.

ARYADAN MUHAMMED,  
*Chairman,*  
*Committee on Public Accounts.*

## REPORT

### RURAL DEVELOPMENT DEPARTMENT

#### AUDIT PARAGRAPH

#### **Rural Housing (Indira Awas Yojana)**

##### *Introduction*

Indira Awas Yojana (IAY) was delinked from Jawahar Rozgar Yojana and implemented as an independent scheme from January 1996 aimed at rendering financial assistance for construction of dwelling units to beneficiaries from Below Poverty Line (BPL), including freed bonded labourers. Sixty per cent of the dwelling units were to be earmarked for SC/ST. Government also received funds for implementing other Central Sector housing schemes viz., PMGY\*, CCSS†, SAY# and Innovative stream for Rural Housing. While CCSS was implemented in the State only from 2001-02, PMGY had not been implemented at all.

##### *Organisational set up*

The Commissioner of Rural Development (CRD) was in overall charge of implementation of the scheme at the State level and the Project Officer (PO), DRDA at the district level. DRDAs released funds to each BDO under their jurisdiction who was the implementing officer.

##### *Audit coverage*

A test check of records was conducted (January-May 2002) in the Commissioner of Rural Development, four § out of 14 DRDAs and 13 out of the 57 Blocks covering the period 1997-2002. The results of review are brought out in the succeeding paragraphs.

##### *Funding pattern*

Expenditure under IAY was shared between Central and State in the ratio of 80:20 up to 31st March 1999 and 75:25 from 1st April 1999. Eighty per cent of the funds were to be utilised for construction of new houses and 20 per cent for conversion of Kutcha houses to semi pucca/pucca houses. The maximum assistance for new construction was Rs.20,000 in plain areas and Rs.22,000 in hilly/difficult areas. For conversion of Kutcha houses to semi pucca/pucca houses including provision of sanitary latrin and smokeless chulha assistance was Rs.10,000. The assistance was in the form of grants-in-aid.

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\* Pradhan Manthri Gramodaya Yojana

† Credit-cum-Subsidy Scheme

# Samagra

§ Ernakulam, Palakkad, Thiruvananthapuram and Thrissur

The first 50 per cent of allocation was to be released by Government of India to the DRDAs at the beginning of the year. The second was to be released only after State share has been released in full and 60 per cent of available funds were spent. Progress reports, audited accounts, utilisation certificates should also have been submitted in time. The aggregate balance at the beginning of the year should not exceed 15 per cent of allocation. In case of excess balance, 3 times the unspent balance would be deducted from the next instalment.

#### *Financial Performance*

The details of funding were as under:

(Rupees in crore)

Year	Allocation by			Receipt from			Shortfall			Expenditure
	GOI	State Govt.	Total	GOI	State Govt.	Total	GOI	State Govt.	Total	
1997-98	25.53	5.88	29.41	21.48	5.37	26.85	2.05	0.51	2.56	29.76
1998-99	32.11	8.03	40.14	32.11	8.03	40.14	..	..	..	36.32
1999-2000	36.07	12.03	48.10	30.59	8.84	39.43	5.48	3.19	8.67	39.21
2000-01	35.57	11.85	47.42	24.50	8.16	32.66	11.07	3.69	14.76	35.25
2001-02	37.81	12.60	50.41	33.52	11.17	44.69	4.29	1.43	5.72	41.16
Total	165.09	50.39	215.48	142.20	41.57	183.77	22.89	8.82	31.71	181.70

Allocated funds of Rs.22.89 crore were not released by Government of India mainly due to (i) short-release of State share (ii) late submission of proposals and (iii) non-utilisation of funds. The corresponding reduction in State share was Rs.8.82 crore. Thus the total short release amounted to Rs.31.71 crore. Had timely action been taken to get the assistance, 18770 more beneficiaries could have been assisted.

In test checked districts of Thiruvananthapuram, Ernakulam and Thrissur the shortfall in release of Central assistance was Rs.7.67 crore.

#### *Other points*

(i) Though IAY was delinked from JRY with effect from 1st January 1996, no record was available in the CRD on transfer of the closing balance relating to the scheme as on 31st December 1995 to the accounts of the IAY. Government stated (October 2002) that as the funds for the housing component of JRY were not separated from JRY there were practical difficulties in separating the accounts midway through a financial year.

It was seen in the Annual Accounts of 4 sample DRDAs that closing balances for 2000-01 did not include the unspent balances of Rs.10.75 crore with the Blocks under them and showed opening balances of Rs.1.06 crore as on 1st April 2001 instead of actual balances of Rs.11.81 crore. This was Rs.9.59 crore more than the prescribed limit of 15 per cent of total allocation i.e., Rs.2.22 crore. Inflated reporting of financial achievement to Government of India helped the DRDAs to avail excess Central assistance of Rs.28.76 crore during 2001-02 (as reduction of allocation to the extent of 3 times of the excess opening balance of Rs.9.59 crore was avoided). Government admitted (October 2002) the maintenance of accounts and reporting system in the Blocks were ineffective and the DRDAs treated the balances as final expenditure and reported to Government of India inadvertently.

(ii) In Ernakulam and Thrissur DRDAs and in Angamaly Block, Rs. 25.29 lakh had been diverted during 1998-2002 to other schemes (IRDP, MWS) for purchase of coir mat and for establishment expenses.

(iii) In violation of Government of India guidelines State Government allowed a uniform rate of assistance, of Rs.22,000 per house irrespective of terrain, which was irregular. No records were produced to show that approval of Government of India was obtained for this change. No request was also made to Government of India to allot additional funds in this regard.

(iv) It was seen that DRDA, Thiruvananthapuram did not maintain Cash Book till 2000-01 while DRDA, Palakkad had not maintained Cash Book for 2001-02. Eight of the 13 Blocks test checked did not maintain Cash Book. Non-maintenance of Cash Book could lead to diversion, misutilisation and embezzlement of funds.

(v) DRDA, Thrissur released funds to the Blocks under its control which was treated as advance payments. The unutilised balance with the Blocks were shown in the certified accounts of the DRDA as unadjusted advances. During 1995-96 and 1996-97, DRDA, Thrissur paid Rs. 2.88 crore to various Blocks and showed it as 'Advances to BDOs' in the certified accounts for 1996-97 of these, a balance of Rs. 0.95 crore was pending settlement at the end of 1999-2000. The Project Officer (PO) stated (March 2000) that no accounts were maintained by the BDOs upto 1997-98 and no UCs were submitted by the Blocks for settlement of the advances. However, the Project Officer allowed settlement of outstanding advance of Rs. 0.95 crore without verifying the actual utilisation which was highly irregular. In the absence of proper accounts in the Blocks possibility of defalcation/mis-utilisation of funds could not be ruled out.

(vi) Government of India guidelines provided for deposit of IAY funds only in interest bearing savings bank accounts of Nationalised/Scheduled/Co-operative Banks or Post Office. The interest so earned was to be ploughed back into the scheme. Two instances of deposit of funds in non-interest bearing deposit, in violation of Government of India guidelines, are indicated below.

(a) In Vypeen Block under Ernakulam DRDA, out of Rs. 1.11 crore received during 1997-2002, Rs. 0.56 crore were spent upto March 2002 and balance of Rs. 0.55 crore was kept in the Personal Deposit, Treasury Public Accounts and non-interest bearing current account with a Public Sector Bank. Irregular deposit of scheme funds in violation of Government of India norms resulted in loss of interest. The loss could not be quantified in audit due to non-availability of pass books and connected records. The huge balance held by the Block indicated poor implementation and ineffective monitoring of the scheme.

(b) One BDO (BDO Vamanapuram) under DRDA, Thiruvananthapuram operated non-interest bearing account in two Service Co-operative Banks for a total period of 49 months for depositing the IAY funds. The authority for opening such accounts with Service Co-operative Banks was not produced to Audit. The loss of interest during the period May 1998 to February 2002 worked out to Rs. 0.68 lakh.

Government stated (October 2002) that the Panchayat functionaries, being new in administration, were unaware of the programme guidelines.

*Beneficiary identification*

(i) From April 1998 onwards the DRDAs were to fix the target for construction of houses panchayat-wise on the basis of funds allocation and intimate the same to Grama Panchayats. Thereafter, the Grama Sabha was to select the beneficiary restricting the number to the target allocated. Four test checked DRDAs assigned targets to Blocks instead of to Grama Panchayats. Government stated (October 2002) that targets were assigned to the blocks for the sake of better supervisory control and co-ordination. However, this was contrary to the guidelines.

(ii) In Thiruvananthapuram District, the scheme could not be implemented in 4 Panchayats in 3 test checked Blocks, during the year 2000-01 as beneficiary lists were not finalised by Pallikkal Panchayat in Kilimanoor Block, Nellanad and Vamanapuram Panchayats in Vamanapuram Block and Anad Panchayat in Nedumangad Block.

(iii) As per the guidelines, 60 *per cent* of IAY funds were to be set apart for SC/ST. On a test check of the IAY records in 3 Blocks\* it was noticed that during the period 1998-2002 the percentage of SC/ST beneficiaries assisted ranged between 10 and 53. In Vypeen block no beneficiary from SC/ST was assisted during 2001-02. Government stated (October 2002) that there had not been enough number of eligible SC/ST beneficiary families as the erstwhile housing schemes had targeted only SC/ST households.

*Physical and Financial Achievement*

(i) The physical target and achievement as reported to Government of India was as under:

Year	Target (No. of houses)		Achievement (No. of houses)		Percentage of achievement	
	New construction	Upgradation	New construction	Upgradation	New construction	Upgradation
1997-98	12454	Nil	12834	Nil	103	..
1998-99	17726	Nil	9452	Nil	53	..
1999-2000	18945	9473	18212	2517	96	27
2000-01	18945	9473	14692	4400	78	46
2001-02	18328	10083	13386	7181	73	71
Total	86398	29029	68576	14098	..	..

The achievement for the State for 2001-02 reported to Government of India was 73 and 71 *per cent* for new construction and upgradation respectively. However, achievement in 4 sample DRDAs during the period was only 31 and 29 *per cent* respectively.

In respect of new construction/upgradation, while the BDOs of Thiruvananthapuram and Ernakulam Districts reported physical achievement of 37/52 and 22/19 respectively, the DRDAs reported higher achievement to Government of India, viz., 76/65 for Thiruvananthapuram 38/34 for Ernakulam.

\* Kodakara, Ollukara, Vypeen

Due to poor achievement of targets by blocks, cash balance of Rs.10.69 crore as of March 2002 was available with 4 DRDAs as indicated below:

<i>District</i>	<i>Target (including spillover works)</i>		<i>Achievement</i>		<i>Percentage of achievement</i>		<i>Cash balance in the District as on 31-3-2002 (Rs in lakh)</i>
	<i>New construction</i>	<i>Upgradation</i>	<i>New construction</i>	<i>Upgradation</i>	<i>New construction</i>	<i>Upgradation</i>	
Palakkad	3828	2368	1462	423	38	18	520.26
Thrissur	3364	1322	824	413	24	31	287.54
Ernakulam	2347	1195	505	232	22	19	149.57
Thiruvananthapuram	2265	1500	830	780	37	52	111.14
<b>Total</b>	<b>11804</b>	<b>6385</b>	<b>3621</b>	<b>1848</b>	<b>31</b>	<b>29</b>	<b>1068.51</b>

A test check in 12 Blocks in 4 DRDAs revealed that the time taken for completion of construction of houses ranged up to 4 years. In the above blocks, out of 4825 houses taken up for construction (including upgradation) 1297 houses remained incomplete as of March 2002 even after spending Rs.2.33 crore on them. The year-wise details are given below:

<i>Year</i>	<i>No. of houses taken up for construction (including upgradation)</i>	<i>No. of houses remained incomplete as of March 2002</i>	<i>Percentage of incomplete houses to the total houses taken up</i>	<i>Expenditure incurred on incomplete houses (Rs. in crore)</i>
1997-98	621	93	15	0.21
1998-99	1846	284	15	0.62
1999-2000	1148	346	30	0.71
2000-01	1210	574	47	0.79
<b>Total</b>	<b>4825</b>	<b>1297</b>	<b>27</b>	<b>2.33</b>

The reasons for poor achievement of targets was attributed by BDOs to delay in obtaining beneficiary lists from Grama Panchayats, cost of construction of houses exceeding Rs.22,000 and difficulty of beneficiaries in mobilising additional resources.

(ii) As per IAY guidelines, financial assistance could be given to BPL families having no house of their own. But from 1st April 1999, financial assistance upto Rs.10,000 could also be given for conversion of existing 'kutcha' houses to 'pucca' houses. Deviation from the above provisions was noticed in the following cases:—

(a) During the period 1997-99, Rs.91.92 lakh was disbursed for construction of new houses to 312 beneficiaries in 14 blocks in 5 districts who were having a house of their own.

(b) In 7 Panchayats in 6 blocks in Palakkad and Thrissur, Rs.16.91 lakh was paid to 66 persons who were not in the BPL survey list.

(c) In 8 blocks in 3 districts, 250 beneficiaries who possessed kutcha houses were given assistance at the rate of Rs.22,000 instead of Rs.10,000 admissible. The excess amount paid worked out to Rs. 43.77 lakh.

*Construction of smokeless chulhas and sanitary latrines*

As per the progress report furnished to Government of India out of 68576 houses constructed during 1997-2002, 44217 houses (64 per cent) and 16758 houses (24 per cent) were not provided with smokeless chulhas and sanitary latrines respectively. In test checked districts, out of 4825 new houses constructed, 2474 houses (51 per cent) were not provided with smokeless chulhas and of the 3534 new houses constructed in 9 Blocks in 3 districts, 1248 houses (35 per cent) were not provided with sanitary latrines. According to BDO the beneficiaries were not interested in smokeless chulhas. The low percentage of construction of latrines was stated to be lack of interest on the part of beneficiaries and the provision of assistance for latrines in other schemes like Rural Sanitation Programme.

*Allotment of houses to the male members of the household*

In 11 Blocks of the 4786 new houses constructed, 1311 (27 per cent) dwelling units were in the name of male members only. In 3 Blocks viz., Kothamangalam, Angamali and Malampuzha more than 50 per cent of the ownership of the houses was with male members. Non-compliance with GOI guidelines to allot houses in the name of wife or jointname of the couple was due to the fact that the land on which the houses were constructed were in the name of male members.

*Other programmes under Rural Housing*

Apart from IAY, five housing schemes were launched by Government of India from April 1999 to alleviate the problem of shortage of houses. The status of implementation of these schemes are indicated below:

<i>Name of the scheme</i>	<i>Allocation of Central assistance (Rs. in lakh)</i>	<i>Central assistance received (Rs. in lakh)</i>	<i>Purpose of assistance</i>	<i>Status of implementation &amp; reasons thereof</i>
(1)	(2)	(3)	(4)	(5)
Pradhan Mantri Gramodya Yojana	1036.20 (2000-01)	518.10 (July 2000)	To reduce shortage of houses in rural areas	Not implemented. Government stated (October 2002) that the Special Central Assistance received under PMGY was utilised for construction of houses for BPL families taken up by the Panchayati Raj Institutions under the Campaign for Decentralised Planning. This tantamounts to diversion of PMGY funds.
Credit-cum-subsidy scheme	230.30 (1999-2000)	115.15 (July 1999)	To provide subsidy of Rs.10,000 to each rural household having income upto Rs.32,000 per annum	As corresponding State share of Rs.38.38 lakh relating to 1999-2000 was released only after 18 months, the scheme could be implemented only during 2001-02. Consequently, the second instalment of Rs.115.15 lakh was lost.

(1)	(2)	(3)	(4)	(5)
Samagra Awaas Yojana	25.00 (1999-2000)	25.00 (February 2000)	Comprehensive rural housing scheme	Amount was released to Ponnani Block in Malappuram District to provide infrastructure and community facilities such as drinking water, sanitary facilities (Rs.20 lakh) and for information, education and communication activities (Rs.5 lakh). The amount was diverted for construction of houses under IAY
Rural Building Centres	30.00 (1999-2000)	Nil	Setting up of two RBCs at a cost of Rs.15 lakh per RBC towards grant-in-aid	As State Government failed to submit the Project Report, the Central assistance was not released (October 2002)
Innovative stream for Rural Housing and Habitat Development	20.00 (2000-01)	8.00 (March 2001)	Development of Narakkal and Nayaram-balam villages in Vypeen Block in Ernakulam district by M/s Welfare Services, Ernakulam, an NGO	Amount utilised by the NGO as per norms laid down by Ministry and the second instalment was awaited from Government of India (October 2002)

*Monitoring and Evaluation*

No evaluation of the implementation of the scheme was done by any agency in the 4 districts test checked. Neither Technological Evaluation of the houses constructed under IAY was done nor any monitoring by State level/

District level officers was made. Inventory Registers were not maintained in any of the test checked blocks. However, year-wise Beneficiary Registers were maintained showing the name of beneficiary, details of instalments paid, details of completion of houses, etc.

[Paragraph 3.2 contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)]

Notes received from Government are included in Appendix II.

On the funding pattern, the witness apprised the Committee that there were cuts in the release of IAY Fund due to the huge opening balance shown out of short falls and excess carry over of funds in each year.

2. Observing the shortfall of Rs.31 crores in the year 2002, the Committee desired to know the reason for the huge shortfall and asked why timely action has not been taken. The ADC answered that it was due to excess carry over balance. The Principal Secretary, RDD informed that it was compensated by additional allocation. The Principal Secretary, RDD added that the cases under consideration were old and during the previous year the expenditure was above 92% in all districts. There had been no financial cut from 2002-03 onwards.

3. Regarding the short release of Rs.1.34 crores that happened in 14 districts the Committee came to know that it was recouped. On being asked why the expenditure statement of Block did not contain the unspent money as accounted, the Principal Secretary, RDD replied that it was accounted from 2002-03 onwards.

4. To a question regarding diversion of funds by DRDAs of Ernakulam and Thrissur and Angamaly Block, the ADC informed it was also recouped. The Committee accepted the reply.

5. When asked whether it was decided to allow a uniform rate of assistance of Rs. 22,000 per house the ADC replied that the Government of India guidelines permitted to sanction that amount to difficult areas. The Principal Secretary, RDD added that the decision was properly taken by the State Level Empowered Committee.

6. Pointing out the pendency of Rs. 0.95 crores due to non-adjustment of advance payment made by DRDA, Thrissur to Block panchayats and the possibility of defalcation/misutilisation of funds because of the absence of proper accounts the Committee sought clarification in the matter. The ADC responded that during the initial phase the proposals for the scheme were submitted without

insisting on Block wise utilisation certificates and that the funds released to Block panchayats were treated as expenditure. It was revised now. As per the new procedure, utilisation certificates were insisted in addition to the certification by Chartered Accountant. The Committee accepted the reply.

7. The Committee found that the Indira Awas Yojana Fund was deposited in P.D. Accounts in Treasuries instead of in interest bearing savings Bank accounts of a Nationalised/Scheduled Bank as insisted in the guidelines. On being asked the reasons for this violation of the guidelines the witness informed that as per orders issued by Finance Department, the funds of all centrally sponsored schemes should be credited to PD account and then transferred to Bank account. But, when the money was credited to PD accounts, it was locked up in Treasury due to treasury restrictions. Now all the problems were completely sorted out and for each scheme there would be a separate bank account. He added that there was no lapse on the part of any officer in this regard.

8. As regards the poor implementation and ineffective monitoring of the scheme by the Vypeen Block, the witness intimated that the scheme had been completed. To a question on deposit of funds in co-operative banks, the ADC stated that as per the guidelines IAY funds should be kept in a nationalised/scheduled or co-operative bank or post office in an exclusive and separate Savings Bank account.

9. The Committee was informed that as per guidelines DRDAs were to fix Panchayat-wise target and intimate the same to Grama Panchayat. The scheme, perhaps, might have been implemented by Grama Panchayats in other states. But, the implementing agency in the state was Block Panchayats and they had their own field staff for the purpose. Hence DRDA assigned the targets to Block Panchayats.

10. With regard to non-implementation of the scheme in 3 Panchayats in Thiruvananthapuram district, the Committee was informed that it was due to delay in getting the beneficiary list from Panchayats. The Principal Secretary, RDD intimated that the matter had been taken up with the planning commission and they permitted to use the previous list in case the present list was not finalised.

11. Observing the low coverage of SC/ST target, the Committee recommended that an enquiry as to why the target for the SC/ST was not met should be conducted.

12. The Committee noticed that in some districts the physical and financial achievement was very poor and in some other there was full achievement. The Committee wanted to know whether the Department had examined the reason for poor achievement. Besides, the Committee understood that the data submitted by the DRDAs and Blocks did not agree with that of Accountant General. When asked whether any study had been conducted in this regard, the witness replied in the negative. The Committee recommended that a detailed enquiry on the physical and financial achievement should be carried out and a report containing the actual performance and the reason for the poor achievement be furnished to the Committee urgently.

13. When enquired why sanitary latrines were not provided, the ADC answered that the beneficiaries had been provided with the facility through some other schemes.

14. The Committee wanted to know what was the obstacle to allot houses in the joint ownership of husband and wife, though the land was owned by the husband. The ADC said that such a decision was taken at implementing officers level to enable recovery in case of misutilisation of the funds. He added that substantial, houses were allotted to female members and the number of houses allotted to female members was increasing.

15. The ADC informed that the paragraph 3.2.9 actually related to Planning Department. On being enquired why the State Government did not approach Government of India for the second instalment of credit cum subsidy the witness informed that it was a new scheme and the State's share could not be provided in the year 1999-2000. Now it was disbanded as a separate scheme and carried out as a part of IAY. With regard to the non-submission of Project Report for Rural Building Centres the Committee came to know that the Project Report prepared by Nirmithi Kendra was not considered by the Government of India. The Committee was also informed that the Innovative Stream for Rural Housing and Habitat Development at Nayarambalam had been completed.

#### **Conclusions/ Recommendations**

**16. The Committee understands that Indira Awas Yojana was delinked from the JRY Scheme and implemented through the Block Panchayats in January 1996 with the intention to render financial assistance to the families living below poverty line (BPL) for constructing houses.**

17. The Committee observes that eventhough Government of India guideline insists 60% of the dwelling units to be earmarked for SC/ST

Community their participation in the scheme was far below the prescribed norms ie. ranged from 10% to 53%. The Committee finds that since one of the main objectives of the scheme is providing sufficient dwelling units for the SC/ST population in the country, the low target for their participation in the implementation of the scheme in the State is a matter of grave concern which deserves more attention of the authorities. Hence, the Committee recommends that a detailed study regarding the reasons for the low coverage of SC/ST families under IAY be conducted and the report be furnished to the Committee without delay.

18. The Committee understands that the account regarding the physical and financial achievement of the scheme in the state submitted by DRDAs and Blocks did not agree with that of Accountant General. The Committee directs the department to fix responsibility against those who had diverted and misutilised the funds for the scheme and to take action against them. The Committee recommends proper maintenance of Cash Book by the DRDAs. The Committee further recommends that the BDOs should forward the monthly account statements to the the Block Panchayath for inspection. The Committee suggests that the Block Panchayath should select beneficiaries from the existing list on a priority basis. The Committee suggests that the complaints regarding Panchayath be forwarded to Ombudsman. Steps should be taken to ensure that meeting of State Level Committees are conducted regularly. The Committee recommends that a detailed enquiry on the physical and financial achievement in the Indira Awas Yojana Scheme should be carried out and the report containing the actual performance and the reason for the poor achievement should be furnished to Committee urgently.

19. The Committee is given to understand that no evaluation of the implementation of the scheme had been done so far and there was absence of an effective monitoring system for IAY in the State. The Committee urges the department to forward to it the details regarding the mechanism used for the evaluation of the scheme and also the present status of Indira Awas Yojana.

ARYADAN MUHAMMED,

*Chairman,  
Committee on Public Accounts.*

Thiruvananthapuram,  
10th July, 2007.

## APPENDIX I

**Summary of Main Conclusions/Recommendations**

<i>Sl.No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Conclusions/Recommendations</i>
(1)	(2)	(3)	(4)
1	16	Local Self Govt. (Rural Development)	The Committee understands that Indira Awas Yojana was delinked from the JRY Scheme and implemented through the Block Panchayats in January 1996 with the intention to render financial assistance to the families living Below Poverty Line (BPL) for constructing houses.
2	17	„	The Committee observes that eventhough Government of India guideline insists 60% of the dwelling units to be earmarked for SC/ST Community their participation in the scheme was far below the prescribed norms i.e., ranged from 10% to 53%. The Committee finds that since one of the main objectives of the scheme is providing sufficient dwelling units for the SC/ST population in the country, the low target for their participation in the implementation of the scheme in the State is a matter of grave concern which deserves more attention of the authorities. Hence, the Committee recommends that a detailed study regarding the reasons for the low coverage of SC/ST families under IAY be conducted and the report be furnished to the Committee without delay.
3	18	„	The Committee understands that the account regarding the physical and financial achievement of the scheme in the state submitted by DRDAs and

(1)	(2)	(3)	(4)
			<p>Blocks did not agree with that of Accountant General. The Committee directs the department to fix responsibility against those who had diverted and misutilised the funds for the scheme and to take action against them. The Committee recommends proper maintenance of Cash Book by the DRDAs. The Committee further recommends that the BDOs should forward the monthly account statements to the Block Panchayath for inspection. The Committee also suggests that the Block Panchayath should select beneficiaries from the existing list on a priority basis. The Committee also suggests that the complaints regarding Panchayath be forwarded to Ombudsman. Steps should be taken to ensure that meeting of state level committees are conducted regularly. The Committee recommends that a detailed enquiry on the physical and financial achievement in the Indira Awas Yojana Scheme should be carried out and the report containing the actual performance and the reason for the poor achievement should be furnished to Committee urgently.</p>
4	19	<p>Local Self Govt. (Rural Development)</p>	<p>The Committee is given to understand that no evaluation of the implementation of the scheme had been done so far and there was absence of an effective monitoring system for IAY in the State. The Committee urges the department to forward to it the details regarding the mechanism used for the evaluation of the scheme and also the present status of Indira Awas Yojana.</p>

## APPENDIX II

FORMAT FOR FURNISHING ACTION TAKEN NOTES ON  
COMPTROLLER AND AUDITOR  
GENERAL'S REPORTS

- I (a) Department : Local Self Government (Rural Development) Department
- (b) Subject /Title of the Review/: Rural Housing (Indira Awas Yojana) Paragraph
- (c) Paragraph No : 3.2
- (d) Report Number and year : Audit Report (Civil) for the year ended 31st March 2002.
- II (a) Date of receipt of the :  
Draft Paragraph/ Review  
in the Department.
- (b) Date of Department's :  
Reply
- III List of Paragraph/Review :
- |          |  |
|----------|--|
| 3.2.1    | Introduction                                     |
| 3.2.2    | Organizational Setup                             |
| 3.2.3    | Audit Coverage                                   |
| 3.2. 4.1 | Funding  |
| 3.2.4.2  | Financial performance                            |
| 3.2.4.3  | Other points                                     |
| 3.2.5    | Beneficiary identification                       |
| 3.2.6    | Physical and Financial Achievements              |
| 3.2.7    | Construction of smokeless choolah                |
| 3.2.8    | Allotment of houses to male members of household |
| 3.2.9    | Other programmes under Rural Housing             |
| 3.2.10   | Monitoring and Evaluation                        |

IV (a) Does the Department agree with the facts and figures included in paragraph; : There is disagreement on the following points Included in the paragraph.

(1) Para 3.2.4.3 (iii) : In violation of Government of India guidelines, S t a t e m e n t Government allowed a uniform rate of assistance of Rs.22,000 per house;

(2) Para 3.2.6 (ii) (a) : Rs.91.92 lakhs was disbursed for construction of new houses to 312 beneficiaries who were having a house of their own;

(3) Para 3.2.6 (ii) (c) : 250 beneficiaries who possessed Kutcha houses were given assistance at the rate of Rs. 22,000 instead of Rs.10,000 ;

(b) If not, please indicate the areas of disagreement and also attach copies of relevant documents in support. : The areas of disagreement are indicated below:

(1) Para 3.2.4.3 (iii) : The State level Co-ordination Committee was

empowered Government of India to decide whether a particular area qualifies to be treated as a difficult area for the purpose of determining IAY house unit cost. Therefore the action in having allowed higher unit cost is not violative of guidelines;

(2) Para 3.2.6 (ii) (a) : The guidelines do not specifically insist that the beneficiaries of IAY should not have any house at all. The 312 beneficiaries who were given assistance were having only name sake houses which were unfit for occupation and which were of poor stability;

(3) Para 3.2.6 (ii) (c) : The assistance sanctioned and given were not for upgradation but for constr-

ucting new houses after dismantling the existing houses which were unfit for occupation. So the assistance of Rs.22,000 given is not irregular.

- V (a) Does the Department agree with the Audit conclusions :
- (b) If not, please indicate specific areas of disagreement with reasons for disagreement and also attach of relevant documents, where necessary ? :
- The Audit does not give any specific conclusion.

#### VI Remedial Action Taken

1. Improvement in system and procedures including internal controls
  - (1) More than 90% of the available funds were utilized during 2001-2002, 2002-2003 and 2003-2004;
  - (2) Proposals for 2nd instalment of Central Assistance is being sent sufficiently early;
  - (3) The delay in selection of beneficiaries have been minimized.
2. Recovery of overpayment pointed out by audit : Nil
3. Recovery of under assessment, short levy or other dues : Nil
4. Modifications in the scheme and programmes including financing pattern : Government of India, Ministry of Rural Development have revised the IAY guidelines with effect from 10-4-2004.

**Action Taken Report on Comptroller and Auditor Generals Report on Rural Housing  
(Indira Awas Yojana) for the year ended on 31-3-2002**

<i>Audit observation</i>	<i>Remarks Action Taken</i>
(1)	(2)
<p><i>Highlights</i></p> <p>Indira Awas Yojana (IAY) implemented by Government of India (GOI) as an independent scheme from January 1996 was aimed at rendering financial assistance for construction of dwelling units to beneficiaries from Below Poverty Line (BPL) Scheduled Caste/Scheduled Tribe population, freed bonded labourers; ex-service men, physically and mentally challenged persons and also to non-SC/ST BPL rural households. The review revealed failure to avail Central assistance, short release of funds by State Government, financial achievement being inflated to obtain excess Central assistance, improper maintenance of accounts, delay in completion of houses, payment of assistance at enhanced rates, ineligible/ excess payment of assistance, etc.</p> <p>Rs. 22.89 crore of Central assistance could not be availed due to under utilization of funds. State share was short/ released by Rs. 8.82 crores. (Paragraph 3.2.4.2)</p>	<p>Comments given against the respective paras</p> <p>Comments given against the respective paras</p>

Four DRDAs showed higher financial achievement of Rs. 10.75 cores in the Block to obtain excess Central assistance of Rs. 28.76 crores  
[Paragraph 3.2.4.3 (i)]

Comments given against the respective paras

Physical achievement reported to GOI by Thiruvananthapuram and Ernakulam DRDAs were in excess by 19 per cent and 16 per cent respectively.  
[Paragraph 3.2.6(i)]

Comments given against the respective paras

Ineligible/ excess payment of assistance in three districts amounted to Rs. 1.58 cores  
[Paragraph 3.2.6 (ii)]

Comments given against the respective paras

Out of 68576 houses constructed 64 per cent were not provided with smokeless chulhas and 24 per cent did not have sanitary latrines  
[Paragraph 3.2.7]

Comments given against the respective paras

3.2.1

**Introduction**

No Comments

Indira Awas Yojana (IAY) was delinked from Jawahar Rozgar Yojana and implemented as an independent scheme from January 1996 aimed at rendering financial assistance for construction of dwelling units to beneficiaries from Below Poverty

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	(1)	(2)
	<p>Line (BPL), including freed bonded labourers. Sixty per cent of the dwelling units were to be earmarked for SC/ST. Government also received funds for implementing other Central Sector housing schemes viz. PMGSY, CCSS, SAY and innovative stream for Rural Housing. While CCSS was implemented in the State only from 2001-02. PMGY had not been implemented at all.</p>	
3.2.2.	<p><b>Organisational set up</b></p> <p>The Commissioner of Rural Development (CRD) was in overall charge of implementation of the scheme at the State level and the Project Officer (PO), DRDA at the district level. DRDAs released funds to each BDO under their jurisdiction who was the implementing officer.</p>	No Comments
3.2.3	<p><b>Audit Coverage</b></p> <p>A test check of records was conducted (January-May 2002) in the Commissioner of Rural Development, four out of 14 DRDAs and 13 out of the 57 Blocks covering the period 1997-2002. The results of review are brought out in the succeeding paragraphs</p>	No Comments

3.2.4.1

***Funding pattern***

No Comments

Expenditure under IAY was shared between Central and State in the ratio of 80:20 up to 31 March 1990 and 75:25 from 1st April 1999. Eighty per cent of the funds were to be utilized for construction of new houses and 20 per cent for conversion of Kutcha houses to semi pucca/pucca houses. The maximum assistance for new construction was Rs. 20,000 in plain areas and Rs. 22,000 in hilly difficult areas. For conversion of Kutcha houses to semi pucca/pucca houses including provision of sanitary latrine and smokeless chulha assistance was Rs. 10,000. The assistance was in the form of grants-in-aid.

The first 50 per cent of allocation was to be released by GOI to the DRDAs at the beginning of the year. The second was to be released only after State Share has been released in full and 60 per cent of available funds were spent. Progress reports, audited accounts, utilization certificate should also have been submitted in time. The aggregate balance at the beginning of the year should not exceed 15 per cent of allocation. In case of excess balance, 3 times the unspent balance would be deducted from the next installments.

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	(1)	(2)
3.2.4.2	<b>Financial performance</b>	
3.2.4.3	<b>Other Points</b>	
Closing Balance of 4 DRDAs did not include Rs.10.75 crore remained unspent with the Blocks under them	(i) Though IAY was delinked from JRY with effect from 1st January 1996, no record was available in the CRD on transfer of the closing balance releasing to the scheme as on 31st December 1995 to the accounts of the IAY. Government stated (October 2002) that as the funds for the housing component of JRY were not separated from JRY there were practical difficulties in separating the accounts midway through a financial year. It was seen in the Annual Accounts of 4 sample DRDAs that closing balances for 2000-01 did not include the unspent balances of Rs. 10.75 crore with the Blocks under them and showed opening balances of Rs. 1.06 crore as on 1st April 2001 instead of actual balances of Rs. 11.81 crore. This was Rs. 9.59 core more than the prescribed limit of 15 per cent of total allocation i.e., Rs. 2.22 crore. Inflated reporting of financial achievement to GOI helped the DRDAs to avail excess Central assistance of Rs. 28.76 crore during 2001-02 (as reduction of allocation to the extent of 3 times of the excess	(i) Maintaining separate accounts for IAY was started from 1-4-1996 only. There was only one Bank account for JRY and housing component of JRY was not separated from it. But the JRY provision (earmarked for housing) has been utilized for IAY till 31-3-1996, though it was delinked from JRY with effect from 1-1-1996. There was practical difficulties in separating the accounts midway of the financial year. At the DRDA level, earmarked funds of IAY were utilized exhaustively for IAY and the unspent balance was brought with IAY account as opening balance.  Normally construction of all those houses sanctioned and started in a given year could not be completed during that year itself. This will result in the Blocks keeping a portion of the funds they receive every year under IAY as unspent balance. Maintenance of accounts and the reporting

opening balance of Rs. 9.59 crore was avoided). Government admitted (October 2002) that maintenance of accounts and reporting system in the Blocks were ineffective and the DRDAs treated the balances as final expenditure and reported to GOI inadvertently.

system in the Blocks were not that effective during the period under audit. Hence there were unspent balances in the Blocks and unaware of this, the DRDAs treated the funds released to Blocks as expenditure and reported to Government of India. This was never intentional and only an inadvertent error. The closing balance of the scheme is now reckoned taking into account the unspent balance of Blocks duly verified and certified by Chartered Accountants.

S h o r t  
release of  
f u n d s  
amounted  
to Rs.  
31.71 crore

Allocated funds of Rs. 22.89 crore were not released by GOI mainly due to (i) short-release of State Share (ii) late submission of proposals and (iii) non-utilisation of funds. The corresponding reduction in State Share was Rs. 8.82 crore. Thus the total short release amounted to Rs. 31.71 crore. Had timely action been taken to get the assistance, 18770 more beneficiaries could have been assisted.

The total allocation (Central & State) for the programme for the period from 1997-98 to 2001-02 was Rs. 207.98 lakhs. The total release for the period including additional allotment of Rs. 5.96 crores by Government of India and Rs. 1.54 crores by State Government was Rs. 183.77 crores. Thus the total short release for the programme was Rs. 24.21 crores (207.98 - 183.77). The additional allotment of Rs. 7.50 crores shall not be added upto the allocation as the additional allotment is made by Government of India out of the

(1)	(2)
<p>In test checked districts of Thiruvananthapuram, Ernakulam and Thrissur the shortfall in release of Central assistance was Rs. 7.67 crore.</p>	<p>amount of savings on account of cut/ deductions made on the allocations of the DRDAs.</p> <p>The reason for short release of Central Assistance are (i) short release of State Share, (ii) delayed submission of claims of second instalment of Central assistance and in a few cases due to the non-utilisation of the prescribed minimum funds.</p> <p>Due to the treasury restrictions from time to time, release of State share was delayed on many occasions. The DRDAs used to send the proposals for second instalment well before 31st December. But in some cases, the Ministry may ask for clarifications of defects or additional informations or rectifications. The date of receipt of such clarifications are deemed as the date of receipt of the proposals. Project Officers of DRDAs have been made aware of the common objections made in the proposals submitted to the Ministry to ensure that the proposals are submitted to the Ministry defects free.</p>

(ii) In Emakulam and Thrissur DRDAs and in Angamaly Block, Rs. 25.29 lakh had been diverted during 1998-2002 to other schemes (IRDP, MWS) for purchase of coir mat and for establishment expenses.

The selection of beneficiaries of IAY is to be made in Grama Sabha. Often there was delay in selecting beneficiaries from the Grama Sabha. The delay in selection badly affects the starting of construction of houses and fund utilization. This is the main reason for a few DRDAs not utilizing the minimum funds to avoid excess carryover balance during the next year.

(ii) Project Officer, DRDA, Ernakulam had incurred an amount of Rs. 1.27 lakhs towards administrative costs on presumption that 2% of the IAY funds can be utilized for administrative costs as in the case of IRDP and JRY. The amount of Rs. 1.27 lakhs diverted was recouped to the IAY account by Project Officer, DRDA, Ernakulam as per proceedings No. D2-1461/2003/DRDA, dated 7-10-2003 (copy attached).

(iii) Project Officer, DRDA, Thrissur had incurred an amount of Rs. 4.40 lakhs towards administrative costs on

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(1)	(2)
<p>(iii) In violation of GOI guidelines State Government allowed a uniform rate of assistance of Rs. 22,000 per house irrespective of terrain,</p>	<p>presumption that 2% of the IAY funds can be utilized for administrative costs as in the case of IRDP and JRY. The amount of Rs. 4.40 lakhs diverted was recouped to the IAY account by Project Officer, DRDA, Ernakulam as per proceedings No. F.942/02, dated 31-3-2003 (copy attached).</p> <p>Block Panchayat Secretary, Ankamali had recouped Rs.0.08 lakhs to the IAY account from basis tax grant as per the Proceedings No. C.2093/03, dated 31-12-2003 (copy attached)</p> <p>Block Development Officer, Ankamali had wrongly credited Rs. 19.54 lakhs released for CRSP, JRY and MWS in the IAY Account. Subsequently, the amount has been taken from IAY account by Self-Cheque and credited to the respective accounts of CRSP, JRY and MWS. Hence it is not a diversion of IAY funds.</p> <p>(iii) Government of India in their letter No. M.20042/5/87-JRY II (Vo1.II) dated 4-6-1990 have informed that the State</p>

which was irregular. No records were produced to show that approval of GOI was obtained for this change. No request was also made to GOI to allot additional funds in this regard.

Level Co-ordination Committee will be competent to decide whether a particular area qualifies to be termed as difficult area for the purpose of determining IAY unit cost. Considering the difficulty in getting construction material locally and the difficulty in getting skilled masons and carpenters, the State Level Co-ordination Committee decided to declare the entire State as difficult area. The decision was taken to ensure construction of better quality houses though the number of houses to be constructed may go down slightly. This was continued even after delinking IAY from JRY. Now the entire state is being treated as difficult area as far as IAY is concerned. Government of India's approval is not required for this as the State Level co-ordination Committee is competent to decide this matter. The allocation of IAY is made on the basis of funds and not on the basis of physical numbers. Therefore the question of releasing additional funds does not arise in this case.

(1)	(2)
<p>(iv) It was seen that DRDA, Thiruvananthapuram did not maintain Cash Book till 2000-01 while DRDA, Palakkad had not maintained Cash Book for 2001-02. Eight of the 13 Blocks test checked did not maintain Cash Book. Non-maintenance of Cash Book could lead to diversion, misutilisation and embezzlement of funds.</p>	<p>(iv) Due to restrictions imposed by the State Government, blocks and DRDAs till recently could not operate as many Bank accounts as they wished. With the result, in some DRDAs and Blocks there were no separate Bank accounts for IAY and this explains the absence of a separate Cash Book exclusively for IAY. Now the situation has changed and separate bank accounts and Cash Books are maintained in all DRDAs and Blocks for IAY.</p>
<p>(v) DRDA, Thrissur released funds to the Blocks under its control which was treated as advance payments. The unutilized balance with the Blocks were shown in the certified accounts of the DRDA as unadjusted advances. During 1995-96 and 1996-97, DRDA, Thrissur paid Rs. 2.88 core to various Blocks and showed its as 'Advances to BDOs' in the certified accounts for 1996-97. Of these, a balance of Rs. 0.95 crore was pending settlement at the end of 1999-2000. The Project Officer (PO) stated (March 2000) that no accounts were maintained by the BDOs upto 1997-98 and no UCs were submitted by the Blocks for settlement</p>	<p>(v) Adjustment of advances made to BDOs under IAY is normally done on the basis of progress reports and details furnished by Blocks regarding utilization of funds. The Utilisation Certificates are not always insisted upon.</p> <p>The Internal Audit Wing of the RDD used to inspect the Blocks in the State and audit the accounts. Though a number of accumulated unspent balance have been detected, no case of misappropriation of IAY funds has so far been reported. Now</p>

of the advances. However, the PO allowed settlement of outstanding advance of Rs. 0.95 crore without verifying the actual utilization which was highly irregular. In the absence of proper accounts in the Blocks possibility of defalcation/misutilisation of funds could not be ruled out.

(vi) GOI guidelines provided for deposit of IAY funds only in interest bearing savings bank accounts of Nationalized/Scheduled/ Co-operative Banks or Post Office. The interest so earned was to be ploughed back into the scheme. Two instances of deposit of funds in non-interest bearing deposit, in violation of GOI guidelines, are indicated below.

(a) In Vypin Block under Ernakulam DRDA, out of Rs. 1.11 crore received during 1997-2002, Rs. 0.56 crore were spend up to March 2002 and balance of Rs. 0.55 crore was kept in the personal Deposit, Treasury Public Accounts and non-interest bearing current account with a Public Sector Bank. Irregular deposit of scheme funds in violation of GOI norms resulted in loss of interest.

that the Block Panchayats have come into being, transparency has increased and there is hardly any room for the funds being misappropriated.

Government of India is now insisting the Block-wise utilization certificate duly certified by the Chartered Accountant. So the UCs of Blocks are now being insisted upon and are also being verified and certified by Chartered Accountants.

(a) During the year 2000-01 and 2001-02, 90 houses were allotted to Vypin Block. But due to the non availability of beneficiary list from Grama Panchayat, construction of houses could not be taken up. The amount was retained in the General PD account of the Block

	(1)	(2)
	<p>The loss could not be quantified in audit due to non-availability of pass books and connected records. The huge balance held by the Block indicated poor implementation and ineffective monitoring of the scheme.</p> <p>(b) One (BDO Vamanapuram) under DRDA, Thiruvananthapuram operated non-interest bearing account two Service Co-operative Banks for a total period of 49 months for depositing the IAY funds. The authority for opening such accounts with Service Co-operative Banks was not produced to Audit. The loss of interest during the period May 1998 to February 2002 Government stated (October 2002) that the Panchayat functionaries, being new in administration, were unaware of the programme guidelines.</p>	<p>Panchayat. The construction of these houses has been completed and new interest bearing account was opened at SBT, Nayarambalam on 14-3-2002.</p> <p>(b) In Vamanapuram Block Rs. 123.41 lakhs was kept in service co-operative bank. This account was closed and a new account was .opened at SBT, Venjaramoodu and now the entire transaction under IAY is through this account. All Block Panchayat Secretaries have been instructed not to deposit funds in services Co-operative Banks.</p>
3.2.5	<p><b>Beneficiary identification</b></p> <p>(i) From April 1998 .onwards the DRDAs were to fixed the target for construction of houses panchayat-wise on the basis a funds allocation and intimate the same to Grama Panchayats. Thereafter, the Grama Sabha was to select the beneficiary restricting the number to the target allocated. Four test checked DRDAs assigned</p>	<p>(i) In Kerala, the Block Panchayats have been designated as the implementing agencies of IAY. The State Government has devised the procedure of assigning Block level targets for the sake of better supervisory control and co-ordination. The Blocks will in turn pass on Grama</p>

targets to Blocks instead of to Grama Panchayats. Government stated (October 2002) that targets were assigned to the blocks for the sake of better supervisory control and Co-ordination. However, this was contrary to the guidelines.

(ii) In Thiruvananthapuram District, the scheme could not be implemented in 4 Panchayats in 3 test checked Blocks, during the year 2000-01 as beneficiary lists were not finalized by Pallikkal Panchayat in Kilimanoor Block, Nellanad and Vamanapuram Panchayats in Vamanapuram Block and Anad Panchayat in Nedumangad Block.

Panchayat level targets to them. Blocks being part and parcel of RDD, it was easier for CRD and DRDA to put things through the blocks than with the Grama Panchayats. The Grama Panchayats have been very slow to respond to the directions and instructions of DRDA. The assistance of houses to the beneficiaries in the State are disbursed from Block Panchayats and not from Grama Panchayats. So this may not be construed as a serious violation of the guidelines.

(ii) The Grama Panchayats were very slow to respond to the requests of the Block Panchayats concerning beneficiary selection. In certain cases, even the Grama Sabha could not finalise the list of beneficiaries due to a host of reasons. This ultimately affected implementation of the programme in those panchayats.

The delay in convening Grama Sabhas for beneficiary selection have now been minimized by issuing timely directions from Local Self Government Department to the Panchayats.

	(1)	(2)						
In 3 blocks the percentage of SC/ST beneficiaries assisted was below the norms	<p>(iii) As per the guidelines, 60 per cent of IAY funds were to be set apart for SC/ST. On a test check of the IAY records in 3 Blocks it was noticed that during the period 1998-2002 the percentage of SC/ST beneficiaries assisted ranged between 10 and 53. In Vypeen block no beneficiary from SC/ST was assisted during 2001-02. Government stated (October 2002) that there had not been enough number of eligible SC/ST beneficiary families as the erstwhile housing scheme and targeted only SC/ST beneficiary families as the erstwhile housing schemes had targeted only SC/ST households.</p>	<p>(iii) Details of household in the State (1991 census) are given below: (both rural and urban)</p> <table border="1" data-bbox="1321 534 1668 654"> <tr> <td>Total</td> <td>55,13,200</td> </tr> <tr> <td>Scheduled Castes</td> <td>5,93,676</td> </tr> <tr> <td>Scheduled Tribe</td> <td>69,441</td> </tr> </table> <p>Rural Development Department has been providing assistance for construction of houses since 1978 onwards. From the very beginning, the main thrust has always been to the scheduled castes and scheduled tribes. In fact, group-housing schemes under NREP and RLEGP have exclusively been for SC/ST and JRY for quite some time has targeted the SC/ST household only. Various other agencies working in the housing sector also concentrated on the SC/STs. As a result in many blocks and districts there has not been enough number of eligible SC/ST beneficiary families. Hence the ratio between SC/ST and general category of beneficiaries cannot be strictly maintained in individual</p>	Total	55,13,200	Scheduled Castes	5,93,676	Scheduled Tribe	69,441
Total	55,13,200							
Scheduled Castes	5,93,676							
Scheduled Tribe	69,441							

blocks and districts. But the ratio is more or less maintained, in the state as given below:

<i>Year</i>	<i>General</i>	<i>SC</i>	<i>ST</i>
1997-98	4736	7122	926
1998-99	3564	5395	493
1999-2000	8823	10642	1264
2000-01	8363	9727	1002

### 3.2.6 *Physical and Financial Achievement*

(i) The physical target and achievement as reported to Government of India was as under:

<i>Year</i>	<i>Target (No. of houses)</i>		<i>Achevement (No. houses)</i>		<i>Percentage of achievement</i>	
	<i>New Construction</i>	<i>Upgra-dation</i>	<i>New Constr-ction</i>	<i>Upgra-dation</i>	<i>New Constru-ction</i>	<i>Upgra-dation</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1997-98	12454	0	12834	0	103	0
1998-99	17726	0	9452	0	53	0
1999-2000	18945	9473	18212	2517	96	27

		(1)			(2)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2000-01	18945	9473	14692	4400	78	46
2001-02	18328	10083	13386	7181	73	71
Total	86398	29029	68576	14098	403	144

Physical achievements reported to GOI were on the high side; test check showed on the country

The achievements for the state for 2001-02 reported to GOI was 73 and 71 per cent for new construction and upgradation respectively. However, achievement in 4 sample DRDAs during the period was only 31 and 29 percent respectively.

It is true that due to various reasons, construction of houses taken up during a particular year may not be completed during that year itself. The reasons range from delay in beneficiary selection, floods and rains, escalations of the cost of building materials, inability of the beneficiaries to raise additional resources. The State Government rely on the figures furnished by the DRDAs as for reporting progress in the implementation of the Scheme. Physical verification is practically impossible. The Project Directors of District Rural Development Agencies have been instructed to report only factual figures they receive from the execution agencies at the field level and to guard against furnishing inflated progress report.

Due to low achievements, balance of Rs.10.69 crore left with block in 4 DRDAS

In respect of new construction/upgradation, while the BDOs of Thiruvananthapuram and Ernakulam Districts reported physical achievement of 37/52 and 22/19 respectively, the DRDAs reported higher achievement to GOI viz; 76/65 for Thiruvananthapuram and 38/34 for Ernakulam.

Due to poor achievement of targets by blocks, cash balance of Rs.10.69 crore as of March 2002 was available with 4 DRDAs as indicated below:

Construction of houses gets normally completed in a year or two delay beyond two years can be attributed generally to lack of interest and initiative on the part of the beneficiary. The department and the field level officials are doing their best at motivating the beneficiaries. In the cases of construction remaining incomplete for quite long, steps for realising the grant from the beneficiary under Revenue Recovery Act are resorted to.

<i>District</i>	<i>Target Including Spill over work</i>		<i>Achievement</i>		<i>Percentage of Achievement</i>		<i>Cash balance in the District as on 31-3-2003 (Rs. in lakhs)</i>
Palakkad	3828	2368	1462	423	38	18	520.26
Thrissur	3364	1322	824	413	24	31	287.54
Ernakulam	2347	1195	505	232	22	19	149.57
Trivandrum	2265	1500	830	780	37	52	111.14
	11804	6385	3621	1848	31	29	1068.52

	(1)	(2)		
In 12 Block A test check in 12 Blocks in 4 DRDAs revealed in 4 DRDAs that the time taken for completion of houses 27 per cent ranged up to 4 years. In the above blocks, out of of houses 4825 houses taken up for construction (including taken up for up gradation) 1297 houses remained incomplete as construction of March 2002 even after spending Rs. 2.33 crore remained on them. The year wise details are given below: incomplet				
<i>Year</i>	<i>No. of houses taken up for construction (including up gradation)</i>	<i>No. of houses remained incomplete as of March 2002</i>	<i>Percentage of incomplete houses to the total houses taken up</i>	<i>Expenditure incurred on incomplete house (Rs. in crores)</i>
1997-98	621	93	15	0.21
1998-99	1846	284	15	0.62
1999-2000	1148	346	30	0.71
2001-01	1210	574	47	0.79
	4825	1297	27	2.33

The reason for poor achievement of targets was attributed by BDOs to delay in obtaining beneficiary lists from Grama panchayat, cost of constructions of houses exceeding Rs. 22,000 and difficulty of beneficiaries in mobilising additional resources.

II As per IAY guidelines, financial assistance could be given to BPL families having no houses of their own. But from 1st April 1999, financial assistance up to Rs, 10,000 could also be given for conversion of existing "Kutcha" houses to "Pucca" houses. Deviation from the above provisions was noticed in the following cases.

Assistance given for construction of new house to 312 beneficiaries having houses of their own

(a) During the period 1997-99, Rs. 91.92 lakhs was disbursed for construction of new houses to 312 beneficiaries in 14 blocks in 5 districts who were having a house of their own.

(a) The BPL list was prepared by weeding out those who are prima-facie not poor. One of the criteria for excluding those who are not poor prima-facie was the exclusion of those beneficiaries who have a pucca house. Therefore only those beneficiaries having Kutcha houses will alone find a place in the BPL list. The beneficiaries in question had houses only for namesake. But those houses were not

	(1)	(2)
Rs. 16.91 lakhs was paid to 66 persons who were not in the BPL list	(b) In 7 Panchayats in 6 Blocks in Palakkad and Thrissur, Rs.16.91 lakhs was paid to 66 persons who were not in the BPL survey list	<p data-bbox="1276 422 1767 614">fit for habitation and were devoid of basic requirement of a house. Therefore assistance under IAY for construction of houses have been extended to them. This may not be constructed as a violation of the Guidelines.</p> <p data-bbox="1276 630 1767 1211">(b) Normally, IAY beneficiaries are selected from the BPL list. But as the BPL list was prepared on the basis of consumption expenditure of the house holds, some of the eligible BPL families could not find a place in BPL list due to the norms adopted for BPL survey. In some instance, Grama sabha had selected such beneficiary households that failed to find a place in the BPL list who were otherwise eligible for the assistance. Grama Sabha is an open forum and its proceedings are transparent. prior verification of the eligibility of the beneficiaries is made before finally selecting in the Grama sabha. So it is difficult for an in eligible beneficiary to get through the select list. Hence by virtue</p>

Beneficiaries with 'Kutchha' houses were paid assistance for new construction

(c) In 8 Blocks in 3 districts, 250 beneficiaries who possessed 'kutchha' houses were given assistance at the rate of Rs, 22000 instead of Rs.10,000 admissible. The excess amount paid worked out to Rs, 43.77 lakhs

of the fact that the names of the beneficiaries were not in the BPL list may not be taken as that the beneficiaries are ineligible.

(c) The assisted beneficiaries were residing in unsatisfactory Kutchha structures. These structured could not have been upgraded and made pucca houses due to the unsatisfactory conditions of foundation and walls. As such by extending assistance at the rate of Rs.10000 was not adequate enough to make such houses pucca and durable. This was the circumstance for sanctioning assistance for new houses and for giving assistance @ Rs.22,000 to construction new houses. There was no deviation from guidelines in this regard.

### 3.2.7 Construction of smokeless chulhas and sanitary latrines

64 per cent of the houses constructed were not provided with smokeless

As per the progress report furnished to GOI out of 68576 houses constructed during 1997-2002, 44217 houses (64 percent) and 16758 houses (24 percent) were not provided with smokeless chulhas and sanitary latrine respectively. In test checked districts, out of 4825 new houses constructed, 2474

The lower percentage in installation of smokeless chulas is squarely attributed to lack of interest on the part of beneficiaries. Most of them are not used to cooking in smokeless chulah. Awareness creation has so far made not much impact. Experience have shown that even the households,

	(1)	(2)
chulhas while 24 per cent did not have s a n i t a r y latrine	houses (51 percent) were not provided with smokeless chulhas and of the 3534 new houses constructed in 9 Blocks in 3 Districts, 1248 houses (35 per cent) were not provided with sanitary latrines. According to BDO the beneficiaries were not interested in smokeless chulhas. The low percentage of construction of latrines was stated to be lack of interest on the part of beneficiaries and the provision of assistance for latrines in other schemes like Rural Sanitation Programme.	<p>which have installed smokeless chulas , are not actually using them. So in practice, smokeless chulah is no longer considered as an integral component in IAY in the State. Government is not sustaining any loss on this account since the cost of installation of the chulah is deducted for the amount of IAY grant paid to a beneficiary who does not want chulas installed in the houses.</p> <p>That sanitary latrines are not constructed along with construction of houses in certain cases is due to the fact that the beneficiary families are already possessing sanitary latrines by availing assistance under other schemes such as CRSP, Plan fund of Panchayats etc. Government of India has now decided that in case that beneficiary is unable to construct sanitary latrine, due to some reason, amount of Rs. 600 would be deducted from the assistance. Similarly wherein smokeless chulas is not possible deduction will be Rs. 100.</p>

3.2.8 **Allotment of house to the male members of the households**

Dwelling units were allotted to male members of the family contrary to IAY guidelines

In 11 Blocks of the 4786 new houses constructed, 1311 (27 per cent) dwelling units were in the name of male members only. In 3 Blocks viz, Kothamangalam, Angamali and Malampuzha more than 50 per cent of the ownership of the houses was with male members. Non-compliance with GOI guidelines to allot houses in the name of wife or joint name of the couple was due to the fact that the land on which the houses were constructed were in the name of male members.

The ownership of the land in the case of most of the beneficiary families is in the name of the husband. So applications for assistance are submitted by the husbands, which results in the selecting the husband, in the Gram sabha for assistance. Besides the agreement executed by the beneficiary, there is a clause that the house will not be disposed for a period of 15 years. As the owner of the land will be legally binding to comply with this clause of the agreement, the houses are allotted in the name of the husband who is the owner of the land to safeguard against disposal of the houses. All implementing officers have been instructed to comply with the guidelines provision regarding allotment of houses that allotment should be in the name of the female member of the beneficiary household.

	(1)	(2)
3.2.9	<b>Other programmes under Rural Housing</b>	
	Apart from IAY, five housing schemes were launched by GOI from April 1999 to alleviate the problem of shortage of houses. The status of implementation of these schemes are indicated below	
Name of Scheme	Status of implementation & reasons there of	
Pradhan Mantri Gramodaya Yojana	Not implemented. Government stated (October 2002) that the Special Central Assistance received under PMGY was utilised for construction of houses for BPL families taken up by the Panchayathi Raj Institutions under the Campaign for Decentralised Planning. This tantamounts to diversion of PMGY funds.	Funding of PMGY was treated as Additional Central Assistance (ACA) to the State by Planning Commission. This was previously known as Special Central Assistance (SCA) for Basic Minimum Sever (BMS). The shelter component was in fact implemented in the State. The State utilised the SCA received under PMGY (Rural Housing) for construction of houses for BPL families taken up by the Panchayat Raj Institutions in the State under the Campaign for Decentralized Planning.  Though elaborate ground work have been made with the co-operation of the State Level Bankers Committee, the Credit

Cum-Subsidy Scheme for Rural Housing failed to take off, mainly due to lack of interest by beneficiaries. There were not much takers though the nationalized banks were prepared to provide credit at reasonable rate of interest and minimum documentation and surety.

The Three-Tier Panchayats were also implementing housing scheme as cent percent grant as assistance. So the beneficiaries were not keen in availing loan for houses as they had fair chance of getting assistance as grant. As credit-Cum Subsidy Scheme does not had much takers, Government of India had integrated in with IAY and made it an optional Schemes. Now up to 20% of funds can be utilised for construction of houses with credit from banks and for upgradation of Kutchha houses, so that the scheme can be implemented wherever it is feasible and people are coming forward to avail loan for houses.

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	(1)	(2)
Credit cum s u b s i d y Scheme	As corresponding State share of Rs. 38.38 lakhs relating to 1999-2000 was released only after 18 months, the scheme could be implemented only during 2001-02. Consequently, the second instalment of Rs. 115.15 lakhs was lost.	The scheme was launched by Government of India after finalizing the Budget of the State for 1999-2000. So the State Share was provided only during the next year.
R u r a l B u i l d i n g C e n t r e s	As State Government failed to submit the project reports, the Central assistances was not released (October 2002)	
Innovative Stream of R u r a l H o u s i n g H a b i t a t Development	Amount utilised by NGO as per norms laid down by Ministry and the second instalment was awaited for GOI (October 2002)	Samagra Awas Yojana (SAY) was implemented in Ponnai Block. Ministry of Rural Development has not selected any other Block from the State since then under SAY. Since other like departments provided inputs for the project components like drinking water, sanitation and health care, the entire sum received for the project barring the amount earmarked for IEC activities, was utilised for construction of houses. This has been duly reported to Government of India and they have not raised any objections to it.

3.2.10

**Monitoring and Evaluation**

No evaluation of the implementation of the scheme was done by any agency in the 4 districts test checked. Neither Technological Evaluation of the houses constructed under IAY was done nor any monitoring by State level/District level officer was made. Inventory Registers were not maintained in any of the test checked blocks. However, year - wise Beneficiaries Registers were maintained showing the name of beneficiary, details of instalments paid, details of completion of houses etc.

As regard, setting up of Rural Building Centers, efforts have been made with the co-operation of Kerala State Nirmithi Kendra (KESNIK), Thiruvananthapuram and COSTFORD Thrissur to furnish proposal to Government of India. None of these organisations have so far succeeded to find out adequate space in rural areas.

The monitoring division of the Ministry of Rural Development has arranged evaluation studies on IAY. Their report has since been received. The State Government does not provide any funds for carrying out any evaluation study. Nor does the programme guidelines provided any funds for purposes like evaluation studies. A proposal for conducting an evaluation study utilizing DRDA Administration fund will be submitted to Government of India.

K. C. SUMA,  
*Deputy Secretary,*  
*Local Self Government (RD) Department,*  
*Government Secretariat,*  
*Thiruvananthapuram.*  
*For Principal Secretary (RDD)*

## PROCEEDINGS OF THE PROJECT OFFICER, D.R.D.A. THRISSUR

*(Present : Sri. C. P. Ram Manohar)**Sub:— All India Review on IAY—Diversion IAY fund Rs. 440443—  
Recoupment—reg:—**Ref :— All India Review on IAY—Audit enquiry No. 6*

Order No. F/942/02/dated, 31-3-2003

As per the Guidelines of JRY, MWS, EAS and IRDP 2% of the allocated amount can be spent of meeting the expenses incurred under salaries, wages etc. But an amount of Rs. 440443 (Rupees four lakhs forty thousand four hundred and forty three only) was diverted from IAY fund also as was done in other Centrally Sponsored Schemes by mistake. The expenditure was occurred on account of:—

Salaries	340482
Wages	12110
TA to Staff	6288
Meeting & conference	718
Maintenance of Vehicle	33638
Vehicle Insurance	1906
Total	<u>440443</u>

All India Review on IAY conducted by the Accountant General has brought out the mistake in 1998-99.

In the Circumstances sanction is accorded for the transfer credit of Rs. 440443 (Rupees four lakhs forty thousand four hundred and forty three only) from DRDA Administration Account No. 55140 of SBT, Civil Station Branch, Ayyanthole to Indira Awaz Yojana Scheme account No. 55003 of Canara Bank (Main) Thrissur to clear to audit objection.

*Project Officer.*

അങ്കമാലി ബ്ലോക്ക് പഞ്ചായത്ത് സെക്രട്ടറിയുടെ നടപടിക്രമം

(ഹാജർ : ശ്രീ. കെ. കെ. സുബ്രഹ്മണ്യൻ)

നമ്പർ സി-2093/03.

തീയതി 31-12-2003.

വിഷയം :— സി. & എ. ജി. റിപ്പോർട്ട് ഐ. എ. വൈ. ഫണ്ടുപയോഗിച്ച് കയർമാറ്റ് വാങ്ങിയതു തിരിച്ചടയ്ക്കുന്നതിന് ഉത്തരവാകുന്നു.

സൂചന :— (1) പ്രോജക്ട് ആഫീസറുടെ 15-10-2003-ലെ ഡി. 2-2819/03/ഡി. ആർ. ഡി. എ. നമ്പർ കത്ത്.

(2) 19-12-2003-ലെ ബ്ലോക്ക് പഞ്ചായത്ത് കമ്മിറ്റിയുടെ 18-ാം നമ്പർ തീരുമാനം

മേൽ സൂചന പ്രകാരം 4-5-1999-ൽ ഐ. എ. വൈ. ഫണ്ടിൽ നിന്നും 8210 രൂപ ചെലവുചെയ്തു ബ്ലോക്ക് പഞ്ചായത്തിൽ കയർമാറ്റ് വാങ്ങിയതായി കൺട്രാക്ടർ ആന്റ് ആഡിറ്റർ ജനറൽ റിപ്പോർട്ട് ചെയ്തിട്ടുണ്ട്. ആയത് നിയമ വിരുദ്ധമായ നടപടിയായിനാൽ പ്രസ്തുത തുക ഐ. എ. വൈ. ഫണ്ടിൽ തിരിച്ചടയ്ക്കണമെന്ന് പ്രോജക്ട് ആഫീസർ, ജില്ലാ ഗ്രാമ വികസന ഏജൻസി നിർദ്ദേശിച്ചിട്ടുണ്ട്.

പ്രസ്തുത നിർദ്ദേശം ബ്ലോക്ക് പഞ്ചായത്ത് ജനറൽ കമ്മിറ്റി ചർച്ച ചെയ്യുകയും സൂചന (2) പ്രകാരം ബേസിക് ടാക്സിൽ നിന്നും തുക പിൻവലിച്ച് ഐ. എ. വൈ. ഫണ്ടിൽ നിക്ഷേപിക്കുന്നതിന് സെക്രട്ടറിയെ ചുമതലപ്പെടുത്തി തീരുമാനിച്ചിട്ടുള്ളതാണ്.

ഈ സാഹചര്യത്തിൽ ബേസിക് ടാക്സിൽ നിന്നും 8210 രൂപ പിൻവലിച്ച് ഐ. എ. വൈ. അക്കൗണ്ടിൽ നിക്ഷേപിക്കുന്നതിന് ഇതിനാൽ ഉത്തരവാകുന്നു.

സെക്രട്ടറി.  
ബ്ലോക്ക് പഞ്ചായത്ത്, അങ്കമാലി.

PROCEEDINGS OF THE PROJECT OFFICER, D.R.D.A. ERNAKULAM

(Present : A. Mohan Kumar)

*Sub* :— DRDA Ernakulam—C&AG Report No. 3 of 2005—Transfer of funds back to IAY account from Administrative account—Sanctioned—Orders issued.

*Read* :— Letter No. 24108/JRY3/03/CRD dated 18-9-2003.

Order No. D2 1461/2003/DRDA dated 7-10-2003

During the financial year 1998-99, an amount of Rs. 1,26,572 has been transferred to IRDP account on 9-12-1998 towards meeting the administrative cost of DRDA as it was met from the IRDP account during that period. The transferred amount was utilised for meeting Administrative expenses of DRDA.

In the CG & AG Report No. 3 of 2003 this has been pointed out as a diversion of fund. Hence the amount is to be transferred back to IAY account No. 10378, UBI from UBI 8662.

Hence sanction is accorded to transfer an amount of Rs. 1,26,572 (Rupees one lakh, twenty six thousand, five hundred and seventy two only) from UBI 8662 Administrative expenses account to UBI 10378 of IAY.

Sd.  
*Project Officer.*

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