

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2014-2016)**

FIFTY SEVENTH REPORT
(Presented on 9th July, 2014)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014

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On

**Paragraphs relating to Health and Family Welfare, General Administration,
Higher Education, Water Resources, Home and Information and
Public Relations Departments and Legislature Secretariat
contained in the Reports of Comptroller and
Auditor General of India for the years
ended 31 March 2009,
2010 & 2011 (Civil)**

CONTENTS

	<i>Page</i>
Composition of the Committee	.. v
Introduction	.. vii
Report	.. 1-31
Appendices:	
I. Summary of main Conclusion/Recommendation	.. 32-35
II. Notes furnished by Government	.. 36-57
III. Details of irregularities noticed in Primary Health Centre, Kollengode.	.. 58

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Shri K. Mohandas, Special Secretary

Smt. A. K. Shaila, Deputy Secretary

Shri G. P. Unnikrishnan, 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 57th Report on paragraphs relating to Health and Family Welfare, General Administration, Higher Education, Water Resources, Home and Information and Public Relations Departments and Legislature Secretariat contained in the Reports of the Comptroller and Auditor General of India for the years ended 31 March 2009, 2010 & 2011 (Civil).

The Reports of the Comptroller and Auditor General of India for the years ended 31 March 2009, 2010 & 2011 (Civil) were laid on the Table of the House on 25th March, 2010, 28th June, 2011 and 22nd March, 2012 respectively.

The Committee considered and finalised this Report at the meeting held on 30th June, 2014.

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,
9th July, 2014.

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

REPORT

HEALTH AND FAMILY WELFARE, GENERAL ADMINISTRATION,
HIGHER EDUCATION, WATER RESOURCES, HOME AND
INFORMATION AND PUBLIC RELATIONS DEPARTMENTS
AND LEGISLATURE SECRETARIAT

HEALTH AND FAMILY WELFARE DEPARTMENT

AUDIT PARAGRAPH

Misappropriation of Hospital Development Committee Funds

Lack of proper supervisory checks by the concerned officers led to misappropriation of ₹ 6.33 lakh from Hospital Development Committee funds.

Government constituted (January 1983) Hospital Development Committee (HDC) to ensure constant vigil on the working of the medical institutions in the State. One of the functions of the HDCs was to run voluntary Blood banks in the hospital. The HDCs were required to keep proper accounts of the fees collected for the services rendered so as to utilize the amounts for various developmental activities instead of remitting them to the Government Account. The charges fixed for blood supply were ₹ 250 per bag for inpatients in general wards and ₹ 500 per bag for pay ward/private patients. There were no charges for poor patients.

A test check of the records of the blood bank run by the HDC of the Women and Children Hospital, Thiruvananthapuram for the period January 2006 to March 2009 revealed the following shortcomings:

- In 1275 cases, the amounts of fees credited to the concerned account were different from the amounts shown in the receipts. Against the actual collections of ₹ 250 and ₹ 500 per bag, the amounts credited to the account were only ₹ 10 or ₹ 250 per bag respectively, resulting in short accounting of ₹ 4.12 lakh.
- In the blood issue register, the same receipt numbers were noted against more than one case. Thirty-nine such receipts were recorded against 130 cases, resulting in non-accounting of ₹ 0.28 lakh relating to the remaining 91 cases.

- In 86 cases (involving ₹ 0.27 lakh), though the fees for issue of blood bags were shown as collected in the blood issue register, they were not shown as receipts in the accounts.
- There were several mistakes in the cash book, e.g. totalling of receipts on the lower side and payments on the higher side; non-carrying forward of the closing balance of a day to the next day; opening balance of a particular day being less than the closing balance of the previous day, etc. resulting in misappropriation of ₹ 1.66 lakh.

Thus the total amount defalcated in the Women and Children Hospital, Thiruvananthapuram was ₹ 6.33 lakh.

In addition, counterfoils of 22 used receipt books were missing and 424 receipts had been tampered with and their counterfoils had been torn off. These receipt books could, therefore, not be verified by Audit.

The Superintendent of the Hospital as head of the institution should have exercised necessary supervisory control over the functioning of HDC. Failure of the HDC to maintain proper accounts and the absence of proper supervisory checks by the officers concerned resulted in misappropriation of ₹ 6.33 lakh. On this being pointed out in audit, the Superintendent confirmed (May 2009) the misappropriation of ₹ 6.33 lakh.

Government stated (October 2009) that the Blood Bank Technician and the Upper Division Clerk had been suspended and two Medical Officers had been transferred. Government also directed the Director of Health Services to initiate disciplinary proceedings against the Blood Bank Technician and the Upper Division Clerk and to take steps to recover the misappropriated amount from those responsible for the misappropriation.

[Audit Paragraph 2.1.1 contained in the Report of C & AG of India for the year ended 31 March 2009 (Civil).]

Regarding the audit paragraph, the Additional Secretary, Health and Family Welfare Department submitted that the audit remarks were concerned with the

misappropriation of funds in the blood bank run by the Hospital Development Society of the Hospital for Women and Children, Thycaud and decision had been taken to recover the amount from the two persons concerned. Accordingly an amount of ₹ 1,66,534 had been already recovered from Shri P. S. Mathai, U.D.Clerk and direction had been given to recover the balance amount from the DCRG of the expired Blood Bank Technician named Sivan. Since the file regarding their case had been pending with the Vigilance Department further action could be taken only after the return of the file from the Vigilance Department.

2. The Committee then enquired about the steps taken by the department other than recovery of funds. The Additional Secretary, Health and Family Welfare Department replied that the department could not initiate action against those who has supervisory control because the related files were under the custody of Vigilance Department. The Principal Secretary, Home and Vigilance Departments submitted that two authorities shall not taken actions against one and the same crime. The Committee accepted the explanation and urged the department to furnish a detailed report in this regard.

Conclusion/Recommendation

3. The Committee urges the Health and Family Welfare Department to furnish a detailed report on the action taken on the findings of vigilance enquiry.

AUDIT PARAGRAPH

Avoidable payment of surcharge and penal interest on water and electricity charges

Insufficient provision in the budget and non-replacement of faulty water meters in time resulted in avoidable payment of ₹ 32.99 crore as surcharge and penal interest.

According to clause (b) under Regulation 14 of the Kerala Water Authority (Water Supply) Regulations 1991, bills for consumption of water charges are

required to be paid in full within the due dates. In cases of failure, two per cent surcharge is leviable per month for the period of default. Also, as per clause(e) under Regulation 12, surcharges of 25 per cent, 50 per cent and 100 per cent of average consumption charges for the initial two months, next two months and for the period thereafter respectively, was leviable in cases where consumers have not replaced faulty meters. The Public Accounts Committee in its 91st Report presented to the Legislature in December 2000, had recommended that sufficient funds should be provided in the budget to meet water and electricity charges.

It was noticed in audit that in spite of specific recommendations by the Public Accounts Committee, the State Government failed to provide sufficient funds in the budget for payment of water and electricity charges, which resulted in payment of fines/surcharge/penal interest on belated payment of these charges as detailed below:

Case 1: Out of ₹ 60.50 crore paid to the Kerala Water Authority by three Government medical colleges at Kottayam, Kozhikode and Thiruvananthapuram during the period from April 2005 to January 2009, ₹ 24.40 crore was towards fines for delayed payment of water charges and surcharge for water consumed through faulty meters. Lack of sufficient funds in the budget was the reason attributed for the delayed payment.

Case 2: The District Hospital, Palakkad had five* water connections. The water charges due for the period April 1990 to October 2009 in respect of these connections were ₹ 5.15 crore (including ₹ 3.48 crore towards fines). During January 2000 to October 2009, the hospital paid ₹ 3.83 crore to the Kerala Water Authority (KWA) towards water charges for the five water connections, which included ₹ 2.64 crore towards surcharge (fines) for belated payment. After the above payment, a net amount of ₹ 1.32 crore was due as of October 2009 to KWA towards water charges, including fines totaling ₹ 84 lakh.

* Consumer Nos. 6778, 8177, 11040 (from 1990), 20383 (from January 2004) and 22091 (from July 2005).

The Lay Secretary and Treasurer*, District Hospital, Palakkad admitted (February 2009) that sufficient funds were not received in time for payment of water charges and hence fines for belated payment had to be paid.

Case 3: ₹ 5.95 crore was incurred towards penal interest on belated payment of electricity charges to Kerala State Electricity Board by the following institutions:

TABLE NO.2.1: DETAILS OF PENAL INTEREST PAID

Name of institution	(₹ in crore)			
	2006-07	2007-08	2008-09	Total
Medical College, Kozhikode	0.05	0.05
Medical College Hospital, Kozhikode (Low Tension)	1.15	0.05	0.01	1.21
Medical College Hospital, Kozhikode (High Tension)	0.16	0.15	..	0.31
Dental College, Kozhikode	0.05	0.05	..	0.10
Medical College Hospital, Thiruvananthapuram	2.41	0.04	1.02	3.47
Medical College, Thiruvananthapuram	0.20	0.01	..	0.21
Sree Avittam Thirunal Hospital, Thiruvananthapuram	0.06	0.53	0.01	0.60
Total	4.08	0.83	1.04	5.95

Source: Details collected from the institutions.

The Director of Medical Education stated (June 2009) that belated remittances were due to lack of sufficient funds in the budget during 2006-07 and 2007-08.

Thus, belated payment of water/electricity charges due to insufficient provision in the budget and non-replacement of faulty meters in time led to the avoidable payment of ₹ 32.99 crore towards fines, surcharges and penal interest.

* The Lay Secretary and Treasurer is the administrative head and also the drawing and disbursing officer of the hospital.

The matter was referred to Government in May 2009. Reply had not been received (October 2009).

[Audit Paragraph 2.2.2 contained in the Report of C&AG of India for the year ended 31 March, 2009 (Civil).]

4. The Committee came to know that since sufficient fund was not provided in the budget and also due to non-replacement of faulty water meters in time resulted in an infrastructure expenditure towards surcharge and penal interest .

Conclusion/Recommendation

5. The Committee reiterates its earlier recommendation that Finance Department should provide separate fund for meeting the expenditure like electricity and water charges for different departments.

AUDIT PARAGRAPH

Idling of a hospital building

Owing to non-sanctioning of additional staff by Government, a new hospital building with 80 beds for the Community Health Centre, Perambra constructed in August 2005 at a cost of ₹ 95.32 lakh, remained unutilised for the last four years.

In order to offer better treatment facilities to the people of Perambra Block Panchayat, Kozhikode district and nearby areas, the Block Panchayat, Perambra decided to construct a new building to add 80 beds in place of a dilapidated building having a bed strength of six and to increase the bed strength from *38 to 112*.

The Block Panchayat sanctioned (July 2001) the construction of a new additional building for the Community Health Centre (CHC), Perambra at a cost of ₹ one crore utilising their Plan Funds and Local Area Development Funds of the concerned Member of Parliament and Member of the Legislative Assembly. Technical sanction was accorded (civil works-November 2001 and electrical works-January 2003) by the District Level Technical Committee (DLTC), Kozhikode for ₹ 91.50 lakh, which was subsequently revised (March 2004) to ₹ 1.19 crore, including certain extra items. The building was completed in August

2005 at a total cost of ₹ 95.32 lakh. Infrastructure facilities such as operation theatre, labour room, furniture, water supply etc., were also provided.

The District Medical Officer of Health, Kozhikode submitted (October 2001) a proposal to the Director of Health Services (DHS) for enhancement of the bed strength to 112 and another proposal in March 2004 for creation of additional posts of medical and para-medical staff required for the CHC. The DHS forwarded (May 2005) the proposal to the Government and followed it up in June 2006 and May 2008. Government had not yet sanctioned the additional posts and not enhanced the bed strength for inpatients. Therefore, the CHC had to continue to function with the original bed strength.

Government stated (September 2009) that the new building for CHC, Perambra was constructed by the Perambra Block Panchayat utilizing their own funds without consulting the DHS and that the bed strength was not increased and additional posts were not sanctioned due to resource constraints.

The DHS was aware of the fact of construction of the new building as can be seen from the proposals for enhancement sent by the District Medical Officer of Health, Kozhikode to the DHS in October 2001. Moreover, Government had to provide additional staff as the authority to appoint the staff vested with them and the salary was also to be met by them.

Thus, even though an additional building was provided at a cost of ₹ 95.32 lakh for the CHC, the intended benefits could not be extended to the poor patients of the area for the period August 2005 to September 2009 due to laxity on the part of Government to sanction additional posts to the CHC.

[Audit Paragraph 2.4.2 contained in the Report of C & AG of India for the year ended 31 March, 2009 (Civil).]

6. The Committee enquired about the present status of the hospital building constructed for the Community Health Centre at Perambra. The witness, Director of Health Services submitted that the hospital formerly a Public Health Centre which was upgraded as CHC is now functioning as Taluk Hospital. It also

provides inpatient facility with 70 beds but sufficient staff according to the pattern of a Taluk Hospital has not been allotted yet. To a query of the Committee she informed that the proposal for creation of required posts for the Taluk Hospital was submitted to Government.

7. The Committee viewed seriously that Block Panchayat authorities had constructed a new building for the Community health Centre, Perambra to increase the bed strength from 38 to 112 without consulting the Health and Family Welfare Department and before getting sanction for additional posts. The Committee remarked that the expansion of building without prior sanction from the Department and without creating additional posts could not be accepted and opined that had the Health and Family Welfare Department interfered effectively, the idling of the building for years could have been avoided. It urged the department to be more vigilant in avoiding such situations in future.

Conclusion/Recommendation

8. The Committee analyses that lack of co-ordination between Health and Family Welfare Department and Local Self Government Department resulted in idling of the building constructed for CHC, Perambra for about four years. The Committee expresses its anguish over the irresponsible attitude of the Health and Family Welfare Department and comments that the public money utilized for the benefit of the poor people could not be made useful to them due to certain technical reasons. It suggests that the Health and Family Welfare Department should be cautious in avoiding such delicacies in future and also recommends to take necessary steps to create additional posts for the smooth functioning of PHCs.

AUDIT PARAGRAPH

Fraudulent drawal and misappropriation of Government money

In Medical College Chest Hospital, Thrissur, ₹ 1.12 lakh was fraudulently drawn by presenting bogus bills in the names of employees.

Rule 432 (a) of the Kerala Treasury Code (KTC) stipulates that the head of an office is personally responsible for all moneys drawn as pay, leave salary, allowances, etc., on an establishment bill signed by him or on his behalf until he

has paid them to the persons who are entitled to receive them and has obtained their dated acknowledgements, duly stamped when necessary. Further, Form TR 95, prescribed under Rule 432 (a) for obtaining the acquittance for the money disbursed also contain a certificate to be recorded by the Drawing and Disbursing Officer to the effect that acquittance has been taken in respect of each amount paid, from the persons entitled to receive it. Form TR 51, prescribed under Rule 169 (b) of KTC for drawal of bills for pay, allowances, etc., mandates certificates to be recorded by the Drawing and Disbursing Officer to the effect that the claims preferred are verified with relevant rules and are eligible.

Audit scrutiny (January-February 2010) of the accounts of the Medical College Chest Hospital (MCCH), Mulamkunnathukavu, Thrissur, for the period January to December 2009 revealed fraudulent drawal of money from the treasury on presentation of bogus bills by the Lay Secretary and Treasurer* of the MCCH as detailed below:

- A bill for ₹ 66,384 towards surrender leave salary in respect of four employees was encashed on 31st August, 2009 after they were relieved of their duties on transfer between the first and tenth of August 2009[†].
- Salary of ₹ 6,011 for July 2009 relating to a Hospital Attendant, who was relieved on 10th July, 2009 on transfer, was drawn on 5th August, 2009.
- Salary was drawn in August 2009 for the full month of July 2009 (₹ 10,504) relating to a provisional employee (Pharmacist), though the employee was eligible for salary for four days only (₹ 1,355) due to termination of service on 4th July, 2009.
- Salary for August 2009 (₹ 15,838) and festival advance (₹ 5,000) relating to a Pharmacist was drawn on 28th August, 2009 after she was relieved on 24th July, 2009.
- Ad hoc bonus (₹ 2,500) and festival advance (₹ 5,000) were drawn during August 2009 in the name of a Hospital Attendant who was issued Last Pay Certificate on 31st July, 2009.

* Lay Secretary and Treasurer is the Drawing and Disbursing Officer of the Hospital.

[†] Agnes Sebastian (1st August, 2009 Afternoon); P.K.Mini (3rd August, 2009 Forenoon); A.N.Latha (9th August, 2009 Afternoon) and G.P. Sophy (10th August, 2009 Afternoon).

- Ad hoc bonus of ₹ 2,500 in respect of a Nursing Assistant was drawn twice in August and October 2009.

The bogus bills were prepared by the head clerk of the hospital and signed by the Lay Secretary and Treasurer of the hospital and the above amounts were shown as disbursed on fake signatures of the employees. Audit also found specific notings in the Service Book of the head clerk against entrusting the official with cash dealings and other allied matters relating to cash and accounts. Disregarding this, the Drawing and Disbursing Officer of the MCCCH entrusted the head clerk to deal with cash transactions. Entrustment of cash transaction to a delinquent person and the failure of the Drawing and Disbursing Officer to adhere to the above mentioned provisions of KTC in regard to the drawal and disbursement of the Government money resulted in fraudulent drawal and misappropriation of ₹ 1.12 lakh.

Government stated (July 2010) that a case had been registered before the Chief Judicial Magistrate, Wadakkancherry and subsequently the case had been transferred to the Vigilance and Anticorruption Bureau. Government added that further action would be taken on the basis of the recommendations of the Vigilance Department.

Misappropriation of Funds

Lack of proper checks by supervisory officers led to misappropriation of ₹ 0.68 lakh from Hospital Development Committee funds of two hospitals. In addition, financial irregularities of ₹ 12.86 lakh by the Medical Officer of Community Health Centre, Elappully were also noticed.

(1) Hospital Development Committee Fund

Government constituted (January 1983) Hospital Development Committees (HDC) to ensure constant vigil on the functioning of the medical institutions in the State. The HDCs were required to keep proper accounts of the fees collected for the services rendered so as to utilize the amounts for various developmental activities instead of remitting them to the Government account. A test check of the records of HDCs of Taluk Headquarters Hospital, North Paravoor for the period from July 2007 to October 2009 and Primary Health Centre, Kollengode for the period from January 2006 to March 2010 revealed the following misappropriations

of funds amounting to ₹ 0.68 lakh. The misappropriations had happened due to failure of the HDC to maintain proper accounts as well as absence of proper checks by the supervisory officers*.

Taluk Headquarters Hospital, North Paravoor

Between July 2007 and November 2008, ₹ 51,075 collected by the HDC were not brought to account in the cash book, the details of which were as shown below:

- One-third of the bid amount of the canteen (₹ 23,200) received from a contractor on 16th October, 2008.
- X-ray charges of ₹ 18,025 collected at ₹ 35 each from 515 patients during September 2007 and May-July 2008.
- Scanning charges of ₹ 4,200 collected at ₹ 200 each from 21 patients on 14th March, 2008.
- Dental service charges amounting to ₹ 2,390[†] collected during February, March and July 2008.
- Hospital stoppage[‡], operation and freezer charges amounting to ₹ 3,260 collected during July 2007 to October 2008.

The Superintendent of the Hospital confirmed (November 2009) all the above cases of misappropriations. The Director of Health Services informed (September 2010) that ₹ 26,185 had been remitted by the concerned officials.

Primary Health Centre, Kollengode

Audit scrutiny (March 2010) revealed short accountal of ambulance hire charges, outpatient fees and pay ward charges and inflated accounting of fuel charges as well as shortage of cash totalling ₹ 16,908, the details of which are given in Appendix III.

* The Superintendent of the hospital in the case of Taluk Headquarters Hospital and the Medical Officer in the case of the Primary Health Centre.

[†] Outpatient ticket charges of ₹ 1,790 (₹ 5 each from 358 patients) collected during February 2008, March 2008 and July 2008 and Scaling charges of ₹ 600 (₹ 50 each from 12 patients) collected on 9th July, 2008.

[‡] Hospital stoppage is the fee at ₹ 10 per day collected from every inpatient who is above poverty line, admitted in pay wards.

On this being pointed out in audit, the Medical Officer, Primary Health Centre, Kollengode informed (September 2010) that ₹ 16,908 had been remitted (August and September 2010) in the HDC account by the person concerned. However, departmental action initiated against the official responsible had not been intimated by the Government (October 2010).

(2) Funds of Community Health Centre, Elappully

During audit of the Community Health Centre (CHC), Elappully in Palakkad District in October 2007, some financial irregularities were noticed by Audit. The District Medical Officer (DMO), Palakkad conducted a surprise check and confirmed the audit findings. Based on the DMO's report, the Director of Health Services (DHS) suspended (October 2007) the Medical Officer-in-charge of the CHC, pending detailed enquiry. No detailed enquiry was, however, conducted and the Medical Officer who is also the Drawing and Disbursing Officer was reinstated (June 2008) in service without imposing any penalty.

During audit of the accounts of the CHC, Elappully held in November 2009, it was found that the Medical Officer had committed financial irregularities of ₹ 12.86 lakh between January 2005 and July 2007 as indicated below:

TABLE 2.1: DETAILS OF FINANCIAL IRREGULARITIES

Sl. No.	Nature of irregularity	Amount (in ₹)
1	Fraudulent payment of wages to a driver	28,460
2	Double withdrawal of money based on the same invoice	24,680
3	Excess Drawal	2,108
4	Manipulation of bills	2,90,325
5	Fraudulent claims towards charges for cleaning, repair of vehicle, disposal of waste, etc.	1,99,786
6	Doubtful cases of the genuineness of the vouchers due to absence of dates, rates, purposes, names of suppliers, etc.	1,14,114
7	Missing vouchers	5,38,096
8	Short accountal of receipts towards hire charges of ambulances	88,821
	Total	12,86,390

Audit also detected 17 sets of unused duplicate receipt books in stock which could be used fraudulently.

The DHS informed (October 2010) that an enquiry was conducted at CHC, Elappully by the Additional Director of Health Services (Vigilance) in September 2010 and the audit observations were found to be genuine. The DHS also stated that stringent action was being taken against the Medical Officer on the basis of the findings and recommendations of the Enquiry Officer.

The matter was brought to the notice of the Government in January 2010; reply had not been received (November 2010).

[Audit Paragraphs 2.1.1 & 2.1.2 contained in the Report of the C & AG of India for the year ended 31 March, 2010 (Civil).]

Notes furnished by Government on the above audit paragraph is included as Appendix II.

9. Regarding the audit observations the Committee enquired about the misappropriation of fund utilisation of Hospital Development Committee in the Medical College Chest Hospital, Mulamkunnathukavu, Thrissur. The Additional Secretary, Health and Family Welfare Department submitted that the case was under vigilance enquiry and the officers concerned were suspended and later reinstated. To a query of the Committee, the witness, Additional Director General of Police, Vigilance & Anticorruption Bureau clarified that the suspension was as per the instruction of the Vigilance Department and the decision whether the officials had to be reinstated or not would be taken by a Committee.

10. The Committee wanted to know the reason for not taking any departmental action against the cases of the misappropriation pointed out by the Audit. The Additional Secretary, Health and Family Welfare Department informed that an amount of ₹ 12,030 and ₹ 4,878 were remitted at SBT and HDC account respectively being the liability amount of the PHC, Kollangode for the period from 1-4-2006 to 31-10-2010. In the case of Taluk Headquarters Hospital, North Paravoor, total amount of ₹ 51,075 was recovered from the officials concerned. In the case of the CHC, Elappully no action had yet been started since the case is under vigilance enquiry.

11. The Committee was astonished to note that no action had been initiated against the delinquent officers in any of the cases and remarked that misappropriation should not get ratified simply by remitting back the amount. The Committee directed to fix liability and take disciplinary action in cases where vigilance enquiry had not been initiated.

12. The Committee appreciated the activities of Hospital Development Committees and enquired whether the executive authorities functioning as per the direction of the Committee. The witness, Director of Health Services deposed that the Superintendent of the Hospital serves as the Secretary of Hospital Development Committee/Hospital Management Committee and the Lay Secretary as Treasurer in major hospitals. It is the responsibility of these two officers to interfere if the decision of the Committee is against Government norms. She continued that in most cases, misappropriation were occurred without the knowledge of the HMC.

13. The Committee opined that Hospital Management Committee is constituted as an independent agency envisaged to function smoothly without the constraints of bureaucratic procedures. It analysed that lack of supervisory control is the reason for the misappropriation of the fund of the HDC. So the Committee directed the Health and Family Welfare Department to look into the matter and to evolve an effective mechanism to monitor the utilization of the fund by the Hospital Development Committee.

Conclusion/Recommendation

14. The Committee urges the Health and Family Welfare Department to furnish the details of the vigilance enquiry over the misappropriation of fund utilisation of Hospital Development Committee in Medical College Chest Hospital, Mulamkunnathukavu.

15. The Committee remarks that misappropriation is a matter of grave concern and it could not be rectified simply by realising the amount misappropriated. It blames the department in not taking any departmental actions against the officials involved in the misappropriation. The Committee exhorts the Health and Family Welfare Department to fix the liability for the

fault and take appropriate actions against the erring officials at least in cases where vigilance enquiry had not been initiated.

16. The Committee remarks that considerable amount is being transacted through Hospital Development Committee without any checking. It recommends the Health and Family Welfare Department to evolve an effective mechanism to monitor the fund utilisation by the Hospital Development Committees.

HOME DEPARTMENT

AUDIT PARAGRAPH

Non-fulfilment of vision of Vigilance and Anticorruption Bureau

Effective functioning of the Vigilance and Anticorruption Bureau has the potential to yield substantial benefits to the Government. The constraints faced by the VACB at various stages of its operations have seriously impaired achievement of the objective of effectively combating corruption and misconduct by Government servants and public servants.

The Vigilance Division, under the control of the Director of Vigilance Investigation was formed by the Government of Kerala in 1964. It was renamed as Vigilance Department in 1975. The Vigilance and Anticorruption Bureau (VACB) was formed under the Vigilance Department in 1997. VACB is a specialised agency of the Government of Kerala, headed by a Director (in the rank of the Director General of Police), who is assisted by one Additional Director General of Police, one Inspector General of Police and one Superintendent of Police (Intelligence), along with technical and ministerial staff at the Headquarters. VACB is under the administrative control of the Vigilance Department headed by the Additional Chief Secretary to Government, Home and Vigilance. The field units of VACB are functioning in 14* districts located in four ranges†. Each unit functions under the Deputy Superintendent of Police and each range is headed

* Alappuzha, Ernakulam, Idukki, Kannur, Kasaragode, Kollam, Kottayam, Kozhikode, Malappuram, Palakkad, Pathanamthitta, Thiruvananthapuram, Thrissur and Wayanad.

† Ernakulam, Kottayam, Kozhikode and Thiruvananthapuram.

by the Superintendent of Police. The annual budget of VACB is ₹ 31 crore (2010-11 Non Plan). The number of Government servants and public servants falling under the jurisdiction of VACB is approximately 4.62 lakh. It has been laid down that VACB will not enquire into the conduct of officers of the Judicial Department, the Legislature Secretariat and the Kerala Public Service Commission except on the specific request of the departments.

The main objective of VACB is to effectively combat corruption and misconduct on the part of Government servants and public servants, particularly at the higher level. It derives the power to investigate the cases under the provisions of the Prevention of Corruption Act, 1988. The functioning of VACB is governed by the guidelines issued by the Government in May 1992 and April 1997.

The major activities of VACB include conducting of enquiries ordered by the Government, collecting information through surprise checks, confidential verifications, etc. and submitting the reports to the Government, with recommendations. VACB registers vigilance cases after enquiry, if necessary, and files chargesheets before the Enquiry Commissioner and Special Judges Courts.

In audit, it was noticed that there were cases of delay in investigations as well as delay in taking action by the departments.

Delay in investigation of cases

The Government issued orders (April 1997) fixing the time limit as three to six months for enquiries/investigations of normal cases and 12 months for amassment of wealth cases. As against this, VACB took 20-24 months on an average in normal cases and 47-67 months for cases of amassment of wealth (2009). Audit scrutiny revealed that as of June 2011, 1121 Confidential Verification/Vigilance Enquiry/Vigilance Cases relating to the period up to March 2010 were pending with VACB. Audit also noticed that 775 cases were pending in

the Vigilance Tribunal/Enquiry Commission and Special Judges Courts. The details are given in Table 3.6.

TABLE 3.6: PENDENCY IN DISPOSAL OF INVESTIGATING CASES

Enquiry Agency	2000-2004 (More than 5 years)	2005-2010 (Less than 5 years)	Total
VACB			
1. Confidential Verification	2	134	
2. Vigilance Enquiry	46	500	
3. Vigilance Cases	42	397	
Total	90	1031	1121
Vigilance Tribunal Enquiry	23	65	
Special Courts	121	566	
Total	144	631	775
Grand Total	234	1662	1896

Source: Details furnished by VACB.

Audit analysis of the reasons for pendency revealed the following:

Monitoring the work of VACB

- Para 4(2) of Chapter I of the VACB Manual stipulates that the work of the Bureau is to be closely monitored and overseen by the Vigilance Department in the Secretariat under the Principal Secretary* to Government, Home and Vigilance. The Vigilance Department, however, stated (October 2011) that the pendency details of investigation cases of VACB were not available with them. The huge pendency in VACB as shown in Table 3.6 indicates inadequate monitoring by the Vigilance Department.

* Now Additional Chief Secretary.

Augmentation of Courts

- For speedy disposal of cases, VACB requested (August 2009) the Government to sanction four more Vigilance Courts to be set-up in four districts. The Government did not agree to the proposal on the plea that it was reviewing the present manner of invoking the vigilance enquiries. Consequently the problem of huge pendency of cases in the existing courts remained unaddressed (August 2011).

Posting of Personnel

- VACB draws personnel from the Police Department as per the Government Order issued in May 1992. The Government Order also stipulates that the selected personnel will normally work for three years. A scrutiny of posting of police personnel in the VACB revealed that there were frequent transfers of Investigating Officers. This would adversely affect the speedy completion of enquiries.

Training of Investigating officers

- A Government Order stipulated (April 1997) that regular training should be imparted to the Investigating Officers at the Central Bureau of Investigation Training Centre at Delhi in order to familiarise them with the latest techniques of investigation. As against the sanctioned strength of 143 Investigating Officers, the number of officers trained was 'nil' in three* years, one in two† years and a maximum of 20 in one‡ year. Audit observed that 24 officers who had undergone the training were transferred out of VACB before they completed the normal period of three years. Further, the allocation for training purposes during the last five years was a meagre 2.65 per cent of the total budget allocation. This indicates that the training was not given adequate priority with potential adverse implications of non achievement of the objective of such training.

* 2000-01, 2004-05 and 2009-10.

† 2001-02 and 2008-09.

‡ 2005-06.

Delay in taking action by departments

After completion of investigation by VACB, the reports, along with recommendations are sent to the administrative departments concerned through the Vigilance Department. Further action thereon has to be taken by the Administrative Departments themselves.

Audit scrutiny (June 2011) of the records of the Director, VACB revealed that as of March 2010, Action Taken Reports (ATR) in respect of 2589 persons were pending in various administrative departments on the reports issued by VACB. Of these, ATRs in respect of 218 persons were pending for more than 10 years and ATRs on 1195 persons for more than five years.

The year-wise details are given in the following table:

TABLE 3.7: DETAILS OF PENDING ACTION TAKEN REPORTS

Year	Up to 1999	2000-2005	2006	2007	2008	2009	2010	Total
Departmental action pending against persons	218	1195	212	215	258	216	275	2589

Source: Details furnished by VACB.

Periodical returns

- Para 294 under Chapter XIX of the Manual of Vigilance and Anticorruption Bureau stipulates that the Vigilance Department will closely pursue the vigilance enquiry reports referred to the administrative departments for taking action. Further, instructions have also been issued by the Government (January 2010) to all Principal Secretaries/Secretaries of the administrative departments concerned to finalise the action on vigilance proceedings within a period of one year. The Government Order also stipulates that a periodical return be sent to the Vigilance Department in the Secretariat by the Principal Secretaries/Secretaries of the administrative departments concerned every month regarding the action taken on the vigilance enquiry reports. Monitoring the compliance of this objective

would require maintenance of all the particulars in an electronic database. However, the department replied (October 2011) that the pendency details were not available. Hence there was no assurance that the upper time limit of one year fixed by the Government for finalising action on vigilance proceedings was being scrupulously followed.

Effective functioning of VACB has the potential to yield benefits to the Government equal to several times the budget (₹ 31 crore) of VACB. The constraints faced by VACB at various stages of its operation have seriously impaired the achievement of the objective of effectively combating corruption and misconduct on the part of Government servants and public servants. This has adverse implications of diluting the deterrent effect on erring officials and in turn diluting the effectiveness of VACB.

The above observations were referred to the Government in July 2011; Their reply had not been received (October 2011).

[Audit Paragraph 3.4.3 contained in the Report of C&AG of India for the year ended 31 March, 2011 (Civil).]

Notes furnished by Government on the above audit paragraph is included as Appendix II.

17. The Principal Secretary, Home Department submitted that in many cases concerned administrative departments had been directed to take departmental action against the responsible officer but due to the delay in taking action the disposal of cases were also delayed. Direction had been given to all Administrative Departments to dispose the cases within one year but in certain complicated cases this time limit could not be complied with. In a conference convened by the Chief Secretary, this issue was discussed as an item and all Secretaries to Government were directed to review these cases and furnish monthly statement regarding the action taken as per the direction from Vigilance Department to the Principal Secretary, Home Department every month. It was also instructed that disposal of such cases should be done at the level of the Secretaries of concerned administrative departments. D.O. Letters had been sent to all Secretaries to avoid the pendency in disposal of cases of more than 5 years.

18. The Committee decided to recommend that the administrative departments should immediately take further action on the vigilance enquiry report and should finalise the proceedings within the stipulated time.

19. The Committee wanted a detailed report regarding the cases for which further action is pending in each administrative department on the reports of the Vigilance and Anticorruption Bureau.

20. The Director, Vigilance and Anticorruption Bureau submitted the details of disposal of cases as follows: In 2006–170, 2007–137, 2008–122, 2009–189, 2010–198, 2011–102 and in 2012–212. The target fixed for 2013 is 275 and concerned Officers were given direction to achieve the target and proper monitoring was being carried out to evaluate the progress. The Committee directed the Vigilance Department to furnish a report regarding the total number of cases registered and the cases disposed in each year during the last 5 years.

21. The Principal Secretary, Home Department emphasised the need for giving sufficient time to the officers for investigation, that the compulsion of time limit might adversely affect fair investigation.

22. The Director, Vigilance and Anticorruption Bureau described the problems faced by the Department like increased workload, lack of infrastructure facilities like vehicles, modern equipments and lack of staff. The witness also deposed that though 33 posts had been sanctioned, that was not yet filled. In the Headquarters of Vigilance Department out of the 4 sanctioned posts of officers, 3 remain vacant for the last 2 years. The Committee decided to recommend that General Administration Department should take necessary steps to fill the vacant posts of officers at the Vigilance and Anticorruption Bureau Headquarters.

23. The Director, Vigilance and Anticorruption Bureau, invited the attention of the Committee on certain issues that adversely affects the efficacy of the Department like the appointment of personnel in the Vigilance Department on temporary basis and lack of incentives. The Committee opined that in order to enhance the disposal of the cases investigated by the Vigilance Department, more

comfortable working atmosphere should be ensured. Hence it decided to recommend that necessary training should be imparted to the personnel posted in the Vigilance Department and once they are posted in the Department, it should be ensured that they would serve a minimum tenure of 3 years. It also urged the Home Department to take necessary steps to restore the special allowance given to various posts in the Vigilance Department.

Conclusion/Recommendation

24. The Committee opines that vigilance enquiry shelters many fraud officers from any disciplinary action till their retirement. The Committee understands that the delay in taking action adversely affects the timely disposal of cases. So it recommends that each Administrative Department should scrupulously watch the progress of the enquiry issued under them and take immediate action on the recommendation of the Vigilance Enquiry Report as and when it received.

25. The Committee directs the Vigilance Department to furnish a report regarding the total number of cases registered and cases disposed off in each year for the last 5 years. The Committee urges a detailed report regarding the cases for which further action is pending in each administrative department on the reports of the Vigilance and Anticorruption Bureau.

26. Considering the increased workload and responsibilities of Vigilance and Anticorruption Bureau, the Committee recommends that the General Administration Department should take immediate steps to fill the vacancies in the officer cadre in Headquarters of the Vigilance and Anticorruption Bureau.

27. The Committee also evaluates that for better outcome of any force, better working environment should invariably be established. It suggests that Vigilance Department should set-up more infrastructure facilities to the personnel entrusted with the duties and also to take the matter with Finance Department to restore the special allowance once entitled with the post. It also recommends to ensure that personnel posted in the Vigilance Department should be imparted with training and to retain them at least for three continuous years in that department.

**WATER RESOURCES/GENERAL ADMINISTRATION/HEALTH AND
FAMILY WELFARE/HIGHER EDUCATION/LEGISLATURE
SECRETARIAT DEPARTMENT**

AUDIT PARAGRAPH

Avoidable payment of Power Factor Penalty

Failure to install static capacitors/capacitors with sufficient rating by KWA and other departments resulted in Power Factor Penalty of ₹ 6.61 crore.

As per the tariff orders issued by the Kerala State Electricity Regulatory Commission (KSERC), the following incentive and penalty are applicable to High Tension and Extra High Tension consumers for Power Factor (PF) improvement.

TABLE 3.8: POWER FACTOR PENALTY AND INCENTIVE

Power Factor range	Penalty
Power Factor below 0.90	One per cent energy charge for every 0.01 fall in Power Factor from 0.90
<i>Power Factor range</i>	<i>Incentive</i>
Power Factor between 0.90 to 1.00	0.15 per cent of energy charges for each 0.01 unit increase in Power Factor from 0.90

Source: Tariff Orders of Kerala State Electricity Regulatory Commission.

KSERC recommended that static capacitors should be installed for power factor improvement. A detailed analysis of the electricity bills of the offices of the Kerala Water Authority (KWA) and other Government Departments/Autonomous Bodies revealed that the Kerala State Electricity Board (KSEB) charged PF penalty to the tune of ₹ 6.61 crore due to the PF being below 0.90 during the period from April 2005 to March 2011. Out of the total PF penalty of ₹ 6.61 crore charged by KSEB, it was noticed that the major share of the penalty amounting to ₹ 4.35 crore pertained to KWA. At a belated stage, the energy management core team of KWA instructed (January 2010) the Executive Engineers of all Divisions to install capacitors within two months in all pumping stations to avoid penalties. The

capacitors were, however, not installed (March 2011) and many of the Divisions continued to pay the PF penalty. Thus, the failure of the KWA and other Government Departments/Autonomous Bodies to install static capacitors/capacitors with sufficient rating resulted in PF penalty amounting to ₹ 6.61 crore till March 2011. The incentive which could have been received for PF between 0.90 and 1.00 could not also be availed of.

The matter was referred to Government in July 2011; Their reply had not been received (October 2011).

[Audit Paragraph 3.4.9 contained in the Report of C & AG of India for the year ended 31 March, 2011(Civil).]

Notes furnished by Government on the above audit paragraph is included as Appendix II.

28. The witness, Managing Director, Kerala Water Authority apprised that in the major water works the power factor penalty had been rectified and incentive in this regard was also received. The Additional Chief Secretary, Water Resources Department assured that installation of specified capacitors for all works could be completed by February 2014. The Special Secretary, General Administration Department submitted that static capacitors were already installed in GAD and received an amount of ₹ 1,718 as incentive.

29. Then, the Managing Director, Kerala Water Authority complained about the inflexibility on the part of the Power Department in disconnecting the connections which are not in use. Also the Power Department would not take timely action in augmenting the installation where power consumption is more than the allocation. The Committee observed it as a serious allegation against the Power Department and suggested the department to look into the matter and if required rectifying measures should be taken.

30. Regarding the failure on the part of Kerala Water Authority and other Government Departments/many Autonomous Bodies to install static capacitors/capacitors with energy sufficient ratings resulting in power factor penalty amounting to ₹ 6.61 crore, the Principal Secretary, Higher Education and Social

Welfare Department informed that, instructions had been issued to all institutions come under the Department to install static capacitors with sufficient rating to avoid Power Factor Penalty in future. The Committee observed that none of the Universities had taken any rectifying action, even though the penalty was commenced to impose from the year 2006 onwards and a circular in this regard was issued by the Higher Education Department in 2011, only when the Accountant General has pointed out the matter. The Committee also expressed its displeasure over the slackness of the Higher Education Department and remarked that nobody knew whether it had been implemented or not. The Committee was informed that capacitors have already been installed in Kerala, Calicut and Sanskrit Universities. But in the case of Mahatma Gandhi and Kannur Universities, capacitors were not installed so far and the Committee urged the officials of both the universities to install the capacitors at the earliest.

31. The Committee opined that large number of devices are availed in the markets to measure the power usage of equipments and expressed doubts whether the institutions ensured that the equipments used by them were consuming less energy or not. It urged the Higher Education Department that while issuing guidelines, norms should be fixed for selecting energy efficient equipments including air conditioners and also for evaluating power factors. The Committee decided to recommend that energy audit should be conducted in all institutions at least once in two years and to conduct a study regarding the power consumption before installing electric equipments.

Conclusion/Recommendation

32. The Committee understands that the capacitors were not installed in Mahatma Gandhi and Kannur Universities and directs the Higher Education Department to take necessary steps to install capacitors in the above said Universities at the earliest.

33. The Committee observes that it is necessary to issue guidelines and norms for selecting energy efficient equipments and for evaluating the power factor. The Committee urges the Higher Education Department that energy audit should be conducted in all institutions at least once in two years and, before installing electric equipments, study regarding the power consumption should be conducted.

34. The Committee expresses its displeasure over the slothful attitude of officials of the Power Department over the inflexibility in disconnecting the connection which are not in use and also for not taking timely action in augmenting the installation where power consumption is more than the allocation. It suggests the Power Department to take rectifying measures to avoid such discrepancies in future.

INFORMATION AND PUBLIC RELATIONS DEPARTMENT

AUDIT PARAGRAPH

Violation of rules, norms, etc., in releasing advertisements

An expenditure of ₹ 28.66 crore was incurred by the Information and Public Relations Department during 2010-11 on display advertisements, violating the canons of financial propriety, rules of empanelment and norms for release of advertisements.

A scrutiny of expenditure incurred by the Information and Public Relations Department for the release of advertisements to the media on behalf of various departments during 2008-09 to 2010-11 was undertaken in audit for assessing the expenditure from the propriety angle. Audit used the canons of financial propriety as a criterion, which required that public money should not be utilised for the benefit of a particular person or section of the community. The conclusion about compliance with this requirement could be arrived at only by looking at the contents of the advertisement. If the advertisement related to publication of tender notices, statutory notifications etc., then the expenditure on these would be in conformity with this requirement. If the advertisement was in the nature of extolling the achievements of the Government, it would basically be a direct or surrogate advertisement for the political party in power which would be violative of the canons of financial propriety. Adopting this methodology, Audit found that expenditure of ₹ 28.66 crore on advertisements during 2010-11 was objectionable. The following lapses were noticed:

Propriety requirement

- An amount of ₹ 4.94* crore was incurred to highlight the fourth anniversary of the Government. Display advertisements were given (May 2010) in all editions of 64 dailies empanelled in the media list for 2009-10 and electronic media.

*Advertisements were released for 'Display Advertisements' but expenditure was met from another head 2220-60-106-99-'Field Publicity'.

- Similarly, ₹ 9.43 crore was incurred in connection with publishing 151 display advertisements during January-March 2011, prior to the General Elections to the Assembly held in April 2011, relating to the achievements of the Government.
- There was a massive jump in advertisement expenditure for ‘Display Advertisements’ during 2010-11, consequent on issue of advertisements mainly highlighting the achievements of the Government, from ₹ 5.80 crore in 2008-09 to ₹ 9.83 crore in 2009-10 and to ₹ 28.66* crore in 2010-11.
- According to provisions in the Kerala Budget Manual, advances from the Contingency Fund could be obtained only for meeting unforeseen expenditure or on a ‘New Service’. It was seen that the initial budget provision for Display Advertisements in 2010-11 was ₹ 2.15 crore. In order to meet the additional expenditure, an advance of ₹ 12 crore was obtained from the Contingency Fund in March 2011. This did not meet the criteria for drawal under the Contingency Fund.
- The department sanctioned (February 2011) the printing of 3.5 lakh copies of the monthly newsletter ‘Vikasana Samanuayam’ to a private press and payment of ₹ 14.40 lakh was made in March 2011. Audit noticed that the department had not received and accounted for the newsletter in its Stock Registers as required in the Store Purchase Manual. The department admitted (June 2011) that copies of the printed newsletters had not been received in the office and stated that they were given to some private/political organisation. In the absence of receipt and issue of stock entries, Audit could not satisfy the genuineness of the printing cost of ₹ 14.40 lakh.

* The expenditure of ₹ 28.66 crore includes payment of ₹ 7.23 crore made in 2010-11 and committed liability of ₹ 21.43 crore.

Empanelment of Newspapers

According to a Government Order (July 1999), advertisements were to be released only to newspapers with a minimum circulation of 3000 copies per edition having uninterrupted and regular publication for a period of 12 months. The following deficiencies were observed:

- The rate of advertisement charges payable to the dailies is applicable from 1st April of the calendar year to 31st March of the succeeding year. Transparency demanded that the eligibility criteria were also met from 1st April. During 2008-09 to 2010-11, media lists were prepared and published only in December and January of the relevant financial year. The delay in preparation of the list was used as a mechanism to favour the dailies which did not meet the requirement of the criterion as on 1st April.
- Advertisements worth ₹ 19.55* lakh were released in 2010-11 to three newspapers not empanelled in the media list.
- Audit noticed that the media list[†] for 2010-11, issued in January 2011 had two copies, Copy 1 and Copy 2. In Copy 2, a daily was newly inserted as Sl. No. 35. The total number of dailies in Copy 2 would have gone up to 74 with this insertion. However, to avoid detection of the insertion, Sl. No. 56 was shown twice and the total number was retained as 73, as in Copy 1.

Moreover, in Copy 1, 'All editions' of the daily 'Metrovartha' was mentioned, whereas in Copy 2, only 'Kochi edition' was listed. However, the rate shown in Copy 2 was the same as the rate of 'All editions' as in Copy 1.

On observing the discrepancies in the two copies, Audit sought the files and other connected records of the media list for 2010-11. However, the department did not produce the relevant files for scrutiny as required by Audit. In the absence of proper records, Audit could not assess the fairness in empanelment of dailies included in the media list.

* New India Express-₹ 0.20 lakh; Theepantham-₹ 2.73 lakh; Thejas-₹ 16.62 lakh.

† As per Government Order (July 1999) dailies with one year of uninterrupted circulation and 3000 copies per edition are eligible to be included in the media list to receive advertisements from the Government.

- Though the daily ‘Thejas’ was not in the media list in 2009-10 and 2010-11, the department released advertisements worth ₹ 48.79 lakh to the daily in 2009-10 and 2010-11. Incidentally it was also observed that the Ministry of Home Affairs, Government of India, had raised (November 2009) doubts regarding the propagandist nature of the newspaper.

Issue of advertisements on rotation basis

Some States like Andhra Pradesh follow the procedure of rotation in releasing advertisements. This procedure has the following advantages:

- It minimises the cost of advertisements to a considerable extent.
- It tests the ability of a newspaper to run on its own without frequent support from the Government through advertisements which could have implications on objective reporting.

Currently, the State Government does not follow rotation procedure in release of advertisements.

The Government stated (August 2011) that as no violation of rules in release of advertisements was pointed out in Audit, the expenditure could not be considered as improper. The Government also stated that advertisements intended to give publicity to various welfare measures and projects implemented by an elected Government could not be avoided on the grounds of financial propriety. The reply does not explain how the advertisements are in conformity with the canons of financial propriety. The advertisements were not in the nature of giving publicity to the potential beneficiaries as to how to avail benefits under the welfare schemes. Instead, the advertisements were in the nature of highlighting the achievements of the Government.

Regarding the release of advertisements to the daily ‘Thejas’, the Government stated that though the daily was not included in the media list for 2009-10 an agreement was executed with the daily on 6th January, 2010 and hence the department was bound to release advertisements. The reply is not acceptable as the media list for 2009-10 was issued in December 2009 and hence execution of agreement with the daily after the issue of media list itself was irregular.

[Audit Paragraph 3.2.3 contained in the Report of C & AG of India for the year ended 31 March 2011 (Civil).]

35. Regarding the Audit para, the Committee commented that Government should adopt norms for releasing the advertisements and opined that it was improper to utilise money from the contingency fund for such purpose. And if such expenditure is inevitable, sufficient fund should be provided in the Budget itself. The Witness, OSD, Finance Department submitted that it is better to adopt general norms and fix the volume of advertisement to be undertaken.

36. To a query of the Committee, the Secretary, Information and Public Relations Department apprised that a Government Order had been issued in November 2011 limiting the advertisements for district level programmes to local editions only. Also the cost for the advertisement should be borne by both the administrative department and the Information and Public Relations Department. The Director, Information and Public Relations Department supplemented that advertisement of state level programmes are published only in 2 or 3 dailies.

37. The Committee wanted to know the details regarding the inappropriate delivery of advertisements to 'Thejus' daily which was not included in the media list. The Director, I & PRD submitted that even though this daily was not included in the list, earlier there was an agreement with them. So advertisements were released to 'Thejus' daily on the assumption that it is an omission. When the mistake was noticed, the department stopped releasing advertisement to this newspaper.

38. The Committee directed the department to stop releasing advertisements to the newspapers which were not empanelled while expressing its displeasure in not furnishing the RMT statement. The Director, Information and Public Relations Department submitted that the Government had issued order restricting the advertisement through newspapers which were not empanelled. The Secretary, I & PRD informed the Committee that the empanelment of newspapers is expected to be done at the beginning of an year and old list would be in existence until the new list published.

39. The Committee enquired the reason for sending the newsletter 'Vikasana Samanuayam' directly from the press to the various recipients without having entered in the Stock Register of PRD. The Director, I & PRD submitted that it had been transferred to the recipients in each districts for distributing the same in that particular district and then receipt had been filed in the Stock Register of PRD. She added that it was done in good faith to curtail transportation charges. The Committee warned the department not to continue such practice since the quantity of printing could not be monitored in such methods of job execution.

Conclusion/Recommendation

40. The Committee suggests that Government should adopt norms for releasing advertisements and opines that the utilisation of contingency fund for the release of advertisement was improper. The Committee stresses that sufficient fund should be provided in the budget, if such expenditure is inevitable.

41. The Committee directs the Public Relations Department to stop the release of advertisements to the newspapers which are not empanelled.

42. The Committee observes the transfer of the newsletter 'Vikasana Samanuayam' directly from the press for district-wise distribution without entering in the stock register of PRD as a serious offence, as the quantity of printing could not be monitored. It warns the Information and Public Relations Department not to continue such practice in future.

Thiruvananthapuram,
9th July, 2014.

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

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	5	Finance	The Committee reiterates its earlier recommendation that Finance Department should provide separate fund for meeting the expenditure like electricity and water charges for different departments.
2	8	Health & Family Welfare	The Committee analyses that lack of co-ordination between Health and Family Welfare Department and Local Self Government Department resulted in idling of the building constructed for CHC, Perambra for about four years. The Committee expresses its anguish over the irresponsible attitude of the Health and Family Welfare Department and comments that the public money utilised for the benefit of the poor people could not be made useful to them due to certain technical reasons. It suggests that the Health and Family Welfare Department should be cautious in avoiding such delicacies in future and also recommends to take necessary steps to create additional posts for the smooth functioning PHCs.
3	14	"	The Committee urges the Health and Family Welfare Department to furnish the details of the vigilance enquiry over the misappropriation of fund utilisation of Hospital Development Committee in Medical College Chest Hospital, Mulamkunnathukavu, Thrissur.

(1)	(2)	(3)	(4)
4	15	Health and Family Welfare	The Committee remarks that misappropriation is a matter of grave concern and it could not be rectified simply by realising the amount misappropriated. It blames the department in not taking any departmental actions against the officials involved in the misappropriation. The Committee exhorts the Health and Family Welfare Department to fix the liability for the fault and take appropriate actions against the erring officials at least in cases where vigilance enquiry had not been initiated.
5	16	"	The Committee remarks that considerable amount is being transacted through Hospital Development Committee without any checking. It recommends the Health and Family Welfare Department to evolve an effective mechanism to monitor the fund utilisation by the Hospital Development Committees.
6	24	General Administration	The Committee opines that vigilance enquiry shelters many fraud officers from any disciplinary action till their retirement. The Committee understands that the delay in taking action adversely affects the timely disposal of cases. So it recommends that each Administrative Department should scrupulously watch the progress of the enquiry issued under them and take immediate action on the recommendation of the Vigilance Enquiry Report as and when it received.
7	25	Vigilance/General Administration	The Committee directs the vigilance Department to furnish a report regarding the total number of cases registered and cases disposed off in each year for the last 5 years. The committee urges a detailed report regarding the cases for which further

(1)	(2)	(3)	(4)
			action is pending in each administrative department on the reports of the Vigilance and Anticorruption Bureau.
8	26	General Administration	Considering the increased workload and responsibilities of Vigilance and Anticorruption Bureau, the Committee recommends that the General Administration Department should take immediate steps to fill the vacancies in the officer cadre in Headquarters of the Vigilance and Anticorruption Bureau.
9	27	Vigilance	The Committee also evaluates that for better outcome of any force, better working environment should invariably be established. It suggests that Vigilance Department should set-up more infrastructure facilities to the personnel entrusted with the duties and also to take the matter with Finance Department to restore the special allowance once entitled with the post. It also recommends to ensure that personnel posted in the Vigilance Department should be imparted with training and to retain them at least for three continuous years in that department.
10	32	Higher Education	The Committee understands that the capacitors were not installed in Mahatma Gandhi and Kannur Universities and directs the Higher Education Department to take necessary steps to install capacitors in the above said Universities at the earliest.
11	33	"	The Committee observes that it is necessary to issue guidelines and norms for selecting energy efficient equipments and for evaluating the power factor. The Committee urges the Higher Education Department that

(1)	(2)	(3)	(4)
			energy audit should be conducted in all institutions at least once in two years and, before installing electric equipments, study regarding the power consumption should be conducted.
12	34	Power	The Committee expresses its displeasure over the slothful attitude of officials of the Power Department over the inflexibility in disconnecting the connection which are not in use and also for not taking timely action in augmenting the installation where power consumption is more than the allocation. It suggests the Power Department to take rectifying measures to avoid such discrepancies in future.
13	40	Information & Public Relations	The Committee suggests that Government should adopt norms for releasing advertisements and opines that the utilisation of contingency fund for the release of advertisement was improper. The Committee stresses that sufficient fund should be provided in the budget, if such expenditure is inevitable.
14	41	"	The Committee directs the Information and Public Relations Department to stop the release of advertisements to the newspapers which are not empanelled.
15	42	"	The Committee observes the transfer of the newsletter 'Vikasana Samanuayam' directly from the press for district-wise distribution without entering in the stock register of PRD as a serious offence, as the quantity of printing could not be monitored. It warns the Information and Public Relations Department not to continue such practice in future.