

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE ON PUBLIC ACCOUNTS

(2021-23)

THIRTIETH REPORT

(Presented on 9th February, 2023)



SECRETARIAT OF THE KERALA LEGISLATURE

THIRUVANANTHAPURAM

2023

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2021-2023)**

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on

**Action Taken by Government on the Recommendations
contained in the One Hundred and Thirty Second Report
of the Committee on Public Accounts (2008-11)**

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**COMMITTEE ON PUBLIC ACCOUNTS
(2021-2023)**

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Legislature Secretariat

Smt. A. M. Basheer, Secretary.

Shri. Reji. B., Additional Secretary.

Shri. P. S. Selvarajan, Deputy Secretary.

Smt. Mable Antony, 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 Thirtieth Report on Action Taken by Government on the Recommendations contained in the One Hundred and Thirty Second Report of the Committee on Public Accounts (2008-11).

The Committee considered and finalised this Report at the meeting held on 4th January, 2023

Thiruvananthapuram
9th February, 2023

SUNNY JOSEPH
Chairman,
Committee on Public Accounts.

REPORT

This report deals with the action taken by Government on the recommendations contained in the One Hundred and Thirty Second Report of the Committee on Public Accounts (2008-11).

The Hundred and Thirty Second Report of the Committee on Public Accounts (2008-11) was presented to the House on 28th December 2010. The Report contained sixteen recommendation relating to Taxes, Agriculture, Health & Family Welfare and Social Welfare Departments. The report was forwarded to Government on 30.12.2010 seeking the Statements of Action on the recommendation contained in the Report and the final reply was received on 24.05.2022.

The Committee examined the statements of action received from the Government at its meeting held on 26.09.2012, 21.01.2015 and 23.12.2015 and 04.01.2023. The Committee was not satisfied with the Action Taken by Government on the recommendations in Para No. 18, 40, 62 and decided to pursue further. These recommendations, reply furnished there on and further recommendations of the Committee are included in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining recommendations in the light of the replies furnished by the Government Such recommendations of the Committee and the Action Taken by Government are included in Chapter II of this Report.

CHAPTER – I

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

AGRICULTURE DEPARTMENT

Recommendation

(Sl. No.2, Para No.18)

1.1. The Committee is dissatisfied to note that inspite of repeated directions to initiate criminal proceedings against Shri M.K. Damodaran Nair for the misappropriation of Government money, the department was reluctant to do so. The Committee strongly condemns the indifferent attitude of the department in the matter. The Committee opines that the Government decision to recoup the loss from the culprit, in itself is a conclusive proof of the fact that he had committed the forgery. Hence the Committee urges the department to urgently initiate criminal proceedings against him.

Action Taken

1.2. Director, Vigilance & Anti Corruption Bureau, Thiruvananthapuram, vide his letter No.E9 (SC) 47/10/PKD) 14001/2010 dated 04.07.2011 has informed that sanction has been accorded to the Deputy Superintendent of Police, Vigilance and Anti Corruption Bureau, Palakkad to register a Vigilance case against Shri. M.K. Damodaran Nair, Deputy Director of Agriculture, RATTC, Malampuzha.

Further Recommendation

- 1.3. The Committee directed to furnish present position of the vigilance case.

HEALTH AND FAMILY WELFARE DEPARTMENT

Recommendation

(Sl. No.4, Para No. 40)

- 1.4. Regarding the misappropriation of Government money in the Public Health Centre, Chempumpuram, the Committee had called for a detailed report regarding the action taken against the persons involved in the offence. But the Committee is perturbed to find that the desired reply had not yet been received from the department. Denouncing the cold shoulderness exhibited by the department in this respect, the Committee calls upon the department to take necessary action against the officer who had failed to submit the report in time.

Action Taken

- 1.5. Disciplinary action has been initiated against Dr. L.G. Subash former Medical Officer in charge of PHC Chempumpuram for misappropriation of Government money. The misappropriated amount of ₹29,630/- has been recovered from his stipend and transfer credited to the account of Medical Officer in charge of PHC Chempumpuram. Disciplinary action has also been initiated against Dr. L.G. Subash and was finalized by awarding a minor Punishment of strict warning not to repeat such action in future. Hence the para (40) may be dropped.

Further Recommendation

1.6. The Committee directed to enquire, what action had been taken against the concerned Clerk relating to this subject.

Recommendation

(Sl. No.16, Para No. 66)

1.7. The Committee finds that the accused Upper Division Clerk in the Primary Health Centre, Nedyiruppu in Malappuram District who committed defalcation had refunded the entire amount with 12% interest to Government. But the Committee is upset to notice that he was reinstated in service without initiating criminal proceedings. Hence the Committee urges the Department to initiate criminal proceedings and departmental disciplinary action against the UDC and to take disciplinary action against the officer who failed in supervision.

Action Taken

1.8. Sri. C Nasir, Upper Division Clerk while working at Primary Health Centre Nedyiruppu was placed under suspension with effect from 27.03.2006 for serious irregularities in handling cash at Primary Health Centre, Nedyiruppu and Primary Health Centre, Morayur. He was reinstated in service with effect from 24.03.2008. Since he remitted the misappropriated amount ₹3,44,300/- at Primary Health Centre, Nedyiruppu ₹4,30,269/- at Primary Health Centre, Morayur with 12% interest. He was chargesheeted on 18.05.2010. Since the written statement of defence furnished on 29.06.2010 was not satisfactory, an enquiry under Rule 15 of KCS (CC&A) Rules 1960 was conducted by the Additional Director of Health Services (Vig) on 23.11.2010. The recommendation after the

enquiry was that since the vigilance enquiry is pending against him disciplinary action cannot be finalized and hence provisional pension may be sanctioned. He retired from service on 31.01.2011 and his DCRG has not been sanctioned.

The Vigilance & Anticorruption Bureau has recommended for prosecution against Sri. Nasir u/s 13(1) (c) (d) r/w13(2) of PC Act 1988 and section 409, 420, 468, 471, 477 (A) IPC as he abused his official position in the capacity of public servant committed criminal misconduct and misappropriated an amount of ₹2,31,767/- by way of forging the treasury bills and connected records and used them as genuine documents and thereby cheated Government. Since he has retired from service prosecution sanction is not seen necessary.

Further recommendation

1.9. The Committee directed to ask the concerned Department, whether prosecution proceedings were initiated against Shri. C. Nasir, UDC who committed serious irregularities in handling cash by way of forging treasury bills connected records.

CHAPTER-II

RECOMMENDATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN THE LIGHT OF REPLIES FURNISHED BY GOVERNMENT

SOCIAL WELFARE DEPARTMENT

Recommendation

(Sl. No.11, Para No.51)

2.1. The Committee desires to be informed of the details of utilisation of the additional funds sanctioned by Government of India for the construction of observation Home at Manjeri.

Action Taken

2.2. The District Collector, Malappuram had earlier recommended to construct the building on the available land at Vandoor Village. But later it was understood that the land was owned by LBS and there was no chance to hand over the land to Social Justice Department. Then the Majeri Municipality expressed its willingness to provide 25 cents of land in Thamarassery in Payyanad Village. Later they refused to hand over the ownership of the land. Finally, it was decided to construct the building at Department's own land at Thavanoor rescue home compound.

The Regional Inspector, visited the site and advised to revise the plan and estimate submitted by Nirmithi Kendra. On revision, the estimate amount exceeded the budget provision and Nirmithi Kendra was requested to submit the estimate limiting to the budget provision. The agreement with Nirmithi Kendra was also revised.

The work started on 20.06.2000 as per the revised agreement and completed on 21.01.2002. There occurred some delay in getting water & electricity connection.

The District Nirmithi Kendra, Malappuram, has certified that an amount of ₹17,86,000/- was utilized for the construction of the building.

The building was handed over to Department on 17.03.2003 & inaugurated on 21.06.2003.

Recommendation

(Sl. No.12, Para No.52)

2.3. The Committee disapproves the action of Director of Social Welfare in

keeping the amount sanctioned for the construction of the Observation Home at Pathanamthitta, in his PD Account for 45 months without surrendering it to Government. The Committee opines that the action of the Director was against all financial principles and directs that such instance should be avoided in future.

Action Taken

2.4. Government of India sanctioned a grant of Rs.9.03 lakhs for the construction of Observation Home in Pathanamthitta under 50% Central Assistance Scheme in February 1996. The total cost of the building was Rs. 18.06 lakhs. Government of Kerala as per G.O.(Rt.) No.31/96/SWD dated 22.02.1996 accorded sanction for the construction of Observation Home, Pathanamthitta limiting the amount to Rs.18.06 lakhs. The amount of Rs.18.06 lakhs was drawn in March 1996 and kept in the PD account of the Director of Social Welfare. Then construction work was entrusted to Nirmithy Kerala in the same month.

When visited the proposed site, 03.10.1996 for appraising the reason for not starting the work, it was found encroached by the local people and the project would not be fulfilled. Accordingly it was decided for changing the proposed site of construction to Vayalathala in Cherukol Grama Panchayath, Elanthur Block Panchayath. After the decision on 20.10.1996, Nirmith Kendra submitted a revised estimate amounting to Rs. 21.6 lakhs for the above construction in the new site which could not be accepted as the amount exceeded the sanctioned amount.

Therefore, the Executive Engineer was approached to prepare an estimate within the Administrative Sanctioned amount of Rs. 18.06 lakhs but it was not fulfilled. Finally, after considering the inordinate delay occurred, it was again decided to award the work to Nirmithi Kendra and signed the agreement and the work started in 1999.

The amount kept in the PD account of Director of Social Welfare was drawn as DD in favour of Nirmithy Kendra. The DD was handed over to Nirmithi Kendra within one month of commencement of the construction work and the work was completed thereafter.

These were the reasons for the inordinate delay involved in the construction of OH and thus the allotted amount kept idle in the PD account for a long period.

The Director of Social Welfare has been requested to strictly comply with the time limit prescribed by Finance Department from time to time with regard to the utilization of funds sanctioned / released by Government.

Further recommendation

2.5. The Committee directed to seek details regarding the work progress of the construction of observation house at the Pathanamthitta.

Action Taken

2.6. The construction of the observation home in Pathanamthitta has been completed and it has already began to operate.

Recommendation

(Sl. No.13, Para No.60)

2.7. The Committee was informed by the witness that 657 hand pumps were installed by the department under the World Bank assisted scheme intended to ensure supply of safe drinking water in Anganwadi Centres. The Committee desires to know the number of hand pumps which are still in working condition.

Action Taken

2.8. Out of the 657 hand pumps in Anganwadis, 407 are in working condition.

Further Recommendation

2.9. The Committee noted with displeasure that out of 657 hand pumps only 407 are in working condition. The Committee decided to seek the details regarding the condition of remaining hand pumps.

Action Taken

2.10. 657 Hand pumps were installed in Anganwadi Centres around Kerala by the Social Justice Department under the World Bank assisted scheme intended to ensure the supply of safe drinking water for the Children. At present only 106 hand pumps are in operating condition. The reasons for damage / not operating situation is different ie Scarcity of drinking water is the main issue and also worn out due to prolonged use. The various reasons are damage of pipeline, handle of the pump broken, Got filled with sand and mud and many other technical problems.

Recommendation

(Sl. No.14, Para No. 61)

2.11. The Committee enquires the Government to conceive a new project for providing sufficient land, buildings, drinking water, electricity and toilet facilities to

Anganwadis laying down specific instructions regarding the contribution of local bodies and Government in the venture.

Action Taken

2.12. Government as per G.O.(Rt) No.578/2009/SWD dated 09.12.2009 have constituted a Sub Committee consisting of the following members for identification of land and buildings for the Anganwadis.

1. Principal Secretary to Government, Local Self Government Department – Chairman.
2. Secretary to Government, General Education Department.
3. Commissioner for Rural Development.
4. Secretary to Government, Social Welfare Department- Convenor

The Committee shall look into the following :

1. Whether a minimum extent of 5 cents of land can be identified by all department for construction of Anganwadi Centres.
2. Whether Anganwadi Centres can be permitted to be set up in the premises of Government schools in lieu of nursery / K.G. classes where sufficient land and buildings are available.
3. Whether the construction of buildings and toilets and provision of drinking water facilities can be taken up by converging the various schemes of the Government.

The proposal in this regard submitted by the Director, Social Welfare is

being examined by the said Committee.

Further recommendation

2.13. The Committee directed to furnish a copy of the report of the Sub-Committee constituted to recommend measures for the infrastructural development of Anganwadis in the State.

Action Taken

2.14. The sub committee was formed as per G.O. (Rt) No.578/2009/SWD dated 09.12.2009 with a view to improving the conditions of the Anganwadis taking decisions on arranging proper infrastructure in them. The above said GO urges to pay more attention to allotting land for the Anganwadis, Shifting Anganwadis to Government schools and to provide toilet and drinking water facilities to the Anganwadis. This committee has not prepared a separate report in this regard. The following points also submitted;

- i. Out of 33115 Anganwadis only 7555 Anganwadis currently operated in hired buildings. Out of them 5152 Anganwadies are in Rural area and 2403 are in Urban area.
- ii. The details of the Anganwadis without their own buildings which may be shifted to school compounds has collected and also decided that the officers of the Child Development Project and the AEOs under the department of education should make a combined inspection at the 68-70 schools concerned in order to decide on the possibilities of shifting the Anganwadis to schools. Moreover, projects are being implemented for the construction of buildings that have land properties of their own.
- iii. Measures have been taken to construct baby friendly toilets and provide

drinking water facility to the maximum number of Anganwadis by utilizing the Central State fund.

Recommendation

(Sl. No.15, Para No.64)

2.15. The Committee was informed that as per a Vigilance Report dated 24.05.2008, misappropriation of almost Rs. 8 lakh had taken place in the office of the Child Development Project Officer, Vadavucode in Ernakulam District and that the extent of liability of each of the offenders could be determined only after the conclusion of the Vigilance enquiry. The Committee wants to be informed whether Vigilance enquiry has been completed and if so, the details of action taken against each of the offenders shall also be furnished to them. The action taken to recover the defalcated amount from them should also be intimated to to the Committee.

Action Taken

2.16. The Vigilance case is still under trial.

TAXES DEPARTMENT

Recommendation

(Sl. No.1, Para No.7)

2.17. The Committee finds that the action of the Director of Lotteries in allowing special discounts to lottery agents based on the entire tickets purchased by them

instead of at rates applicable to different slabs, was against that spirit of the Government Order dated 11.10.1991 and based on wrong evaluation of the said Government Order.

Action Taken

2.18. Government have issued orders clarifying the mode of payment of special discounts (Now termed as commission on different slab rates). It has been ordered that the different slab rates of Commission to Lottery agents fixed earlier shall be distributed only for tickets coming within the respective slabs and the agents commission shall not be computed for the entire purchase adopting uniform slab system.

In view of the above facts and taking notice that the loss to Government was a meager sum and the case took place twenty years back, further action in this matter may be dropped.

HEALTH AND FAMILY WELFARE DEPARTMENT

Recommendation

(Sl. No.3, Para No.39)

2.19. Eventhough the Committee was informed that there is effective co-ordination between the three units of the Internal Audit Wing in the Directorate of Health Services, the Committee notices that there is evident laxity in the performance of the Wing as a whole. There is no proper follow up action on the deficiencies and shortcomings pointed out during inspections by the three units, which rendered the very purpose of audit ineffective. Hence the Committee desires that a system should be adopted for the proper monitoring of the

functions of the three units at the Director of Health Services level and to pursue the defects and lacunae pointed out during audit in a competent manner.

Action Taken

2.20. At present there are four units of Internal Audit Wing at the DHS level. There are also fourteen district level internal audit wings in every district. The internal audit system is strengthened as recommended by the committee for co-ordinating their work. Performance audit monitoring Committee is convened every month in consultation with the Accountant General. District level audit staff attend the meeting and the progress of clearance of audit objection as well as performance are evaluated and instructions to enhance the quality of auditing are given to them in the meeting. The instructions to enhance the quality of auditing are given to them in the meeting. The instructions of the Committee is thereby complied with.

Recommendation

(Sl. No.5, Para No.41)

2.21. The Committee finds that no substantial action has been taken against the Upper Division Clerk (UDC) attached to the Public Health Centre, Kulathupuzha who had mismanaged Government money, even after his guilt was proved beyond doubt consequent to the detailed examination by the audit team. The lackadaisical attitude of the Director of Health Services in taking any effective action even after a lapse of more than seven years is viewed very seriously by the Committee. The Committee requires the department to intimate whether the disciplinary proceedings against the UDC has culminated and if so, the details of the action

taken against him.

Action Taken

2.22. The disciplinary action against the concerned Clerk Sri. Omanakuttan at Primary Health Centre, Kulathupuzha has been finalized on 29.11.2008 and the misappropriated amount of ₹ 77558 with interest of ₹9307/- found as liability has been refunded to Government Account.

Hence the recommendation of the Public Accounts Committee has been complied with. Disciplinary action against him was finalized by barring one increment with cumulative effect.

Recommendation

(Sl. No.6, Para No.42)

2.23. The Committee is displeased to note that the performance of the Stores verification Team is persistently below expectations. Hence the Committee implores the Health and Family Welfare Department to entrust the duties of the Team to a specific officer and an effective mechanism should be devised to ensure that the yearly inspections are mandatorily conducted in all the 19 institutions under it. The Committee also directs the department to actively pursue the discrepancies pointed out by the Team like the issue of time expired drugs to patients, idling of equipments, stocking of slow moving drugs etc. Which are matters of utmost concern and take obligatory action against the persons responsible for such irregularities.

Action Taken

2.24.

- a) First Expiry First Out (FEFO) method is followed in issuing drugs and supplies to the institutions.
- b) Medicines having 75% shelf life is only accepted at the warehouse and taken into stock.
- c) Inspections are conducted by an internal team of Head Office in each warehouse, physically verifying 100% of the high value items like sutures, cold storage items, slow moving drugs etc. and also verify stock of other drugs randomly to cover 80% of the available stock. Variations in physical stock and system stock, if any, are reported and necessary corrective measures are taken and warehouse managers are personally held responsible.
- d) If any drug is found to be of Not of Standard Quality after analysis in the Empanelled Laboratories of the Corporation, the Stock of such drugs are frozen and recalled from all the user institutions immediately and payment is deducted from the supplier is for the entire batch of Not of Standard Quality Drugs.
- e) At the same time cash book and bank transactions are also verified. Instructions have been issued to all warehouse managers, to issue account payee cheques for expenditure of above Rs.500/-. All the bank activities are monitored online through internet banking facilities at Head Office.
- f) All the details of expenses incurred at the warehouse are verified with original vouchers and bills, and accounted facilities at Head Office.

Recommendation

(Sl. No.7, Para No.43)

2.25. The Committee understands that acute shortage of staff in the Internal

Audit Teams under the department had hampered their performances eventhough they were trying their best to conduct inspections with the available staff. Sensing the importance of providing sufficient staff in the Internal Audit Teams, the Committee calls upon the department to revitalise the same by providing adequate number of personnel. The Committee opined that the teams should conduct inspections only according to a preconceived plan. The Committee recommends that a comprehensive internal audit manual should be prepared so that it could be used by all Government departments and while doing so, the leading practices and standards articulated by the International Institute of Internal Auditors may also be adopted.

Action Taken

2.26. The Director of Health Services has furnished a proposal for creating 14 posts of Junior Superintendent and 56 posts of Clerk, for strengthening the District level Audit Wing of Health Services Department. The matter was examined in detail in consultation with the Finance Department and Government decided not to consider the proposal in 2014-15 in view of the strict economy orders in force for controlling the non-development expenditure vide G.O. (P) No.400/2014/Fin dated 19.09.2014.

The recommendation regarding preparation of comprehensive Internal Audit Manual is to be examined by the Finance Department.

Recommendation

(Sl. No.8, Para No.44)

2.27. An individual cadre of audit staff with proper training should be formed and the Internal Audit Wing should be provided with a certain degree of independence

so that reporting of matters does not endure any conflict of interest.

Action Taken

2.28. Training is imparting to the audit team. The follow up action has also been boosted up with the implementation of audit monitoring system. The recommendation of the Committee for an individual cadre of audit staff will be considered by the Government. Action has also been taken to clear the pending inspection by conducting audit athalath in all Districts. By the constitution of audit monitoring committee the progress of follow up and clearance of audit objection are reviewed monthly and evaluated progress has been achieved in this regard.

Recommendation

(Sl. No.9, Para No.45)

2.29. The Committee beseeches the department to clear all the pending Inspection Reports of the Accountant General urgently so that persistent irregularities and audit objections could be dealt with more effectively. A proper system of monitoring by Heads of Departments indicating the progress of internal audit, issue of IARs, receipt of replies and clearance of paragraphs should also be introduced in all departments.

Action Taken

2.30. Training is imparting to the audit team. The follow up action has also been boosted up with the implementation of audit monitoring system. The recommendation of the Committee for an individual cadre of audit staff will be considered by the Government. Action has also been taken to clear the pending

inspection by conducting audit athalath in all Districts. By the constitution of audit monitoring committee the progress of follow up and clearance of audit objection are reviewed monthly and evaluated progress has been achieved in this regard.

Recommendation

(Sl. No. 10, Para No.46)

2.31. The staff posted in the Internal Audit Wings should be given proper training and if necessary, special monetary benefits should be extended to them to make the post more attractive

Action Taken

2.32. Regular training to the audit staff is being conducted at present.

Thiruvananthapuram,
9th February, 2023.

SUNNY JOSEPH,
Chairman,
Committee on Public Accounts

Appendix

Summary of Main Conclusions/Recommendations

| Sl. No. | Para No. | Department Concerned | Conclusions/Recommendations |
|---------|----------|---------------------------|--|
| 1. | 1.3 | Agriculture | The Committee directed to furnish present position of the Vigilance case. |
| 2. | 1.6 | Health and Family Welfare | The Committee directed to enquire, what action had been taken against the concerned clerk relating to this subject. |
| 3. | 1.9 | Health and Family Welfare | The Committee directed to ask the Concerned Department, whether Prosecution proceedings were initiated against Shri. C. Nasir, UDC who committed serious irregularities in handling cash by way of forging treasury bills and connected records. |