

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2011-2014)**

TWENTY FIFTH REPORT

(Presented on 13th December, 2012)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2012

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**COMMITTEE
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PUBLIC ACCOUNTS
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TWENTY FIFTH REPORT

On

**Action taken by Government on the Recommendations contained
in the Sixty Ninth Report of the Committee on
Public Accounts (2006-08)**

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COMMITTEE ON PUBLIC ACCOUNTS (2011-2014)

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Smt. M. R. Maheswari, Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Twenty Fifth Report on Action Taken by Government on the Recommendations contained in the Sixty Ninth Report of the Committee on Public Accounts (2006-08).

The Committee considered and finalised this Report at the meeting held on 10th December, 2012.

Thiruvananthapuram,
13th December, 2012.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the action taken by Government on the recommendations contained in the Sixty Ninth Report of the Committee on Public Accounts (2006-08).

The Sixty Ninth Report of the Committee on Public Accounts (2006-08) was presented to the House on 17th December, 2008. The Report contained 19 recommendations relating to Finance and Taxes Department. The Government were addressed on 1st January, 2009 to furnish the Statements of Action Taken on the recommendations contained in the Report and the final replies were received on 3rd June, 2011.

The Committee considered the Action Taken statements at its meeting held on 8-9-2010, 13-10-2010 and 28-12-2011.

The Committee was not satisfied with the action taken by Government on recommendation Nos. 4, 9, 11, 13, 14, 17 and 19 (Para Nos. 15, 29, 36, 38, 39, 42 and 44 respectively) and decided to pursue further. The said recommendations reply furnished thereon and further recommendation of the Committee are included in Chapter I of this Report.

The Committee have decided not to pursue further action for the remaining recommendation Nos. 1, 2, 3, 5, 6, 7, 8, 10, 12, 15, 16 and 18 (Para Nos. 12, 13, 14, 25, 26, 27, 28, 30, 37, 40, 41 and 43) in the light of the replies furnished by Government. Those recommendations of the Committee and the action taken by Government thereon are included in Chapter II of this Report.

CHAPTER I

RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN BY GOVERNMENT ARE NOT SATISFACTORY AND WHICH REQUIRE REITERATION

FINANCE DEPARTMENT

Recommendation

(Sl. No. 4, Para No. 15)

1.1 The Committee is dissatisfied with the fact that though the Finance Secretary assured to furnish copy of the reply on audit observation during its examination, it is yet to be submitted to the Committee. Hence, the Committee suggested to submit the details without delay. The Committee further suggest

35/2013.

to implement a system in which the Finance Department collect replies on audit objections on utilization of funds from various Departments and submit them to the Committee.

Action Taken

1.2 (1) It was assured by Finance Secretary, while examining the audit paragraph 3.6 (AR 2001—Civil) relating to Treasury Public Accounts on 21-8-2007, that the copy of Remedial Measures Taken will be forwarded soon. A copy of Remedial Measures Taken is seen included in the 69th Report of PAC (2006-2008).

(2) Regarding the suggestion to implement a system in which Finance Department collects replies on audit objections on utilization of funds from various Departments, it is submitted that, it may not be feasible to collect all such replies by the Department, though Finance Department will continue to monitor the progress in this regard in a more focused manner. In this connection, it is pointed out that, this department had issued direction in the form of a Hand Book, viz., “Hand Book of Instructions for the Speedy Settlement of Audit Objections” (Circular No. 5/2001/Fin. dated 24-1-2001). In this Hand Book, it was emphasized that the responsibility for the removal of audit objections and settlement of other points in Audit, devolve primarily upon the Disbursing Officers, Head of Offices and Controlling Authorities. It was also instructed that a Register of Audit Objections shall be maintained and the reply shall be given within a fortnight. In the year 2008, another Hand Book was issued entailing detailed guidelines to be observed by Internal Audit Wings of all Departments. In this Book, among other things, the internal audit wings were directed to verify the Audit Objection Registers also in their audit. Moreover, Finance Department undertakes to verify the progress of replies of audit objections through the Finance—IAC Wing and through the District Finance Inspection Squads in 14 Districts. This will be followed up vigorously.

(3) It is submitted that the above actions seems sufficient to achieve the objective suggested by the Honourable Committee. Therefore, Finance Department may kindly be absolved from the responsibility of collecting the replies on audit objections from all Departments and forwarding them to the Committee.

Considering the above 3 actions the Para No. 15 may be treated as accepted for approval.

Further Recommendation

1.3 The Committee observes that even though circular instructions have been issued from Finance Department from time to time, the superior officers

were not scrutinizing whether such instructions were complied with or not. The Committee instructs the department to examine this and to take necessary action in this regard.

Recommendation

(Sl. No. 9, Para No. 29)

1.4 The Committee observes that the closing balance in respect of the Savings Bank Account maintained by the District Treasury, Thiruvananthapuram have not been validated before shifting over to computerised transaction resulting in a massive difference of ₹ 310.73 crore between the balance as per Manual Ledger and Computerised Ledger as pointed out by audit. The Committee also perceives that the Department had admitted its inefficiency to compare the ledger balance with computer generated accounts. It was stated in September 2004 that the difference occurred due to non-inclusion of certain accounts in the manually prepared statement of interest amounting to ₹ 146.64 crore and adoption of incorrect balance in respect of certain accounts involving shortage of ₹ 39.59 crore. The Committee requires the Department to intimate whether the balance amount of ₹ 124.49 crore which remained to be reconciled has henceforth been settled.

Action Taken

1.5 In order to sort out this serious issue, the District Treasury Officer, Thiruvananthapuram has been directed to constitute a committee with experienced personnel in Treasury Savings Bank arrangements.

The District Treasury Officer has informed that the Committee is constituted and the work is in progress to sort out the Issue.

Instructions have been issued to settle the issue before 3/2010.

A supplementary Action Taken Note will be furnished as and when the issue is settled.

Further Recommendation

1.6 The Committee notes that the reply furnished by the department was not in accordance with the recommendation and remarks that nothing was mentioned in this reply about the reconciliation of the balance amount of ₹ 124.49 crore. The Committee views this as the negligence of the Department and recommends to expedite action for reconciliation of the said amount immediately.

Recommendation

(Sl. No. 11, Para No. 36)

1.7 The Committee finds that acute shortfall had occurred in the utilization of money provided under the Special Development Fund for Members of Legislative Assembly during 2003-04 in the five districts test checked by Audit. Late submission of proposals, delay in preparation of estimates by the implementing agencies, delay in Administrative Sanction by District Collectors and thereby delay in execution of works were the reasons attributed for the low utilization of funds. The Committee observes that no specific time limit was fixed by Government at that time for the utilization of funds.

Action Taken

1.8 Government have since amended the guidelines in G. O. (P) No. 247/04/Fin. dated 27-5-2004 for implementation of the Schemes of MLA SDF by incorporating the following clauses vide G. O. (Rt.) No. 518/09/Fin. dated 20-11-2009 (Appendix II).

The following time frame shall be followed for the completion of the project taken under the scheme :

- (i) Projects with outlay up to ₹ 25 lakh : Six months
- (ii) Projects with outlay up to ₹ 50 lakh : Nine months
- (iii) Projects with outlay exceeding ₹ 50 lakh : Twelve months

Further Recommendation

1.9 Suggesting strict compliance of the directions in Circular No. 95/2009/Fin. dated 20-11-2009, the Committee opines that allocation of funds to the Aided/Unaided Education institutions under the SDF MLA Scheme was not fair and recommends to stop this practice immediately.

Recommendation

(Sl. No. 13, Para No. 38)

1.10 The Committee notes that as per the guidelines, each MLA is required to give his/her choice of works to the District Collector and the District Collector, after getting the estimates from the implementing departments or executing agencies should issue sanction for the work within 45 days from the date of receipt of proposal from the MLA. The Committee recommends that the period should be reduced to 30 days (instead of the stipulated 45 days) and insists that necessary amendments ought to be brought about in the guidelines

to that effect. In cases where it is rationally impracticable to grant sanction within the suggested time frame, the Department should take earnest efforts to see that the delay is reduced to the barest minimum. The Committee also suggests that the MLA concerned should be informed with quarterly reports about the progress of the works undertaken under the scheme.

Action Taken

1.11 The time limit of 45 days from the date of receipt of proposal from the MLA concerned for issuing sanction stands reduced to 30 days. All the Nodal Officers have to furnish a quarterly reports to each MLA on the progress of works taken up on his recommendations vide G. O. (P) No. 518/09/Fin. dated 20-11-2009.

Further Recommendation

1.12 The Committee remarked even though the Government issued orders in this regard the suggestions of the Committee were not carried out properly. The Committee recommends that proper steps should be taken for the strict implement the recommendation.

Recommendation

(Sl. No. 14, Para No. 39)

1.13 The Committee observes that lack of co-ordination between the District Collectors and the user departments had led to delay in implementing the works undertaken due to revision of plans and estimates to suit the requirements of the user Department. Had the District Collectors consulted the user Departments before issuing Administrative Sanction, such a state of affairs could have been averted. The Committee desires to know whether the instructions issued in the Circular of the Finance Department dated 24-11-2006 are being strictly complied with by the District Collectors.

Action Taken

1.14 Government have since amended the guidelines of SDF for MLAs incorporating a new clause suggesting to set-up consultative committees comprising District Collector and representatives of Implementing Agencies at District level to periodically monitor the progress of execution of works taken up under the scheme and ensuring timely and proper utilization of assets created using the Fund [vide G. O. (P) 518/09/Fin. dated 20-11-2009].

Further Recommendation

1.15 The Committee opines that the practice of sending revisions of plan and estimates to DPCs is unnecessary. The Committee also suggests that the consultative Committee of MLAs alone should review such things.

Recommendation

(Sl. No. 17, Para No. 42)

1.16 The Committee finds that explanation has been obtained from the District Collector, Alappuzha for allowing the construction of a ward in the Government Hospital, Kayamkulam at a cost of ₹ 3.13 lakh which was against the guidelines. The Committee would like to know the outcome of the enquiry.

Action Taken

1.17 As per item No. 6 of Appendix I of the guidelines on Special Development Fund for MLAs issued in G. O. (P) No. 247/04/Fin. dated 27-5-2004 construction of buildings for hospital is permissible. But vide item No. 1 of Appendix 2 of the said guidelines, construction of office building is not permissible utilising the fund. The hospital ward constructed in the Taluk Hospital, Kayamkulam under MLA SDF Scheme is reportedly now being used as Administrative block of the Hospital as it is very congested and inconvenient for the purpose of accommodating hospital ward. The DMO, Alappuzha/ Superintendent, Taluk Hospital, Kayamkulam has been instructed by the District Collector, Alappuzha to use the building for the purpose for which it was constructed.

Government have also given direction to the Superintendent, Taluk Hospital, Kayamkulam to shift the office from the building constructed for hospital ward utilizing MLA Fund and report compliance to Government.

As per the specification for construction of hospital ward an area of 7.5 sq.m. is required for a patient with a duty room by the side of the ward. The three bedded ward constructed in Taluk Hospital, Kayamkulam was with 8 sq.m. area per patient with a duty room.

Further Recommendation

1.18. The Committee decides to revamp its recommendations in Para 42 as follows, and would like to get an action taken reply afresh.

“The Committee finds that explanation has been obtained from the District Collector, Alappuzha for allowing the ward constructed at a cost of ₹ 3.13 lakh, for the use of office purposes in the Government Hospital, Kayamkulam which was against the guidelines. The Committee would like to know the outcome of the enquiry.”

Recommendation

(Sl. No. 19, Para No. 44)

1.19 The Committee from the Government reply finds that being the Nodal Department for the Special Development Fund for MLAs, Finance Department is responsible for issuing general instructions to all the planning and implementing agencies of the scheme at State/District level and to monitor the progress of the implementation of the Scheme. The Committee also notes that the District Collectors have been given necessary instructions to forward the monthly expenditure statement to Finance Department. The Committee requires the Finance Department to intimate whether the expenditure statements had been obtained from the District Collectors and whether the same were subjected to proper study. If so, the short comings/drawbacks noticed in the study should be communicated to the Committee along with the steps taken to rectify the same.

Action Taken

1.20 Finance Department has given instruction to all Nodal Officers to furnish monthly progress report to Government.

The expenditure statements have been obtained from the District Collectors of all Districts up to the month of March 2010 and the balance in the SDF for MLAs as on 31-3-2010 is ₹ 201.15 crore (copy enclosed) as against ₹ 205.49 crore as on 31-3-2009. The progress reports furnished by the District Collectors are being periodically reviewed by Finance Department and the District Collectors alerted against laxity in timely utilisation of funds and execution of projects sanctioned under MLA SDF. A copy of the latest communication issued in this respect is enclosed for kind reference.

Further Recommendation

1.21 The Committee observes that currently there is much delay in clearing the bills and recommends that steps should be taken to clear the bills within one month from the preparation of the bills.

CHAPTER II

RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE
DO NOT DESIRE TO PURSUE ACTION IN THE LIGHT
OF THE REPLIES FURNISHED BY GOVERNMENT

Recommendation

(Sl. No. 1, Para No. 12)

2.1 The Committee observes that even though Government had stopped the maintenance of Treasury Public (TP) Accounts with effect from 30th July,

2003, various departments continued to retain their TP Accounts in contravention to the instructions issued by Finance Department in this regard.

Action Taken

2.2 Government have issued orders vide G. O. (P) No. 330/09/Fin. dated 10-8-2009 directing all departments/departmental Officers for strict compliance, to surrender the funds which are deposited in TP accounts, within 31-10-2009.

Recommendation

(Sl. No. 2, Para No. 13)

2.3 The Committee also finds that huge amounts running to crores of rupees were reserved by a large number of officers in their TP accounts during 1996-98 without utilising the money for the purpose for which it was sanctioned. These funds remained unutilised even in March 2001. Moreover, there were also instances of diversion of funds amounting to ₹ 66.92 lakh by six officers during the period 1999-2001 and the diverted funds were used for various sundry items of expenditure as pointed out in audit.

Action Taken

2.4 As per G. O. (P) No. 330/99/Fin. dated 10-8-2009 orders have been issued to the Internal Audit Wings of all departments to avert diversion of funds by departmental officers.

Recommendation

(Sl. No. 3, Para No. 14)

2.5 The Committee express grave concern over the fact that the Finance Department which is supposed to be a watchdog in the financial matters of the State had failed miserably to arrest such irregular and illegal drawal of funds. Even after repeated directions from the Finance Department against keeping TP account, so many departments are continuing it by depositing huge amounts in it as idle money. Such the unspent balances in the TP accounts enable the departments to bypass budgetary restrictions on expenditure and also commit financial irregularities, the Committee urges the Finance Department to take immediate action to ensure that the amounts held in deposit accounts are expended by all the Drawing and Disbursing Officers (DDOs) in due compliance of the existing Rules and Regulations. DDOs should not be allowed to escape treasury and budgetary regulations. The Committee is not happy with the fact that the inspection wing of the Finance Department as well as the internal audit wing of various departments are not functioning properly and recommend that

these wings should be strengthened and they should work hand in hand to ensure that the funds are utilized only for the purposes for which they are sanctioned.

Action Taken

2.6 Vide G. O. (P) No. 330/09/Fin. dated 10-8-2009 orders have been issued to all Head of Departments to ensure that the amounts held in deposit accounts are expended by all the Drawing and Disbursing Officers in due compliance with the existing rules and regulations. The Internal Audit Wings of all departments have also been directed to ensure that the funds are utilised only for the purpose for which they are sanctioned.

Twenty Heads of Departments/Drawing and Disbursing Officers viz., Director of Agriculture, Director of Fisheries, Director of Scheduled Caste Development Department, Director of Handloom and Textiles, District Collector, Kasargod, District Collector, Kannur, District Collector, Wayanad, District Collector, Palakkad, District Collector, Ernakulam, Principal Agricultural Officer (PAO), Palakkad, PAO, Ernakulam, PAO, Kasargod, PAO, Kannur, PAO, Wayanad, Project Director, Poverty Alleviation Unit (PAU), Ernakulam, Project Director, PAU, Palakkad, Project Director, PAU, Kasargod, Project Director, PAU, Kannur, Project Director, PAU, Wayanad and Block Development Officer, Taliparamba mentioned in the Audit Para 3.6 of Comptroller and Auditor General Report for the year ended 31st march, 2001 (Civil), have been requested to furnish the details of amount held in TP Account maintained by them and also to inform whether the same have been fully expended and if not whether the same has been surrendered to Government. All the Drawing and Disbursing Officers have informed that the amount held in deposit accounts have been expended by them.

The Project Director, PAU, Wayanad and Palakkad are still maintaining TP accounts. Hence directions have been given to the Commissioner of Rural Development, to take stringent action against these officers who have not yet closed the TP accounts maintained by them even after repeated directions by Government.

Recommendation

(Sl. No. 5, Para No. 25)

2.7 The Committee understands that the objectives of the Treasury Information System (TIS) was to computerise and interconnect all the treasuries in the State and link them to the Directorate of Treasuries and Finance Department. The Computerisation of Treasuries also aimed to render the daily financial dealings and the financial position of the State thereby making it possible for the Finance Department to exercise an overall control over expenditure of Government money.

Action Taken

2.8 Data links available between Finance Department and Treasuries are the following:

- (a) Through Internet
- (b) Through Dial-up network

At present 'a' is used for transferring budget head related data from Finance Department to Treasuries.

Regarding 'b'—The Dial-up networking system is connected to all Treasuries. After the day closing of the Treasury operation the transaction data will be transferred to the Information System Management Cell (ISMC) in the Directorate through the Dial-up as Text file. The entire data from the State will be processed in the ISMC and various Micro Level Reports will be uploaded in the Internet site for the information of the public. Apart from the above arrangement through this Dial-up system we have developed Treasury Mail Service and Intranet facility communication.

Recommendation

(Sl. No. 6, Para No. 26)

2.9 The Committee, from the evidence tendered before it by the Principal Secretary, Finance Department infers that the TIS is one of the best network systems in the State. Even though the envisaged objectives could not be accomplished to its full extent, the Committee appreciate the earnest efforts put forth by Finance Department in the matter. Endeavour should be made to transform it into a perfect network system.

Action Taken

2.10 'TIS' is not a network. It is a Software jointly developed by the National informatics Centre (NIC) and the Treasury department. 'TIS' version has been updated and TRIM (Treasury Information Management) and Treasury Dial-up system also incorporated for everyday data transmission to the ISMC in the Directorate. More than 70% of the Treasury communication is now being channeled through the Treasury Dial-up Network.

Recommendation

(Sl. No. 7, Para No. 27)

2.11 From the information furnished by Government, the Committee notes that State Wide Area Network (Information Highway) has been developed with

the help of central fund. But the transactions were not made completely on-line which disabled the Finance Department from exercising an effective control over the entire transactions through the treasuries. This defeated the very purpose of the computerisation of treasuries. Hence the Committee suggests that immediate action be taken by the Finance Department to upgrade the existing software and hardware and to ensure that similar software are being used in all the treasuries. The Department should also ensure that the latest version is installed in all the treasuries.

Action Taken

2.12 All treasuries are computerized. The Software, 'TIS' is periodically updated. The present version is TIS 4.0.

The Budget software in the Finance Department has been upgraded from time to time. But this software has no direct interface with the Treasury Software. Such an interface is planned with the centralization of the Treasury Software.

Recommendation

(Sl. No. 8, Para No. 28)

2.13 The Committee finds that the procedure prescribed for storing back up data was not adhered to by most of the treasuries and in the absence of adequate back up facility and off-site storage of data, it would be a Herculean task to restore the system in the event of a disaster. Hence the Committee urges the Department to take effective steps to make sure that the prescribed procedure for back up is strictly followed by all the treasuries.

Action Taken

2.14 In the existing arrangement, Director of Treasuries have given instructions to all administrators who are in charge of the computer systems in the Treasuries to take back up in each day in Magnetic Tape. The use of external devices like Floppy disc (3.5), CD, or Pen drive is not permitted because of severe Virus threat.

As a follow-up of the meeting of the Jury Chairpersons held at Thrissur, it has been decided to go for Central Server arrangement in the Treasury Computer System. In that setup, there will be adequate facility for Disaster Recovery also.

Recommendation

(Sl. No. 10, Para No. 30)

2.15 Regarding the audit observation on the absence of provision in the stamp account, the Committee would like to be apprised of the system now prevailing in the Department to obtain the details of the stamps issued to a particular vendor and also for automatic deduction of income tax from a particular vendor whose commission exceeds ₹ 2,500, in a financial year.

Action Taken

2.16 The issue of stamps (denomination wise) to a vendor is recorded in the Nalvazhi book supplied to the vendor. Moreover, each issue is also recorded in the Treasury System (TIS) wherever computers are provided. The details of stamps issued to a vendor can be taken either from the Nalvazhi book or from the Treasury Computer System. It is also possible to obtain details from the indent given by the vendor and kept in the Treasury after the issue of stamps.

The system now followed for deducting income tax on the discount paid to the vendor exceeding ₹ 2,500 is as follows:

The vendor remits stamp value after deducting the discount due to him for getting stamp. The Treasury Officer passes a discount voucher for the discount amount eligible for vendor and transfer credit to the stamp value (0030) before issue of the stamp. In order to recover income tax from the vendor, the vendor is now asked to remit the income tax amount also along with the value of stamp he remits and the Treasury Officer prepares a discount bill for the discount value plus income tax amount and transfer credits the amounts to income tax and stamp head (0030).

Recommendation

(Sl. No. 12, Para No. 37)

2.17 The Committee from the reply furnished by Government learns that vide Circular No. 56/NC.3/06/Fin. dated 29-11-2006, necessary instructions had been issued to the District Collectors to prescribe a time schedule for completion of the works undertaken under the scheme in the proceedings according Administrative sanction for the works. The Committee wants to know whether the circular instructions are being strictly followed by the District Collectors. The Committee opines that it would be better to prescribe a specific time schedule in the guidelines itself for the works undertaken under the scheme from the stage of proposals to the handling over of the assets created therein.

Action Taken

2.18 The existing time limit of 45 days from the date of receipt of proposal from the MLA concerned for issuing sanction stands reduced to 30 days and necessary amendments have been brought about in the guidelines to that effect vide G. O. (P) No.518/09/Fin. dated 20-11-2009 (copy enclosed).

Recommendation

(Sl. No. 15, Para No. 40)

2.19 Even though the responsibility of ascertaining the basic requirements for implementing works before according sanction vests with the District Collectors, who are the District Nodal Officers, it has been pointed out by Audit that they have failed miserably in accomplishing their obligations which in turn results in abandonment/non-completion of certain works. The Committee stress the need for ensuring the basic requirements like availability of land, realistic estimates and necessary infrastructure before according sanction for works. The Committee would like to be appraised of the present district-wise and year-wise position of the works sanctioned under this scheme.

(Sl. No. 16, Para No. 41)

2.20 The Committee finds that the District Collectors of Alappuzha, Ernakulam, Pathanamthitta and Kozhikkode had issued sanction for 16 inadmissible works costing ₹ 1.28 crore in violation of the guidelines. The Committee directs the Finance Department to ensure strict compliance of the guidelines by all the District Collectors and to confirm that such instances are not repeated in future at any cost.

Action Taken

2.21 Necessary directions were given to all Nodal Officers/Implementing Agencies vide Circular No. 95/09/Fin. dated 20-11-2009 (Appendix III) to ensure availability of land, realistic estimates and necessary infrastructure before according sanctions for works under SDF for MLAs and also to ensure that the sanctions are confined only to those items which are permissible to be taken up under the schemes under the guidelines in force from time to time.

Recommendation

(Sl. No. 18, Para No. 43)

2.22 The Committee learns that lack of prior consultation with the user departments by the District Collectors had led to non-utilization of assets created in many cases. The Committee urges the Finance Department to

develop a suitable system in all the District Collectorates to see that the assets created are utilized for the purpose for which they were created.

Action Taken

2.23 Government have since amended the guidelines of SDF for MLAs incorporating a new clause suggesting to set up consultative committees comprising District Collector and representatives of Implementing Agencies at District level to periodically monitor progress of execution of works taken up under the scheme and also for ensuring timely and proper utilization of assets created using the Fund.

Thiruvananthapuram,
13th December, 2012.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

APPENDIX I

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Conclusion/Recommendation</i>
(1)	(2)	(3)	(4)
1	1.3	Finance	The Committee observes that even though circular instructions have been issued from Finance Department from time to time, the superior officers were not scrutinizing whether such instructions were complied with or not. The Committee instructs the department to examine this and to take necessary action in this regard.
2	1.6	„	The Committee notes that the reply furnished by the department was not in accordance with the recommendation and remarks that nothing was mentioned in this reply about the reconciliation of the balance amount of ₹ 124.49 crore. The Committee views this as the negligence of the Department and recommends to expedite action for reconciliation of the said amount immediately.
3	1.9	„	Suggesting strict compliance of the directions in Circular No. 95/2009/Fin. dated 20-11-2009, the Committee opines that allocation of funds to the Aided/ Unaided Education Institutions under the SDF MLA Scheme was not fair and recommends to stop this practice immediately.
4	1.12	„	The Committee remarked even though the Government issued Orders in this regard the suggestions of the

(1)	(2)	(3)	(4)
			Committee were not carried out properly. The Committee recommends that proper steps should be taken for the strict implement the recommendation.
5	1.15	Finance	The Committee opines that the practice of sending revisions of plan and estimates to DPCs is unnecessary. The Committee also suggests that the consultative Committee of MLAs alone should review such things.
6	1.18	„	The Committee decides to revamp its recommendations in Para 42 as follows, and would like to get an action taken reply afresh.
			“The Committee finds that explanation has been obtained from the District Collector, Alappuzha for allowing the ward constructed at a cost of ₹ 3.13 lakh, for the use of office purposes in the Government Hospital, Kayamkulam which was against the guidelines. The Committee would like to know the outcome of the enquiry.”
7	1.21	„	The Committee observes that currently there is much delay in clearing the bills and recommends that steps should be taken to clear the bills within one month from the preparation of the bills.

APPENDIX II

GOVERNMENT OF KERALA

Abstract

SPECIAL DEVELOPMENT FUND FOR MLA'S-GUIDELINES-MODIFICATION-ORDERS ISSUED

FINANCE (NODAL CENTRE) DEPARTMENT

G.O. (P) No. 518/09/Fin. Dated, Thiruvananthapuram, 20th November, 2009.

*Read:—*1. G.O. (P) No. 247/2004/Fin. dated 27-5-2004.

2. Circular No. 56/NC3/2006/Fin. dated 29-11-2006.

ORDER

In the above G.O. read as 1st paper above, Government have issued detailed guidelines on implementation of the scheme of Special Development Fund for MLAs. In the Circular cited, instructions were also issued to the Nodal Officers/Implementing Agencies for the speedy implementation of projects taken up under the scheme. The Public Accounts Committee (2006-08), in its 69th report has made certain recommendations towards improving implementation of the MLA SDF Scheme.

2. Government, having considered the recommendation made by the Public Accounts Committee, are pleased to issue the following instructions in modification to the existing guidelines on implementation and monitoring of scheme of Special Development Fund for MLAs.

(a) Time Limit for Completion of Works under MLA SDF

The following timeframe will be observed for completion of works taken up under the scheme:

- (i) Works with outlay up to Rs. 25 lakh .. 6 months from the date of issue of Administrative Sanction
- (ii) Works with outlay up to Rs. 50 lakh .. 9 months from the date of issue of Administrative Sanction
- (iii) Works with outlay up to Rs. 75 lakh .. 12 months from the date of issue of Administrative Sanction

(b) Time Limit for issuing Administrative Sanction

The existing time limit of 45 days (vide para 3.9 of the guideline issued in G.O. (P) No. 247/2004/Fin. dated 27-5-2004) from the date of receipt of the proposal from the MLA to issue sanction after getting the estimate from the Implementing Agencies/Departments will stand reduced to 30 days.

(c) Furnishing Quarterly Reports to MLAs

District Collectors shall furnish a quarterly report to each MLA on the progress of works taken up on his recommendations.

(d) Constitution of Consultative Committees

Consultative Committees comprising District Collector and representatives of implementing agencies will be constituted at District level to periodically monitor progress of execution of works taken up under the scheme and ensuring timely and proper utilization of the assets created using the Fund.

By order of the Governor,

DR. P. PRABAKARAN,
Additional Chief Secretary (Finance).

To

All Members of the Legislative Assembly
All District Collectors
The Principal Accountant General (Audit), Kerala, Thiruvananthapuram
The Accountant General (A & E), Kerala, Thiruvananthapuram
The Private Secretary to Chief Minister
The Private Secretaries to all Ministers
The Private Secretary to the Speakers
The Private Secretary to the Deputy Speaker
The Secretary, Legislative Secretariat
The Parliament Affairs Department
The General Administration (SC) Department (vide item No. 3916 of the proceedings dated 11-11-2009 of the Council of Ministers)
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APPENDIX III

GOVERNMENT OF KERALA

Finance (NC) Department

CIRCULAR

No. 95/2009/Fin. *Dated, Thiruvananthapuram, 20th November, 2009.*

Sub:— Special Development Fund for MLAs—Implementation and Monitoring of Schemes—Instructions issued.

Ref:— 1. G.O. (P) No. 247/2004/Fin. dated 27-5-2004.

2. Circular No. 56/2006/Fin. dated 29-11-2006.

In the circular cited, Government have issued various instructions to the Nodal Officers/Implementing agencies for speedy implementation of the schemes taken up under the Special Development Fund for MLAs. The Public Accounts Committee (2006-08) in its 69th report has made certain recommendations towards improvement of implementation of the scheme. In the light of the recommendations made by the Public Accounts Committee (2006-08) the following instructions are issued for strict compliance by the Nodal Officers/Implementing agencies of the scheme of Special Development Fund for MLAs.

The District Collectors shall ensure availability of land, realistic estimates and necessary infrastructure before according sanctions for works under SDF for MLAs and ensure that the sanctions are confined only to those items which are permissible to be taken up under the schemes under the guidelines in force from time to time.

DR. P. PRABAKARAN,

Additional Chief Secretary (Finance).

To

All Members of the Legislative Assembly
All District Collectors
The Principal Accountant General (Audit), Kerala, Thiruvananthapuram
The Accountant General (A & E), Kerala, Thiruvananthapuram
The Principal Secretary to Chief Minister
The Private Secretaries to all Ministers
The General Administration (SC) Department
The Office Copy/Stock File.
