

**THIRTEENTH KERALA LEGISLATIVE ASSEMBLY**

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

**SIXTY FIFTH REPORT**

(Presented on 9th July, 2014)



SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2014

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**on**

**Action Taken by Government on the Recommendations contained  
in the 108th Report of the Committee  
on Public Accounts (1998-2000)**

1033/2014.

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## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Sixty Fifth Report on Action Taken by Government on the Recommendations contained in the 108th Report of the Committee on Public Accounts (1998-2000).

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

Thiruvananthapuram,  
9th July, 2014.

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 108th Report of the Committee on Public Accounts (1998-2000).

The 108th Report of the Committee on Public Accounts (1998-2000) was presented to the House on 18th December, 2000. The Report contained 8 recommendations relating to Home Department in which one is related to Finance Department also (Sl. No. 3, Para No. 8). Government were addressed on 2nd February, 2001 to furnish the statement of Action Taken on the recommendations contained in the Report and the final copies were received on 3-5-2011.

The Committee considered the Action Taken Statements at its meetings held on 24-10-2008, 4-8-2010 and 6-3-2013 and approved the same in the light of the replies furnished by Government. The recommendations of the Committee and the replies furnished by Government are included in this Report.

### HOME DEPARTMENT

#### **Recommendation**

*(Sl. No. 1, Para No. 6)*

The Committee was taken aback to note that the Police Department which is bound to keep the Public Money and properties safe, acted in a quite irresponsible manner. An amount of ₹ 8.32 lakh from the public exchequer was overpaid to its officers towards the arrears of the enhanced Permanent Travelling Allowance by extending retrospective effect to the Government Order in this regard. The Committee opines that this is an organised attempt to make fortune at the expenses of Government rather than an oversight or misunderstanding of the Government Order. The Committee is of the view that the disbursing officers in the various offices in which the scam had occurred were responsible for this overpayment. An officer, who has even the primary knowledge on establishment matters is not expected to sign the bill for encashing the arrears of PTA or credit it to PF accounts. If it is to be done, there should be specific Government Order giving retrospective effect to enhancement of PTA and that arrears can be credited. Therefore, the Committee recommends that the Government should conduct an enquiry in the matter and that suitable disciplinary action taken against the responsible officers concerned (Drawing and disbursing officers and countersigned officer). The Committee further recommends that the overpayment made to each officer together with interest should immediately be recovered from them.

**Action Taken**

In the order of pay revision issued in G.O. (P) 480/89/Fin. dated 1-11-1989, PTA of Executive Staff of Police Department was enhanced. While claiming arrears of pay revision due to the executive staff, certain unit heads had claimed arrears of PTA for the period from 7/88 to 11/89 giving retrospective effect. As there exist stipulation in the orders of pay revision that the enhanced rate of PTA has effect from 1-12-1989 only, drawal of the enhanced PTA from 7/88 to 11/88 was irregular. The irregularity was detected by the AG's Office audit team. When the irregularity was brought to the notice of Police Headquarters all unit heads of the Department were suitably instructed to review the arrear claims and set right the overpayments, if any, made.

**Recommendation**

*(Sl. No. 2, Para No. 7)*

The Committee was constrained to arrive at a conclusion that the Government also acted at a snails pace in detecting this irregularity and afterwards in giving directions to the Department to rectify the mistake in time. The Committee opines that there had been several occasions for the Home Department to come across the irregular payment even before the presentation of Audit Report in 1993. Not only that, the Government did not give any specific direction to the Department to enquire whether such irregularity occurred in the remaining districts also. The Committee observes that this is a serious lapse on the part of the Government and recommend that the Vigilance Wing of the Police Department should enquire into the whole related matters.

**Recommendation**

*(Sl. No. 4, Para No. 9)*

The Committee observes that the action of the Police Department in crediting the arrears of PTA without any specific Government Order is a black spot on the Department and suggests that the recurrence of such irregularities should be checked scrupulously.

**Action Taken for Paras 7 and 9**

According to the reports received 18 units had preferred irregular claims towards arrear of PTA contrary to the condition prescribed in G.O. (P) 480/89/Fin. dated 1-11-1989. All the unit heads had set right the overpayment.

The overdrawal occurred due to the misinterpretation of the order issued in G. O. (P) 480/89/Fin. dated 1-11-1989. All the 18 heads were given direction to

initiate disciplinary action against the persons responsible vide PHQ letter No. G3/36740 dated 24-4-1992. Most of the unit heads had reported that excess amount drawn has already been refunded to Government Treasuries by recovery from the monthly salaries of the concerned employees. The amount credited to GPF account of the employees were written back to the accounts of Police Department by the Accountant General, Kerala. As such there is no monetary loss to the Government. There is no willful act or organised attempt on the part of the drawing officers in this regard. Government had issued Circular No. 56652/91/Home dated 12-11-1991 for strict enforcement and thereafter no such incidents were reported in this regard.

#### **Recommendation**

*(Sl. No. 3, Para No. 8)*

The Committee also find fault with the Finance Department in not initiating any serious or sincere action to direct the administrative department to rectify the irregularity in a speedy manner. The Committee is of the view that besides directing the administrative department and mere sending reminders on the audit paragraph, the Finance Department should have taken prompt action to ensure that the money is got refunded in time. The Finance Department is expected to go through all audit paragraphs and ensure prompt recovery of all the money due to Government.

#### **Action Taken**

##### **HOME DEPARTMENT**

Most of the unit heads have reported to the Director General of Police that they had effected the recovery of the amount of excess drawn from the persons concerned and hence there is no monetary loss to Government. It is also reported that no such incidents were reported thereafter.

Also the Finance Inspection Wing of Government of Kerala had conducted inspection in the respective offices and found that almost all the excess amount have been recovered. Hence the Committee may kindly drop the para. Details enclosed as Appendix.

##### **FINANCE DEPARTMENT**

As per the direction of Finance Department, Home Department has informed that they had taken action to recover the excess amount granted as PTA in Police Department for the period from 7/88 to 11/89. Most of the unit heads have recovered the amount and remitted it to the Government account and there is no consequential monetary loss to Government (copy enclosed as Appendix).



Finance Inspection Wing also conducted inspection in the office of 18 units of Police Department as to whether any case is still pending/omitted from the recovery of excess amount drawn towards PTA and also in the Directorate of Vigilance. Out of this, 15 units produced records and it is seen that action is taken to recover amount wherever necessary. Of these 15 units, 7 of them have no excess. 8 Units have recovered the excess amount. 3 Units have not produced records (copy enclosed as Appendix).

As the major portion of the amount has been recovered and in other cases as the records are not available the Committee may kindly drop the para.

#### HOME DEPARTMENT

##### **Recommendation**

*(Sl. No. 5, Para No. 12)*

The Committee remarks that the action of the District Collectors of Thiruvananthapuram and Pathanamthitta in diverting the interest accrued on the amount of death compensation payable to the legal heirs of Keralites who died abroad, for purchasing jeeps, furniture, Photocopiers etc., was not fair and that they superseded their powers in total disregard to the Government Order dated 10-4-1989 that 5% interest should be paid to the legal heirs eligible for the death compensation. The Committee vehemently criticise the Government for ratifying the faulty action of the District Collectors instead of taking disciplinary action against them. The Committee cannot but express its displeasure over the attempts of the Government to whitewash the action of the Collectors by misinterpreting the direction of the Finance Department that the interest accrued should be credited to general revenue. The direction of the Finance Department was clear that the interest should be credited to general revenue rather than spending it according to the will and pleasure of the Collectors. It is also to be condemned that the Government do not conduct any kind of monitoring or evaluation on such matters. The Committee is of the view that the responsible Officers like District Collectors should remain as model to others in their action. Therefore, the Committee recommends that the then District Collectors of Thiruvananthapuram and Pathanamthitta should be proceeded against for their disregard to the Government Order, to avoid such instances in future and that the Government should monitor these things in a proper manner. The Committee urges that interest accrued on death compensation should be given to the legal heirs in future.

##### **Action Taken**

The Revenue Department was addressed (as per U.O. Note No. 4164/G2/05 Home dated 13-7-2005) to take urgent action against the then District Collectors

Thiruvananthapuram and Pathanamthitta for their disregard to the Government Order. Now the subject “death compensation to the legal heirs of Keralites who died abroad” is dealt with the NORKA Department. Hence a copy of the report was forwarded to that Department on 16-8-2005 for future guidance and to watch that the interest accrued on death compensation should be given to the legal heirs.

### **Recommendation**

*(Sl. No. 6, Para No. 22)*

The Committee is very much displeased to note that the Jails Department has erected a factory building for chappal manufacturing in Open Prison, Nettukaltheri at a cost of ₹ 5.93 lakh without proper planning or proper study and investigation about the availability of raw materials (latex) and marketing facility for the product. It is evident from the disposition of the Government that the project report for the manufacturing unit was not one prepared by an expert. The Committee reproves the irresponsible manner in which the matter involving Central assistance had been dealt with. The building now stands as a monument of the inefficiency of the Jails Department which is wastage of public money, land and human labour. The Committee cannot let the matter to be continued in this style. Therefore the Committee recommends that the building should be used for other beneficial purposes such as making banana chips, pickles or such other things which in turn will give employment training to the prisoners and generate extra income to them.

### **Action Taken**

Government as per G.O. (Rt.) 2524/88/Home dated 19-5-1988 has accorded administrative sanction for setting-up of a chappal manufacturing unit at a cost of ₹ 4 lakh. Accordingly the amount was placed with the disposal of PWD and the Department completed the construction work in 1990 and steps were taken for purchase of machinery. However before purchasing them, a market overview revealed that there are a number of established local business houses in this avenue and that such business units have well established logistical and marketing systems in place and the business is being professionally conducted. The proposed unit in the prison would in no way be a match to them because of the inherent limitations in business administration from Government level. It was also preliminarily devised to procure latex from own plantation but while the unit neared completion, the trees in the plantation were aging resulting huge reduction in the yield which will also have to be slaughtered in the near future. As all the requisite conducive circumstances were absent, it was resolved to drop the construction of the unit in order to prevent any further loss. The intended action of the Head of Department for using the building as auditorium was declined as the Committee

recommended to put its productive purpose. It is converted as flour mill to grind wheat for the inmates. Remaining portion of the building is used for stocking machinery of the carpentry unit.

### **Recommendation**

*(Sl. No. 7, Para No. 23)*

The Committee while visiting the smoke house built for drying rubber sheets realised that rubber sheets cannot be dried in it in the present form. Like the factory building the construction of Smoke house also wasted huge amount of Government money due to wrong design. The Committee doubt how this kind of technical incompetence can serve the important Government establishments and they opine that the smoke house should be put to use after making necessary alteration in the design immediately without incurring much expense. The Committee recommends to fix responsibility on the Engineer who designed the smoke house in a faulty manner and to take stringent action so as to avoid recurrence of such instances in future.

### **Action Taken**

Government as per G.O. (Rt.) 1219/90/Home dated 21-2-1990 had accorded administrative sanction for the construction of a smoke house for drying rubber sheets at an approved outlay of ₹ 11 lakh. The Public Works Department authorities on 21-6-1994 informed that the work was completed. The authorities of Rubber Board on super inspection had proposed certain corrective works. Accordingly, Government as per G.O. (Rt.) 611/95/Home dated 25-3-1995 had accorded sanction for rectification works at a cost of ₹ 1,22,000 and the PWD authorities informed that the estimate has been raised from ₹ 1,22,000 to ₹ 3,66,929. As per the Order No. G.O. (Rt.) 1297/98/Home dated 30-3-1998. Government had accorded revised administrative sanction for the rectification work and the balance amount was also deposited to PWD on 14-12-1998. The PWD authorities further reported that during the course of execution of the work, certain extra item of work became necessary for the proper completion of the rectification and the work was arranged at 85% above tender excess. They therefore requested for an additional amount of ₹ 2,87,684. The Director General of Police (Prisons) had taken up with Government proposals for additional amount. Government as per letter No. 71073/B2/98/Home directed Director General of Police (Prisons) to submit additional information. On being further contacted for advice, the Public Works Department suggested rectification for an amount of ₹ 1,82,000.

Government had directed the Chief Engineer to fix responsibility on the engineer who designed the Smoke House in a faulty manner. Although Chief Engineer reported the names of officials who undertook the work, yet it was added that the Public Works Department authorities had limited role to play in the construction and that the Rubber Board of India is responsible for the defect of the Smoke House as they have designed the same. Public Works Department was only constructing the Smoke House as per the design provided by the Rubber Board. It is submitted that the Prison Department had inevitably to depend upon Public Works Department and Rubber Board authorities for the construction work and the responsibility for faulty construction squarely lies with them. The department was left with no other option than to move in tandem with the periodical recommendations of both the above authorities. Nevertheless necessary instructions have been given to all the concerned for avoiding any such occurrences in future.

#### **Recommendation**

*(Sl. No. 8, Para No. 24)*

The Committee recommends that the full-time services of the Doctor should be ensured in the Open Prison and that all life saving medicines should be stocked in the pharmacy attached to the prison.

#### **Action Taken**

As per G.O. (Ms.) No. 198/2010/Home dated 4-9-2010 Government have accorded sanction for the creation of the post of Medical Officer in the Open Prison, Nettukaltheri. Efforts have been taken to store all the urgently required, frequently used and life saving medicines in the Jails within the existing set-up.

Thiruvananthapuram,  
9th July, 2014.

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

APPENDIX  
STATEMENT

**DETAILS OF UNITS WHERE EXCESS AMOUNT DRAWN TOWARDS  
PTA, BUT RECOVERED**

<i>Sl. No.</i>	<i>Name of Unit</i>	<i>Amount Excess drawn (in `)</i>	<i>Amount recovered (in `)</i>
1	I. G. P., Thiruvananthapuram (Southern)	425	425
2	I. G. P., Kannur Range	850	850
3	S. P., Thiruvananthapuram (Rural)	3,02,361	3,02,361
4	City Police Commissioner, Thiruvananthapuram	4,99,075	4,99,075
5	Forensic Laboratory, Thiruvananthapuram	180	180
6	KAP III Battalion, Adoor	5,075	5,075
7	S. P., Kollam	2,89,821	2,89,821

**DETAILS OF UNITS WHERE EXCESS AMOUNT DRAWN  
TOWARDS PTA, BUT NOT RECOVERED**

<i>Sl. No.</i>	<i>Name of Unit</i>	<i>Amount Excess drawn (in `)</i>	<i>Amount recovered (in `)</i>
1	S. P. Ernakulam (Rural)	1,473	Nil

**DETAILS OF UNITS WHERE NO EXCESS AMOUNT DRAWN**

<i>Sl. No.</i>	<i>Name of Unit</i>
1	S. P., Thrissur
2	S. P., Palakkad
3	S. P., Telecommunications, Thiruvananthapuram
4	S. P., SBCID, Thiruvananthapuram
5	KAP IV Battalion, Mangattuparamba
6	S. P., SCRB, Thiruvananthapuram
7	ADGP, Training, Thiruvananthapuram

**DETAILS OF UNITS WHICH HAVE NOT FURNISHED**

	<i>Sl. No.</i>	<i>Name of Unit</i>
*	1	KAP V Battalion, Maniyoor
†	2	S. A. P., Thiruvananthapuram
‡	3	S. P., Idukki

\* Irregular drawal of PTA was claimed vide PB. 29/90-91 and PB 33/91-92 when the Battalion was functioning at Thrissur (APTC, Thrissur) APTC was converted as KAP V Battalion during 3-12-1990 and the Battalion shifted to Maniyoor at Pathanamthitta with effect from 2-9-2003. Due to frequent shifting of Battalion Headquarters, the records were not traceable.

† No reply was furnished to the enquiry dated 19-12-2009 till date.

‡ In the Action Taken Statement furnished by the A. G., for the year ended 31st March, 1991 that the Superintendent of Police, Idukki has credited ₹ 2,44,295 to service head "2055-Police" in 3/91 by withdrawing the amount from General Provident Fund Accounts of the personnel concerned by transfer credit and A. G. confirmed this vide his letter No. P. F. 13/IDK/POL/47 dated 26-3-1991.