

**THIRTEENTH KERALA LEGISLATIVE ASSEMBLY**

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

**FIFTY FIFTH REPORT**  
(Presented on 9th July, 2014)



1096

**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2014**

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ON  
PUBLIC ACCOUNTS  
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**FIFTY FIFTH REPORT**

**On**

**Paragraphs relating to Forest & Wildlife, Home, Higher Education and  
Co-operation Departments contained in the Report of the  
Comptroller and Auditor General of India  
for the year ended 31 March, 2009  
(Revenue Receipts) Vol. I**

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COMMITTEE ON PUBLIC ACCOUNTS (2014-2016)

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„ 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 55th Report on paragraphs relating to Forest & Wildlife, Home, Higher Education and Co-operation Departments contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2009 (Revenue Receipts) Vol I.

The Report of the Comptroller and Auditor General of India for the year ended 31 March, 2009 (Revenue Receipts) was laid on the Table of the House on 1st March, 2010.

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

### FOREST & WILDLIFE, HIGHER EDUCATION, HOME AND CO-OPERATION DEPARTMENTS

#### FOREST AND WILDLIFE DEPARTMENT

##### AUDIT PARAGRAPH

##### **Non-revision of seignorage rate**

*Due to non-revision of seignorage rate of sand in tune with those in Public Works Department (PWD), the Government was deprived of additional revenue of ₹ 57.12 lakh.*

The Government of India in July 2001, approved diversion of 10.452 ha. of forest land for various purposes from three divisions\* on the basis of guidelines prescribed by the State Government for collection of sand. As per paragraph 2.1.1 (36) of Kerala Forest Code Vol. I, seignorage rate is the rate fixed as the minimum amount that must be assured to Government by the sale of trees and other forest produce collected from within the forest. The seignorage rate of ₹ 78/m<sup>3</sup> was fixed in 1996 and the PWD schedule rate for sand was also ₹ 78/m<sup>3</sup> at that time. Though the PWD schedule of rates was revised four times in 12 years enhancing the rate to ₹ 200/m<sup>3</sup> in 1999, ₹ 400/m<sup>3</sup> in 2004, ₹ 900/m<sup>3</sup> in 2007 and ₹ 990/m<sup>3</sup> in 2008, the seignorage rate was not revised in the Forest Department.

During scrutiny of the records in Divisional Forest Office, Thiruvananthapuram in June 2008, it was noticed that 12798 m<sup>3</sup> of sand was removed during the period from 2005 to 2008 in seven river sites comprised in 5.8 ha. at the seignorage rates of ₹ 78/m<sup>3</sup> fixed in 1996. Due to non-revision of seignorage rate in tune with the rates of PWD, the Government was deprived of additional revenue of ₹ 57.12 lakh.

After the case was reported to the Government in January 2009, the Government stated (April 2009) that action is being taken to revise the seignorage rate. Further report has not been received (September 2009).

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\* Thenmala, Thiruvananthapuram and Ranni.

[Audit Paragraph 8.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31 March, 2009 (Revenue Receipts).]

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

Regarding the audit reference, the Committee asked the reason for non-revision of seignorage rate of sand in tune with the rate of Public Works Department. The witness, Additional Chief Secretary, Forest and Wildlife Department partially admitted the negligence on the part of Forest Department as pointed out by the Accountant General in its report and explained that, the Forest and Wildlife Department had revised the rate from ₹ 78/m<sup>3</sup> to ₹ 1,000/m<sup>3</sup> in 2010, but owing to large scale public protest the Government revoked the increase in the rate in 2011. To a query of the Committee he also replied that the sand rate for the beneficiaries of the MN/EMS Housing Schemes and also for BPL families has been fixed as ₹ 78/m<sup>3</sup> and for others, the rate remains to be ₹ 1,000/m<sup>3</sup>. Replying to the adverse remarks that the Forest Department was reluctant to revise the seignorage rate of sand even after the Public Works Department had revised it four times, the witness, Additional Chief Secretary, Forest and Wildlife Department explained that the revenue from the sand collected from rivers is a minor part as compared to the revenue from other forest products like bamboo, timber etc.

2. Before winding up the discussion the Committee voiced its grave concern over the non-revision of seignorage rate of sand in tune with the rate of the Public Works Department and viewed it as administrative negligence on the part of Forest Department. It directed the Forest Department that the sand collected from the forest land must be confined to those who deserve it and all measures should be taken to ensure that private contractors were not benefited out of it. Also it reminded that seignorage rate of sand must necessarily be revised according to the PWD rate and the department should be vigilant to avoid such lapses in future.

### Conclusion/Recommendation

3. The Committee expresses its grave concern over the administrative laxity on the part of Forest Department in non-revising of seignorage rate of sand in tune with the rate of Public Works Department. It reminds that the Seignorage rate of sand must necessarily be revised according to the Public Works Department rate and the Department should be vigilant to avoid such lapses in future.

4. The Committee directs the Forest and Wildlife Department that the sand collected from the forest land should be confined to those who deserve it and all measures should be taken to ensure that private contractors were not advantaged out of it.

### HIGHER EDUCATION DEPARTMENT

#### AUDIT PARAGRAPH

#### **Misappropriation of Government receipts**

*Revenue of ₹ 3.65 crore was unauthorisedly utilised for meeting other expenses by the polytechnic/engineering colleges.*

Technical Education Colleges are administered by Government Aided Managements. Government extends financial assistance to aided institutions and exercise control over the structure of fees to be collected by them. Government have earmarked a portion of the special fee collected from students of aided colleges as non-tax revenue and the balance can be utilised by the colleges. At the time of enhancement of fees in 2003 and as part of mobilisation of non-tax revenue, Government revised the rate of special fees to be collected by the educational institutions. By an order issued in April 2003, Government have ordered to remit the revenue portion of special fee collected by aided polytechnic and engineering colleges into the Government account.



Scrutiny of records between June 2008 and March 2009 revealed that in cases of six polytechnic colleges\* and three engineering colleges†, the revenue portion of special fee collected by these colleges for the year 2003-04 to 2007-08 had not been remitted into the Government accounts. This has resulted in non-remittance of revenue of ₹ 3.65 crore.

After the cases were pointed out, the Principals of the colleges stated between July 2008 and April 2009 that the revenue portion of special fee collected was utilised for purchasing consumables, student stationery items, library books etc., and hence not remitted to Government account. The reply was not correct as it was unauthorised appropriation of revenue towards expenditure bypassing budgetary controls.

The matter was reported to the Government in April 2009; their reply has not been received (September 2009).

[Audit Paragraph 8.4 contained in the report of the Comptroller and Auditor General of India for the financial year ended 31 March, 2009 (Revenue Receipts).]

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

5. Regarding the audit observation that the revenue portion of special fees collected by six aided polytechnic and three engineering colleges unauthorisedly utilized for meeting other expenses which caused huge loss to the state exchequer, the Committee sought explanation from the Higher Education Department regarding the action taken to vacate the stay proceedings obtained by those educational institutions against the recovery proceedings. The witness, Additional Secretary, Higher Education Department informed that the Department has taken earnest efforts to vacate the stay proceedings. To a query by the Committee another witness, Director of Technical Education apprised that such financial

\* Carmel Polytechnic College, Alappuzha, NSS Polytechnic College, Pandalam, Seethi Sahib Polytechnic College, Tirur, SN Polytechnic College, Kottiyam, Swami Nithyananda Polytechnic College, Kanhangad and Thyagaraja Polytechnic College, Thrissur.

† Mar Athanasius College of Engineering, Kothamangalam, NSS College of Engineering, Palakkad and TKM College of Engineering, Kollam.

misappropriation could be identified by auditing and at present a sum of ₹ 3.65 crore pending recovery. In this regard, the Committee noticed that out of the nine institutions referred in the audit paragraph, eight were obtained stay from the court. But the authorities of S.N. Polytechnic College, Kottiyam did not comply with the directions of Government even without obtaining a stay order. The Committee viewed it as a serious offense and remarked that being an institution aided with public money it is obliged to obey Government Orders.

6. Then the Committee urged the Higher Education Department to take scrupulous efforts to lift the stay at the earliest. It also urged the department that steps should be taken to realise the amount from S.N. Polytechnic College, Kottiyam without further delay.

#### **Conclusion/Recommendation**

7. The Committee was at a loss to note the inertia exhibited by the Higher Education Department in not taking any step to realise the amount due to S.N. Polytechnic College, Kottiyam which was reluctant to obey Government Orders even without approaching court against it. It recommends the Higher Education Department that steps should be taken to realise the amount from S. N. Polytechnic College, Kottiyam, Kollam District without further delay. The Committee directs the Higher Education Department to take scrupulous effort to lift the stay order earned by eight institutions from the Court of law at an early time.

#### **HOME DEPARTMENT**

##### **AUDIT PARAGRAPH**

##### **Short demand of cost of establishment**

*While calculating the fees for providing police guards, the element of dearness allowance was not taken into account resulting in short demand of ₹ 47.13 lakh.*

Government of Kerala in the order issued in 17th February, 2004 revised the rate of fee for providing service of police personnel for private parties/

entertainments/film shooting etc. Besides the rates so fixed, dearness allowance at the rates admissible was also to be recovered.

During scrutiny of records in the office of District Superintendent of Police, Kottayam in July 2008, it was noticed that while demanding the cost of establishment in respect of service rendered to some private parties, the element of dearness allowance was not included. This resulted in short demand of cost of establishment of ₹ 47.13 lakh.

After the case was pointed out, the Accounts Officer stated in July 2008 that the claim would be regularised after receiving clarification from headquarters. Further developments have not been reported (September 2009).

The matter was reported to the department in September 2008 and Government in April 2009; their reply has not been received (September 2009).

[Audit Paragraph 8.5 contained in the report of the Comptroller and Auditor General of India for the financial year ended 31 March, 2009 (Revenue Receipts).]

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

8. Regarding the audit reference the witness, Principal Secretary, Home and Vigilance Department informed that the word Dearness Allowance quoted in the Comptroller and Auditor General in his Report was actually Daily Allowance. In this context the Accountant General intervened to point out that the Kerala Service Rules mandates the inclusion of Dearness Allowance for calculating the fees for providing service of police guards for private parties/entertainments/film shooting etc. Responding to this the witness, Principal Secretary, Home and Vigilance Department detailed that average cost fixed allowance including dearness allowance, clothing and supervision charges, travel expenses, hire charges of vehicles and miscellaneous expenses etc. are included in the bill of cost. When pointed out that the daily allowance so collected is less than Dearness Allowance, the Principal Secretary, Home and Vigilance Department defended that the fee for

such service has been fixed with the concurrence of the Finance Department. In this context the Committee opined that the quantum of daily allowance should be examined and directed the Finance Department that appropriate decision in this regard should be taken for reconsidering the modality for the fixation of Daily Allowance.

9. During discussion, the Committee came to know that though there was sufficient fund for student police cadets and community policing schemes, dearth of fund hinder the modernization of police force. Considering the necessity of the enhancement of the professional and technical competence of the police force more fund would be required and hence the committee decided to recommend that Finance Department should check the feasibility of providing sufficient fund under plan head for the modernisation of police force.

#### **Conclusion/Recommendation**

10. **The Committee opines that the present mode of calculation of daily allowance for providing service of Police personnel for private use requires a clarification. So it recommends that Home Department should take up the matter with Finance Department for specifying the modality of fixation of daily allowance.**

11. **The Committee also recommends that funds allocated under plan head should necessarily be enhanced so as to improve professional as well as technical competence of the Police force.**

#### **CO-OPERATION DEPARTMENT**

##### **AUDIT PARAGRAPH**

##### **Short demand of cost of audit**

*Due to issuance of irregular mode of calculation by the Registrar, there was short recovery of cost of audit of ₹ 14.64 lakh.*

Under the Kerala Service Rules (Rules), average cost calculated for the purpose of recovery of audit cost is subject to periodical enhancement consequent

on the revision of pay, dearness allowance and other compensatory allowances of State Government Employees. Cost of service in respect of officials of Co-operative Department who are deputed to Co-operative Banks are to be realised from the respective banks, based on the calculation prescribed in the Rules.

During scrutiny of records in the five\* offices of Assistant Registrar (Audit) in August 2008, it was noticed that the Registrar had issued a circular prescribing the average cost which was calculated against the provisions of Rules. On the basis of this irregular circular, the Assistant Registrars had demanded the cost of service in respect of officials deputed to Co-operative Banks. This resulted in short demand of cost of service of ₹ 14.64 lakh.

After the cases were pointed out, the Assistant Registrars stated in August 2008 that the cost of service was worked out based on the directions of Registrar and the matter would be taken up with higher authorities for rectification of the irregularity. Further development has not been reported (September 2009).

[Audit Paragraph 8.6 contained in the report of the Comptroller and Auditor General of India for the financial year ended 31 March, 2009 (Revenue Receipts).]

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

12. Regarding the audit observations the Committee sought the clarification on certain points in the notes furnished by the Co-operation Department that "Besides under Rule 12(35) that the average age fixed in entry cadre is 21, but the average age of the entry cadre go beyond 30, on appointments made on the advice of Kerala Public Service Commission". The witness, Secretary, Co-operation Department informed that, about 1500 auditors are working in Co-operative Institutions in different cadres under Rule 156, Part I, KSR. He added that the average cost varied owing to transfer, retirement and promotion of employees in the department now and then. He also admitted that such an irregularity had not been noticed till reported by the Accountant General.

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\* Offices of the Assistant Registrar-Koyilandy, Manjeri, Perinthalmanna, Ponnani and Tirur.

13. The Secretary, Co-operation Department submitted that the present mode of calculation of average cost has been issued with the concurrence of the Finance Department and rate being revised at par with pay revision ordered by Government. He continued that additional amount should be demanded from beneficiaries for meeting expenses like dearness allowance, festival allowance etc. whereas travelling allowance is directly distributing to the employees at present. He also added that almost all institutions, except those in financial crunch, had remitted the full cost of audit in advance for 6 months. The Co-operation Department would extend sanction of post to only those institutions which would remit the average cost for 6 months in advance.

14. In this context, the Committee analysed that the provision in the Kerala Service Rules Part I regarding the calculation of average cost for the purpose of recovery of audit is impractical and hence directed the Finance Department to take necessary steps to amend the rules in this regard.

#### **Conclusion/Recommendation**

15. **The Committee analyses that the provision in the Kerala Service Rules Part I regarding the calculation of average cost for the purpose of recovery of audit cost is impractical and hence directs the Finance Department to take necessary steps to amend the rule in this regard.**

Thiruvananthapuram,  
7th July, 2014.

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

APPENDIX I  
SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

<i>Sl. No.</i>	<i>Paragraph No.</i>	<i>Department concerned</i>	<i>Conclusion/Recommendation</i>
(1)	(2)	(3)	(4)
1	3	Forest & Wildlife	The Committee expresses its grave concern over the administrative laxity on the part of Forest and Wildlife Department in non-revising of seignorage rate of sand in tune with the rate of Public Works Department. It reminds that the seignorage rate of sand must necessarily be revised according to the Public Works Department rate and the department should be vigilant to avoid such lapses in future.
2	4	"	The Committee directs the Forest and Wildlife Department that the sand collected from the forest land should be confined to those who deserve it and all measures should be taken to ensure that private contractors were not advantaged out of it.
3	7	Higher Education	The Committee was at a loss to note the inertia exhibited by the Higher Education Department in not taking any steps to realise the amount due to S.N. Polytechnic College, Kottiyam which was reluctant to obey Government Orders even without approaching court against it. It recommends the Higher Education

(1)	(2)	(3)	(4)
			Department that steps should be taken to realise the amount from S.N. Polytechnic College, Kottiyam, Kollam District without further delay. The Committee directs the Higher Education Department to take scrupulous effort to lift the stay order earned by eight institutions from the Court of law at an early time.
4	10	Home	The Committee opines that the present mode of calculation of daily allowance for providing service of Police personnel for private use requires a clarification. So it recommends that Home Department should take up the matter with Finance Department for specifying the modality of fixation of daily allowance.
5	11	Finance	The Committee recommends the Finance Department that funds allocated under plan head should necessarily be enhanced so as to improve professional as well as technical competence of the Police force.
6	15	"	The Committee analyses that the provision in the Kerala Service Rules Part I regarding the calculation of average cost for the purpose of recovery of audit cost is impractical and hence directs the Finance Department to take necessary steps to amend the rule in this regard.



## APPENDIX II

*Notes received from the Government*

**ACTION TAKEN REPORT ON THE OBSERVATIONS CONTAINED IN THE  
AUDIT REPORT (REVENUE RECEIPTS) FOR THE YEAR ENDED ON  
31.3.2009**

<b>Para</b>	<b>Action Taken</b>
<b>Para. 8.3: Non revision of seignorage rate</b>	Seignorage rate of the sand was revised from Rs. 78 /M <sup>3</sup> to Rs.1000/M <sup>3</sup> as per GO(MS) 15/2010/F&WLD dated, 03.05.2010 for the year 2007-2008 &2008-2009. But as per the GO (MS) 02/2011/F&WLD dated, 27.01.2011 the rate was again reversed to Rs.78/M <sup>3</sup> for the beneficiaries of the MN/EMS housing schemes and also for the BPL families. Copies of the Government Orders are enclosed for information.

**വനം വന്യജീവി വകുപ്പ്** : ഇ.എം.എസ്. സെക്ഷൻ പാലാതകശാലയും ബി.പി.എസ്. കൃഷ്ണബാബുശാലയും കൂട്ടബീക്കിംഗ് മിറ്റിംഗ് നടത്തിയതിന്റെ അടിസ്ഥാനത്തിൽ നടത്തിയ അന്വേഷണത്തിൽ കണ്ടെത്തിയ കാര്യങ്ങൾ ഉള്ളിൽ പട്ടികപ്പെടുത്തിയിരിക്കുന്നു.

**വനം വന്യജീവി വകുപ്പ്**

സ.എ.എം.എസ്. നമ്പർ : 02/2011/വ.പ. ജി.എം.സി., തിരുവനന്തപുരം, 27-01-2011.

പരാമർശം : 1. 3-5-2010 ടൈം സീ.കെ. (എം.എസ്) 15/2010/വനം നമ്പർ അടിസ്ഥാനത്തിൽ ഉണ്ടായത്.

2. മുഖ്യവനപാലക (സംരക്ഷണം) ടെറി 15-10-2010 ടൈം 03-01-2011 ടൈം 7/4912/2010 നമ്പർ കണ്ടുകിട്ടി.

**ഉത്തരവ്**

അടിസ്ഥാനപരമായി നടത്തിയ അന്വേഷണത്തിന്റെ അടിസ്ഥാനത്തിൽ 03-05-2010 ടൈം അടിസ്ഥാനത്തിൽ ഉണ്ടായത് ജി.കെ. (എം.എസ്) നം.15/2010/വനം പകരം പുസ്തകങ്ങൾ നിശ്ചയിച്ചിട്ടുണ്ട്. അതിൽ മനോജിൻ സിന്ധുവേൽ വി.പ. കൂട്ടബീക്കിംഗ് മിറ്റിംഗ് മുൻപുണ്ടായിരുന്ന നിലയിൽ 78 പുസ്തകങ്ങൾ നിന്നും 1000 പുസ്തകങ്ങൾ ഉയർത്തി വ്യാപനം ചെയ്തിട്ടുണ്ട്.

കടന്ന വന്യജീവി വകുപ്പിന്റെ അടിസ്ഥാനത്തിൽ പുസ്തകങ്ങൾ വിതരണത്തിന് പാലാതകശാലയും തിരുവനന്തപുരത്തിൽ അടിസ്ഥാനത്തിൽ ഈ വിഷയം പൂർത്തിയാക്കിയ ശേഷം നടന്നിരുന്നതിനാൽ മുഖ്യവനപാലക (സംരക്ഷണം) നോട്ടീസ് നിലവിലുള്ള തിരുവനന്തപുരം അതിർത്തി കണ്ടുകിട്ടിയതിന്റെ അടിസ്ഥാനത്തിൽ നടത്തിയ അന്വേഷണത്തിൽ കണ്ടെത്തിയ കാര്യങ്ങൾ ഉള്ളിൽ പട്ടികപ്പെടുത്തിയിരിക്കുന്നു. കടന്ന വന്യജീവി വകുപ്പിന്റെ അടിസ്ഥാനത്തിൽ ഉണ്ടായത് 1000/-പുസ്തക പകരം പഴയ നിലയിൽ 78/-പുസ്തക കൂട്ടബീക്കിംഗ് മിറ്റിംഗ് നടന്ന അടിസ്ഥാനത്തിൽ ഇ.എം.എസ്/എം.എസ് വനം പാലാതകശാലയും ബി.പി.എസ്. കൃഷ്ണബാബുശാലയും വിതരണം ചെയ്യുവാൻ അനുമതി നൽകി ഉത്തരവ് പുറപ്പെടുവിക്കുന്നു.

ഈ തുറസ് കുടിശ്ശിക പരാമർശിച്ചുള്ള വിഭാഗങ്ങൾക്കും/പദ്ധതികൾക്കും മാത്രം ബാധകമാക്കിയിരുന്നതാണ്. പരാമർശങ്ങൾക്ക് സർക്കാർ തുറന്നുകൊടുക്കിയിട്ടില്ലെന്നും അതുകൊണ്ട് പദ്ധതികൾക്കും/പദ്ധതികൾക്കും മാത്രം ബാധകമാക്കിയിരുന്നതാണ്.

ഗവർണ്മെന്റ് തുറന്നുകൊടുക്കും,  
സംസ്ഥാന പദ്ധതി,  
പരിഷ്കരണ പദ്ധതി തുടങ്ങി.

ചീഫ് ഫണ്ട് കൺട്രോളർ (സംരക്ഷണം), ബില്ലിംഗ് ഡിവിഷൻ,  
പരിഷ്കരണ പദ്ധതി (അഡ്വൈസ്) ബില്ലിംഗ് ഡിവിഷൻ,  
തുറന്നുകൊടുക്കൽ അതിർ പദ്ധതികൾ തുടങ്ങി വെച്ച്  
ഒരു നിർമ്മാണ വെച്ച്.  
ധനകാര്യ വെച്ച് (Vide U.O. No. 2303/AWA/1/1/Fin dated 25-1-2011.)  
കുടിശ്ശിക പദ്ധതി/അഡ്വൈസ് കൺട്രോളർ.



Government of Kerala

Abstract

Forest & Wild Life Department - Revision of seigniorage rate of timber and other forest produces for 2007 - 2008 and 2008 - 2009 - Sanction accorded - Orders issued.

**FOREST & WILD LIFE (D) DEPARTMENT**

GO(MS) No. 15/2010/F&WLD Dated, Thiruvananthapuram 03/05/2010  
 Read: Letter No. Pro 5/11719/99 dated 17-2-09 & 11-12-09 of Chief  
 Conservator of Forests (Protection), Thiruvananthapuram.

**ORDER**

The Chief Conservator of Forests (Protection) has furnished a proposal for the revision of seigniorage rate of timber and other forest produces for 2007 - 2008 and 2008 - 2009 as per the letter read above

Government have examined the proposal in detail and are pleased to accord sanction for the revision of seigniorage rate of timber and other forest produces for 2007 - 2008 and 2008 - 2009 as shown in annexure to this order, with prospective effect in relaxation of the provision of Kerala Forest Code.

(By Order of the Governor)

D. JOHNY

Deputy Secretary to Government

To

1. The Chief Conservator of Forests (Protection), Thiruvananthapuram.
2. The Principal Accountant General, Audit, Thiruvananthapuram.
3. The Finance Department (vide UO no. 19975/AW/10/Fin dated 19-4-10)

## Item No. 4. Minor Forest Produce for Local Consumption.

Sl. No.	Name of Species	Botanical Name	Unit	Existing Sighting Rate for 1998-1999 in Rs.	Proposed substitute rate for 2007-2008 & 2008-2009 in Rs.	State average working cost in last 5 years in Rs.	Proposed weightage rate for 2007-2008 & 2008-2009 in Rs.	% of increase from 1998-1999	Rs.
1	Bamboo Chaulias		100 nos.	180			200	11.11	
2	Thorn my quality	HL	Each	30			35	16.67	
3	Thunbayan Bamboos	Each	Each	30			35	16.67	
4	Flag Staff	Each	Each	30			35	16.67	
5	Kampyambamboos	Each	Each	30			35	16.67	
6	Small Bamboos (Local Monopul)		100 nos.	500			500	100.00	
7	Vabambamboos		Each	30			35	16.67	
8	Bambula		100 nos.	110			170	9.09	
9	Charcoal		MT	500			600	30.00	
10	Chasutha Kambhu		100 nos.	170			185	8.82	
11	Reeds (1 H.L./30 nos.)		30 nos.	10			30	200	
12	Reeds 1 <sup>st</sup> class 6 Cm in girth and above 3.5 M in length		100 nos.	140			195	10.71	
13	Reeds 2 <sup>nd</sup> class 3 cm in girth and above 3.5 m in length		100 nos.	90			100	11.11	
14	Reeds 3 <sup>rd</sup> class below 3 cm in girth and above 3.5 cm in length		100 nos.	50			55	10.00	
15	Valdu fiber		HL	20			20		
16	Green Manure Leaves	HL	HL	10			10		
17	Green Manure Leaves		Cart L.	60			65	8.33	
18	Green Manure Leaves		Cart L.	330			365	11.00	
19	Dry Manure Leaves		Cart L.	50			55	10.00	
20	Waste bark (green)		MT	5660			6360	11.00	

Sl No	Name of Species	Estimated Quantity	Date	Existing Schedule Rate for 1998-1999 in Rs.	Proposed schedule rate for 2007-2008 & 2008-2009 in Rs.	State average working cost in last 3 years in Rs.	Proposed estimate rate for 2007-2008 & 2008-2009 in Rs.	% increase from 1998-1
21	Cardamom		Ms	310			340	9.68
22	Thatching Grass		Chit L	30			35	16.67
23	Thatching Grass		HL	10			10	-
24	Kashmanala		25 Mar	30			35	16.67
25	Walla dry rope for local consumption		Mar	10			10	-
26	Jungle wood unserved species of basal girth not exceeding 15 cm		5 Mar	30			35	16.67
27	Oda Leaves		100	10			10	-
28	Emiliappana Leaves (Wild date leaves)		5 Mar Chit L	30			35	16.67
29	Sard		M	78			1000	1182.05
30	Katturaly		HL	30			35	16.67
31	Encha		HL	30			35	16.67
32	Kaimavai, Vayana bark or bark of similar utility		HL	30			35	16.67
33	Oyana		HL	30			35	16.67
34	Lemon Grass		1 Mar (25 L)	10			10	-

**REMEDIAL MEASURES TAKEN STATEMENT ON PARA 8.4**  
**CONTAINED IN THE C& AG REPORT FOR THE YEAR**  
**ENDED 31st MARCH 2009 (RR)**

In para 8.4, it is pointed out that Government extends financial assistance to aided institutions and exercise control over the structure of fees to be collected by them. Government have earmarked a portion of the special fee collected from students of aided colleges as non-tax revenue and the balance can be utilised by colleges. At the time of enhancement of fees in 2003 and as part of mobilisation of non-tax revenue, Government revised the rate of special fees to be collected by the educational institutions. By an order issued in April 2003, Government have ordered to remit the revenue portion of special fee collected by aided polytechnic and engineering colleges into the Government account. Scrutiny of records between June 2003 and March 2009 revealed that in cases of six Polytechnic colleges and three Engineering colleges, the revenue portion of special fee collected by these colleges for the year 2003-04 to 2007-08 had not been remitted into the Government accounts. This has resulted in non-remittance of revenue of Rs.3.65 crore.

Remedial Measures Taken: - The following colleges have filed Writ Petitions before the High Court of Kerala and obtained stay from the Court from remitting the amount into Government accounts.

1. TKM College of Engineering, Kollam.
2. M.A College of Engineering, Kothamangalam.
3. Carmel Polytechnic College, Alappuzha.
4. Swamy Nithyananda Polytechnic College, Kanhangad.
5. SSM Polytechnic College, Tirur.
6. Thiagarajar Polytechnic College, Alagappanagar.
7. NSS Polytechnic College, Pandalam.
8. NSS College of Engineering, Palakkad.

These petitions are still pending before the Court. The Department have taken necessary steps for defending the cases. The amount will be realized based on the Orders of the Hon'ble Court.



**GOVERNMENT OF KERALA**

I	(a)	Department	Home (E) Department (File No. 33165/E4/2009/Home)
	(b)	Subject/Title of the Review Paragraph	Short demand of cost of establishment
	(c)	Paragraph Number	8.5
	(d)	Report Number and Year	Report of Comptroller & Auditor General of India for the year ended 31.03.2009(Revenue Receipts)
II	(a)	Date of receipt of the Draft Paragraph Review in the Department	04.05.2009
	(b)	Date of Departments reply	
III		Gist of paragraph review .	<p>Government of Kerala in the order issued in 17 February 2004 revised the rate of fee for providing service of police personnel for private parties/entertainments/film shooting etc. with effect from February 2004. Besides the rates so fixed the Dearness Allowance at the rates admissible as per rates was also to be recovered.</p> <p>During scrutiny of records in the office of District Superintendent of Police, Kottayam in July 2008, it was noticed that while raising the cost of establishment in respect of service rendered to some private parties, the element of dearness allowances was not included. This resulted in short demand of cost of establishment of Rs. 47.13 lakh.</p>
IV	(a)	Does the Department agree with the facts and figures included in Paragraph?	Yes
	(b)	If not, please indicate the areas of disagreement and also attach copies of relevant documents in support.	N.A.
V	(a)	Does the Department agree with the Audit Conclusions?	Yes
	(b)	If not, please indicate specific areas of disagreement with reasons for disagreement and also attach of relevant documents, where necessary?	N.A.



VI	<b>Remedial Action Taken:</b>		
	1. Improvement in system and procedures including internal controls	<p>In GO (Ms) No. 58/04 /Home dated 17-02-2004, the rates of fee for service of police personnel for every four hours duty for private parties/ entertainments/ film shooting etc., inclusive of rifles, canes, shields , metal ,caps etc for each category of Police Officer has been specified plus DA at the rates admissible as per rules. 'DA' in this context is "Daily Allowance" and not Dearness Allowance. Para 8.5 of the audit report, the short demand for cost of police deployed has been calculated on the basis of the Dearness Allowances instead of Daily Allowances.</p> <p>The District Police Chief , Kottayam has prepared the Bill of Cost of Udayanampuram and Vaikom Devaswom Temple Festival duties and election duties in UP and Tamil Nadu as per the above Government Order. In the Bill of cost for the service provided to the Devaswoms in addition to the specified rates for Day &amp; Night duty, the District Police Chief, Kottayam has claimed 10 % supervision charges instead of Daily Allowances.</p> <p>The Bill of Cost for, the outside State duty for Election purpose, Law &amp; Order etc are being prepared by claiming the following components.</p> <ol style="list-style-type: none"> <li>1) <i>Average Cost.</i></li> <li>2) <i>Fixed Allowance including Dearness Allowances</i></li> <li>3) <i>Clothing &amp; Supervision charges.</i></li> <li>4) <i>Travel expense.</i></li> <li>5) <i>Hire charge of vehicles.</i></li> <li>6) <i>Miscellaneous expenses if any.</i></li> </ol> <p>The rates applicable for four hours duty for private parties' entertainments, film shooting etc cannot be claimed for outside state duty as the same is provided as per the request by the Government concerned.</p> <p>The above reply may be accepted and the audit para may be dropped.</p>	
	2. Recovery of overpayment pointed out by audit.		
	3. Recovery of under assessment, short levy or other dues		
	4. Modifications in the schemes and programmes including financing pattern.		
	5. Review of similar cases/complete scheme project in the light of findings of sample check by Audit.		

**Remedial Measures taken on para 8.6 contained in the Report of the  
C&AG for the year 31<sup>st</sup> March 2009.**

**B. Other Non tax Receipts  
Co-operation Department**

Recommendations	Remedial Measures taken
<p><b>8.6 Short demand of Cost of Audit</b></p> <p>Due to issuance of irregular mode of calculation by the Registrar, there was short recovery of cost of audit of Rs.14.64 lakhs.</p> <p>Under the Kerala Service Rules (Rules), average cost calculated for the purpose of recovery of audit cost is subject to periodical enhancement consequent on the revision of pay, dearness allowance and other compensatory of State Government employees. Cost of service in respect of officials of Co-operative department who are deputed to Co-operative banks are to be realized from the respective banks, based on the calculation prescribed in the Rules.</p> <p>During scrutiny of records in the five officers of Assistant Registrar (Audit) in August 2008, it was noticed that the Registrar had issued a circular prescribing the average cost which was calculated against the provisions of Rules. On the basis of this irregular circular, the Assistant Registrar had demanded the costs of service in respect of officials deputed to co-operative banks. This resulted in short demand of cost of service of Rs.14.64 lakh.</p> <p>After the cases were pointed out, the Assistant Registrars stated in August 2008 that the cost of service was worked out based on the directions of Registrar and the matter would be taken up with higher authorities for rectification of the irregularity. Further development has not been reported (September 2009).</p>	<p>With regards to recommendation No.8.6 of the report it may be noted that;</p> <p>(1) The average cost of different categories of the co-operation department personnel posted under Rule 156 Part I KSR are fixed by Government vide G.O(Rt) No.269/99/Co-op dated 9.6.1999 and G.O(Rt) No.370/2006/Co-op dated 19.8.2006. In every pay revision the revised rates are fixed by Government from time to time.</p> <p>(2) In co-operation department the sanctioned staff strength is less than the posts sanctioned under Rule 156 Part I KSR. For the timely completion of audit in co-operatives, the Board of Directors of Co-operative resolves for the approval of post under Rule 156 Part I KSR. The posting under Rule 156 are made by the department. For the Administrative convenience transfers are frequently made. Hence for the calculation of average cost under Rule 12(35) Part I KSR is always a difficult proposition.</p> <p>About 1500 auditors are working in co-operative institutions under Rule 156 Part I KSR in different cadres i.e., Junior Auditors, Senior Auditors, Assistant Registrar/ Concurrent Auditors, Deputy Registrar/ Concurrent Auditors, Joint Registrar/ Concurrent Auditors etc. Calculation of average cost in each and every cadre in different length of services is not practicable.</p> <p>The present mode of calculation is issued with the concurrent of Finance Department. Besides under Rule 12(35) the average age fixed in the entry grade as "21". But the average age in the entry cadre go beyond "30" on appointments made on the advise of Public Service Commission. More over the department personnel deputed under Rule 156 Part I KSR are working in the borrowing institutions for one year to 5 years.</p>

(3) The observation/audit objections of the Accountant General was dropped in all cases as and when supporting Government orders are produced.

(4) Under Rule 12(35) (b) a different module is prescribed for the calculation of average cost.

(5) In accordance with the directions in G.O(Rt) No.71/2012/Co-op dated 4.2.2012 a circular (No.05/2012 date 16.2.2012) has been issued by the Registrar of Co-operative Societies revising the average cost of the employees of this department consequent on the pay revision vide G.O(P) No.85/2011/Fin dated 26.2.2011. The present practice of calculation of average cost in co-operation department is more practical as the posts are created in all cadres of department (copy of the above G.O and Circular enclosed).

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