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8 -ാം സമ്മേളനം

നക്ഷത്ര ചിഹ്നം ഇല്ലാത്ത ചോദ്യം നം. 2989

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സി ആന്റ് എ.ജി ഓഡിറ്റ്

ചോദ്യം		ഉത്തരം	
ശ്രീ എം വിൻസെന്റ്		ശ്രീ സജി ചെറിയാൻ (മത്സ്യബന്ധനം, സാംസ്കാരികം, യുവജനകാര്യ വകുപ്പ് മന്ത്രി)	
(എ)	ഫിഷറീസ് വകുപ്പിന് കീഴിലുള്ള സ്ഥാപനങ്ങളിൽ കഴിഞ്ഞ മൂന്ന് വർഷ കാലയളവിൽ സി.ആന്റ്.എ.ജി നടത്തിയ ഓഡിറ്റിൽ എന്തൊക്കെ ക്രമക്കേടുകൾ കണ്ടെത്തിയിട്ടുണ്ട് എന്ന് വ്യക്തമാക്കുമോ;	(എ)	കേരള സർക്കാരിനെ സംബന്ധിക്കുന്ന മാർച്ച് 2019, മാർച്ച് 2020, മാർച്ച് 2021-ൽ അവസാനിക്കുന്ന വർഷങ്ങളിലെ സി.&എ.ജി റിപ്പോർട്ടുകളിലെ "Cases of Misappropriation, Loss, Theft, Defalcations" എന്ന അനുബന്ധങ്ങളിൽ പരാമർശമുണ്ട്. പ്രസക്ത ഭാഗം അനുബന്ധം I, II, III ആയി ചേർക്കുന്നു. ഫിഷറീസ് വകുപ്പിന്റെ കീഴിലെ മറ്റു സ്ഥാപനങ്ങളെ പറ്റി റിപ്പോർട്ടിൽ പരാമർശിക്കുന്നില്ല.
(ബി)	പ്രസ്തുത ഓഡിറ്റ് സംബന്ധിച്ച അന്തിമ റിപ്പോർട്ട് സർക്കാരിന് ലഭിച്ചിട്ടുണ്ടോ; എങ്കിൽ ആയതിന്റെ പകർപ്പ് ലഭ്യമാക്കുമോ?	(ബി)	കേരള സർക്കാരിനെ സംബന്ധിക്കുന്ന മാർച്ച് 2019, മാർച്ച് 2020, മാർച്ച് 2021-ൽ അവസാനിക്കുന്ന വർഷങ്ങളിലെ സി.&എ.ജി റിപ്പോർട്ടുകളിലെ "Cases of Misappropriation, Loss, Theft, Defalcations" എന്ന അനുബന്ധങ്ങളിൽ പരാമർശമുണ്ട്. പ്രസക്ത ഭാഗം അനുബന്ധം I, II, III ആയി ചേർക്കുന്നു. ഫിഷറീസ് വകുപ്പിന്റെ കീഴിലെ മറ്റു സ്ഥാപനങ്ങളെ പറ്റി റിപ്പോർട്ടിൽ പരാമർശിക്കുന്നില്ല.

സെക്ഷൻ ഓഫീസർ

**STATE FINANCE AUDIT REPORT
OF
THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

for the year ended 31 March 2019

**Government of Kerala
Report No. 2 of 2020**

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The department-wise position of arrears in preparation of *pro forma* accounts and investments made by the Government in respect of three such undertakings, are given in **Appendix 3.3**. Out of the three, two were running in loss (State Water Transport Department and Text Book Office). Accounts of Text Book Office were in arrears from 1987-88. In the absence of up-to-date accounts, the current financial status of the Text Book Office could not be ascertained.

3.5 Amounts booked under Minor Head “800”

Booking of receipts or expenditure under the Minor Head- ‘800-Other Receipts’ and ‘800-Other Expenditure’ is considered opaque classification of receipts and expenditure as these heads do not disclose the schemes, programmes, etc., to which the amounts relate. These minor heads normally accommodate the receipts/expenditure which cannot be classified under the available programme minor heads or due to incorrect identification of receipts/expenditure under the available heads of account at the state of budget preparation.

During 2018-19, under 12 major heads in the Revenue and Capital sections, expenditure aggregating to ₹1015.46 crore (88.27 *per cent* of the total expenditure amounting to ₹1,150.42 crore in these heads) was classified under the minor head ‘800-Other Expenditure’. The entire expenditure under ‘Road Transport’, ‘Capital Outlay on Urban Development’, ‘Capital Outlay on Hill Areas’ and ‘Capital Outlay on New and Renewable Energy’ was classified under the omnibus Minor head ‘800-Other Expenditure’, instead of depicting the same under relevant minor heads below the functional major heads as indicated in **Appendix 3.4**

Similarly, under 17 major heads, revenue receipts aggregating ₹458.23 crore (92.47 *per cent* of the total receipt amounting to ₹495.56 crore under these heads), were classified under minor head ‘800- Other Receipts’. The entire receipts under nine Major heads were classified under the omnibus Minor head ‘800-Other Receipts’ as in **Appendix 3.5**.

Classification of large amounts under the omnibus Minor head “800-Other Expenditure/Receipts” reflected lack of transparency in financial reporting.

3.6 Misappropriations, losses, defalcations, etc.

Article 297 of the Kerala Financial Code provides that cases of defalcation or loss of public money, stamps, stores or other property should be reported to the Accountant General (General and Social Sector Audit)/Accountant General (Economic and Revenue Sector Audit), Kerala as well as to the Heads of Departments.

The final action on 140⁵⁴ cases of misappropriation, defalcation, etc., involving

⁵⁴ This includes cases detected by Audit during local audit as well as cases reported by Government departments as per codal provisions.

Government money amounting to ₹22.41 crore was pending with the State Government. The position up to June 2019 is detailed in **Appendix 3.6** and **Appendix 3.7**. The pending cases in each category as emerged from these appendices are summarised in **Table 3.2**.

Table 3.2: Profile of misappropriations, losses, defalcations, etc.

A. Age-profile of the pending cases			B. Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
Less than 5 years	34	1397.18	Theft	22	126.61
5 – 10	25	230.27	Misappropriation/ loss of material	118	2114.46
10 – 15	20	274.06			
15 – 20	29	256.14			
20 – 25	15	59.23			
25 and above	17	24.19			
Total	140	2241.07	Total pending cases	140	2241.07

Source: Cases reported by departments of the State Government

The reasons for delay in finalisation of outstanding cases were analysed by Audit and are summarised in **Table 3.3**.

Table 3.3: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Sl. No.	Reasons for the delay/outstanding pending cases	Number of cases	Range of delay in years	Amount (₹ in lakh)
1.	Awaiting departmental and criminal investigation	9	0-8	169.62
2.	Departmental action initiated but not finalised	26	0-21	1159.56
3.	Awaiting orders for recovery or write off	90	0-51	809.64
4.	Pending in the courts of law	15	4-44	102.25
	Total	140		2241.07

Source: Information received from Departments of the State Government

Timely action needs to be taken to settle the misappropriation cases in order to bring defaulters to book and to have a deterrent effect on others.

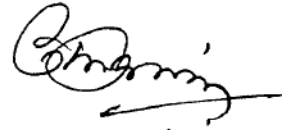
3.7 Conclusion and Recommendations

The Accounts of four Autonomous Bodies, the audit of which was entrusted to the Comptroller and Auditor General of India under Sections 19 (2), 19 (3) and 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, were due for four years. Final action on 140 cases of misappropriation, defalcation amounting to ₹22.41 crore was pending with the State Government.

The Government may ensure timely submission of the accounts of the autonomous bodies, the audit of which was entrusted to the Comptroller and Auditor General of India under Sections 19(2), 19(3) and 20(1) of the DPC Act.

The Government may take timely action to settle cases of misappropriation/defalcation, theft and loss of public money.

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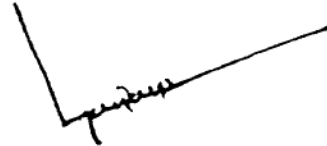


(K.P. ANAND)
Accountant General
(Audit-II), Kerala

01 SEP 2020

Countersigned

New Delhi,
The



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

19 OCT 2020

Appendix 3.6
Department/duration-wise break-up of cases of misappropriation, defalcation, etc.
(Reference: Paragraph 3.6; Page 80)

Name of the Department	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		25 years and above		Total number of cases	
Agriculture			4	29.88	2	28.42	1	20.07	2	5.71	1	5.53	10	89.61
Animal Husbandry	3	1.82	4	1.30	1	0.02							8	3.14
Archives Department											1	0.20	1	0
Co-operation					1	1.92			1	3.80			2	5.72
Cultural Affairs	3	379.03											3	379.03
Finance-National Savings											1	0.45	1	0.45
Finance - Treasuries	1	0.66	2	64.49	2	68.14	3	32.69	3	40.76	3	4.80	14	211.34
Fisheries and Ports	1	3.85			1	0.53							2	4.38
General Education	4	36.77	3	5.83	3	4.91	7	11.07	3	0.76	4	4.68	24	64.02
Health and Family Welfare - Health Services	2	0.41	3	17.09	4	14.24	2	149.03	1	0.81	1	1.64	13	183.22
Health and Family Welfare - Indian System of Medicine	1	0.20	1	9.30					1	1.84			3	11.34
Health and Family Welfare - Medical Education	3	63.57	2	8.53			3	18.03			1	0.69	9	90.82
Higher Education - Collegiate Education	3	42.88					2	0.93			1	0.02	6	43.83
Home Department-Police	3	15.44									1	0.38	4	15.82
Industries and Commerce			1	40.00					1	0.31			2	40.31
Information and Public Relations	1	13.78											1	13.78

Appendix 3.6 – Concl'd.

Sl. No	Name of the Department	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		25 years and above		Total number of cases	
17.	Local Self Government	1	83.98	1	0.42	1	11.22	4	6.51	2	2.63			9	104.76
18.	Motor Vehicles					1	0.10	1	7.93					2	8.03
19.	Mining & Geology Department	1	17.46											1	17.46
20.	Planning and Economic Affairs	1	6.86											1	6.86
21.	Public Works			1	1.88			3	5.88					4	7.76
22.	Revenue – Survey and Land records											2	5.63	2	5.63
23.	Scheduled Castes and Scheduled Tribes Development	1	0.26	2	2.52							1	0.17	4	2.95
24.	Social Justice	1	14.95			1	8.92							2	23.87
25.	Taxes	1	53.32	1	49.03					1	2.61			3	104.96
26.	Technical Education	1	35.10											1	35.10
27.	Water Resources	2	626.84			3	135.64	3	4.00					8	766.48
Total		34	1397.18	25	230.27	20	274.06	29	256.14	15	59.23	17	24.19	140	2241.07

Appendix 3.7

Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation and loss of Government material

(Reference: Paragraph 3.6; Page 80)

(₹ in lakh)

Sl. No.	Name of the Department	Theft		Misappropriation/Loss of Government material		Total	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1.	Agriculture			10	89.61	10	89.61
2.	Animal Husbandry	6	2.30	2	0.84	8	3.14
3.	Archives Department			1	0.20	1	0.2
4.	Co-operation			2	5.72	2	5.72
5.	Cultural Affairs			3	379.03	3	379.03
6.	Finance – National Savings			1	0.45	1	0.45
7.	Finance - Treasuries			14	211.54	14	211.54
8.	Fisheries and Ports			2	4.38	2	4.38
9.	General Education	11	4.46	13	59.56	24	64.02
10.	Health and Family Welfare – Health Services			13	183.22	13	183.22
11.	Health and Family Welfare – Medical Education			9	90.82	9	90.82
12.	Health and Family Welfare – Indian System of Medicine			3	11.34	3	11.34
13.	Higher Education – Collegiate Education	2	0.22	4	43.61	6	43.83
14.	Home Department- Police			4	15.82	4	15.82
15.	Industries and Commerce			2	40.31	2	40.31
16.	Information and Public Relations			1	13.78	1	13.78
17.	Local Self Government	1	83.98	8	20.78	9	104.76
18.	Planning and Economic Affairs			1	6.86	1	6.86
19.	Motor Vehicles			2	8.03	2	8.03
20.	Mining & Geology			1	17.46	1	17.46
21.	Public Works			4	7.76	4	7.76
22.	Revenue – Survey and Land records			2	5.63	2	5.63
23.	Scheduled Castes and Scheduled Tribes Development			4	2.95	4	2.95
24.	Social Justice			2	23.87	2	23.87
25.	Taxes			3	104.96	3	104.96
26.	Technical Education	1	35.10	0	0	1	35.10
27.	Water Resources	1	0.55	7	765.93	8	766.48
Total		22	126.61	118	2114.46	140	2241.07

**STATE FINANCES AUDIT REPORT
OF
THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

for the year ended 31 March 2020

**Government of Kerala
Report No. 5 of 2021**

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State Finances Audit Report for the year ended 31 March 2020

4.17 Timeliness and Quality of Accounts

Number of accounts excluded from monthly Civil Accounts during 2019-20

The due date of closing of Monthly Civil Accounts is the 25th of succeeding month. First List of Payments (LOP) containing supporting schedules and vouchers is due to be received by the A&E Office by 18th of the same month and the second LOP along with supporting documents is due to be received by 8th of succeeding month.

It is commendable that there were no delays in monthly rendition of accounts by the account rendering units and no exclusion was noticed in the Monthly Civil Accounts.

4.18 Misappropriations, losses, thefts, etc.

Article 297 of the Kerala Financial Code provides that cases of defalcation or loss of public money, stamps, stores or other property should be reported to the Accountant General (General and Social Sector Audit)/Accountant General (Economic and Revenue Sector Audit), Kerala as well as to the Heads of Departments.

The final action on 147⁵⁰ cases of misappropriation, defalcation, etc., involving Government money amounting to ₹25.39 crore was pending with the State Government.

Table 4.18: Profile of misappropriations, losses, defalcations, etc.

A. Age-profile of the pending cases			B. Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
Less than 5 years	29	590.02	Theft	20	126.39
5 – 10	31	1235.75	Misappropriation/ loss of material	127	2412.56
10 – 15	17	86.81			
15 – 20	29	495.61			
20 – 25	24	102.58			
25 and above	17	28.18			
Total	147	2538.95	Total pending cases	147	2538.95

Source: Cases reported by departments of the State Government

The reasons for delay in finalisation of outstanding cases were analysed by Audit and are summarised in Table 4.19. Department wise details are also shown in Appendix 4.3.

⁵⁰ This includes cases detected by Audit during local audit as well as cases reported by Government departments as per codal provisions.

Table 4.19 Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Sl. No.	Reasons for the delay/outstanding pending cases	Number of cases	Amount (₹ in lakh)
1.	Awaiting departmental and criminal investigation	14	174.32
2.	Departmental action initiated but not finalised	36	1454.62
3.	Awaiting orders for recovery or write off	83	808.20
4.	Pending in the courts of law	14	101.81
Total		147	2538.95

Source: Information received from Departments of the State Government

Timely action needs to be taken to settle the misappropriation cases in order to bring defaulters to book and to have a deterrent effect on others.

4.19 Follow up action on State Finances Audit Report

In Kerala State the PAC/Finance Department require the line Departments to provide a *suo motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within two months of placing the Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within two months of tabling the Reports.

At the instance of the Public Accounts Committee (PAC), the Finance Department issues instructions to all the Departments to initiate *suo motu* action on all paragraphs and reviews featuring in the Audit Reports irrespective of whether the cases had been taken up for examination by PAC or not.

However, only one sitting of PAC was conducted during 2019-20 to discuss the paras in the SFAR and discussion of all paras in the SFAR up to the year 2014-15 only had been completed.

4.20 Conclusions

Positive Indicators

1. No exclusion was observed in monthly civil accounts.
2. No delay in monthly rendition of accounts by the account rendering units.

State Finances Audit Report for the year ended 31 March 2020

Negative Indicators

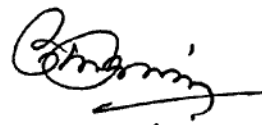
1. Persistent trend of cess/royalty/fund not being credited to Consolidated Fund of the State.
2. Continuing cases of regulators maintaining 'Fund' outside Public Account of the State (Funds of the Kerala State Electricity Regulatory Commission).
3. Increased tendency to postpone liabilities due, to the next financial year.
4. Increasing number of outstanding UCs.
5. Increasing arrears in respect of annual accounts of Autonomous bodies and PSUs.
6. Increasing amount under Suspense Heads.
7. Non reconciliation with and accumulation of funds in Bank Accounts.
8. Classification of large amounts under the omnibus Minor Head '800' affecting transparency in financial reporting and distorting proper analysis of allocative priorities and quality of expenditure.

4.21 Recommendations

1. *The Government may bring all the funds lying outside the Consolidated Fund/ Public Accounts in breach of constitutional provisions, within the fold of Consolidated Fund/ Public Accounts.*
2. *Government should avoid deferring clear cut liabilities.*
3. *The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes.*
4. *The Finance Department may review all PD/STSB/PSTSB accounts to ensure that all amounts unnecessarily lying in these PD/STSB/PSTSB accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department may reiterate the instructions contained in the financial rules and ensure that appropriate action is taken against departmental officers who fail to follow the rules.*
5. *Finance Department may consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position.*
6. *The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*

Chapter IV – Quality of Accounts and Financial Reporting Practices

7. *The Finance Department may, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account.*

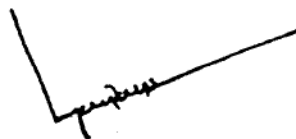


(K. P. ANAND)

Principal Accountant General
(Audit-II), Kerala

Thiruvananthapuram,
The 16 September 2021

Countersigned



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi,
The 04 October 2021

Appendix 4.3
Department wise break-up of cases of misappropriation, defalcation etc.
(Reference: Paragraph 4.18, Page 156)

(₹ in lakh)

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.							
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised Total		Criminal Proceedings finalised but recovery of the amount pending		Pending in the courts of law	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture	9	89.45	0	0	0	0	8	86.39	1	3.07
Animal Husbandry	8	3.15	0	0	0	0	8	3.15	0	0
Archaeology	1	0.20	0	0	0	0	1	0.20	0	0
Co-operative	2	5.72	0	0	0	0	1	1.92	1	3.80
cultural	2	378.75	0	0	2	378.75	0	0	0	0
Directorate of Health Services	19	194.64	4	3.20	5	11.59	10	179.85	0	0
Directorate of Medical Education	9	90.82	2	57.50	3	23.53	4	9.79	0	0
Fisheries	2	4.38	0	0	1	3.85	1	0.53	0	0
Forest and Wild life	4	29.35	0	0	4	29.35	0	0	0	0
General Education	22	63.80	4	7.66	1	1.69	17	54.45	0	0
Higher Education	6	43.83	1	15.43	2	27.45	2	0.22	1	0.73
Home	4	15.82	0	0	2	4.77	1	0.38	1	10.67
Industries	2	40.31	1	40.00	1	0.31	0	0	0	0
Indian System of Medicine	3	11.54	0	0	2	9.70	1	1.85	0	0
Information & Public Relations	1	13.78	0	0	0	0	1	13.78	0	0
Local Self Government	9	105.45	1	1.50	1	0.82	5	99.30	2	3.82
Mining and Geology	2	82.91	0	0	1	65.45	1	17.46	0	0
Planning Board	1	6.86	0	0	1	6.86	0	0	0	0
Public Works	4	7.75	0	0	0	0	4	7.75	0	0

Appendix 4.3 Concl.

(₹ in lakh)

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.							
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised Total		Criminal Proceedings finalised but recovery of the amount pending		Pending in the courts of law	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Revenue	1	5.60	0	0	0	0	1	5.60	0	0
Schedule Caste and Schedule Tribe	4	2.94	0	0	2	2.27	1	0.50	1	0.17
Social Justice	2	14.38	0	0	1	5.46	0	0	1	8.92
Taxes	3	104.97	1	49.03	1	53.32	1	2.61	0	0
Technical Education	1	35.10	0	0	0	0	1	35.10	0	0
Transport	2	8.03	0	0	0	0	2	8.03	0	0
Treasury	16	412.94	0	0	3	202.06	7	140.25	6	70.63
Water Resources	8	766.48	0	0	3	627.39	5	139.09	0	0
Total	147	2538.95	14	174.32	36	1454.62	83	808.20	14	101.81

Presented to the Legislature
on 20 July 2022

**STATE FINANCES AUDIT REPORT
OF
THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

for the year ended 31 March 2021

**Government of Kerala
Report No. 1 of 2022**

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released by them had been utilised. This dilutes the legislative control over the Government expenditure system.

4.14 Misappropriations, losses, thefts, etc.

Article 297 of the Kerala Financial Code provides that cases of defalcation or loss of public money, stamps, stores or other property should be reported to the Accountant General (Audit I)/Accountant General (Audit II), Kerala as well as to the Heads of Departments.

The final action on 99⁴² cases of misappropriation, defalcation, etc., involving Government money amounting to ₹19.34 crore was pending with the State Government.

Table 4.14: Profile of misappropriations, losses, defalcations, etc.

A. Age-profile of the pending cases			B. Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
Less than 5 years	22	773.01	Theft	10	16.44
5 – 10	13	850.28			
10 – 15	11	45.02	Misappropriation/ loss of material	89	1917.73
15 – 20	15	133.00			
20 – 25	18	89.78			
25 and above	20	43.08			
Total	99	1934.17	Total pending cases	99	1934.17

Source: Cases reported by departments of the State Government

The reasons for delay in finalisation of outstanding cases were analysed by Audit and are summarised in **Table 4.15**. Department wise details are also shown in **Appendix 4.4**.

Table 4.15: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Sl.No.	Reasons for the delay/outstanding pending cases	Number of cases	Amount (₹ in lakh)
1.	Awaiting departmental and criminal investigation	16	40.88
2.	Departmental action initiated but not finalised	50	1521.79
3.	Awaiting orders for recovery or write off	13	18.97
4.	Pending in the courts of law	20	352.53
	Total	99	1934.17

Source: Information received from Departments of the State Government

Timely action needs to be taken to settle the misappropriation cases in order to

⁴² This includes cases detected by Audit during local audit as well as cases reported by Government departments as per codal provisions.

bring defaulters to book and to have a deterrent effect on others.

4.15 Follow up action on State Finances Audit Report

In Kerala State the PAC/Finance Department require the line Departments to provide a *suo moto* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within two months of placing the Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within two months of tabling the Reports.

At the instance of the Public Accounts Committee (PAC), the Finance Department issues instructions to all the Departments to initiate *suo moto* action on all paragraphs and reviews featuring in the Audit Reports irrespective of whether the cases had been taken up for examination by PAC or not.

The receipt of ATNs from the line departments in respect of the State Finances Audit Report from the year 2016-17 to 2018-19 are pending. The details are shown in Table 4.16.

Table 4.16: Number of Audit Paras for which ATN due from Government

Sl No	Year of Audit Report	Total Number of ATNs
1	2016-17	2
2	2017-18	8
3	2018-19	15
Total		25

Only one sitting of PAC was conducted during 2020-21 to discuss the paras in the SFAR and discussion of all paras in Chapter I and II in the SFAR up to the year 2015-16 only had been completed.

4.16 Conclusions

1. There was persistent trend of cess/royalty/fund not being credited to Consolidated Fund of the State.
2. There were cases of regulators maintaining 'Fund' outside Public Account of the State (Funds of the Kerala State Electricity Regulatory Commission).
3. 12 utilisation certificates for ₹22.44 crore were not received by the AG(A&E).
4. Non reconciliation with respect to PD Accounts is fraught with the risk of misuse of public funds.
5. Autonomous bodies (23 numbers) were to render annual accounts to C&AG. The arrears in submission of accounts ranged from one to seven years.
6. There were delays in initiating departmental action, fixing liability, issuing orders of recovery, etc; in respect of cases of misappropriation/loss of public money.

Recommendations

1. *The Government may bring all the funds lying outside the Consolidated Fund/ Public Accounts in breach of constitutional provisions, within the fold of Consolidated Fund/ Public Accounts.*
2. *Finance Department may consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position.*
3. *The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*

Thiruvananthapuram,
The

13 April 2022

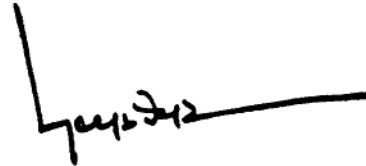


(K. P. ANAND)
Principal Accountant General
(Audit II), Kerala

Countersigned

New Delhi,
The

21 April 2022



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendix 4.4

Department wise break-up of cases of misappropriation, defalcation, etc
(Reference: Paragraph 4.14, Page No: 145)

(₹ in lakh)

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.							
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised Total		Criminal Proceedings finalised but recovery of the amount pending		Pending in the courts of law	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture	9	45.69	4	7.13	3	28.57	1	9.76	0.23	1
Animal Husbandry	1	0.35	0	0	1	0.35	0	0	0	0
Archives Department	1	0.2	0	0	1	0.2	0	0	0	0
Co-operative	2	297.27	0	0	2	297.27	0	0	0	0
Directorate of Health Services	13	15.65	3	7.24	7	4.35	2	0.03	1	4.03
Directorate of Medical Education	1	0.06	0	0	1	0.06	0	0	0	0
Finance	1	0	0	0	1	0	0	0	0	0
Fisheries	1	0.53	0	0	1	0.53	0	0	0	0
Forest and Wild life	5	31.85	0	0	4	29.35	0	0	1	2.50
General Education	10	21.67	0	0	4	16.82	5	3.75	1	1.10
Higher Education	5	43.81	1	15.43	2	27.45	1	0.2	1	0.73
Home	4	34.56	1	0.2	1	19.12	0	0	2	15.24
Industries	1	0.31	0	0	1	0.31	0	0	0	0
Indian System of Medicine	1	1.85	0	0	1	1.85	0	0	0	0

