

**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2023-2026)**

**SEVENTIETH REPORT**

(Presented on 8<sup>th</sup> October, 2024)



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM**

**2024**

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
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**SEVENTIETH REPORT**

**On**

**Action Taken by Government on the Recommendations contained in the  
One Hundred and Fifteenth Report of the Committee on  
Public Accounts (2004-2006)**

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COMMITTEE ON PUBLIC ACCOUNTS  
(2023-2026)

COMPOSITION

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Shri Selvarajan P. S., Joint Secretary

Shri Jomy K. Joseph, Deputy Secretary

Smt Beena O.M., Under Secretary.

## INTRODUCTION

I, the Chairperson, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Seventieth Report on Action Taken by Government on the Recommendations contained in the One Hundred and Fifteenth Report of the Committee on Public Accounts (2004-2006)

The Committee considered and finalised this Report at the meeting held on 4<sup>th</sup> September 2024.

Thiruvananthapuram,  
8<sup>th</sup> October, 2024.

SUNNY JOSEPH,  
*Chairperson,*  
*Committee on Public Accounts.*

## **REPORT**

This Report deals with the Action Taken by the Government on the Recommendations contained in the One Hundred and Fifteenth Report of the Committee on Public Accounts (2004-06).

The One Hundred and Fifteenth Report of the Committee on Public Accounts (2004-06) was presented to the House on 15<sup>th</sup> March 2006. The Report contained twelve Recommendation relating to Higher Education Department. The Report was forwarded to Government on 18-4-2006 seeking the Statements of Action on the recommendation contained in the Report and the final reply was received on 11-11-2014.

The Committee examined the Statements of Action received from the Government at its meeting held on 28-1-2015. The Committee was not satisfied with the Action Taken by the Government on the recommendation in Para No. 16 and decided to pursue further. This recommendation, reply furnished there on and further recommendation 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.**

##### **HIGHER EDUCATION**

###### **Recommendation**

*(Sl. No. 5, Para No. 16)*

1.1 The Committee is convinced that in the construction work of faculty buildings for the MG University an avoidable expenditure of ₹ 2.98 lakh was

incurred. This was due to the arbitrary decision of the University Engineer who fixed the rate of wood work done with Anjili wood which was substituted for Teak wood at the market rate instead of the scheduled rate of Public Works Department for such work. The admissible rate of 10dm<sup>3</sup> Anjili wood was ₹ 37.90 as per the schedule, but the Engineer fixed the rate at ₹180 per dm<sup>3</sup>. The Committee understands that this is a sheer violation of Rules by the Engineer and the possibility of his connivance with the contractor cannot be ruled out. The Committee is surprised to note that the University had not initiated any disciplinary action against the delinquent officer so far. The Committee therefore, recommends that an enquiry should be instituted in the matter and the University Engineer who was responsible for the malpractice should be brought to book even though he was working there on deputation.

#### **Action taken**

1.2 The University authorities have informed that as the person concerned has already left the service and retired, no action could be initiated. Instructions are also issued to be more vigilant in such cases.

#### **Further Recommendation**

1.3 The Committee vehemently criticises the Higher Education Department for not taking any action on the recommendation of the Committee in time. The Committee directs the department to examine whether the delinquent University Engineer would come under the purview of Section 3 of the Kerala Public Accountants Act 1963 and in the light of such examination a report should be furnished to the Committee on what actions are initiated against him.

### **CHAPTER II**

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

### **HIGHER EDUCATION DEPARTMENT**

#### **Recommendation**

*(Sl. No. 1, Para No. 4)*

2.1 The Committee would like to point out that the Syndicate of a University being the apex body would be heavily laden with many duties and

responsibilities and hence it would not be able to prioritise the list of business placed before it for its approval. It was the duty of the University officials to have brought to the notice of the Syndicate the importance and urgency of taking a final decision on the tender for construction of the three storeyed building for providing facilities to the teaching staff. The Committee finds that the lapse on the part of the University officials had resulted in an avoidable extra expenditure of ₹13.08 lakh. The Committee recommends that the Registrar of the University and the persons who assist him in his responsibilities should handle matters of such urgency and importance more carefully and diligently.

#### **Action taken**

2.2 The Registrar, University of Calicut has reported that the lapses occurred pointed out from the part of University has been taken into account with due importance and steps have been initiated for issuing circular to all concerned so as to avoid such lapses in future. Moreover the University has constituted a technical Committee for scrutinizing the estimates received from the University engineer before approval and also for further scrutiny after completion of work, before passing final bills for payment to the concerned, for avoiding such lapse in future.

#### **Recommendation**

*(Sl. No. 2, Para No. 5)*

2.3 The Committee finds that the financial powers of the Registrar is limited to ₹ 500 only. Since this is a very paltry sum, most of the files including those of a routine nature which could have been disposed of at the Registrar's level had to be sent to Vice Chancellor for approval. This in turn is eating up the valuable time and attention of the Vice Chancellor in petty administrative matters instead of concentrating more in academic matters. The Committee, therefore, recommends that necessary amendments should be made in the University Statutes granting more powers including financial powers to Registrars and Vice Chancellors of the University in Kerala.

#### **Action taken**

2.4 CUSAT has enhanced financial powers of Registrar and Vice Chancellor. M.G. University has enhanced the financial powers of Registrar



from ₹ 500/- to ₹ 5000/- and that of Vice Chancellor from ₹ 1,50,000/- to ₹ 5,00,000/-. University of Kerala and University of Calicut have also enhanced the financial powers of Vice Chancellor and Registrar.(Annexure I.)

### **Recommendation**

*(Sl. No. 3, Para No. 9)*

2.5 The Committee finds it irregular to have retained in the Calicut University the 121 posts ordered to be transferred to the Kannur University. The failure to transfer the posts acquires a more serious nature when it is understood that while the posts are retained in Calicut University itself, equivalent number of posts to accommodate the posts transferred to Kannur University were created there and due to the non transfer of posts, the vacancies created in Kannur University were being filled up by new appointments. The contention of the Registrar that the work load in Calicut University had increased considerably due to increase in the number of courses offered, introduction of semester system and conduct of more examinations is not acceptable to the Committee. If there had been an increase in work load, that should have been properly assessed and new posts created instead of retaining the posts which are ordered to be transferred. The Committee therefore recommends that the decision to transfer the posts should be implemented. The Committee also recommends that a scientific study should be conducted on the work load of the University and cancellation/abolition of posts should be done on the basis of the work study.

### **Action taken**

2.6 Only the limited works related with the academic matters including the conduct of exams of 26 affiliated colleges were transferred to Kannur University. All other workers related to the exams of Pre-Degree and on going regular/Supplementary exams of U.G. and P.G. courses and the entire works of private students from the area of Kannur University were the burden of Calicut University. The University was unable to make appointments in the cadre of Assistants for the period 1998 to 2009 due to pendency of litigation. Considering the gravity of the situation, the Hon'ble High Court even permitted

the university to fill up the vacancies by making provisional appointments from the short list maintained by the University. The No. of affiliated colleges has increased from 104 in 1996 to 328 in 2010 increasing the work load to more than three fold. The number of professional colleges and the colleges offering new generation courses have also increased. The enrolment of students have increased to four lakh at entry level and about 6.5 lakh students are taking various examinations. Besides this, the university has started its own teaching departments. The University could not create even a single post of Assistants since May 1996. The present strength of Assistants is only 514 against a sanctioned strength of 750 which is not sufficient to cater the needs of hour.

### **Recommendation**

*(Sl. No. 4, Para No. 13)*

2.7 The Committee finds that the Higher Education Department had directed the University to recover urgently the House Rent Allowance sanctioned to the Calicut University employees at inadmissible rates without Government approval. But it is seen that University had not taken heed to the directive of Government. In this context, the Committee opines that the Committee is not against payment of additional emoluments to the employees. At the same time, the Committee emphasizes that the payment should be in accordance with law. Hence the Committee strongly recommends that the University, Higher Education Department and Finance Department should look into the matter and come to a consensus urgently. The Committee desires to have the details of action taken on this recommendation within six months of the date of presentation of this Report.

### **Action taken**

2.8 There was no specific Pay revision orders, exclusively for the Universities till the issue of 9<sup>th</sup> Pay Revision orders. All the Universities were following the Secretariat pattern and had issued separate orders in respect of each University, based on the State Pay Revision Orders. Now Government have issued separate Pay Revision Orders for University employees. In this order specific guidelines have been given for calculating HRA. Based on this

order, University of Calicut has stopped the practice of payments of HRA at higher rates and the rates admissible as per the Pay Revision Order 2009 are being paid from April, 2011. Instructions have been given to the other Universities also to stop the practice of payment of HRA at higher rates and to give HRA in accordance with the 9<sup>th</sup> Pay Revision Order. Considering the above facts and the practical difficulties for calculating the excess paid HRA especially in respect of those persons who have deceased and retired, the University may be exempted from the recovery of excess amount paid to the large number of employees.

### **Recommendation**

*(Sl. No. 6, Para No. 18)*

2.9 The Committee finds that, the audit observation that the payment of campus and outstation allowances to the MG University employees was irregular, is correct. The Committee understands that the action of the University was in violation of relevant rules and it was later ratified by the Government as fait accompli. In the note submitted by the Government, it was stated that the Registrar, Mahatma Gandhi University had been directed not to take a decision on issues like this, which involve financial commitment to the university without proper concurrence of the Government in future. The Committee endorses the action of the Government and recommends the university to strictly adhere to the direction of the Government in future.

### **Action taken**

2.10 Strict instructions has been issued to the University authority concerned vide circular No. 13519/B4/2006/H.Edn. Dated 25-8-2014 to follow the suggestions of the Committee in future. (Annexure II).

### **Recommendation**

*(Sl. No. 7, Para No. 20)*

2.11 The Committee feels that the delay in accepting the tender for supply of PVC pipes could have been avoided had the authorities of the Mahatma Gandhi University shown prudence in such matters involving huge financial

commitments. The Committee reminds all concerned to be vigilant so as to avoid such instances in future.

#### **Action taken**

2.12 Strict instructions has been issued to the University authority concerned vide circular No. 13519/B4/2006/H.Edn. Dated: 25-8-2014 to follow the suggestions of the Committee in future.

#### **Recommendation**

*(Sl. No. 8, Para No. 24)*

2.13 The Committee finds that there was laxity on the part of the University Officers in placing the tender for construction of Senate Hall Auditorium before the Syndicate for its approval which in turn resulted in extra expenditure of ₹ 33 lakh. The Committee recommends that the Registrar of the University and the officers concerned with various construction works of the University should be more diligent and bestow special attention to issues involving financial commitment and give top priority in bringing them to the notice of the Syndicate.

#### **Action taken**

2.14 Strict instructions has been issued to the University authority concerned vide circular No. 13519/B4/2006/H.Edn. Dated: 25-8-2014 to follow the suggestions of the Committee in future.

#### **Recommendation**

*(Sl. No. 9, Para No. 40)*

2.15 The Committee cites the incident of the infructuous expenditure on purchase of KSHB by M.G. University for providing accommodation for its staff as an ideal example of wasting of Public money. The Committee observes that the university had failed miserably to protect its interest in the purchase of houses and that agreement executed between the university and KSHB was extremely biased and absolutely protecting only the interest of the KSHB. The purchase of agreement of the buildings which were constructed in 1986-91

period was executed in 1998. The University very well knew that the houses were built in 1984 and were lying unused for years. Yet they had not made inspection before purchasing the houses to make proper assessment on the condition of the buildings. It could be inferred that the university had made the purchase agreement fully knowing that the houses were not new ones and therefore maintenance was essential. Even then the university did not provide any provision in the agreement to claim compensation for maintenance.

### **Recommendation**

*(Sl. No. 10, Para No. 41)*

2.16 The Committee also feels that although legally KSHB was more on the safer side, the fact remains that they had also failed to discharge their obligation. Selling houses without house numbers, water and electricity connection and that also at an exorbitant rate by a government controlled institution was beyond the limit of expectation. When the Committee visited the houses, a mass memorandum was submitted by the allottees of Gandhi Nagar Housing Board Colony which is near to the houses purchased by the University. In the memorandum, the allottees had complained about the steep hike in the cost of the houses made by the Board over the tentative cost fixed in the agreement. The Board had not in the first instance enlightened the purchasers about the interest, development charge, supervisory charge etc., properly. This compelled the allottees who more or less belong to the middle income group, to pay interest compounded with penalty, which resulted in unaffordable payment. The Syndicate members of the University who had attended the PAC Meeting also complained against the poor condition of the houses. The representatives of one of the Employees, Unions of the University submitted that the employees were not willing to occupy those quarters, which lacked all basic amenities. The Committee was also convinced of the dilapidated condition of the houses. It has come to the notice of the Committee that the authorities as well as the employees of the University have the same view in not taking over those houses as quarters for the employees. In this context, the Committee desires to know the reason for the non implementation of the decision taken at the high level meeting convened by the Additional Chief Secretary on 3-6-2004 in which it was

decided that the Housing Board would return the amount of ₹ 225 lakh paid to the Board by the University and terminate the agreement. The Committee finds that public money has been blocked up for the last 10 years and the entire expenditure as per the present position has become infructuous. This situation has to be changed. Hence, the Committee strongly recommends to settle the issue at the Chief Secretary level. The Committee also recommends the Secretaries of Higher Education, Housing and Finance Departments and the Registrar of University to furnish relevant files/documents to the Chief Secretary to settle the matter in this financial year itself. It also recommends that responsibility should be fixed on the officials who had entered into an agreement with the Housing Board for the purchase of the houses without ascertaining their condition.

#### **Action taken on Para No. 40 & 41**

2.17 With respect to paras 40, 41 regarding the expenditure on purchase of houses from Kerala State Housing Board by Mahatma Gandhi University, the Mahatma Gandhi University had resolved the purchase of 55 houses at a cost of ₹ 369.98 lakh from the Kerala State Housing Board and an agreement was executed in September 1998 and the houses were taken over by the university in April 2000 and a total amount of ₹ 225 lakh was also paid by the university to the KSHB in April 2000. Even though it had been decided in the High Power Committee Meeting that the KSHB would return the amount paid to the University and terminate the agreement, nothing has taken place. Therefore the Public Accounts Committee had recommended that the issue may be settled at the level of Chief Secretary. Accordingly, the Chief Secretary convened a meeting on 11-7-2007. Thereafter the Minister (Forest and Housing) has also convened a meeting on the issue on 20-7-2007. In accordance with the decisions taken in the above Meetings, valuation of 55 units were made and found that the total cost come to ₹408.05 lakh. The Housing Board on 23-7-2007 has decided to take back all the 55 units and repay the amount paid by the university in installments after selling the units. The Syndicate of the university considered the matter on 17-10-07 and had resolved to inform the

KSHB to refund ₹225 lakh paid by the university urgently as the university had already decided to construct staff quarters in the campus itself. Decision of the Syndicate of the M.G. University had been communicated to the Housing Department and the M.G. University had been instructed to enter into an agreement with KSHB at the earliest, in the matter of return of 55 houses to KSHB and for repayment of ₹ 225 lakh by KSHB to M.G. University as decided in the meeting convened by the Chief Secretary on 11-1-07. The Registrar has forwarded copy of the agreement regarding taking back of the property and 55 houses by KSHB by repaying ₹ 225 lakh in lumpsum at the earliest, signed by the Registrar by the University and the Executive Engineer, KSHB Kottayam Division on KSHB's behalf (Annexure III). The KSHB has already refunded the amount to the university and the matter is already settled.

### **Recommendation**

*(Sl. No. 12, Para No. 45)*

2.18 After the examination of the audit paras pertaining to the various Universities of the State, the Committee concludes that a lot of effort has to be made for a more efficient financial management of these academic institutions. The recommendations on the basis of the general discussion are as follows:

1. The Committee observes that the syndicate being the apex body of the University would be taking up for discussion matters of utmost importance during their meetings. Hence, they would not be able to prioritise the agenda placed before them. Hence it is the duty of the Registrar to place matters of urgent nature before the Syndicate for their decision. The Committee therefore recommends that matter having financial implications and which need urgent attention and sanction of the Syndicate should be placed before them in time. Any lapses in this regard should be severely dealt with and the Registrar of the University should be made personally responsible.

2. The Committee recommends Government to initiate steps to amend the University Statutes of all the Universities of the State delegating more financial powers to the Vice-Chancellor and Registrar. More powers have to be delegated to Registrar regarding the expenditure of routine nature thereby enabling the Vice Chancellor to spend more time on academic matters rather than spending time on administrative matters of routine nature.

3. Some of the Universities are taking decision without taking into account the huge financial task involved in the decision. The Government and the University should work hand-in-hand to avoid unnecessary expenditure especially the expenditure for establishment matters.

4. The representative of the Accountant General who attended the PAC meeting pointed out that due to the non forwarding of the relevant accounts/records to the audit party they are experiencing difficulty in auditing. The Committee views this very seriously and directs all concerned to take stringent action against delinquent officers and employees who do not co-operate or commit dereliction of duty with the audit party of Accountant General/ Finance Department/ Local Fund Audit Department. A team of officers in the University should be entrusted with the task of making all the accounts upto date with the support of relevant documents/vouchers other registers as per provision in the respective Codes.

#### **Action taken**

2.19 1. Strict instructions has been issued to the University authority concerned vide circular No. 13519/B4/2006/H.Edn. Dated 25-8-2014 to follow the suggestions of the Committee in future.

2. The financial powers of the Registrar has been enhanced from ₹ 500/- to ₹5,000. The financial powers of Vice-Chancellor has been increased to ₹5 lakh.

3. Strict instructions has been issued to University authority concerned vide Circular No. 13519/B4/2006/H.Edn. Dated 25-8-2014 to follow the suggestions of the Committee in future.



4. The University authorities have informed that the accounts of the University have been updated and the University is giving all the informations as required by the Audit team properly.

Thiruvananthapuram,  
8<sup>th</sup> October, 2024.

SUNNY JOSEPH,  
*Chairperson,*  
*Committee on Public Accounts.*

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## APPENDIX

## SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para No.	Department Concerned	Conclusion/Recommendation
1	1.3	Higher Education	The Committee vehemently criticises the Higher Education Department for not taking any action on the recommendation of the Committee in time. The Committee directs the department to examine whether the delinquent University Engineer would come under the purview of Section 3 of the Kerala Public Accountants Act 1963 and in the light of such examination a report should be furnished to the Committee on what actions are initiated against him.