

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

**ONE HUNDRED AND FOURTH REPORT
(Presented on 15th December, 2015)**



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2015**

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PUBLIC ACCOUNTS
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ONE HUNDRED AND FOURTH REPORT

on

**Action Taken by Government on the Recommendations contained in the
34th Report of the Committee on
Public Accounts (2001-2004)**

CONTENTS

	<i>Page</i>
Composition of the Committee	.. v
Introduction	.. vii
Report	.. 1
Appendix: Summary of main Conclusion/Recommendation	.. 20

COMMITTEE ON PUBLIC ACCOUNTS (2014-2016)

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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 104th Report on Action Taken by Government on the Recommendations contained in the 34th Report of the Committee on Public Accounts (2001-2004).

The Committee considered and finalised this Report at the meeting held on 24th November, 2015.

Thiruvananthapuram,
15th December, 2015.

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 34th Report of the Committee on Public Accounts (2001-2004).

The Thirty fourth Report of the Committee on Public Accounts (2001-2004) was presented to the House on 29th January, 2003. The Report contained twelve recommendations relating to Various Departments. Government were addressed on 3rd February, 2003 to furnish the statement of Action Taken on the recommendations contained in the Report and the final replies received on 12th November, 2014.

The Committee considered the Action Taken statements at its meetings held on 11-6-2008, 6-5-2009, 23-12-2009, 11-11-2010, 1-8-2012 and 18-2-2015.

The Committee was not satisfied with the Action Taken by certain departments on the recommendation in Sl. Nos. 1, 3, 4, 5, 6 and 7 (Para Nos. 3, 5, 9, 10, 11) and decided to pursue them further. Such recommendations, replies furnished thereon and further recommendations of the Committee are included in Chapter I of this Report.

The Committee decided not to pursue further action on the recommendations Sl. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 (Para Nos. 3, 4, 5, 9, 10, 11, 13, 15, 17, 19, 21 and 22) in the light of the replies furnished by the concerned departments. These recommendations of the Committee and the Action Taken furnished by Government are included in Chapter II of this Report.

CHAPTER I

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

FINANCE & ALL ADMINISTRATIVE DEPARTMENTS

Recommendation

(Sl. No. 1, Para No. 3)

1.1 While examining the notes on excess expenditure the Committee found that almost all the departments lacked proper and effective control over the expenditure. The Committee understands that the system of check and balance,

does not at all function well in many of the Departments. The Committee is of the view that had the Departments made earnest efforts to act on and adhere to the mechanism prevalent for budgetary control in its full sense and spirit, the excess expenditure year after year could have been avoided.

Action Taken

SOCIAL WELFARE DEPARTMENT

1.2 Social Welfare Department has always tried to avoid excess expenditure through strict control on Budget. Earnest effort will be made to curb the excess expenditure over Budget in future also.

GENERAL ADMINISTRATION (TOURISM) DEPARTMENT

1.3 The recommendations of the Committee are noted.

Remarks of the Committee

1.4 The Committee observed that reply from the department was not satisfactory.

FINANCE (BUDGET WING) DEPARTMENT

1.5 Finance department has issued circular instructions to all heads of Departments/Controlling Officers to take prompt action to ensure proper appropriation control over expenditure and to monitor the progress in expenditure with proper check and balance measures as per rules--vide Circular No. 86/2003/Fin. dated 29-10-2003.

Further Recommendation (Finance Department)

1.6 The Committee suggests that there should be a monitoring system in the Finance Department for the proper monitoring of expenditure of funds by the Administrative Department.

CO-OPERATION DEPARTMENT

Recommendation

(Sl. No. 3, Para No. 5)

1.7 The Committee understands that absence of reconciliation of account of the Departments with those maintained by the Accountant General (A&E) also leads to the excess expenditure. The Committee desires that the approach of the Department in this regard should be pragmatic and urges that timely Reconciliation

of account should be done in future and that any lapse in this regard should be viewed seriously. The Committee also wants the Finance Department to ensure that the mechanism for budgetary control prevalent as contemplated in Kerala Budget Manual is functioning properly.

Action Taken

1.8 This Office had taken all efforts to do the work of timely reconciliation of accounts for the current year, that is 2003-2004. All the district officers have given strict direction to do the timely reconciliation of departmental figures with those maintained by the Accountant General (A&E). As such the district officers have furnished the reconciliation statements to branch office of the Accountant General (A&E) for the year 2003-2004 in time.

This office had furnished figures of reconciled statements to Accountant General (A&E) both plan & non-plan schemes for the year 2003-2004 from time to time.

Efforts have been made for detecting the misclassification for the last years. Some cases have been detected and furnished the reasons for the variation of records available in the Accountant General's Office, it has become impossible to detect the variation in the last years. Any way earliest efforts have been made to detect the variations of figures which was occurred in the departmental figures for the last years.

Further Recommendation

1.9 The Committee vehemently criticized the Department for not detecting the misclassification for the last years. The Committee views this as a serious lapse on the part of the department and recommends to take stringent action against the delinquent officers after fixing the responsibility.

HOME DEPARTMENT

Recommendation

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

1.10 The Committee understands that the additional expenditure incurred was unavoidable. But, the Committee do not agree with the argument of the department that the same could not be anticipated.

The Committee is of the view that the department had sufficient time to estimate the expenditure before they are paid or credited to GPF accounts and to move for supplementary demand for grant. The Committee observes laxity on the part of the Department in this regard and urge the department to avoid such lapses in future.

Recommendation

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

1.11 The Committee views with serious concern the absence of timely reconciliation of accounts by which the Controlling Officers could have a clear idea on the progress of expenditure and avoid excess on account of misclassification of expenditure. Even though the rules insist on it and the erstwhile Committee on Public Accounts reiterated the importance of the same on many occasions, the Committee noticed that the Department displays callous indifference to this.

Recommendation

(Sl. No. 6, Para No. 11)

1.12 The Committee finds that the argument of the Finance Department that Treasury Officers ought to make payment towards salary irrespective of the insufficient provision since the same is a committed expenditure, does not hold good as incurring expenditure beyond the amount sanctioned by the House is a clear violation of constitutional provision. Therefore, the Committee strongly urges the Department to strictly adhere to all the rules and procedures in incurring expenditure and to avoid excess expenditure in future.

Action Taken for the Paras 9, 10, 11 (Home Department)

1.13 *Para 9, 10, 11:* Noted for future guidance. Necessary Instructions have been issued by the Director General of Police to the concerned in this respect.

Further Recommendation

Para Nos. 9, 10 and 11

1.14 The Committee observes that the reply from the department was not satisfactory and recommends that disciplinary action should be taken against those delinquent officers after fixing the responsibility for excess expenditure incurred.

CHAPTER II

RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE ACTION IN THE LIGHT OF THE REPLIES
FURNISHED BY GOVERNMENT**FINANCE & ALL ADMINISTRATIVE DEPARTMENTS****Recommendation***(Sl. No. 1, Para No. 3)*

2.1 While examining the notes on excess expenditure, the Committee found that almost all the departments lack proper and effective control over the expenditure. The Committee understands that the system of check and balance, does not at all function well in many of the Departments. The Committee is of the view that had the Departments made earnest efforts to act on and adhere to the mechanism prevalent for budgetary control in its full sense and spirit, the excess expenditure year after year could have been avoided.

Recommendation*(Sl. No. 2, Para No. 4)*

2.2 The Committee notes that the Administrative Department is not serious in mooting proposals for Supplementary Demand to cover even the expenditure happened to be incurred under unavoidable circumstances in excess of original grant. The Committee consider the reasons adduced for the same by the Department as lame excuses. The Committee urge the Administrative Department to take timely action in this direction in future to avoid incurring expenditure beyond the limit authorised by the House.

Recommendation*(Sl. No. 3, Para No. 5)*

2.3 The Committee understand that absence of reconciliation of accounts of the Departments with those maintained by the Accountant General (A&E) also leads to the excess expenditure. The Committee desires that the approach of the

Department in this regard should be pragmatic and urge that timely Reconciliation of account should be done in future and that any lapse in this regard should be viewed seriously. The Committee also wants the Finance Department to ensure that the mechanism for budgetary control prevalent as contemplated in Kerala Budget Manual is functioning properly.

Action Taken

FINANCE (BUDGET WING) DEPARTMENT

Para No. 3

2.4 Finance Department has issued circular instructions to all heads of Departments/Controlling Officers to take prompt action to ensure proper appropriation control over expenditure and to monitor the progress in expenditure with proper check and balance measures as per rules—vide Circular No. 86/2003/Fin. dated 29-10-2003.

Para No. 4

2.5 Finance Department has issued circular instructions to all heads of Departments/Chief Controlling Officers in this regard vide Circular No. 37/2005/Fin. dated 23-6-2005.

Para No. 5

2.6 Circular instructions were issued to all Heads of Department, Controlling Officers and Treasury Officers to ensure proper budgetary control over expenditure—vide Circular No. 86/2003/Fin. dated 29-10-2003 and Circular No. 37/2005/Fin. dated 23-6-2005. As per the instructions issued in Circular No. 89/2003/Fin. dated 17-11-2003 read with Circular No. 94/2003/Fin. dated 9-12-2003, all the departmental drawing officers were made responsible for recording a certificate on the bills to the effect that the bill presented is within the budget provision/allotment. The Treasury Officers have been instructed not to honour the bills without such certificates.

Action Taken for Paras 3, 4, 5
(POWER DEPARTMENT)

2.7 This Department is making earnest and effective efforts to adhere to the mechanism prevalent for budgetary control in its full sense and spirit. The few instances of excess expenditure mentioned at Appendix II of the Report occurred due to Special circumstances, which are well explained in the Notes for Regularization. Notes for Regularization of excess for the years 1999-2000 and 2000-2001 have already been furnished to Legislature Secretariat vide Lr. No. 4267/C1/2000/PD dated 28-6-2002 and Lr. No. 6239/C1/2001/PD dated 12-11-2003 respectively. In respect of Regularization of excess for the years 1995-96 and 1996-97, Notes for Regularization have been forwarded to Finance Department for scrutiny and getting them vetted by Audit vide File No. 448/C1/97/PD dated 15-11-2003 and File No. 7307/C1/2003/PD dated 27-8-2003 respectively. The Notes can be furnished to Legislature Secretariat on receipt of the Files back from Finance Department.

In most of the cases this Department had taken up proposals for Supplementary Demand to cover the expenditure which had to be incurred under unavoidable circumstances in excess of original grant. The Department will take timely action in future in this direction to avoid incurring expenditure beyond the limit authorized by the House. In this connection it may be noted that no instances of excess expenditure have so far occurred under the heads of accounts operated by Electrical Inspectorate Department, which is under the administrative control of this Department. Also, maximum effort is being taken by the Electrical Inspectorate Department for timely reconciliation of Departmental figures with the accounts maintained by Accountant General.

TRANSPORT DEPARTMENT

(Para Nos. 3, 4 & 5)

2.8 This Department has noticed the views of the Committee very seriously and strict instruction has already been given to the Transport Commissioner and the Director, State Water Transport Department to make earnest efforts to act on and adhere to the mechanism prevalent for budgetary control in its full sense and spirit.

HIGHER EDUCATION (P) DEPARTMENT

(Para Nos. 3, 4, 5)

2.9 A copy of the report (Para Nos. 3 to 5 and 22 in the report) has been communicated to all Heads of Department under the Administrative Control of Higher Education Department for future guidance and strict compliance (vide Govt. Letter No. 32818/P/03/H.Edn. dated 14-6-2004).

HIGHER EDUCATION (L) DEPARTMENT***Para No. 3***

2.10 Technical Education Department now have effective mechanism to watch and control expenditure against appropriation. Progress of expenditure is watched over on a monthly basis and the expenditure is not being allowed to exceed the appropriation.

Para No. 4

2.11 Supplementary demands are currently being processed where it is found necessary so that in the final analysis, expenditure remains within the appropriation authorized.

Para No. 5

2.12 Reconciliation with the figure booked by the Accountant General is being done promptly.

FISHERIES AND PORTS DEPARTMENT***Para Nos. 3, 4***

2.13 No excess expenditure has been incurred over the budgetary provisions allotted to the Department of Ports and Hydrographic Survey Wing during the period for 2001-2004. Effective steps have been taken to impose budgetary control by monitoring the expenditure month wise with regard to the allocation made. The recommendations are noted for future guidance.

Para No. 5

2.14 The reconciliation of expenditure has been completed and reconciled certificate of expenditure forwarded to the Accountant General (A&E),

Thiruvananthapuram up to 31-3-2005. Timely actions have been taken to reconcile departmental accounts with that of the Accountant General (A&E) up to date and the reconciliation of accounts for the remaining period is in progress.

Action Taken for Paras 4, 5

LABOUR & REHABILITATION DEPARTMENT

2.15 Necessary instructions have been issued to the head of Department concerned.

Action Taken

WATER RESOURCES DEPARTMENT

Para No. 3

2.16 This Department had the cases of excess expenditure over budget provision during the year 1993-94 and 1994-95. The notes for the regularization of the same were vetted in Audit and submitted to PAC already. At present, there are no cases of excess expenditure over budget provision under Grant No. XXXVIII in this department. As regards excess/savings reported by the AG now and then under some heads of account, timely instructions have been issued to the Heads of Departments for regularization of the same/surrender of funds whatever the cases may be within the financial year itself. The Heads of Departments have also been directed, through several communication and in the meeting of review of schemes, to conduct timely reconciliation of accounts to avoid the occurrence of the excess expenditure in future.

Para No. 4

2.17 As Water Resources Department is a cheque drawing one, all major payments are confined to the system of the LOC issued by FD on availability of budget provision. The cases of additional authorisation of funds are regularised through Supplementary Demand for Grant as such. As far as this department is concerned, no excess expenditure is incurred over budget allocation and no cases of regularization exist now. The recommendation of the committee is noted for future guidance also.

Para No. 5

2.18 Necessary instructions have been issued to the Heads of Departments concerned to conduct timely and periodical reconciliation of accounts with that of AG. There is no backlog of arrears up to 31-3-2003.

SC/ST DEVELOPMENT DEPARTMENT**Para No. 3**

2.19 Noted for future guidance. At present, expenditure is monitored and steps taken for avoiding excess expenditure.

Para No. 4

2.20 At present, Supplementary Demands for Grants are obtained whenever expenditure in excess of voted grants becomes necessary. The directions in the para are noted for guidance.

Para No. 5

2.21 Earnest efforts are now made by Department to conduct timely reconciliation.

The reconciliation works of the Scheduled Castes Development Department with Accountant General (A&E) was carried out up to 2008-09, and that of the Scheduled Tribes Development Department was carried out up to and for September 2010.

SOCIAL WELFARE DEPARTMENT**Para No. 4**

2.22 Social Welfare Department is limiting the expenditure within the Budget allocation. Whenever excess expenditure occurs the reason for the same is being furnished to Finance Department and Accountant General in time and action taken for regularization of excess expenditure so incurred. Even though the reason for not mooted proposal for SDG in the past cases could not be traced out, now proposals are being forwarded for SDG in time.

Para No. 5

2.23 Timely reconciliation of accounts has been conducted in this department without any lapse. The reconciliation work up to 31-3-2007 had been completed and certificate up to 31-12-2006 had been forwarded to concerned DAGs.

FIRE & RESCUE DEPARTMENT**Para No. 3**

2.24 The recommendations are noted for future guidance. Necessary directions have been given to Commandant General, Kerala Fire and Rescue Services.

Para No. 4

2.25 The recommendations are noted for future guidance.

Para No. 5

2.26 The recommendations are noted for future guidance. Strict instructions have since been given.

TOURISM DEPARTMENT**Para No. 4**

2.27 Noted. Necessary directions have been issued in this regard vide Circular No. 14043/TB3/04/GAD dated 8-9-2004.

Para No. 5

2.28 Noted. Reconciliation work under Non-plan is completed till 2002-03.

Recommendation

(Sl. No. 5, Para No. 9)

2.29 The Committee understands that the additional expenditure incurred was unavoidable. But, the Committee does not agree with the argument of the Department that the same could not be anticipated. The Committee is of the view that the Department had sufficient time to estimate the expenditure before they are paid or credited to GPF accounts and to move for Supplementary Demand for Grant. The Committee observes laxity on the part of the Department in this regard and urge the Department to avoid such lapses in future.

Action Taken**(FIRE & RESCUE SERVICES DEPARTMENT)**

2.30 No Additional expenditure was incurred by Fire and Rescue Services Department. However, remarks are noted for future guidance.

Recommendation

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

2.31 The Committee views with serious concern the absence of timely reconciliation of accounts by which the Controlling Officers could have a clear idea on the progress of expenditure and avoid excess on account of misclassification of expenditure. Even though the rules insist on it and the erstwhile Committee on Public Accounts reiterated the importance of the same on many occasions, the Committee noticed that the Department displays callous indifference to this.

Action Taken**(FIRE & RESCUE SERVICES DEPARTMENT)**

2.32 No Additional expenditure was incurred by Fire and Rescue Services Department. However, remarks are noted for future guidance.

Recommendation

(Sl. No. 6, Para No. 11)

2.33 The Committee finds that the argument of the Finance Department that Treasury Officers ought to make payment towards salary irrespective of the insufficient provisions since the same is a committed expenditure, does not hold good incurring expenditure beyond the amount sanctioned by the House is a clear violation of constitutional provision. Therefore, the Committee strongly urges the Department to strictly adhere to all the rules and procedures in incurring expenditure and to avoid excess expenditure in future.

Action Taken**(FIRE & RESCUE SERVICES DEPARTMENT)**

2.34 The recommendations are noted for future guidance.

FINANCE (BUDGET WING) DEPARTMENT

2.35 Rules for Appropriation control over expenditure as laid down in Rule 444(10) of the Kerala Treasury Code Volume I brought only 15 departments under the system of Appropriation Control. Government having noticed that many of the departments that are outside the purview of the Appropriation Control system were incurring expenditure over and above the authorised provisions violating financial rules and regulations. So as to enforce corrective measures in the system, Government have issued detailed instructions in the matter of incurring expenditure against budget provisions for strict compliance by all departments vide Circular No. 89/2003/Fin. dated 17-11-2003 read with Circular No. 94/2003/Fin. dated 9-12-2003. The main instructions issued in this regard were the following:

- (i) The Administrative Departments and Heads of Department should ensure that the expenditure do not exceed budget provision under any circumstance unless permitted by the Finance Department. To ensure this, all drawing officers are required to attach to each bill a certificate to the effect that the bill presented is within the budget provision allotted to him.
- (ii) The Treasury Officers should not honour bills in the absence of the above certificate.
- (iii) The drawing officers incurring expenditure in excess of Budget provisions/allotments on the strength of false certificates will be liable for disciplinary action. The amount drawn in excess of the budget provision/allotment will be fixed as the personal liability of the drawing Officer concerned and recovered from him as if it is arrears of revenue due to Government.

As the expenditure on 'Salaries' remained outside the purview of the Appropriation Control system, many of the drawing officers were in the practice of incurring huge expenditure in excess of the available budget provision under 'Salaries'. In order to curb this tendency, Government have issued instructions bringing expenditure under 'Salaries' also under the system of Appropriation Control—vide Circular No. 35/2004/Fin. dated 8-6-2004. By this, the treasuries

will not be able to honour salary bills that will result in expenditure in excess of the authorised provision/allotment. If in any case, the budget provision is found to be insufficient to meet the expenditure on salaries of the staff in position, the Heads of Departments/Administrative Departments have been instructed to take up the proposals for additional allocation with Finance Department sufficiently early, in any case, before 30th September.

Steps will be taken to amend the relevant provision in Kerala Treasury Code Volume I to bring expenditure under salaries also under Appropriation Control.

HOME DEPARTMENT

Recommendation

(Sl. No. 7, Para No. 13)

2.36 The Committee made it clear that had the Department conducted reconciliation in time and pointed out the misclassification before the closing of accounts, these mistakes could have been rectified. Since the details were not readily available, the Committee desired to be furnished with the details regarding the total number of Maruti Gypsies purchased by the Department, which resulted in huge excess.

Action Taken

HOME DEPARTMENT

2.37 Sanction was accorded for the Purchase of 4 Maruti Gypsy vehicles by incurring an expenditure of ₹ 8,96,000 vide G.O. (Rt.) 4832/91/Home dated 9-10-1991. But 2 Nos. of Maruti Gypsy vehicles only had been purchased at a total cost of ₹ 4,44,481. Expenditure was met under the Head of Account "2055-Police-001-Direction and Administration-99 Superintendence-21-Motor Vehicles". As too much delay was expected in delivering the remaining two Maruti Gypsies, sanction was accorded to purchase one number of Tata Mobile 207 vehicle instead of the remaining two Maruti Gypsy vehicles vide G.O. (Rt.) 1552/92/Home dated 28-3-1992. Accordingly, an amount of ₹ 2,45,821 was drawn as advance on 30-3-1992 under "2055-Police-001-Direction and Administration-99-Superintendence" and purchased one number of Tata Mobile 207 vehicle and the advance drawn was regularized.

Further Recommendation

2.38 In the reply furnished by the Home Department, it was stated that there are no Maruti Gypsies in the Fire & Rescue Services Department. Therefore the Committee decided to call for a detailed report regarding to the purpose of purchase of Maruti Gypsies and how they have been used for.

Action Taken

2.39 The Police Department have purchased 2 Maruti Gypsies worth ₹ 4,44,481 (Rupees Four Lakh Forty Four Thousand Four Hundred and Eighty One only) from M/s Maruti Udyog Ltd., Haryana during the year 1992. One vehicle bearing the registration No. KL 01 B 2720 was issued to the Commissioner of Police, Kochi City and the other vehicle bearing the registration No. KL 01 B 2719 to the Police Headquarters. The vehicle No. KL 01 B 2720 issued to Kochi City has been condemned, as per Order No. E2(v)-47837/2001 dated 23-11-2002 of the Commissioner of Police, Kochi City. The other vehicle bearing the registration No. KL 01 B 2719 is under the control of the Commissioner of Police, Thiruvananthapuram City which is in good driving condition.

The actual expenditure under minor head of Account in the police Department for 1991-92 was only ₹ 4,84,30,500 against the total expenditure of ₹ 5,55,35,031 booked by the Accountant General. Out of the total expenditure, a sum of ₹ 1,42,12,031 was booked as suspense under TE, MV, OES salary etc. The State Police Chief has reported that though earnest effort has been made to trace out the suspense account made under TE, MV, OES salary etc., the details in MV alone is traced out and the details of suspense under TE and OES salary etc., during 1991-92 are unavailable. In the above circumstances the Statement of Action Taken may be accepted and the audit para may be dropped.

Recommendation

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

2.40 The Committee found that there was laxity on the part of the Home Department to assess the additional requirement of funds well in advance and to submit proposals for Supplementary Grant. The Principal Secretary,

Home Department admitted the lapses on their part in not moving supplementary demands. The Committee urges that such lapses should not be repeated in future.

Action Taken

FIRE & RESCUE SERVICES DEPARTMENT

2.41 Noted for future guidance.

HOME (C) DEPARTMENT

2.42 Noted for future guidance and the Head of the Department has been instructed to submit the proposal for additional authorisation of funds in time.

Recommendation

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

2.43 The Committee points out that expenditure on account of pay revision of enhancement of D.A. could be assessed exactly in advance and the explanation for the excess incurred on this account could not be justified. The Committee is also of the opinion that in the case of commission given on sale of stamps had the Department closely watched the flow of expenditure and then moved for Supplementary Grants by February every year, the excess incurred on this account could have been avoided. The Committee urged the department to evolve suitable mechanism to overcome the existing difficulty. The Committee recommend that the requirement for payment of commission on sale of stamps should be estimated in advance by adding 10% more to the expenditure incurred in this regard during the previous year and provision should be made accordingly.

Action Taken

TAXES DEPARTMENT

2.44 The Registration Department has taken remedial measures to avoid excess expenditure over budgetary provision in future. The Inspector General of Registration has put into practice the method as recommended by the Committee for the preparation of budgetary proposal after considering/anticipating the requirements for future enhancements since 1992-93. As a result, no excess has

occurred on appropriation in minor head "2030-03-Regn". Under the demand No. VII—Stamps and Registration in subsequent years, the Director of Treasuries finds it difficult to predict the seasonal demand for stamps, that necessitates payment of increased Commission to stamp Vendors. However the progressive expenditure on this item can be got reconciled with the figure of Accountant General and supplementary demands can be moved for.

Recommendation

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

2.45 The Committee finds that the Department had abstained from such a move and is responsible for the lapses. The Committee recommends that the Finance Department should issue necessary guidelines to all Heads of Departments to ensure that excess expenditure over budgetary provision is incurred only after exhausting all other means to get necessary funds sanctioned and is limited to the barest minimum and that too only in unavoidable circumstances.

Action Taken

TAXES DEPARTMENT

2.46 The Director of Treasuries has given strict instructions to the subordinate officers to limit the expenditure to the funds allotted to them as per the budgetary provision and ensure that supplementary grants are obtained so that over expenditure is limited to the barest minimum in unavoidable circumstances.

FINANCE DEPARTMENT

2.47 Circular instructions were issued to all Heads of Department, Controlling Officers and Treasury Officers to ensure proper budgetary control over expenditure—vide Circular No. 86/2003/Fin. dated 29-10-2003 and Circular No. 37/2005/Fin. dated 23-6-2005. As per the instructions issued in Circular No. 89/2003/Fin. dated 17-11-2003 read with Circular No. 94/2003/Fin. dated 9-12-2003, all the departmental drawing officers were made responsible for recording a certificate on the bills to the effect that the bill presented is within the budget provision/allotment. The treasury officers have been instructed not to honour the bills without such certificates.

Recommendation

(Sl. No. 11, Para No. 21)

2.48 The Committee recommended that Finance Department should take measures to make adequate provision for payment of pension to employees.

Action Taken

FINANCE DEPARTMENT

2.49 Based on the recommendation of the Committee, sufficient amount have been provided in the budget. No excess amount had been reported during the year 2004-05 and 2005-06.

Recommendation

(Sl. No. 12, Para No. 22)

2.50 Subject to the observations and comments, the excess expenditure over Voted Grants/Charged Appropriations for the years 1989-90 to 1998-99 as detailed in Para 7 are recommended for regularisation under Article 205 of the Constitution.

Action Taken

FINANCE (BUDGET WING-D) DEPARTMENT

2.51 The Demands for Excess Grants and the connected Appropriation Bills for regularising the excess expenditure over Voted Grants/Charged Appropriations for the years 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98 and 1998-99 as recommended in the 34th Report & 55th Report, have been passed by the Legislative Assembly on 6th February, 2004. The connected Appropriation Acts (Appropriation Act Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10 & 11 of 2004) have been published in the Kerala Gazette Extraordinary dated 27-3-2004 (vide Gazette Nos. 764 to 773 dated 27-3-2004).

TRANSPORT (B) DEPARTMENT

2.52 Further actions seems to be not necessary in this Department.

CO-OPERATION DEPARTMENT

2.53 As per Para 7 of the Report there were no cases of excess expenditure over Voted Grants/Charged Appropriation for the years 1989-90 to 1998-99 in respect of the Department of Co-operation for regularisation under Article 205 of the Constitution.

HIGHER EDUCATION DEPARTMENT

2.54 A Copy of the report (Para Nos. 3 to 5 and 22 in the report) has been communicated to all Heads of Departments under the administrative Control of Higher Education Department for future guidance and strict compliance (vide Govt. Letter No. 32818/P/03/H.Edn. dated 14-6-2004).

FIRE & RESCUE DEPARTMENT

2.55 Notes for excess regularisations of expenditure pertaining to Fire and Rescue Services Department for the years 1995-96, 1998-99, 1999-2000 had already been recommended for regularisation.

WATER RESOURCES DEPARTMENT

2.56 In this Department, there is no case of excess expenditure for regularisation at present, under Demand No. XXXVIII.

HIGHER EDUCATION (L) DEPARTMENT

2.57 Noted for future guidance.

SOCIAL WELFARE DEPARTMENT

2.58 Action is being taken for furnishing the reports on the regularisation of excess expenditure over Voted Grants/Charged Appropriation for the years 1989-90 to 2000-01 as per the Circular No. 27/2004/Fin. dated 7-5-2004. Action is also being taken for the regularisation of excess expenditure over voted grants for the year 2004-05.

Thiruvananthapuram,
15th December, 2015.

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

APPENDIX

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Paragraph No.	Department concerned	Conclusion/Recommendation
1	1.6	Finance	The Committee suggests that there should be a monitoring system in the Finance Department for the proper monitoring of expenditure of funds by the Administrative Department.
2	1.9	Co-operation	The Committee vehemently criticized the Department for not detecting the misclassification for the last years. The Committee views this as a serious lapse on the part of the department and recommends to take stringent action against the delinquent officers after fixing the responsibility.
3	1.14	Home	The Committee observes that the reply from the department was not satisfactory and recommends that disciplinary action should be taken against those delinquent officers after fixing the responsibility for excess expenditure incurred.

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