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Central funds lapsed due to delays: audit

Staff Reporter

Corporation accused of going slow on SLB

The Kozhikode Corporation governing body on Tuesday won comfortably a no-confidence motion moved by the Opposition against Mayor A.K. Premajam.

But the audit report for the year 2010-11, which was obtained using a Right to Information petition filed by K.P. Vijayakumar, convener of the Corporation Anti-Corruption Campaign Committee, is sure to be another hurdle for the ruling CPI(M).

A major finding of the report is that Central funds amounting to Rs. 1.15 crore had lapsed due to delay in action on the part of the Corporation in implementing the Service Level Benchmark (SLB) project to ensure minimum standards in drinking water

distribution, solid waste processing, waste water disposal, and storm water drainage. Kozhikode and Thiruvananthapuram were the two cities selected among the 20 cities selected for the pilot project.

A core committee was required to be formed at the local body level to supervise the project. Though the committee was formed, no meetings were conducted for several months. The project proposal was prepared only after 9 months, after a reminder from the Local Self-Government Department secretary. The first instalment of Rs. 49.20 lakh (30 per cent of the entire amount) was passed by the Centre with a condition that the action plan and the fund utilisation report should be submitted within three months for the next instalment to be released. However, it was submitted only eight months later by which time the time period to utilise the first instalment was over.

For the delay in utilisation, the Corporation authorities said 48 per cent of the funds was supposed to be utilised by the Kerala Water Authority (KWA). But the work was never entrusted to the KWA. The first expenditure from the funds was only in December 2012, eight months after it was sanctioned, a move which is termed 'namesake' in the audit report. This money was spent on buying computers for the 23 health circles in the Corporation, of which only 11 circles had

accepted it even after 6 months. Funds to the tune of Rs. 9.46 lakh spent on this should be seen as 'diversion of funds', as per the report.

The project was cancelled as per a clause in the agreement and the Ministry of Urban Development ordered the first instalment to be remitted back with interest.

Also, an amount of Rs. 1 crore earmarked for the Hunger-free City project, aimed at providing at least one free meal a day to the poor and hungry, had lapsed. *The Hindu* had reported on June 24 that the project which was set up on the Medical College campus in 2009 to feed the poor patients and their helpers had been working out of a dilapidated shed.

The Kerala Social Security Mission (KSSM) handed over a modern kitchen built at a cost of Rs. 65.41 lakh to the Corporation, which was supposed to run it using 20 trained kudumbasree units. But the kitchen and the equipment inside have not been put to use till date. Since no action was taken on the project, 'an amount of Rs. 1 crore allocated by the State government in the 2009-10 budget had lapsed'.

The audit report also pulled up the Corporation for lapses in collecting professional tax, advertisement tax, and the rent of shopping complexes and buildings owned by it. The amount collected had come down drastically in comparison to previous years.