

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

TWENTY THIRD REPORT
(Presented on 13th December, 2012)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2012

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On

**Action taken by Government on the Recommendations contained
in the Sixty Eighth Report of the Committee on
Public Accounts (1998-2000)**

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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 Third Report on Action Taken by Government on the Recommendations contained in the Sixty Eighth Report of the Committee on Public Accounts (1998-2000).

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 the Government on the recommendations contained in the 68th Report of the Committee on Public Accounts (1998-2000).

The 68th Report of the Committee on Public Accounts (1998-2000) was presented to the House on 12th April 1999. It deals with the Regularisation of Excess Expenditure over Voted Grants/Charged Appropriation Accounts for the year 1985-86 to 1991-92. The Report contained fifteen recommendations relating to Finance and all other Administrative Departments. Government were addressed to furnish the action taken statement on the recommendations contained in the Report on April 21, 1999 and final reply was received on December 3, 2010.

The Committee examined the statement at its meeting held on 20-9-2000, 19-8-2002, 25-8-2003, 23-12-2003, 6-5-2009, 8-9-2010 and 11-11-2010 and were not satisfied with the replies furnished on recommendation Nos. 1, 2, 3, 4, 5, 13, 14 and 15 (Para Nos. 4, 6, 7, 8, 10, 21, 24, 26 and 27) related to Finance and all Administrative Departments and decided to pursue it further. Those recommendations, its reply and further recommendation of the Committee are included in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining paragraphs in the light of the replies furnished by Finance and other Administrative Departments. These recommendations and the Government replies are incorporated 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 AND ALL ADMINISTRATIVE DEPARTMENTS

Recommendation*(Sl. No. 1, Para No. 4)*

1.1 The Committee find that many Administrative Departments are not paying adequate attention to see that the expenditure incurred by them over and above budget provision is to be got regularised by the Legislature as contemplated in Article 205 of the Constitution of India. As per the procedure prescribed for this purpose, the notes seeking regularisation of excess expenditure should be furnished to the Committee on Public Accounts after getting them vetted by Audit, by 31st May of the second year following the year of accounts or immediately after presentation of the Appropriation Accounts to the Legislature whichever is later.

Recommendation*(Sl. No. 2, Para No. 6)*

1.2 The Committee note with great displeasure that many items of expenditure are yet to be regularised merely for want of notes from Government explaining the reason for such expenditure. In the case Grant No. XVII Education, Art and Culture, explanatory notes for regularisation of excess expenditure over Voted Grants/Charged Appropriation are due from the General Education Department from 1983-84 to 1993-94 except for the years 1986-87 and 1988-89. Though the Secretary, General Education Department assured before the Committee on 28-9-1994 and the Committee in its 124th Report strongly expressed its displeasure over this heavy back-log no change in the attitude was noticed from that Department hitherto.

Recommendation*(Sl. No. 3, Para No. 7)*

1.3 The Committee consider this as sheer negligence and disregard towards the status of the Committee and a clear violation of instructions contained in Appendix 15 of the Budget Manual. The Committee therefore makes a cautious note that no more concessions will be allowed to the Administrative Departments if they continued their slackness in furnishing notes.

Recommendation*(Sl. No. 4, Para No. 8)*

1.4 The Committee are constrained to give a serious note of question that any further breach of institutions/norms by the Government Departments with regard to the time limit fixed in submission of notes to the Committee would meet with serious consequences in future.

Recommendation*(Sl. No. 5, Para No. 10)*

1.5 The details of items pending regularisation due to the non-submission of notes are given in Appendix II. The Committee urge the Departments to expedite action for the speedy settlement of the remaining cases.

Action Taken**FINANCE (PAC) DEPARTMENT***(Para Nos. 4, 6, 7, 8, 10)*

1.6(1) Out of 84 items pending regularisation due to non-submission of notes in Appendix II of the 68th Report (1998-2000) 79 items have been cleared so far. Action is being vigorously pursued with the concerned Administrative Departments for clearing the outstanding cases of excess expenditure in 5 Departments viz., Higher Education Department, Social Welfare including Welfare of SC/ST, Revenue Department, Personal and Economic Affairs Department at the earliest.

(2) General direction have been issued to all the Administrative Departments requesting to clear the pendency in furnishing notes and the need for furnishing the notes for regularisation of excess expenditure urgently. Circular instructions were issued vide Circular No. 21/2000/Fin. dated 11-4-2000, 27/04/Fin. dated 7-5-2004 and Circular No. 89/08/Fin. dated 19-12-2008.

(3) Apart from issuing Circulars, D. O. Letters (No. 48794/PAC-A3/08/Fin. dated 26-6-2008, No. 19144/PAC-A3/09/Fin. dated 22-10-2009 and 30-1-2010) from Secretary (Finance—Expenditure) have been issued to the Secretaries concerned.

Further Recommendation*(Para Nos. 4, 6, 7)*

1.7 The Committee suggested that necessary steps should be taken to compile various circulars issued by Finance Department from time to time in respect of Audit paras, regularisation of excess expenditure etc., and publish it as a Hand Book and to circulate the same amongst the Department.

Remarks

(Para Nos. 8 and 10)

1.8 The Committee remarked that no action was seen taken on the recommendation contained in the above paragraphs and viewed it as an irresponsible action from the part of Finance Department.

Action Taken

TOURISM (B) DEPARTMENT

(Para No. 4)

1.9 Noted. The note explaining reasons for excess expenditure will be furnished within six months.

Further Recommendation

1.10 The Committee expressed its strong displeasure over the irresponsible reply which is against the instructions prescribed in the Hand Book of timely action on matters pertaining to Public Accounts Committee. The statement of action taken should have been furnished to the Committee within two months of the presentation of the Report in the House. But replies on the recommendations are not received as per para 45 of the "Hand Book of Instructions.....". The Committee therefore recommends that disciplinary action should be taken against the delinquent officers responsible for the lapses.

Action Taken

TOURISM DEPARTMENT

(Para Nos. 6, 7, 8)

1.11 The Department noted these recommendations for further guidance.

Remarks

1.12 The Committee expressed its displeasure on the one word reply furnished by the department and wanted that such reply should not be repeated in future.

Action Taken

HIGHER EDUCATION

(Para No. 6)

1.13 Notes for regularisation explaining the reason for excess expenditure over the voted grants pertaining to Higher Education Department in arrears has already been forwarded to General Education Department for consolidation and furnishing replies in respect of the whole grant.

Remarks

1.14 The Committee observed that the reply given by the Department was not satisfactory and expressed its displeasure over the delay in furnishing the explanation over excess expenditure.

Action Taken

CULTURAL AFFAIRS (B) DEPARTMENT

(Para Nos. 4, 7, 8)

1.15 All heads of departments were given instructions for noting the observation for future guidance.

Further Recommendation

1.16 The Committee recommended to fix responsibility and to take disciplinary action against the delinquent officers concerned for the lapse in submitting notes for excess regularisation in time.

Action Taken

HOME DEPARTMENT

(Para No. 10)

1.17 According to the First Report of the Committee on Public Accounts (2006-08), during the year 2003-04 excess amount of ₹ 12,030 Capital (Voted) under Grant No. XII—Police was occurred for which Government have already furnished the notes explaining reasons for the same on 24-2-2009 vide Lr. No. 28775/E4/07/Home to Legislative Secretariat. There is no wilful delay occurred for furnishing the notes to Legislature Secretariat in respect of Police Department as this Department only doing the PAC reports of that Department.

Remarks

1.18 The Committee observed that the Statement of Action Taken furnished by the Government was not satisfactory and the Justification stated by the Department for delay occurred cannot be accepted.

Recommendation

FINANCE AND ALL ADMINISTRATION DEPARTMENTS

(Sl. No. 12, Para 21)

1.19 Subject to the observation and comments the excess expenditure over Voted Grants/Charged Appropriations from the years 1985-86 to 1991-92 as detailed in para 9 are recommended for regularisation under Article 205 of the Constitution.

Action Taken

TOURISM DEPARTMENT

1.20 The Department noted this recommendation for further guidance.

Remarks

1.21 The Committee expressed its displeasure on the one word reply furnished by the Department and wanted that such reply should not be repeated in future.

FINANCE AND ALL ADMINISTRATIVE DEPARTMENTS

Recommendation

(Sl. No. 13, Para No. 24)

1.22 More than seven years have elapsed since the last revision. In view of the considerable increase in the provision under all Grants/Charged Appropriations and expenditure there against since 1989, it is felt that an upward revision of the existing limit is necessary, so that the proliferation of comments on variations in the Appropriation Accounts could be avoided and the PAC could focus its attention more for really significant items.

Action Taken

TOURISM DEPARTMENT

(Para No. 24)

1.23 The Department noted this recommendation for further guidance.

Remarks

1.24 The Committee expressed its displeasure on the one word reply furnished by the Department and wanted that such reply should not be repeated in future.

CHAPTER II

**RECOMMENDATION WHICH THE COMMITTEE
DOES NOT DESIRE TO PURSUE IN TH LIGHT OF
THE REPLIES FURNISHED BY GOVERNMENT**

FINANCE AND ALL ADMINISTRATIVE DEPARTMENT

Recommendation*(Sl. No. 1, Para No. 4)*

2.1 The Committee find that many Administrative Departments are not paying adequate attention to see that the expenditure incurred by them over and above budget provision is to be got regularised by the Legislature as contemplated in Article 205 of the Constitution of India. As per the procedure prescribed for this purpose, the notes seeking regularisation of excess expenditure should be furnished to the Committee on Public Accounts, after getting them vetted by Audit, by 31st May of the second year following the year of accounts or immediately after presentation of the Appropriation Accounts to the Legislature whichever is later.

Action Taken

HOME (E) DEPARTMENT

(Para No. 4)

2.2 Instructions made by the Committee noted for future guidance.

TRANSPORT DEPARTMENT

2.3 The recommendation of the Committee contained in this paragraph is of general nature. Hence the recommendation is noted for future guidance.

HEALTH AND FAMILY WELFARE DEPARTMENT

2.4 Noted for future guidance and strict compliance.

AGRICULTURE DEPARTMENT

2.5 The excess expenditure over and above the budget provision under inevitable items such as salaries, wages, telephone charges and electricity charges during 1998-99 and 1999-2000 were got regularised at the end of the financial years itself. May be accepted and the objection dropped.

INDUSTRIES (J) DEPARTMENT

2.6 Noted for future guidance.

WATER RESOURCES (CAD) DEPARTMENT

2.7 The Recommendation is general in nature. As far as Kerala Command Area Development Authority (CADA) is concerned, no proposal regarding regularization of expenditure incurred over and above the budget provision is pending at present.

2.8 Normally when there is increase or decrease of expenditure against the budget allocation, proposals for reappropriation of funds are submitted by the Authority in the relevant financial year itself and proposals for regularization of expenditure are also submitted when the expenditure exceeds the final allocation.

2.9 For the year 2007-08, necessary proposals for re-appropriation of funds were submitted during the year itself and the Finance Department had accorded sanction for the re-appropriation of funds before the close of the year. Copies of the relevant Government Orders are enclosed herewith for reference (Appendix II).

WATER RESOURCE (GENERAL & PLANNING) DEPARTMENT

2.10 Necessary steps have been taken to furnish the vetted notes for regularisation of excess expenditure to the Committee on Public Accounts in due course. This department has two cases of excess expenditure for regularisation for the period 1993-94 and 1994-95 which have been vetted by Audit in file No. 5569/P1/95/IRD and 6229/P1/96/IRD respectively. The vetted notes have been furnished to Accountant General for onward transmission to Legislature Secretariat.

LOCAL SELF GOVERNMENT (FM) DEPARTMENT

2.11 Local Self Government Department has completed arrears in regularisation of excess expenditure up to 2009-10.

HOUSING DEPARTMENT

2.12 Noted for strict compliance. Excess expenditure over budgetary provision is not incurred as far as this department is concerned. Strict instruction has been issued to all concerned to comply these recommendations.

FINANCE AND ALL ADMINISTRATIVE DEPARTMENTS

Recommendation

(Sl. No. 2, Para No. 6)

2.13 The Committee note with great displeasure that many items of expenditure are yet to be regularised merely for want of notes from Government explaining the reasons for such expenditure. In the case of Grant

No. XVII—Education, Art and Culture, explanatory notes for regularization of excess expenditure over Voted Grants/Charged Appropriations are due from the General Education Department from 1983-84 to 1993-94 except for the years 1986-87 and 1988-89. Though the Secretary, General Education Department assured before the Committee on 28-9-1994 and the Committee in its 124th Report strongly expressed its displeasure over this heavy back-log no change in the attitude was noticed from that Department hitherto.

Action Taken

HOME (E) DEPARTMENT

2.14 Noted for future guidance.

TRANSPORT DEPARTMENT

2.15 The recommendation of the Committee contained in this paragraph is of general nature. Hence the recommendation is noted for future guidance.

FINANCE AND ALL ADMINISTRATIVE DEPARTMENTS

Recommendation

(Sl. No. 3, Para No. 7)

2.16 The Committee consider this as sheer negligence and disregard towards the status of the Committee and a clear violation of instructions contained in Appendix 15 of the Budget Manual. The Committee therefore makes a cautious note that no more concessions will be allowed to the Administrative Departments if they continued their slackness in furnishing notes.

Action Taken

HOME (E) DEPARTMENT

2.17 Noted for future guidance.

TRANSPORT DEPARTMENT

2.18 The recommendation of the Committee contained in this paragraph is of general nature. Hence the recommendation is noted for future guidance.

INDUSTRIES (J) DEPARTMENT

2.19 Noted for future guidance.

GENERAL ADMINISTRATION DEPARTMENT

2.20 Noted for future guidance.

HIGHER EDUCATION DEPARTMENT

2.21 The Department undertakes to abide by the instructions contained in Appendix 15 of the Kerala Budget Manual.

LOCAL SELF GOVERNMENT (FM) DEPARTMENT

2.22 Government have instructed all Head of Departments to discuss the steps to be taken to avoid undue delay in furnishing reconciled statement of expenditure in time under various Head of Account.

HOUSING DEPARTMENT

2.23 Noted for strict compliance. Excess expenditure over budgetary provision is not incurred as far as this department is concerned. Strict instruction has been issued to all concerned to comply these recommendations.

FINANCE AND ALL ADMINISTRATIVE DEPARTMENTS

Recommendation

(Sl. No. 4, Para No. 8)

2.24 The Committee are constrained to give a serious note of question that any further breach of instructions/norms by the Government Departments with regard to the time limit fixed in submission of notes to the Committee would meet with serious consequences in future.

Action Taken

HOME (E) DEPARTMENT

2.25 Noted for future guidance.

TRANSPORT DEPARTMENT

2.26 The recommendation of the Committee contained in this paragraph is of general nature. Hence the recommendation is noted for future guidance.

INDUSTRIES (J) DEPARTMENT

2.27 Noted for future guidance.

HIGHER EDUCATION DEPARTMENT

2.28 The Department undertakes to abide by the instructions contained in Appendix 15 of the KBM in future.

LOCAL SELF GOVERNMENT (FM) DEPARTMENT

2.29 Strict instructions have already been issued to all concerned to submit Reconciled Statement of Expenditure of each months at the earliest. Action has already been taken to submit arrear reconciled statement of expenditure at the earliest possible. Care has been taken by the Local Self Government Institutions to maintain the expenditure within the provision. If the expenditure would come over budget provision the money need for the same attained through additional authorization Supplementary Demand.

HOUSING DEPARTMENT

2.30 Noted for strict compliance. Excess expenditure over budgetary provision is not incurred as far as this department is concerned. Strict instruction has been issued to all concerned to comply these recommendations.

GENERAL ADMINISTRATION DEPARTMENT

2.31 Noted for future guidance.

FINANCE AND ALL ADMINISTRATIVE DEPARTMENTS

Recommendation

(Sl. No. 5, Para No. 10)

2.32 The details of items pending regularisation due to the non-submission of notes are given in Appendix II. The Committee urge the departments to expedite action for the speedy settlement of the remaining cases.

Action Taken

CULTURAL AFFAIRS DEPARTMENT

2.33 Information and Public Relations Department has already furnished notes to regularize the excess amount of ₹ 23,647 in the appropriation year 1989-1990 duly vetted by the Accountant General (Audit) to the Legislature Secretariat on 12-2-1999.

TOURISM (B) DEPARTMENT

2.34 Noted. No item is pending in this Department.

LOCAL SELF GOVERNMENT (FM) DEPARTMENT

2.35 Local Self Government Department has completed arrears in regularisation of excess expenditure up to 2009-10.

TRANSPORT DEPARTMENT

2.36 The recommendation of the Committee contained in this paragraph is of general nature. Hence the recommendation is noted for future guidance.

INDUSTRIES (J) DEPARTMENT

2.37 Excess expenditure of ₹ 16,308 under XXXVII Industries mentioned at Appendix-II had since been regularised.

HIGHER EDUCATION DEPARTMENT

2.38 The Higher Education Department has taken an earnest effort to clear the heavy back-log in regularisation of excess expenditure over the Voted Grants and notes on all pending items relating to Higher Education Department given in the Appendix II has already been furnished to General Education Department for consolidation and furnishing replies to the Committee.

GENERAL ADMINISTRATION DEPARTMENT

2.39 Two cases of over expenditure during 1990-91 and 1991-92 (mentioned in Appendix II) are pending regularisation. The cases have been reconciled with the figures of the Accountant General's office. The relevant records make it conspicuous that the major portion of expenditure incurred is under salaries.

2.40 The reconciliation has been completed by the PSC with the consolidated abstract available in the AG's office, as there was non-availability of records in the office of the PSC and the five Accountant General's office. The delay in submitting the notes occurred due to the non-availability of records to reconcile the figures for 1990-91 and 1991-92.

GENERAL ADMINISTRATION DEPARTMENT

Recommendation

(Sl. No. 6, Para No. 12)

2.41 The Committee believe that it was the responsibility of the General Administration (Special A) Department to assess the additional requirement of funds well in advance so as to meet the expenditure by moving proposals for supplementary Grants through Finance Department. The Committee find that both the Departments have sustained from such a move and are responsible for the lapses. The Committee urge that such lapses should not be repeated in future.

Action Taken

2.42 The excess expenditure was mainly due to the payment of revision of D.A., Salary, retirement benefits and certain expenditure relating to the previous year (1986-87). This has been intimated to the Committee. The observations of the Committee is noted for future guidance. However, the Secretary, Kerala Public Service Commission has been directed to avoid such lapses in future (Copy of the letter enclosed for reference in Appendix-III.)

FINANCE DEPARTMENT

Recommendation

(Sl. No. 7, Para No. 14)

2.43 The Committee made it clear that if the department desires to venture into such activities it should have chalked out the programmes sufficiently early and secured additional funds before initiating action. Any deviation from the constitutional requirements warrants stringent action in future.

FINANCE DEPARTMENT

Recommendation

(Sl. No. 8, Para No. 15)

2.44 The Committee wanted to know how the Department surrendered an amount of ₹ 2,68,000 and re-appropriated ₹ 2.04 lakh when it had an excess expenditure of ₹ 20,57,730 over the budgetary provisions. The reasons behind this contradictory action may also be intimated to the Committee.

Action Taken

FINANCE DEPARTMENT

(Para Nos. 14 & 15)

2.45 The excess expenditure of ₹ 20,57,730 over the budgetary provisions mainly occurred due to the revision of rates of DA ordered in G.O.(P) No. 265/91/Fin. dated, 22-3-1991 and in G. O.(P) No. 432/91/Fin. dated, 24-7-1991 as the existing budget provisions was found to be insufficient to meet the requirements and secondly due to the intensive campaign conducted by the Directorate of National Savings for the implementation of the Special Scheme "Savings for Development with much Advertising and Publicity". The revision of rates of DA

is an unforeseen item. This action of National Savings Department in having expended much more than budgetary provision may kindly regularised on assurance that such action will not be repeated in future and it would chalk out the programmes sufficiently earlier and secure additional funds. The action of re-appropriation of an amount of ₹ 2,04,000 and surrender an amount of ₹ 2,68,600 may kindly be excused on the above grounds.

SC/ST DEPARTMENT

Recommendation

(Sl. No. 9, Para No. 17)

2.46 The Committee at this context desired to know how much amount was sought by the SC/ST Department during 1985-86 and whether it was fully sanctioned by the Finance Department since the details were not readily available, the Committee desired to be furnished with the details regarding total provision granted under this Head of Account and actual amount spent in 1985-86 towards scholarships stipend and lump sum grant to the SC/ST students.

Action Taken

2.47 During 1985-86 an amount of ₹ 66,59,82,800 was provided as original grant and ₹ 5,66,00,200 as supplementary grant under the head of account 288-Social Security and Welfare. Thus the total grant for 1985-86 amounted to ₹ 72,25,83,000. The scholarships, stipend, lump sum grant etc., to the Scheduled Castes/Scheduled Tribes students were enhanced with effect from 1-12-1984 and these payments were to be made during 1985-86. Arrears of previous years were also to be made since the enhancement of scholarships, stipend etc., were ordered after finalising the budget proposal for 1985-86. The budget for 1985-86 were prepared not taking into account the additional financial commitments. The actual expenditure incurred during 1985-86 under this head of account was ₹ 73,60,78,872 and hence the excess expenditure incurred was ₹ 1,34,95,872. Proposals for reappropriation of an anticipated amount of ₹ 3,08,89,500 under 288-Social Security Welfare was sent to Finance Department. But the amount was not allotted by Finance Department.

2.48 The details of the amount sought for by the SC/ST Development Department during 1985-86 and the amount sanctioned by the Finance Department

is not available with the department. The details of the amount sanctioned and the amount spent in 1985-86 towards scholarships, stipend and lumpsum grant etc. to the SC/ST students are as stated below :

<i>Department</i>	<i>Amount allotted</i> (₹ in lakhs)		<i>Amount allotted</i> (₹ in lakhs)	
	<i>Plan</i>	<i>Non Plan</i>	<i>Plan</i>	<i>Non Plan</i>
SC Department				
1. Pre-metric Education 2225-01-277-99	21.000	300.000	24.532	361.784
2. Post metric Education 225-01-277-99	87.500	310.000	170.242	380.932
ST Development Department				
1. Post Matriculation Scholarship	12,50,000	Nil	12,72,163	..
2. Post Matriculation Studies	..	18,00 000	..	20,91,323
3. Pre Matriculation	..	75,00,000	..	81,75,690

2.49 In view of above lines, the excess expenditure under the head of account noted above may be regularised and the department may be excused for the non-submission of the details required by PAC.

FINANCE DEPARTMENT

Recommendation

(Sl. No. 10, Para No. 19)

2.50 The Committee observes that sanctioning of HBA from surrender savings had been a routine affair with the Finance Department and hence that department ought to have a close watch, over the flow of money before sanctioning HBA to the employees.

Action Taken

FINANCE (LOANS) DEPARTMENT

2.51 Funds are allotted to heads of department for sanctioning HBA to the applicants under their control. But many of the applicants did not avail the loan and the savings will be reported only at the fag end of the financial year. In order

to utilise the amount before the close of the financial year, HBA is being sanctioned to the applicants specifically requesting to sanction from the savings available.

2.52 Allotment register is properly maintained in the section to ensure that expenditure is limited to the funds available from the subsequent years. As per the Circular No. 41/2000/Fin dt. 4-8-2000 all heads of department/sanctioning authorities have been directed to follow the instructions issued as per the Circular No. 28/93/Fin. dated, 28-4-1993 and Circular No. 83/93/Fin. dated, 14-12-1993, strictly and has also directed to charge a penal interest at the rate of 2½ % over and above normal rate of interest vide Article 244 D(2) of KFC Vol. I in the defaulted case.

FINANCE DEPARTMENT

Recommendation

(Sl. No. 11, Para No. 20)

2.53 Further the Committee would like to be informed whether any action had been taken against the officers responsible for the non-reconciliation of accounts and the details of exact amount misclassified under this particular head of account may be furnished to the Committee.

Action Taken

FINANCE (LOANS) DEPARTMENT

2.54 Instructions have been issued as per Circular No. 95528/Inspection A2/88/Fin. dated, 3-7-1989 to reconcile the figures of expenditure against HBA to Government employees. The responsibility for reconciliation of accounts is vested with the Heads of Department. Being the Chief Controlling Officer, Finance Department is allotting funds to various heads of department and they in turn allot the funds to the various drawing and disbursing officers. Primary responsibility for reconciliation with treasury figures rests with the drawing and disbursing officers. They are used to be instructed to carry out reconciliation through Circular instructions issued from time to time.

FINANCE AND ALL ADMINISTRATIVE DEPARTMENT

Recommendation

(Sl. No. 12, Para No. 21)

2.55 Subject to the observations and comments, the excess expenditure over Voted Grants/Charged Appropriations from the years 1985-86 to 1991-92 as detailed in Para 9 are recommended for regularization under Article 205 of the Constitution.

Action Taken

FINANCE (BUDGET WING-D) DEPARTMENT

2.56 The Demands for Excess Grants and the connected Appropriation Bills for regularising the excess expenditure over Voted/Charged Appropriation for the years 1985-86 to 1991-92 (68th Report) and 1987-88 to 1993-94 (92nd Report), have been passed by the Legislative Assembly in July, 2002. The connected Appropriation Acts (No. 4, 5, 6, 7, 8, 9, 10 & 11 of 2002) have been published in the Kerala Gazette Extraordinary dated 2-9-2002 (vide Gazette Nos. 1288 to 1295 dt. 2-9-2002).

TRANSPORT DEPARTMENT

2.57 The recommendation of the Committee contained in this paragraph is of general nature. Hence the recommendation is noted for future guidance.

FINANCE AND ALL ADMINISTRATIVE DEPARTMENTS

Recommendation

(Sl. No. 13, Para No. 24)

2.58 More than seven years have elapsed since the last revision. In view of the considerable increase in the provision under all Grants/Charged Appropriations and expenditure there against since 1989, it is felt that an upward revision of the existing limit is necessary, so that the proliferation of comments on variations in the Appropriation Accounts could be avoided and P.A.C. could focus its attention more for really significant items.

Action Taken

FINANCE DEPARTMENT

(Para No. 24)

2.59 This being an internal arrangement between Audit and Public Accounts Committee, FD has no action on this recommendation (copy of letter from Accountant General enclosed).

HOME DEPARTMENT

2.60 Noted for future guidance.

TRANSPORT DEPARTMENT

2.61 The recommendation of the Committee contained in this paragraph is of general nature. Hence the recommendation is noted for future guidance.

FINANCE DEPARTMENT

Recommendation*(Sl. No. 14, Para No. 26)*

2.62 Taking into account the above aspect the following proposals to revise the limits for selection of heads for the purpose of inclusion of comments in the Appropriation Accounts of the State on variations between Grants/Charged Appropriations and expenditure incurred against it are suggested by the Accountant General for its adoption in our State.

I. When there is overall savings in the Grant/Appropriation

- (a) If the overall saving does not exceed 2% of the total provision variation (both excess and saving) exceeding ₹ 100 lakhs in individual sub heads may be commented upon.
- (b) When the overall savings exceeds 2% of the total provision, comments on variation in individual sub heads (saving as well as excess partly offsetting the overall saving may be included subject to the following limits :

<i>Total provision of the Grant or Appropriation</i>	<i>Limit above which comments in individual sub heads are required</i>
(i) Does not exceed ₹ 10 crores	₹ 10 lakhs or 10% of provision whichever is higher
(ii) Exceeds ₹ 10 crore but does not exceed ₹ 50 crores	₹ 15 lakhs or 10% of the provision whichever is higher
(iii) Exceeds ₹ 50 crores	₹ 20 lakhs or 10% of provision whichever is higher.

II. When there is overall excess in the Grant or Charged Appropriation

- (a) When there is overall excess in the Grants or charged Appropriations, the excess requires regularisation by the Legislature. For this purpose, comments are necessary in the Appropriation Accounts to the extent the entire excess is covered. Therefore, comments on variations in individual sub heads may be included in such a way that the aggregate or excesses partly offset by the saving commented upon is approximately equal to the overall excess.

- (b) When the overall excess is substantial and there are a number of individual sub heads having excess, comments may be included subject to the following limits :

<i>Total provision of the Grant or Appropriation</i>	<i>Limit above which comments in individual sub heads are required</i>
(i) Does not exceed ₹ 50 crore	₹ 5 lakhs or 10% of provision whichever is higher
(ii) Exceeds ₹ 50 crore but does not exceed ₹ 200 crores	₹ 10 lakhs or 10% of the provision whichever is higher
(iii) Exceeds ₹ 200 crores	₹ 15 lakhs or 10% of provision whichever is higher.

- (c) Savings in individual sub heads partly offsetting the overall excess may also be commented upon. Subject to the limits prescribed in 1 (b) above.

- III. (a) Notwithstanding the ceiling of “10% of the provisions under the sub head” all variations of ₹ 100 lakhs and above should invariably be commented upon.
- (b) Notwithstanding the limits prescribed in the foregoing provisions, Accountant General may include comments on variations wherever he considers them important or interesting or worthy to be brought to the notice of the Legislature.

IV. For this purpose, Revenue Voted, Revenue Charged, Capital Voted, Capital Charged are to be treated as independent Grants.

Action Taken

FINANCE DEPARTMENT

(Para No. 26)

2.63 This being an internal arrangement between Audit and Public Accounts Committee, FD has no action on this recommendation (copy of letter from Accountant General enclosed).

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>Conclusions/Recommendations</i>
(1)	(2)	(3)	(4)
1	1.7	Finance	The Committee suggested that necessary steps should be taken to compile various circulars issued by Finance Department from time to time in respect of Audit paras, regularisation of excess expenditure etc. and publish it as a Hand Book and to circulate the same amongst the Department.
2	1.10	Tourism	The Committee expressed its strong displeasure over the irresponsible reply which is against the instructions prescribed in the Hand Book of timely action on matters pertaining to Public Accounts Committee. The statement of action taken should have been furnished to the Committee within two months of the presentation of the Report in the House. But replies on the recommendations are not received as per para 45 of the "Hand Book of Instructions.....". The Committee therefore recommends that disciplinary action should be taken against the delinquent officers responsible for the lapses.
3	1.16	Cultural Affairs	The Committee recommended to fix responsibility and to take disciplinary action against the delinquent officers concerned for the lapse in submitting notes for excess regularisation in time.

APPENDIX II

GOVERNMENT OF KERALA

Abstract

BUDGET ESTIMATES 2007-08—DEMAND NO. XXIX—AGRICULTURE—REAPPROPRIATION
OF FUNDS UNDER THE MAJOR HEAD(S) OF ACCOUNT '2705-COMMAND AREA
DEVELOPMENT'—SANCTIONED—ORDERS ISSUED

FINANCE (BUDGET WING-H) DEPARTMENT

G. O. (Rt.)No. 3057/08/Fin. *Dated, Thiruvananthapuram 31st March, 2008.*

- Read:—*1. Letter No. 4051/2007/08/Re-app/Accts/CADA dated, 18-3-2008 from the Administrator, CADA.
2. U. O.(f) No. 6478/CAD3/08/WRD dated, 29-3-2008 received from the Water Resources (CAD) Department.

ORDER

In the letter cited, the Administrator, Command Area Development Authority has requested funds through reappropriation to regularise the excess expenditure incurred up to 31-1-2008 and also to meet the anticipated expenditure up to 31-3-2008 towards Establishment, Evaluation Studies and Field Drain expenses.

In the above circumstances, Government are pleased to accord sanction for the Re-appropriation of a sum of ₹ 4,11,83,000 (Rupees Four Crore Eleven Lakh Eighty Three Thousand only) under the head(s) of account as detailed in Statement No. 1 appended.

By order of the Governor,

C. RAJAN ACHARI,
Under Secretary.

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A & E), Kerala, Thiruvananthapuram.

The Administrator, Command Area Development Authority, Thrissur.

The Water Resources (CAD) Department.

Stock File/Office Copy/Interleaved Budget.

STATEMENTS SANCTION OF REAPPROPRIATION OF FUNDS 2007-08

<i>Head of Account</i>	<i>Existing/ Modified Appropriation ₹</i>	<i>Actual Expen- diture ₹</i>	<i>Modification (+) increase (-) reduction ₹</i>
(1)	(2)	(3)	(4)
Head of Account Increased			
<i>(Plan Voted)</i>			
MH 2705	Command Area Development		
MIH 101	Assistance to Command Area Development Authority—Kerala		
SH 86	Periyar Project		
SSH (01)	Establishment	44,00,000	.. (+) 82,96,000 (a)
SSH (13)	Evaluation Studies (+) 30,000 (a)
SH 82	Pazhassi Project <i>(Plan) (50% CSS)</i>		
SSH (01)	Establishment	55,00,000	.. (+) 5,04,000 (a)
SSH (13)	Evaluation Studies	5,000	.. (+) 1,000 (a)
SH 81	Kanhirapuzha Project <i>Plan (50% CSS)</i>		
SSH (01)	Establishment	42,00,000	.. (+) 66,25,000 (a)
SSH (06)	Field Drain	20,20,000	.. (+) 39,80,000 (a)
SSH (13)	Evaluation Studies	5,000	.. (+) 7,000 (a)
SH 80	Project Headquarters		
SSH (01)	Establishment	55,00,000	.. (+) 79,78,000 (a)
SH 79	Kallada Project		

	(1)	(2)	(3)	(4)
SSH (01) Establishment		25,60,000	..	(+) 1,02,74,000 (a)
SSH (06) Field Drain		40,10,000	..	(+) 26,66,000 (a)
MIH 800 Other Expenditure				
SH 99 Command Area Development Authority— Secretariat Cell (50% CSS)				
DH 01 Salaries				
OH 1 Pay		7,50,000	..	(+) 4,39,000 (a)
OH 2 Dearness Allowance		1,50,000	..	(+) 3,51,000 (a)
OH 3 House Rent Allowance		50,000	..	(+) 13,000 (a)
OH 5 Other Allowances		5,000	..	(+) 19,000 (a)
				4,11,83,000
				4,11,83,000
Head of Account Reduced				
<i>(Plan Voted)</i>				
MH 2705 Command Area Development				
MIH 101 Assistance to Command Area Development Authority—Kerala				
SH 86 Periyar Project				
SSH (03) Survey, Planning and Design		5,00,000	..	(-) 4,63,000 (b)
SSH (06) Field Drain		55,52,000	..	(-) 55,52,000 (b)
SSH (10) Demonstration		11,00,000	..	(-) 11,00,000 (b)
SSH (12) Training Sponsored by Government of India		50,000	..	(-) 50,000 (b)

	(1)	(2)	(3)	(4)
SSH (16)	Wireless	2,50,000	..	(-) 2,50,000 (b)
SSH (20)	Reclamation of Water Logged Areas	95,41,000	..	(-) 87,08,000 (b)
SSH (21)	Correction of System Deficiencies	3,75,000	..	(-) 3,25,000 (b)
SH 82	Pazhassi Project (<i>Plan</i>) (50% CSS)			
SSH (04)	Field Channel Outlet to 5-8 HA Block	1,37,35,000	..	(-) 81,87,000 (b)
SSH (06)	Field Drain	35,90,000	..	(-) 21,36,000 (b)
SSH (09)	Adaptive Trials	1,00,000	..	(-) 1,00,000 (b)
SSH (10)	Demonstration	2,45,000	..	(-) 2,45,000 (b)
SSH (12)	Training Sponsored by Govt. of India	50,000	..	(-) 50,000 (b)
SSH (10)	Wireless	2,00,000	..	(-) 2,00,000 (b)
SSH (20)	Reclamation of Water logged Areas	21,00,000	..	(-) 2,17,000 (b)
SH (21)	Correction of system Deficiencies	11,20,000	..	(-) 11,20,000 (b)
SSH (22)	Renovation and Desilting of Tanks	2,80,000	..	(-) 2,80,000 (b)
SH 81	Kanhirapuzha Project (<i>Plan</i>) (50% CSS)			
SSH (03)	Survey, Planning and Design	3,20,000	..	(-) 2,20,000 (b)
SSH (08)	Subsidy to Small and Marginal Farmers	60,000	..	(-) 60,000 (b)

	(1)	(2)	(3)	(4)
SSH (10) Demonstration		10,80,000	..	(-) 10,80,000 (b)
SSH (12) Training Sponsored by Govt. of India		1,50,000	..	(-) 1,50,000 (b)
SSH (20) Reclamation of Waterlogged Areas		26,00,000	..	(-) 25,00,000 (b)
SSH (21) Correction of System Deficiencies		6,00,000	..	(-)-6,00,000 (b)
SSH (22) Renovation and Desilting of Tanks		1,00,000	..	(-) 1,00,000 (b)
SH 79 Kallada Project				
SSH (09) Adaptive Trials		50,000	..	(-) 50,000 (b)
SSH (10) Demonstration		40,000	..	(-) 40,000 (b)
SSH (20) Reclamation of Waterlogged Areas		65,00,000	..	(-) 65,00,000 (b)
SSH (21) Correction of System Deficiencies		9,00,000	..	(-) 9,00,000 (b)
		Total (<i>Plan Voted</i>)		4,11,83,000
		Grand Total		4,11,83,000

Reasons for Modifications

- (a) The budget provision is quite inadequate to meet the expenditure. Hence the reappropriation.
- (b) There is sufficient savings. Hence the reappropriation.

For UNDER SECRETARY (Finance).

APPENDIX III

GOVERNMENT OF KERALA

No. 89014/Spl.E1/98/GAD.

General Admn. (Spl.E) Dept.,
Thiruvananthapuram,
Dated, 4-12-1999.

From

The Secretary to Government.

To

The Secretary,
Kerala Public Service Commission,
Thiruvananthapuram.

Sir,

Sub.— Public Accounts Committee Report—Action—Regarding.

The Committee on Public Accounts 1998-2000 in their 68th Report observed that adequate attention is not being paid by the departments to see that the expenditure incurred over and above Budget provision is to be got regularised by the Legislature as contemplated in Article 205 of the Constitution of India. As per the procedure prescribed for this purpose, the notes seeking regularisation of excess expenditure should be furnished to the committee on Public Accounts after getting them vetted by Audit, by 31st May of the 2nd year following the year of Accounts or immediately after presentation of the Appropriation Accounts to the Legislature whichever is later. The Committee are therefore constrained to give serious note of question that any further breach of instructions/norms with regard to the time limit fixed in submission of notes to the Committee would meet with serious consequences in future. They also observed that the additional requirement of funds has to be moved well in advance so as to meet the expenditure by moving proposals for Supplementary Grants through Finance Department.

It has come to the notice of the Government that the Kerala Public Service Commission is not paying adequate attention to see that the expenditure incurred by them over and above Budget provision is to be got regularised by the Legislature as contemplated in Article 205 of the Constitution of India. Lapses have also been noticed against the KPSC in assessing the additional requirement of funds well in advance so as to meet the expenditure by moving proposals for Supplementary grants.

In the circumstances I am to request you to see that the expenditure incurred by the Commission over and above Budget provision is got regularised by the Legislature in time in future. I am also to request you to avoid the lapses in assessing the additional requirement of funds well in advance and to move with proposals for Supplementary Grants, in future.

Yours faithfully,

K. K. VIJAYAKUMAR,
Secretary to Government.

APPENDIX IV

GOVERNMENT OF KERALA

Finance (Loans) Department

CIRCULAR

No. 41/2000/Fin.

Dated, Thiruvananthapuram, 4th August, 2000.

Sub:—House Building Advance—Watching of proper utilisation of the advance sanctioned—Instructions issued.

Ref:—1. Circular No. 28/93/Fin. dt. 28-4-1993.

2. Circular No. 83/93/Fin. dt. 14-12-1993.

In the Circular cited, instructions were issued to the Heads of Department/ Sanctioning Authorities insisting the submission of Utilisation Certificate for HBA availed and to report the cases of non-utilisation of the House Construction Advance sanctioned to State Government Employees to Finance (Inspection Works—Non-technical) Department of Government. In the Circular 2nd cited, Government have directed to furnish the above details to the Accountant General (A&E), Kerala, Thiruvananthapuram also.

All Heads of Departments/Sanctioning authorities are hereby directed to follow the above instruction strictly. It should be brought to the notice of loanees that non adherence to the above instruction will result in payment of penal interest at the rate of 2½% over and above normal rate of interest vide Article 244 D(2) of Kerala Financial Code, Volume I.

V. S. SENTHIL,

Secretary (Finance Expenditure)

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A&E), Kerala, Thiruvananthapuram.

All Heads of Departments.

The Director of Public Relations.

The Stock File/Office Copy.
