

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

NINETY SEVENTH REPORT

(Presented on 30th June, 2015)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2015**

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

NINETY SEVENTH REPORT

On

**Action Taken by Government on the Recommendations
contained in the 39th Report of the Committee on
Public Accounts (2001-2004)**

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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 97th Report on Action Taken by Government on the Recommendations contained in the 39th Report of the Committee on Public Accounts (2001-2004).

The Committee considered and finalised this Report at the meeting held on 3rd June, 2015.

Thiruvananthapuram,
30th June, 2015.

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

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the Thirty Ninth Report of the Committee on Public Accounts (2001-04).

The Thirty Ninth Report of the Committee on Public Accounts (2001-04) was presented to the House on 19th February 2003 and it contained ten recommendations. All these 10 recommendations were related to Water Resources Department and recommendation on Para No. 41 was related to Finance and Public Works Department also. Government were addressed on 5-3-2003 to furnish the Statements of Action Taken on the recommendations contained in the Report and the final replies were received on 18th July, 2014.

The Committee examined the Statements of Action Taken at its meeting held on 20-12-2006, 6-6-2007, 8-12-2010, 1-8-2012, 17-10-2013 and 20-8-2014 and was not satisfied with the Government reply on recommendation No. 1&7 (Para Nos, 5 and 26) and decided to pursue them further. Such recommendations, their replies and further recommendations of the Committee are incorporated 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 Government. The Committee approved the reply furnished by Government on recommendation Sl. No. 5 (Para No. 13) with a remark. Such recommendations and the replies furnished by Government and the remarks of the Committee are included in Chapter II of this report.

CHAPTER I

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

WATER RESOURCES DEPARTMENT

Recommendation

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

1.1 The Committee understands that in the work of construction of tunnel across Methala Hills and formation of canal forming part of the Periyar Valley Irrigation Project, the department had included the cost and conveyance of metal and sand in the agreement though metal, rubble and sand obtained from tunnel muck could be used free of cost. Pointing out the Department's stand that the tunnel muck was really a waste material and could not be used, the committee

opines that, in such a situation, the proper course would have been to workout a revised estimate instead of allowing inadmissible payments. The Committee point out that it is clear that there is lapse on the part of the officers who prepared the estimate and the reason explained subsequently for the disappearance of the tunnel muck from the dumping yard was not at all a convincing one. The Committee feels that if the estimate was prepared with due care and prudence, this inadmissible payment could have been avoided. The Committee are of the opinion that it is not desirable to include such vague conditions in estimate and urge that strict instructions should be issued to limit payments as set out in the estimate and agreement.

Action Taken

1.2 The tunnel muck usually obtained on drilling include various sizes of stones and it is impracticable to collect the broken pieces from the dumped tunnel muck, which is not at all useful for converting into metal. Chief Engineer has informed that breaking charge is therefore, provided as the difference in cost of metal and blasted rubble which is usually adopted in the department. Also 40mm and 20mm metal had to be made out of suitable and better quality of blasted rubble obtained from tunnel muck dumped. Hence the breaking charges provided as 28.83/m³ and 55.08/m³ for 40mm and 20mm metal respectively are not enough to compensate the manual labour actually involved and the rates provided are only reasonable.

1.3 A statement on the comparative cost details is enclosed herewith.

1.4 In view of the above facts, it is reported that no loss was sustained by Government. However, Government have given directions to the Chief Engineers of Irrigation Department to issue strict instructions to limit payments based on the estimate and agreement.

Further Recommendation

1.5 The Committee stated that reply from the Department is not satisfactory. Department's statement that the material supplied by Government was not useful is not correct. The Committee pointed out the possibility that the contractor himself had used this material. The Committee recommended to fix responsibility on the concerned officers and to take action against them.

Recommendation

(Sl. No. 7, Para No. 26)

1.6 From the additional information furnished subsequently by the Water Resources Department regarding the details of departmental action initiated

against the officers responsible for the faulty design, which led to the delay, the Committee notice that responsibility had been fixed on certain officers. The Committee express serious concern over the attitude of the department in shirking from responsibility of taking timely action against these officers citing the reason that they have already retired from service. The Committee deprecate the manner in which the Department handled the disciplinary action proceedings based on the recommendation of the erstwhile Public Accounts Committees and urge the department to take timely action in such cases in future so as to complete the formalities before the retirement of officers.

Action Taken

1.7 Strict direction has been issued to all concerned to complete the formalities of disciplinary action against the erring officials before their retirement. It has also been directed that the erring officials should not be given any chance to escape from departmental action due to the reason that they have retired from service.

Further Recommendation

1.8 The Committee recommended to make amendments in the concerned Rules because as per High Court Ruling, there is provision to recover the liability of the erring officials even after retirement.

CHAPTER II

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

WATER RESOURCES DEPARTMENT

Recommendation

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

2.1 The Committee understands that there are several cases relating to the work of Kallada Irrigation Project which are under Vigilance enquiry, and it is difficult for the department to provide detailed information on the cases. The Committee also notice that action could be taken against only a few of the officials involved in the cases as most of them had retired from service. The Committee urge that the Government should take timely action for expediting the Vigilance cases and suitable action against the responsible officers still in service based on the result of the Vigilance cases so that such lapses do not occur.

Action Taken

2.2 Government have given direction to start a separate wing under Vigilance & Anti Corruption Bureau for conducting and completing pending Vigilance enquiry in Kallada Irrigation Project. Accordingly a special wing exclusively for KIP cases has started functioning with headquarters at Kollam. This wing is headed by a Deputy Superintendent of Police with four Nos. of Circle Inspectors and other supporting staff.

2.3 Vigilance & Anti Corruption Bureau, Kollam has been addressed to expedite the developments of the Vigilance enquiries conducted in cases of corruptions and irregularities relating to Kallada Irrigation Project. Timely action can be taken as and when the reports are received from Vigilance Unit.

Recommendation

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

2.4 The Committee notices that no study had been conducted by the Department regarding the ecological and environmental problems created as a result of the Project. The Committee urges the Government to order a detailed scientific study on the impact of the project on ecology and environment and to take corrective measures based on results of such study.

Action Taken

2.5 After implementation of the project, no severe ecological or environmental problems are noticed which needed detailed study. Right Bank main Canal started functioning during 1986 and Left Bank Canal during 1992 and water distribution was started in branch canals, distributaries, minor distributaries etc. immediately after completing these canals. Leakage of water in some portions of the canals were noticed and remedial measures were also taken. The Central Water Commission is also monitoring environmental aspects of the project periodically. But no adverse remark is seen in their monitoring report. At present Government has not taken up any detailed study on the impact of the project on environmental and ecological aspects and in future if any serious problem is noticed from any corner of the command area of the project a detailed study can be conducted. During April 2004, Central Water Commission has requested State Government to propose one of the completed Irrigation Project for Environmental Impact Assessment (EIA) in Kerala State. Accordingly Kallada Irrigation Project has been recommended for this Environmental Studies. This study is yet to be commenced by Central Water Commission.

Recommendation

(Sl. No. 4, Para No. 12)

2.6 The Committee is also not happy with the maintenance of the canals under the project which caused hardship to the people in the locality. As there is lack of proper water management, the project is not serving the purpose of irrigation for which it was intended. The Committee urges the department to take immediate steps to tide over these problems. The Committee stresses the need for better co-ordination between the Agriculture and Irrigation Departments for evolving measures for proper water management and equitable distribution of water based on scheduled calendar for the purpose.

Action Taken

2.7 Water distribution started in the completed portions of RB Canals from 1986 onwards and LB Canals from 1992 onwards. Essential maintenances of these canals were done from 1994 onwards utilising the plan fund. The seepage of water in filled up portions of canal and unlined portion of canal were the main problems observed during water distribution. But remedial measures were taken though there was paucity of funds.

2.8 Department has been publishing water calendar every year and it is being communicated to Panchayat and Agricultural Officers etc. and water is being distributed as per these schedules. This year also a joint meeting of Agricultural Officers and Kallada Irrigation Project Officers was conducted on 27-5-2005 in Superintending Engineer's Office for effectively carrying out water distribution during 2005-06. In the Sub Division level also meetings were conducted by participating KIP Officers, Agricultural Officers, Panchayat members, Farmers and other stakeholders for effective water distribution during 2005-06 and water calendar will be published based on the outcome of these meeting.

Recommendation

(Sl. No. 5, Para No. 13)

2.9 The Committee understands that repairs and maintenance of canals are not often planned which adversely affect the availability of water. The Committee recommended that provision for repairs of canals of Kallada Irrigation Project should be made and maintenance works should be undertaken on a regular basis.

Action Taken

2.10 Essential maintenance of canals were done from 1994 onwards utilising plan fund. These maintenance were very essential for water distribution. From 2004 onwards maintenance fund was provided for Kallada Irrigation Project. During 2004-05 an amount of ₹ 50 lakh and for 2005-06 an amount of ₹ 51.44 lakh were provided under head of account 2701-02-110-98-KIP Mace. This maintenance fund was very meagre and not at all sufficient to maintain the headworks and over 900 Km. long canal systems covering an ayacut of 51514 hectares. In order to maintain this canal system in a regular basis, more maintenance fund is necessary. Department has taken action to obtain more funds.

Remarks of the Committee

2.11 The Committee opined that Estimate Committee has to consider the Budget Estimate, Expenditure and to submit Report on the allocation of more funds for the maintenance of canals.

Recommendation

(Sl. No. 6, Para No. 25)

2.12 The Committee observes that the scheme intended to control flood and prevent entry of salt water in the upstream reaches of the cut during summer seasons remain incomplete even after 30 years and the expenditure incurred on it remains totally unfruitful. This throws light on the need for a common system for proper investigation and design of the works suitable to the site conditions. It has come to the notice of the Committee that piers with two tier shutters were more suitable for such regulators. The Committee feels that if earnest effort has been made to solve the problem of the nature of shutters for the regulator, the inordinate delay occurred in that respect could have been avoided. The Committee urges that Government should review the present system and procedure in approving the design and structures and take steps to avoid the recurrence of such instances of delay and extra expenditure in future.

Action Taken

2.13 Government have convened a meeting of the concerned officials, of Irrigation Department and reviewed the procedure of the present systems and procedure in approving the design and structures of projects. Based on the decisions taken in the meeting circular directions, has been issued to avoid recurrence of instance of delay and extra expenditure in future as per Circular 27690/IR3/10/WRD. dated 29-1-2011.

Recommendation

(Sl. No. 8, Para No. 39)

2.14 The Committee understands that the higher officials of Water Resources Department cannot wash their hands off, on the responsibility of not submitting the report on stability test conducted by the Civil Engineering Department of Government Engineering College, Thrissur which revealed serious irregularities, lapses in the capacity and life of aqueduct of Karalmanna Lift Irrigation Scheme to Government for follow-up action. The Committee deprecate the tendency on the part of the Department to cover up the failure of the Engineers without taking any timely action against them. The Committee urge the Government to conduct a thorough probe into the measurement of reinforcement and reduction of thickness of the slab and to proceed against the responsible officer. The Committee also recommended that the benefits of the concerned officer, who has retired from service should be withheld till settling the issue in this regard.

Action Taken

2.15 The decision taken by the department was to apportion the loss caused to Government of ₹ 48,000 from among Sri C. K. Mohammed Habeebulla (Asst. Executive Engineer (Retd.) and Shri Anto Rocky (Asst. Engineer) equally vide Office Order of the CE (I&A) No. Irrgn. Vig. (2) 71814/90 dated 18-7-1996. The non liability certificate in respect of Sri C. K. Mohammed Habeebulla, Asst. Executive Engineer (Expired) was issued based on the decision of the Hon'ble High Court of Kerala in OP. No. 9199/92 after executing a bond. Further the other retired officer i.e., Shri P. K. Anto Rocky (Asst. Engineer) has not submitted his pension papers so far. While processing pensionary claims of the incumbent action will be taken in accordance with the recommendation.

Additional Details sought by the Committee

2.16 The Committee suggested to recover the amount of loss caused to Government from the concerned officers through Revenue Recovery. But this is to be done within three years. But no action had been taken till now. The Committee recommended to fix responsibility on the officers who didn't take any action against the officers who caused loss to Government.

Reply furnished by Government

2.17 The officers involved are Sri C. K. Mohammed Habeebulla, Assistant Executive Engineer and Sri Anto Rocky, Assistant Engineer. The NLC in respect of late Sri Mohammed Habeebulla was issued based on the judgment of the

Hon'ble High Court of Kerala in OP. No. 9199/92. Sri Anto Rocky, Assistant Engineer, expired on 23-3-2006. He has not submitted his pension papers till his death. As both the persons involved in the irregularities have expired, the committee may drop further action on the Para.

Recommendation

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

2.18 The Committee notices that the final bill in respect of the contractor has not yet been settled. The Committee desires to know whether the Department had taken any action against the contractor for not fulfilling the contractual obligations. If no action had been taken till date, the Committee recommend that stringent action should be taken against the contractor for severe lapses, and final payments should be effected only after taking a decision at Government level.

Action Taken

2.19 Since the contractor has approached the Hon'ble High Court and the case is pending, disposal in A.S. No. 235/95 of High Court, Ernakulam, his claims have not been finalised. Necessary recovery will be effected while making payment to the contractor.

Recommendation

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

2.20 The Committee observes that if the work of the aqueduct so far done was subjected to a close scrutiny and critical investigation by the Chief Technical Examiner of Finance Inspection Wing, the Department could have assessed the lapses/failures of officials in-charge of execution of works and responsibility could have been fixed. Under these circumstances, the Committee urge the Government to develop a permanent arrangement in the Finance Inspection Wing to monitor and investigate irregularities/lapses in works and desire that strict instructions should be issued to Water Resources/Public Works Departments to refer the cases of works with serious irregularities to Chief Technical Examiner for investigation so as to prevent the recurrence of such lapses.

Action Taken

FINANCE DEPARTMENT

2.21 Water Resources (M.I.) Department had forwarded Para 41 of the 39th Report of Public Accounts Committee of Legislature along with their U.O. Note No. 9956/M.I.2/03/WRD dated 27-8-2005 and had requested Finance

Department to examine the recommendations of the Public Accounts Committee and intimate the action taken in this regard to Legislature Secretariat.

2.22 In this context the following facts may be brought to the kind notice of the Public Accounts Committee of Legislature. At present there is a set-up in Finance Department, i.e., Inspection Technical Wing to enquire into irregularities/lapses in the works and recommend corrective measures. The Inspection Technical Wing of Finance Department attends to complaints regarding irregularities of works in Water Resources/Public Works Department as well as complaints relating to works carried out by Local Self Government Institutions and other public undertakings of Government of Kerala. This Wing also conducts inspection and enquiries as per the direction of Hon'ble Ombudsman and Hon'ble High Court of Kerala. The cases referred to by all the Government Departments for enquiry are attended to by this Wing on priority basis.

2.23 In order to comply with the recommendations of Public Accounts Committee of Legislature, Finance Department has issued Circular No. 64/2005/Fin. dated 7-11-2005 advising all work executing Departments of Government including Public Works/Water Resources Departments to refer cases of works with serious irregularities to Chief Technical Examiner for investigation.

PUBLIC WORKS DEPARTMENT

2.24 At present the Chief Technical Examiner is directly involved in the investigation of irregularities in the execution of Major Works undertaken by Public Works Department. The Chief Technical Examiner is collecting details of the Road works and cement concrete works and ensuring that the materials used are of the required quality and as per the agreed specification. G.O. (Rt.) No. 9290/10/Fin. dated 30-12-2010 issued in this regard by the Chief Technical Examiner. The officers of Chief Technical Examiner's Office is inspecting the various works under Public Works Department after collecting the details as per this Order and are checking the execution of works also. The permanent arrangement is available in the Office of the Chief Technical Examiner to inspect the works in Public Works Department and to investigate irregularities and lapses if any in the execution of work.

WATER RESOURCES DEPARTMENT

2.25 At present there is a set-up in Finance Department's Technical Wing to enquire into irregularities/lapses in the works and recommended corrective measures. The Inspection Technical Wing of Finance Department attends complaints regarding irregularities of works in Water Resources/Public Works Department as well as complaints relating to works carried out by

Local Self Government institutions and other public undertakings of Government of Kerala. This wing also conducts inspection and enquiries as per the direction of Ombudsman and Hon'ble High Court of Kerala. The cases referred from the Government departments for enquiry are attended to by this Wing on priority basis. In order to comply with the recommendations of Public Accounts Committee on Legislature, Finance Department has issued Circular No. 64/2005/Fin. dated 7-11-2005 advising all work executing Departments of Government including Public Works/Water Resources Departments to refer cases of works with serious irregularities to Chief Technical Examiner for investigation.

Thiruvananthapuram,
30th June, 2015.

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

APPENDIX I

SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusions/Recommendations</i>
(1)	(2)	(3)	(4)
1	1.5	Water Resources	The Committee stated that reply from the Department is not satisfactory. Department's statement that the material supplied by Government was not useful is not correct. The Committee pointed out the possibility that the contractor himself had used this material. The Committee recommended to fix responsibility on the concerned officers and to take action against them.
2	1.8	„	The Committee recommended to make amendments in the concerned Rules because as per High Court Ruling, there is provision to recover the liability of the erring officials even after retirement.

Name of work: P.V.L.P - Driving Tunnel across Methala Hills from Ch. 10708m to 11796m and formation of canal from Ch 10520m to 10768m and 11796m to 11951m - Balance works

COMPARATIVE COST DETAILS

Sl. No.	Item No. of the Agt	Specification	Quantity	Unit	Rate allowed as per Agt	Amount as per Agt	Rate Admissible if dept. tunnel mark was used	Amount admissible	Savings
1	2	Lining sides of tunnel	1093.574 m ³	m ³	386.40	4,22,556.99	418.90	4,58,098.14	35,541.15
2	3	Lining the floor 1:3:6	415.47 m ³	m ³	328.98	1,36,681.32	360.88	1,49,934.81	13,253.49
3	7	Lining floor 1:2:4	173.06 m ³	m ³	413.27	71,756.07	445.76	77,383.94	5,627.87
4	8	Lining inside tunnel 1:2:4	338.97 m ³	m ³	553.65	1,84,902.49	578.30	1,96,026.35	11,123.88
5	9	Lining roof of tunnel 1:2:4	7.56 m ³	m ³	537.27	4,061.76	568.72	4,299.52	237.76
						8,19,958.63		8,85,742.76	65784.15

Savings Rs. 65,784.15

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