

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

ONE HUNDRED AND EIGHTEENTH REPORT

(Presented on 18th February, 2016)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2016**

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

ONE HUNDRED AND EIGHTEENTH REPORT

on

**Action Taken by Government on the Recommendations contained in the
87th Report of the Committee on
Public Accounts (2004-2006)**

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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 118th Report on Action Taken by Government on the Recommendations contained in the 87th Report of the Committee on Public Accounts (2004-2006).

The Committee considered and finalised this Report at the meeting held on 15th February, 2016.

Thiruvananthapuram,
18th February, 2016.

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 87th Report of Committee on Public Accounts (2004-2006).

The 87th Report of Committee on Public Accounts (2004-2006) was presented to the House on 7th July, 2005. The Report contains six recommendations relating to various departments. The Report was forwarded to the Departments on 23-9-2005 to furnish the SOAT on the recommendations contained in the Report and the final reply was received on 23-7-2009.

The Committee examined the Action Taken Statement at its meeting held on 18-7-2007, 21-8-2008, 23-12-2009, 4-8-2010, 15-5-2012, 17-10-2012, 10-9-2013 and 3-6-2015 and decided not to pursue further action on the recommendation. These recommendations and Government replies are incorporated in this Report.

Recommendation

(Sl. No. 1, Para No. 2)

Regarding the present position of regularisation of excess expenditure, the Committee observed that major portion of the arrears in the regularisation has already been cleared. The Committee appreciates the positive response of certain departments towards its efforts to clear arrears in regularisation by submitting explanatory notes. However, it is also to be noted that though the total amount involved is comparatively less, notes on 43 items of excess expenditure pertaining to various Administrative Departments mentioned in Appendix II are yet to be submitted to the Committee for scrutiny. Of them 28 items are pertaining to 6 departments viz. Health and Family Welfare (9), Revenue (5), Higher Education (4), Social Welfare (4), General Education (3) and Home (3) Departments. The Secretary, Health Department who was in-charge of the Grant, No. XVIII—Medical and Public Health to which notes on 8 items were pending had, at the meeting held on 5-11-2003, assured that notes on the excess expenditure under the Grant would be furnished at the earliest. The Committee is perturbed to see that notes on even a single item under the grant has not been submitted till date.

The response of the remaining five other departments is also not different. The Committee deprecates the indifferent attitude of these Administrative Departments towards furnishing explanatory notes and also adhering to the assurances given to the Committee. The Committee would like to remind that recurrence of such instances will solicit stringent action against the officers who fail to comply with the constitutional obligation.

Action Taken by the Government

HOME (E) DEPARTMENT

The Recommendation is noted for future guidance. The notes explaining reasons for the pending cases for the year 2001-02 & 2003-04 mentioned below have already been furnished to Legislature Secretariat:

Details of Cases Pending Regularisation of Excess Expenditure (Appendix II)				
Sl. No.	Year	No. Name of Grant	Revenue/Capital	Amount of Excess
1	2001-02	XII-Police	Capital (Voted)	33,27,665
2	2003-04	XII-Police	Capital (Voted)	12,000

SOCIAL WELFARE (A) DEPARTMENT

Notes for Regularisation of Excess/saving for the years 1992-1993, 1996-97 & 1997-98 and also for the year 1998-99 under Grant No. XXV duly vetted by Audit have already been forwarded to Legislature vide Letters No. 5798/A3/2001/SWD dated 1-2-2011 and 10067/A3/10/SWD dated 18-5-2011. (Copy enclosed) respectively.

SC/ST DEVELOPMENT DEPARTMENT

Notes for regularisation of excess expenditure is furnished separately.

The delay in furnishing the notes for regularisation of excess expenditure is due to administrative reasons.

Recommendation

(Sl. No. 2, Para No. 3)

The Committee notices slackness on the part of other Administrative Departments in furnishing notes on items mentioned in Appendix II. The Committee urges all the departments to furnish notes explaining reasons for excess expenditure pending regularisation within two months of presentation of this report. The Committee desires that the Chief Secretary and Secretary, Finance Department should bestow their personal attention in the matter and issue suitable instructions to the administrative departments to ensure that the notes are submitted within the above time limit.

Action Taken by the Government

HOME (E) DEPARTMENT

The Recommendation is noted for future guidance. The notes explaining reasons for the pending cases for the year 2001-02 & 2003-04 mentioned below have already been furnished to Legislature Secretariat:

Details of Cases Pending Regularisation of Excess Expenditure (Appendix II)				
Sl. No.	Year	No. & Name of Grant	Revenue/Capital	Amount of Excess
1	2001-02	XII-Police	Capital (Voted)	33,27,665
2	2003-04	XII-Police	Capital (Voted)	12,000

TOURISM (B) DEPARTMENT

Noted. At present no item is pending. Statement of Action Taken on Item No. 1 in Appendix II (only pending in this Department) has been forwarded to Legislature Secretariat after vetting in audit on 10-6-2008.

FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

Excess expenditure pertaining to F & CS Department so far has been regularised. Earnest steps are taken to incur expenditure within the budgeted allocation itself.

SC/ST DEVELOPMENT DEPARTMENT

The Department is expediting action to furnish notes on remaining items of excess expenditure pending regularisation.

FINANCE (PAC) DEPARTMENT

No cases are pending in Finance Department. Two cases of excess expenditure relating to Finance Department have been got regularised. Modified Instructions have been issued from Finance Department for submission of proposal for regularisation of excess expenditure vide Circular No. 65/07/Fin. dated 16-8-2007 and forwarded to all administrative Departments and Heads of Departments for necessary action (Copy enclosed).

Further Recommendation

The Committee wanted the Finance Department to submit consolidated notes relating to regularisation of excess expenditure after collecting replies from Departments concerned instead of furnishing replies by Departments.

Action Taken**FINANCE (PAC) DEPARTMENT**

As per the Circular No. 65/07/Fin. dated 16-8-2007 the responsibility for consolidating notes in respect of Demands for Grants operated by multiple Departments shall be with Finance (PAC) Department. But this method has caused much difficulty in submitting the notes after consolidation in time to Accountant General (Audit) for vetting since Finance Department has to do this for several other similar Grants.

The Accountant General (Audit), Kerala vide his Letter dated 5-12-2008 has stated that the piecemeal production of notes cannot be agreed to and opted for the method of fixing responsibility of consolidation of notes for all the

Head of account under a particular Grant by the Controlling Administrative Department and forward it along with connected files to Finance (PAC) Department for onward transmission to Accountant General (Audit) for vetting. In view of the suggestion of the Accountant General, the procedure for consolidating the notes in respect of Demand for Grants operated by multiple Departments were entrusted with the Administrative Departments who are controlling the major portion of the Grant vide Circular No. 38/09/Fin. dated 7-5-2009.

Finance Department had issued directions to all Secretaries of Administrative Departments/HODs to furnish notes explaining the reasons for excess expenditure in respect of items falling under their demand/grant. A review meeting has also been taken to expedite action. All the items pending regularization due to non-submission of notes in Appendix II of 87th report (2004-2006) have been cleared.

SOCIAL WELFARE (A) DEPARTMENT

Notes for Regularisation of Excess/Saving for the years 1992-93, 1996-97 & 1997-98 and also for the year 1998-99 under Grant No. XXV duly vetted by Audit have already been forwarded to Legislature vide Lrs. No. 5798/A3/2001/SWD dated 1-2-2011 and 10067/A3/10/SWD dated 18-5-2011 respectively.

Recommendation

(Sl. No. 3, Para No. 4)

While examining the notes on excess expenditure over voted Grants/Charged Appropriations, the Committee noticed certain general features regarding the incurrance of excess expenditure. The Administrative Departments lack proper control over expenditure and fail to submit proposals for demand for supplementary grants in time. The Committee expresses concern over the laxity occurred in the reconciliation of accounts and the pendency in this regard. The Committee hence urges the Administrative Departments to have proper control over expenditure and submit proposals for Demand for Supplementary Grants in time. Steps should be taken to clear the pendency in the reconciliation of accounts. The Action Taken in this regard and the outcome of the same may be intimated to the Committee.

Action Taken by the Government**FINANCE (PAC) DEPARTMENT**

Finance Department had issued instructions to enforce strict control over public expenditure and for the proper and timely completion of reconciliation of accounts vide Circular No. 58/2006/Fin. dated 5-12-2006 and Circular No. 22/07/Fin. dated 28-3-2007 to all Administrative Departments and Heads of Departments for necessary action.

Further Recommendation

The Committee noticed that proper and timely reconciliation of accounts has not been done as stipulated in the circular issued and therefore recommended that immediate action should be initiated for the strict reconciliation of account.

Action Taken**FINANCE (INSPECTION WING K) DEPARTMENT**

In response to D. O. No. 11164/PAC-A3/2010/Fin. dated 17-5-2010 from the Secretary (F.E.), the Controlling Officers have started furnishing the pending reconciliation certificates to Accountant General, Thiruvananthapuram with copy to Finance Department. As the result/output had not been encouraging, this section had reminded all the Controlling Officers through D.O. Letter dated 9-12-2010 from the Additional Secretary (Finance Inspection Wing) with strict instructions to clear the long pending dues up to 2008-09 by the end of December 2010 and Circular No. 4/11/Fin. dated 10-1-2011 was also issued to all Heads of Departments/Chief Controlling Officers with strict instructions to speed up the process of reconciliation so as to clear the pending certificates up to 2009-10 by the end of January 2011 and mistakes, omissions and misclassification if any, to be pointed out to the office of the Accountant General by the 1st week of February 2011 and to complete the process at any rate, by 15th February, 2011. Another Circular No. 16/2011/Fin. dated 28-2-2011 was also issued to all HODs/CCOs with strict instructions to send the monthly reconciliation to FD by

10th of the succeeding month, without fail. The Finance Inspection (NT-K) Wing is conducting periodical inspection at maximum possible offices where pending reconciliation work is high.

The position of the reconciliation certificates due from the various controlling officers as informed by Accountant General on 7-3-2011 is given below. The total number of Reconciliation Certificates pending for the years from 2005-06 to 2008-09 has come down to 676 from 1363.

	Expenditure 2009-10	Receipts 2009-10	Expenditure 2010-11	Receipts 2010-11
	As on 7-3-2011		Up to 10/2010	
No. of certificates due	4258	1726	2363	990
No. of certificates received	2827	1152	872	322
No. of certificates pending	1431	574	1491	668

Besides, another Circular No. 23/2011/Fin. dated 19-4-2011 was also issued to all HODs/CCOs/Cos with strict instructions to complete the long pending reconciliation of departmental figures of both expenditure and receipts up to the financial year 2008-09 and to furnish the same to AG on or before 13-5-2011 without fail in order to clear the long pending cases. After the issuance of Circular No. 24/2011/Fin. dated 28-4-2011 and transmission of D.O. letters to the Heads of Department (with list of pendency), the pendency has been reduced to 181 reconciliation certificates from 676 reconciliation certificates. While conducting verification of reconciliation of accounts at various offices about all DDOs faced non co-operation of the treasury officers. Immediate direction was given to the Director of Treasury to issue an internal circular among the subordinate offices. Subsequently, the Director of Treasury had issued an internal Circular (No. 8/11 dated 26-7-2011) to her subordinates for the speedy disposal of pending reconciliation.

Moreover, direction has also been given to all District Finance Inspecting Officers to conduct inspection in at least 10 Government Offices at District level to monitor the reconciliation of Government accounts and to furnish the details in a Pro forma. In addition to this, the Wing has been conducting periodical verification of reconciliation of Government accounts in the offices having long pendency. This reduced the volume of pendency to a great extent.

The Finance Department stated that the matter is being taken seriously and would take stringent action against the persistent defaulters.

TAXES (REGISTRATION) DEPARTMENT

The Director of Treasuries has reported that a realistic approach was always made while preparing budget estimate, but due to certain unprecedented increase in sale of stamp papers, the expenditure on commission on sale of stamps increased beyond budget estimate. He has also promised that demand for supplementary demand for grants pertaining to Treasury Department will be moved in time in future and Departmental reconciliation of expenditure is being done in time, as recommended by the Hon'ble Committee.

With regard to Revenue Department, the Commissioner of Land Revenue has informed that there were no expenditure over grants/charged appropriation under Grant No. VII (Revenue) during (2002-03).

The reconciliation of expenditure in connection with Registration Department has been done up to 2004-06. Necessary arrangements have already been made for the timely reconciliation of accounts and to submit supplementary Demand for Grants in time to avoid excess expenditure over budget provision in Registration Department in future.

Recommendation

(Sl. No. 3, Para No. 4)

While examining the notes on excess expenditure over Voted Grants/Charged Appropriations, the Committee noticed certain general features regarding the incurrance of excess expenditure. The Administrative Departments lack proper control over expenditure and fail to submit proposals for demand for

supplementary Grants in time. The Committee expresses concern over the laxity occurred in the reconciliation of accounts and the pendency in this regard. The Committee, hence, urges the Administrative Departments to have proper control over expenditure and submit proposals for demand for supplementary Grants in time. Steps should be taken to clear the pendency in the reconciliation of accounts. The Action Taken in this regard and the outcome of the same may be intimated to the Committee.

Recommendation

(Sl. No. 4, Para No. 6)

The Committee accepted the first two proposals as it enables timely submission of notes. The 3rd proposal to submit notes on major head-wise was rejected since the Legislature makes allotment on grant-wise and the regularization could only be done on grant-wise. The proposal to submit notes directly to Legislature by the Department after getting them vetted by audit is also acceptable provided a certificates to the effect that "the notes have been Vetted by audit and the remarks pointed out in audit for incorporation in the final copies are duly incorporated" is affixed in the final copies. Necessary amendments should also be made in the Budget Manual in this regard.

Recommendation

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

The Committee feels that the excess expenditure may sometimes become inevitable but what is needed is its regularization in time. The Committee also stresses the need of a rationale between the budget allocation and the actual expenditure so as to avoid the excess expenditure or to keep the excess the barest minimum.

Action Taken

(Sl. Nos. 4, 6 & 9)

POWER (C) DEPARTMENT

The Department is making earnest and effective efforts to adhere to the mechanism prevalent for budgetary control. This Department has been taking

proper care in having control over expenditure in respect of the Departments/PSUs under its Administrative control. Notes for regularization of excess expenditure under Grant No. XXXIX in respect of the previous years have already been furnished to the Committee. The Committee may kindly note that at present no cases of excess regularization are pending with this 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 figures with the accounts maintained by Accountant General.

Recommendation

(Sl. No. 4, Para No. 6)

HOME (E) DEPARTMENT

The Committee accepted the first two proposal as it enables timely submission of notes. The third proposal to submit notes on major head-wise was rejected since the Legislature makes allotment on grant-wise and the regularization could only be done grant-wise. The proposal to submit notes to Legislature by the Department after getting them vetted by audit is also acceptable provided a certificate to the effect that "the notes have been vetted by audit and the remarks pointed out in audit for incorporation in the final copies are duly incorporated" is affixed in the final copies. Necessary amendments should also be made in the Budget Manual in this regard.

Action Taken by the Government

HOME (E) DEPARTMENT

The Recommendation noted for future guidance.

FINANCE (BUDGET-F) DEPARTMENT

Para-2 of Appendix 15 of the Kerala Budget Manual which contains instructions regarding submission of 'Notes' to the Committee on Public Accounts by Government Departments, has been amended to the extent as recommended by the Committee vide G.O. (P) No. 79/2011/Fin. dated 23-2-2011 (copy enclosed).

FOOD, CIVIL SUPPLIES & CONSUMER AFFAIRS DEPARTMENTS

Noted for future guidance.

TOURISM (B) DEPARTMENT

Noted.

FINANCE (PAC) DEPARTMENT

Directions were issued in Circular No. 39/2007/Fin. dated 22-5-2007 for submitting the notes directly to Legislature Secretariat by the concerned Department after getting them vetted by audit. Action is being taken for amending the Budget Manual.

Further Recommendation

The Committee opined that the Circular No. 39/2007/Fin. dated 22-5-2007 is applicable in the case of action taken statements on the recommendation of the committee on excess expenditure alone.

Action Taken

The practice for sending notes on regularization of excess expenditure after vetting by Accountant General to the State Legislature has been modified vide Circular No. 73/09/Fin. dated 28-8-2009. Circular No. 39/07/Fin. dated 22-5-2007 has been withdrawn (Copy of Circular enclosed).

SC/ST DEVELOPMENT DEPARTMENT

Recommendation noted.

TAXES (REGISTRATION) DEPARTMENT

It is pointed out that the reconciliation of expenditure in connection with Registration Department has been done up to 2004-2006. Necessary arrangements have already been made for the timely reconciliation of accounts and to submit supplementary demand for grant in time to avoid excess expenditure over budget provision in Registration Department in future.

FISHERIES & PORTS DEPARTMENT

The recommendation will be noted for future guidance.

Recommendation

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

The Committee feels that the excess expenditure may sometimes become inevitable but what is needed is its regularization in time. The Committee also stresses the need of a rationale between the budget allocation and the actual expenditure so as to avoid the excess expenditure or to keep the excess to the barest minimum.

Action Taken by the Government**SC/ST DEVELOPMENT DEPARTMENT**

Care will be taken in future to ensure rationale between budget allocation and the actual expenditure so as to avoid the excess expenditure.

FOOD, CIVIL SUPPLIES & CONSUMER AFFAIRS DEPARTMENT

At present steps are taken to incur expenditure within the budgeted allocation. It is submitted that all excess expenditure incurred earlier have already been regularized.

TOURISM DEPARTMENT

Noted. Tourism Department had given direction to all implementing agencies under its administrative control to ensure that hereafter no excess expenditure should be incurred over and above the budget allocation vide Circular No. 14043/TB3/04/GAD dated 8-9-2014 of General Administration (Tourism B) Department.

FISHERIES & PORTS DEPARTMENT

No excess expenditure have been incurred during the previous year as far as Port Department is concerned. Whenever the expenditure is bound to exceed the budget provision in inevitable cases; necessary steps will be taken for additional authorisation for regularization either by moving for Supplementary Demands for Grants or by re-appropriation of funds. This department has taken steps to watch the progress of expenditure so that the expenditure does not exceed the Budget Provisions.

HOME (E) DEPARTMENT

The Chief Engineer, Public Works Department (B&LW) is the Estimating Officer and Chief Controlling Officer under the various Heads of Accounts for works. But for the last few years, as per orders of the High Court on CCC 803/2000 dated 28-10-2000, 11-4-2001 and 18-10-2002, the bills of contractors for the work done are cleared for payment by release of letter of credit in date-wise seniority order of pending bills. The pending bills for period up to 31-3-2006 have been cleared for payment based on list of pending bills furnished for period up to 31-5-2006.

While entering the bills, the Division will include bills under various heads based on Administrative Sanction issued previously without reckoning the fact whether the head of account is now in operation or not or provision for which exists in the current year's budget. They will also show the head of a work incorrectly. The Estimating Officer or Controlling Officer has no role, to verify the correctness of head of account in the list of pending bills and to effect corrections in the matter wherever necessary or to assess the fund requirements well in advance by evaluating the Division-wise seniority list of pending bills and to propose suitable modification or to move for funds in time. These deficiencies cause excesses over voted grant in certain heads of accounts and make difficulties to control the flow of expenditure effectively.

Details of Cases Pending Regularization of Excess Expenditure				
Sl. No.	Year	No. & Name of Grant	Revenue/Capital	Amount of excess
1	2001-02	XII-Police	Capital (Voted)	33,27,665
2	2003-04	XII-Police	Capital (Voted)	12,000

TAXES (REGISTRATION) DEPARTMENT

The Director of Treasuries has informed that realistic approach was always made while preparing budget estimate but due certain unprecedented increase of stamp papers the expenditure on commission on sale of stamps increased beyond budget estimate. He has promised that the Demand for Supplementary Grants pertaining to Treasury Department will be moved in time in future and the departmental reconciliation is being done in time as recommended by the Committee.

FINANCE (BW-F) DEPARTMENT

Directions have been issued to all the Head of Departments/Chief Controlling Officers to take strict measures to avoid the excess expenditure over Voted Grant/Charged Appropriation vide Circular No. 86/03/Fin. dated 29-10-2003. As per Circular No. 58/06/Fin. dated 5-12-2006 further instructions were issued to all Controlling Officers and Disbursing Officers stressing the need for rationale between budget allocation and actual expenditure so as to avoid the excess expenditure or to keep the excess to the barest minimum.

Recommendation

(Sl. No. 6, Para No. 10)

FINANCE (BUDGET WING-D) DEPARTMENT

Subject to the conclusions/observations the committee recommends that the excess expenditure over Voted Grants/Charged Appropriation for the years 1983-84 to 2002-03 listed out in Paragraph 8 be regularized under Article 205 of the Constitution.

Action Taken

The Demands for Excess Grants for regularizing the excess expenditure over Voted Grant/Charged Appropriation for the years 1983-84, 89-90, 90-91, 91-92, 95-96, 96-97, 98-99, 1999-2000, 2000-01, 2001-02 and 2002-03 as recommended by the Public Accounts Committee were considered and passed by the Legislative Assembly on 21st February, 2006. The connected Appropriation Acts (Appropriation Act Nos. 2, 3, 4, 5, 8, 9, 11, 12, 13, 14 & 15 of 2006) have been published in the Kerala Gazette Extraordinary dated 8-6-2006 (Vide Gazette Notification Nos. 976, 977, 978, 979, 982, 983, 985, 986, 987, 988 and 989 dated 8-6-2006 respectively).

Thiruvananthapuram,
18th February, 2016.

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



GOVERNMENT OF KERALA

Finance (PAC) Department

CIRCULAR

No. 65/2007/Fin.

Dated, Thiruvananthapuram, 16th August, 2007.

*Sub:—Excess expenditure on Voted Grants/Charged Appropriations
Notes explaining reasons for variations—Consolidation of
modified procedure—Regarding.*

Ref:—Circular No. 27/2004/Fin. dated 7-5-2004.

As per Kerala Budget Manual, if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, i.e., if it is noticed after closure of the financial year that the expenditure has, in fact, exceeded the Grant as a whole, a demand for such excess has to be presented to the Legislature, and an excess grant obtained.

2. According to Para 39 of the Hand Book of Instructions, as soon as the Appropriation Accounts of any year and the connected Audit Report are placed on the table of the House and in any case, within a period of three months from the date of their presentation, the Department of the Secretariat should forward to the Legislature Secretariat, notes explaining the reasons or the circumstances leading to the excess over the voted grants/charged Appropriation disclosed in the Appropriation Accounts after getting them vetted by Audit.

3. The Secretary to Government in the Administrative Department concerned has to obtain explanatory notes for the excess expenditure/variations disclosed in the Appropriation Accounts from all other Controlling Officers/Disbursing Officers under him. The Secretary to Government should forward 3 copies of the consolidated explanatory note for the amount of expenditure exceeded the Grant as a whole to Audit for vetting through Finance Department with relevant files based on which the notes have been prepared.

4. Despite clear instructions, most of the Departments are not furnished the notes for regularisation of excess expenditure promptly. As the Committee on Public Accounts, in their various meetings held, expressed serious concern over the heavy backlog, Government vide Circular No. 27/2004/Fin. dated 7-5-2004 issued instructions for the nomination of officers for consolidation of notes and prompt submission to Legislature Secretariat.

5. Though the instructions issued were found suitable in respect of the Grants which are operated by single Controlling Officers, the delay in furnishing notes could not be minimized in the case of the Grants which are operated by different Controlling Officers, as in the case of Grant No. XVII Education, Sports, Art and Culture and Grant No. V-Agricultural Income Tax and Sales Tax, etc. Hence, Government decided to withdraw the circular dated 7-5-2004 and to introduce a new system in its place. The revised procedure for preparation of consolidated notes for regularisation of excess expenditure will be as follows:

6. Responsibility for consolidating the notes in respect of Demands for Grants operated by multiple Departments will be with the Finance (PAC) Department. As soon as the Appropriation Accounts, for a financial year is received from the Accountant General, the Finance (PAC) Department will directly address all the Departments operating under each Demand, whether or not there has been excess expenditure over the total grant. The Head of Department will then furnish the notes explaining reasons for excess expenditure/variation between final appropriation and actual expenditure as disclosed in the Appropriation Accounts (3 copies) in so far as it relates to the different head of account relating to his Department to the Administrative Department in Government. The notes will contain explanations for the excess of expenditure over Voted Grants/Charged Appropriation or savings as compared to the final modified appropriation for the particular sub head of account, in question. The final modified appropriation means the original budget estimate under that sub head plus/minus re-appropriation sanctioned and minus the surrenders formally approved by the Finance Department during that financial year. Separate notes are to be furnished for different sections, (Grants) viz., 'Revenue-Voted', 'Revenue-Charged', 'Capital-Voted', and 'Capital Charged' of each Demand for Grants. The Administrative Department concerned will scrutinize the explanation furnished by the Controlling Officer/Head of Department and forward the same to the Finance (PAC) Department within a week's time with modifications, if any,

required thereto Finance (PAC) Department will scrutinise and consolidate the explanations Grant-wise and forward the same to the Accountant General (Audit) for vetting. Finance (PAC) Department on receipt of vetted copies of the Statement of Action Taken from the Accountant General, will retransmit the same to the respective Administrative Department for furnishing final copies (40 Nos.) to the Accountant General (Audit)/Legislature Secretariat.

7. The Circular No. 27/2004/Fin. dated 7-5-2004 is hereby withdrawn.

K. JOSE CYRIAC,
Principal Secretary (Finance).

To

- The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
- The Accountant General (A & E), Kerala, Thiruvananthapuram.
- All Departments (all sections) of the Secretariat.
- The Secretary, Kerala Public Service Commission, Thiruvananthapuram (with C. L.).
- The Registrar, High Court of Kerala, Ernakulam (with C. L.).
- The Registrar, Kerala Legislative Assembly, Thiruvananthapuram.
- The Advocate General, Ernakulam (with C. L.).
- The Registrar, University of Kerala, Kozhikode, Kochi, Kannur (with C. L.).
- The Registrar, Sanskrit University, Kalady (with C. L.)
- The Registrar, MG University, Kottayam (with C. L.).
- The Registrar, Agricultural University, Thrissur (with C. L.).
- The Secretary, KSEB, Thiruvananthapuram (with C. L.).
- The General Manager, KSRTC (with C. L.).
- The Secretary to Governor, Raj Bhavan, Thiruvananthapuram.
- The Personal Assistant to Honorable Speaker, Legislative Assembly, Kerala.
- The Officers of the Secretariat and above the rank of Under Secretaries (including Law and Legislature Secretariat).
- The Deputy Secretary to Chief Secretary.
- The Private Secretaries to concerned Ministers.
- All Head of Departments and Officers.



GOVERNMENT OF KERALA

Abstract

KERALA BUDGET MANUAL—THIRD EDITION (FIRST REPRINT)—AMENDMENT TO
APPENDIX 15 PARA 2—ORDERS ISSUED

FINANCE (BUDGET WING-F) DEPARTMENT

G. O. (F) No. 79/2011/Fin. Dated, Thiruvananthapuram, 23rd February 2011.

Read:—Circular No. 73/2009/Fin. dated 28-8-2009.

ORDER

The Committee on Public Accounts (2004-06), in its 87th report has recommended modifications to Appendix-15 of Kerala Budget Manual so as to facilitate furnishing of final copies of Notes/SOATs on recommendations of the Committee on excess expenditure, directly to the Legislature. Government having examined the recommendations of the Committee on Public Accounts are pleased to issue the following amendment to the Kerala Budget Manual.

AMENDMENT

C. S. No. 1/2011

The last sentence in para (2) under Appendix-15 of the Kerala Budget Manual shall be substituted by the following viz., "On receipt of the draft Note/Statement except that on regularization of excess expenditure duly vetted by audit, 40 final copies of the Note/Statement, each signed in ink by an officer not below the rank of a Joint Secretary, should be forwarded to the Accountant General, who will arrange to forward them to the Legislature Secretariat with his comments, if any, under advice to the Secretary to Government in the Administrative Department and the Finance Secretary to Government. In the case of regularization of excess expenditure, 40 final copies of the note/statement each signed in ink by an officer not below the rank of a Joint Secretary should be forwarded direct to the Legislature Secretariat, after affixing a Certificate to the effect that "Notes have been vetted by Audit and remarks pointed out in Audit for incorporation in the final copies are duly incorporated". Such Certificate should be affixed just

above the signature of the officer authorized to sign the final copy. Five final copies of the Action Taken Note should be forwarded to Principal Accountant General (Audit) and three copies forwarded to the Finance Department of Government".

By order of the Governor,

K. AJITHKUMAR,

Additional Secretary (Finance).

To

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

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

All Heads of Departments and Offices.

All Departments/Sections of the Secretariat.

The Secretary, Kerala Public Service Commission,
Thiruvananthapuram (with C.L.).

The Registrar of High Court of Kerala, Ernakulam
(with C.L.).

The Advocate General of Kerala, Ernakulam (with C.L.).

The Registrar, University of Kerala/Calicut/Cochin/
Mahatma Gandhi/Kannur (with C.L.).

The Registrar, Sanskrit University, Kalady (with C.L.).

The Secretary, Kerala State Electricity Board,
Thiruvananthapuram (with C.L.).

The Managing Director, Kerala State Road Transport
Corporation, Thiruvananthapuram (with C.L.).

All Principal Secretaries/Deputy Secretaries and Under
Secretaries to Government.

The Secretary to Governor.

The Private Secretary to the Speaker/Deputy Speaker.

The Private Secretaries to Chief Minister and other Ministers.

The Private Secretary to the Leader of Opposition.

The Director of Public Relations, Thiruvananthapuram.

The Additional Secretary to the Chief Secretary.

The Ombudsman of Local Self Government Institutions.

The Director of Treasuries, Thiruvananthapuram.

All District Treasury/Sub Treasury Officers.

The Nodal Officer, www.finance.kerala.gov.in for publishing on the
website.



GOVERNMENT OF KERALA

Finance (PAC) Department

CIRCULAR

No.73/2009/Fin.

Thiruvananthapuram, Dated, 28.8.2009.

Sub. :- Implementation of recommendations of 87th Report of Committee on Public Accounts (2004-2006) – Procedure for sending vetted Notes on regularisation of excess expenditure to State Legislature – Modified Orders issued.

Ref.:- Circular No.39/2007/Fin, dated 22.5.2009.

The Public Accounts Committee (2004-2006) in its 87th report had recommended that, the Departments shall submit the final copies of the note on regularisation of excess expenditure to Legislature Secretariat after getting them vetted by audit, directly to Legislature Secretariat, provided a certificate is affixed therein to the effect that "Notes have been vetted by audit and remarks pointed out in Audit for incorporation in the final copies are duly incorporated." In Circular read above, implementing the above recommendation it was ordered that the revised procedure of forwarding the final copies of the Action Taken Notes on PAC recommendations after affixing the required certificate shall be adopted forth with.

The Committee while considering the Statement of Action Taken on the recommendation contained in Para No.6 of the 87th report of the Committee on Public Accounts (2004-2006) opined that the Circular No.39/07/Fin, dated 22.5.2007 is applicable in the case of Statement of Action Taken on the recommendations of the Committee on excess expenditure alone.

In the circumstances, Government are pleased to order that the final copies of the notes on regularisation of excess expenditure shall be forwarded directly to the Legislature Secretariat, provided a certificate is affixed therein to the effect that, "Notes have been vetted by Audit and remarks pointed out in audit for incorporation in the final copies are duly incorporated."

While forwarding the final copies to the Legislature Secretariat, all Departments should ensure that five final copies of the Notes are forwarded to the Principal Accountant General (Audit) and three copies to the Finance (PAC) Section.

The required Certificate should be affixed just above the signature of the Officer authorized to sign the final copies.

All Administrative Departments are requested to follow the revised procedure in future.

The Circular No.39/07/Fin, dated 22.5.2007 is hereby withdrawn.

L. C. GOYAL
ADDITIONAL CHIEF SECRETARY (FINANCE)

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
The Secretary, Legislature Secretariat.
The Legislature (PAC) Department.
All Heads of Departments / Controlling Officers.
All Administrative Departments and Sections of Secretariat.

Forwarded / By Order,

Rajeevan
Section Officer

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