

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2016-2019)**

**SIXTEENTH REPORT
(Presented on 7th February, 2018)**



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2018

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On

**Action Taken by Government on the Recommendations contained in the
40th Report of the Committee on Public Accounts
(2011-2014)**

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(2016-2019)

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Sixteenth Report on Action Taken by Government on the Recommendations contained in the 40th Report of the Committee on Public Accounts (2011-2014).

The Committee considered and finalised this Report at the meeting held on 30th January, 2018.

Thiruvananthapuram,
30th January, 2018.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the 40th Report of the committee on Public Accounts (2011-2014).

The 40th Report of the Committee on Public Accounts (2011-2014) was presented to the House on 28th January 2014. The Report contained 4 recommendations relating to Finance, SC/ST Development and Agriculture Departments. Government were addressed on 5th February 2014 to furnish the statement of action taken on the recommendations contained in the report and the final copies were received on 15th December 2015.

The Committee considered the Action Taken Statements at its meetings held on 18-2-2015, 17-6-2015, 6-1-2016 and approved the same in the light of the replies furnished by Government. The recommendations of the Committee and replies furnished by Government are included in this report.

FINANCE DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 5)

The Committee observes that many administrative departments failed to submit detailed contingent bills to settle the advances drawn in time. It warns that whatever be the circumstances, the Drawing and Disbursing Officers of the concerned administrative departments should be vigilant in complying with the provisions of Treasury Code regarding Abstract Contingent Bills. It recommends that Finance Department should take necessary measures to reduce the number of advance bills that one DDO could avail at a time to three and the condition should be relaxed only on inevitable circumstances and also with the concurrence of Finance Department.

Action Taken

Government had issued strict instructions to all DDOs for the timely settlement of advances drawn vide Circular No. 8/2010/Fin. Dated 19-1-2010. It was also ordered to impose a penalty @ 18% interest and revenue recovery proceedings on delayed settlement of advances as per G.O. (P) No. 419/2011/Fin. dated 4-10-2011 and Circular No. 43/2012/Fin. dated 24-7-2012. As a result of this, pending Abstract Contingent Bills have come down drastically. In view of the practical difficulties reported by certain departments such as education, health, etc., in clearing bills relating to diet charges, medicines, etc., the existing limit of 5 advance bills is allowed to be continued. However an effective check can be put in place once automation of treasury process is completed.

Recommendation

(Sl. No. 2, Para No. 10)

The Committee remarks that lack of appropriation control may lead to the financial impropriety of a state. Without reconciling the expenditure properly with figures recorded by the Treasury/AG, the Controlling Officer could not ascertain whether expenditure is within the purview of the budget allocation. It also notices that visiting Treasury/AG's Office and tracing the accounts being a cumbersome effort, the officers entrusted with the works of reconciliation, noted the figure of Treasury/AG's Office as Departmental figure and thereby doing reconciliation for name sake.

Action taken

Giving paramount importance to reconciliation, this department issued several DO letters to all HoDs/District Collectors/ Secretaries/Heads of Autonomous Bodies during the financial year 2013-14 along with details of pending reconciliation certificates to complete reconciliation till March 2013 and to clear all pending certificates of reconciliation strictly before 31 May 2013. They have also been requested to obtain specific explanation from the officers concerned for their persistent lapse in this regard and initiate stringent disciplinary action.

Besides this, the Director of Treasuries has also been requested to give strict instructions to all Treasury Officers in extending adequate support to the officers concerned for timely and satisfactory completion of reconciliation works.

In addition to Circular Nos. 17/2012/Fin. dated 28-3-2012 and 30/2013/Fin. Dated 13-3-2013. This department has also issued G.O. (P) No. 476/2013/Fin. dated 13-9-2013 in which it was strictly directed to take vigorous efforts to clear all pending reconciliation certificates of receipts and expenditure upto 2012-13 before 30-9-2013 and all the COs/CCOs/HoDs have been directed to forward a quarterly progress report of reconciliation (both receipt and expenditure) directly to Finance (Inspection NTK) Department.

The Finance (Inspection NTK) Department conducts periodical inspections at maximum possible offices across the State where pending reconciliation is on the higher end and initiates disciplinary action against those officers found responsible for the pendency. Moreover, directions have also been given to all District Finance Inspecting Officers to conduct periodical inspections at District level offices to monitor the reconciliation.

Due to the above efforts taken by Finance (Inspection NTK) Department, there has been considerable decrease in the pendency of reconciliation as shown in the table below:

Sl. No.	Year	Pendency as on 27-2-2013 as Reported by AG		Pendency as on 6-11-2013 as Reported by AG	
		Receipt	Expenditure	Receipt	Expenditure
1	2006-07	..	45	..	45
2	2007-08	..	124	..	112
3	2008-09	..	82	..	82
4	2009-10	357	893	191	366
5	2010-11	632	1282	248	656
6	2011-12	693	1597	353	754
7	2012-13	613	1558	395	1145
TOTAL		2295	5581	1187	3160

In addition to this, DO Letters were sent in March 2014 to all HoDs to expedite the reconciliation process and scrupulously follow orders in G.O. (P) No. 476/2013/Fin. dated 13-9-2013. Better result is expected towards the end of this financial year.

Recommendation

(Sl. No. 3, Para No. 11)

The Committee opines that had computerisation of treasuries completed, the figures at the Treasury/AG's Office could be made available at finger tips. So, the Committee recommends that treasury computerization and networking should be treated on a high priority basis and also a separate dedicated line should be provided for treasury networking.

Action Taken

All the treasuries in the State are fully computerised at branch level and most of the activities in treasuries are now carrying out using computers.

With a view to fulfil the latest trend in service delivery, a number of new initiatives are now under implementation. For obtaining such services through online, the entire data presently reside at branch level has to be centralized and integration with other systems/organizations has also to be established. For the smooth implementation of the above projects, a dedicated network connecting all the treasuries in the state is very essential. At present all treasuries are connected through a Virtual Private Network. A proposal submitted by M/s KELTRON to establish a robust network connectivity using KSWAN is now under active consideration of Government.

Action Taken Statement is summed up as follows:

Computerization of Treasuries	Completed
Online submission of salary bills	Completed
Withdrawal of hardcopies of salary bills	Being implemented in phased stage
Dropping of schedules attached to SDO salary bills provided to AG	Effectuated from 1st April 2014
Connectivity between treasuries	Shared VPN connectivity introduced
RFP for dedicated connectivity	A proposal submitted by M/s KELTRON to establish a robust network connectivity using KSWAN is now under active consideration of Government.
Erection of Central Server in State Data Centre	Erected and commissioned on February 20th 2014.

Recommendation

(SI. No. 4, Para No. 13)

The Committee commiserates that eventhough huge amount provided for the benefit of the poor people, they could not be benefited out of it. Either the amount provided for a project left unutilised or re-appropriated for some other purposes. It urges that the SC/ST Development and Agriculture Departments should take effective measures to avoid such situation in future and projects should be implemented with proper planning.

Action Taken**SC/ST DEVELOPMENT DEPARTMENT**

During 2011-12, 2012-13 and 2013-14 the Scheduled Caste and Development Department has the Plan Progress of 93.21%, 95.28% and 88.95% respectively which is well above the State average. Along with the above, it is also admitted that a minor portion of the plan expenditure is expended through re-appropriation of Plan funds. The re-appropriation proposal was sanctioned by the Finance department after verification of actual requirements of funds and expenditure under each head for which re-appropriation is considered. The two major Head of Accounts, Pooled Fund and Corpus Fund follows project based schemes and it is implemented through the departments and accredited agencies. These projects are received only at the fag end of the financial year and this is one reason for re-appropriation. During the last three years the re-appropriation occurred is only a minor proportion of the total plan expenditure and it is aimed at helping the poor scheduled caste people and to avoid the non utilization of plan funds. The Director has issued a circular No. P3-21639/14 dated 2-3-2015 for effective utilization of plan funds on the basis of C&AG remarks. The Department will take effective measures to avoid the re-appropriation in future by strengthening the planning and monitoring process.

AGRICULTURE DEPARTMENT**1. Kissan Abhiman Scheme:-**

The Director of Agriculture had drawn ₹ 1.00 crore on 7th March 2009 and ₹ 4 crore on 31st March 2009 deposited in the special TSB Account. The amount of ₹ 5 crore kept unutilised has completely been utilised for giving monthly pension to 40890 farmers.

Since the pension had to be paid on monthly basis, the amount was initially drawn and deposited in the TSB Account. The available balance in the TSB Account No. 15256 of the Director of Agriculture is only ₹ 600.00.

2. Crisis Management Fund:-

As per G.O. (Rt.) No. 404/2009/AD dated 13-3-2009 sanction was accorded for the creation of three regional crisis management cells in the rice bowls of Kerala, viz., Kuttanad, Kole and Palakkad regions under the chairmanship of the respective District Collectors and a State Crisis Management cell chaired by the Director of Agriculture. Sanction was also accorded for the creation of crisis management fund for the management of crisis occurring due to natural calamities. An amount of ₹ 5.06 crore was drawn and deposited in the crisis management fund Account No. TSB 15287 in the name of the Additional Director of Agriculture (CP). On occurrence of natural calamity, state crisis management cell releases required funds to the districts based on the recommendations of the regional crisis management cells. Balance in the crisis management fund as on 31-7-2014 is ₹ 19,35,616. This amount will be released to the regional crisis management cells according to necessity.

Thiruvananthapuram,
30th January 2018.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

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2018

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