

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2011-2014)**

TENTH REPORT

(Presented on 26th June, 2012)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2012

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On

**Action taken by Government on the Recommendations contained
in the Seventeenth Report of the Committee on
Public Accounts (2001-2004)**

2058/2012.

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COMMITTEE ON PUBLIC ACCOUNTS (2011-2014)

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Smt. M. R. Maheswari, Under Secretary.

* Shri M. P. Abdussamad Samadani resigned as Member of the Committee on 29-3-2012.

INTRODUCTION

I, the Chairman, Committee on Public Accounts having been authorised by the Committee to present this Report on their behalf present the Tenth Report on Action Taken by Government on the Recommendations contained in the Seventeenth Report of the Committee on Public Accounts (2001-2004).

The Committee considered and finalised this Report at the meeting held on 28th March, 2012.

Thiruvananthapuram,
26th June, 2012.

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 Seventeenth Report of the Committee on Public Accounts (2001-2004).

The Seventeenth Report of the Committee on Public Accounts (2001-2004) was presented to the House on 13th June 2002. The Report contains 17 recommendations relating to Agriculture Department. Government were addressed on 26th June, 2002 to furnish the Statement of Action Taken on the recommendations contained in the Report and the final replies were received on 16th July, 2010.

The Committee examined the statements of action taken at its meeting held on 6-1-2005 and 4-8-2010.

The Committee was not satisfied with the action taken by the Government on recommendation Nos.1 and 3 (Para Nos.19 and 21) and decided to pursue the same further. Such recommendations, Government 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. Such recommendations and the Statements of Action Taken by Government are incorporated in Chapter II of this Report.

CHAPTER I

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

AGRICULTURE DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 19)

1.1 The Committee find that the Centrally Sponsored Scheme 'Integrated Programme for the Development of Spices' launched in the State in 1987-88 with a view to increase the production and productivity of selected spices has not achieved the desired objectives. It is seen that the target fixed in certain component of the scheme intended to promote domestic consumption as well as export of spices could not be achieved due to non-availability of planting materials, failure in rehabilitating old pepper gardens, lapses in utilising the funds properly, unauthorised diversion of funds for meeting other expenses etc.
2058/2012.

The Committee are of the strong opinion that Government should take a serious note of the inefficient way of implementation of such schemes in the State and take appropriate action to ensure that such lapses and laxity as had occurred in the implementation of this scheme do not recur.

ACTION TAKEN

1.2 The production target for planting materials was increased and strict directions were given to district level Officers to produce them in the proper time to meet the requirement of farmers under pepper rehabilitation programme and directions were also given to take time bound action for proper utilisation of funds to avoid lapse. Wherever specific instances of lapses are noticed, action will be taken to recover the losses, besides disciplinary action. Copy of Circular No. TS(2) 28983/03 dated 24-6-2003 issued by the Director of Agriculture in this regard is enclosed (App. II).

Further Recommendation

1.3 The Committee opines that there is no mention of for disciplinary action against the Officer who Committed the willful lapse in the Circular. Therefore, the Committee stresses the need for the same in the Circular.

Recommendation

(Sl. No. 3, Para No. 21)

1.4 As per the guidelines issued by Government of India for implementation of Centrally Sponsored Scheme component-wise expenditure should have been maintained separately. However, the Committee noticed that the department had not cared the least to maintain component-wise accounts of expenditure even though the allocation of funds was made component-wise. The Committee feel that it could have been easy to evaluate the achievements had the Department prepared the accounts of the programme component-wise. The Committee desire that responsibility for this lapse should be fixed and action taken against the persons responsible.

ACTION TAKEN

1.5 Though funds allotted were based on component-wise, the expenditure had not been reported component-wise by the Principal Agricultural Officers during 1987-88. Almost all the Principal Agricultural Officers of that period had retired from service and that action will be initiated against those officers still in service, if found responsible for the lapse. In the working instruction issued for the implementation of the scheme during current years, the Principal Agricultural Officers have been strictly directed to furnish component-wise physical and financial achievements in prescribed format.

Further Recommendation

1.6 The Committee notes that even though it had recommended to fix responsibility and take immediate action for the lapse, no action was seen taken. Therefore the Committee reiterates the earlier recommendation that action should be taken against the officials responsible for the lapses.

CHAPTER II

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

(Sl. No. 2, Para No. 20)

2.1 The Committee noticed total neglect and lapses in reconciling the figures of the expenditure of this scheme as per the accounts of the department with those maintained by Accountant General (A&E). Even the accounts of 1987-88 to 1992-93 still remained to be reconciled. The details of variation in figures and reasons thereof were not available with the Agricultural Production Commissioner who appeared before the Committee. The Committee regret to note that the required information though specifically called for has not been furnished, so far. The Committee urge that the differences in figures of expenditure on this scheme as maintained by the Department and Accountant General (A&E) for the past years should be reconciled and the result thereof should be reported to the Committee.

ACTION TAKEN

2.2 The reconciliation of departmental figures of expenditure with that booked by the Accountant General is being carried out regularly and it has been completed up to 2000-2001.

Recommendation

(Sl. No. 4, Para No. 22)

2.3 The Committee noticed that the specific stipulation that a minimum of 10% of the amount allotted should be expended for the benefit of Scheduled Caste and Scheduled Tribes population under this programme had not been complied with. The Committee are dissatisfied with the way in which the allotments made under SCP/TSP Schemes are utilised by Agriculture Department and the failure to ascertain whether the minimum benefit of 10% of the scheme

had actually reached to Scheduled Castes and Scheduled Tribes population. From a note furnished to the Committee (Appendix III) showing percentage of benefits to Scheduled Castes and Scheduled Tribes farmers from 1988-89 to 1999-2000, the Committee understand that the Agriculture Department could not achieve the minimum benefit of 10% in many districts in several years. The Committee recommend to responsibility for lapse in ensuring the minimum benefit of 10% to Scheduled Castes and Scheduled Tribes population should be fixed and stringent action should be taken against guilty.

ACTION TAKEN

2.4 Directions were given to district level Officers to observe guidelines issued (including that SC/ST beneficiaries) for implementation of the scheme and maximum efforts were taken to implement the scheme. The details of SC/ST beneficiaries and percentage of benefit from 1988-89 to 1999-2000 is shown in App. III. In the working instructions issued for the current year also it has been clearly specified that 10% of the target should be utilised for SC beneficiaries and 10% for ST Department level action is being taken against the officers responsible for the lapse.

Recommendation

(Sl. No. 6, Para No. 23)

2.5 The Committee find that while allotting funds for the programme there was delay in the release of funds and 40% to 50% of the funds were released only at the fag end of the year. The Committee also note that it has not been possible for the Department even to ensure proper distribution of funds well ahead of the planting season. Ongoing through the accounts, it is seen that substantial portion of the funds shown as expended actually constituted amounts drawn and kept in treasury accounts without utilisation. The Committee observe that lack of co-ordination between the implementing agencies and Administrative Departments leading to delay in issuing administrative sanction and release of fund in time were the basic reasons for non-utilisation of the funds in the financial year itself. The Committee recommend to evolve appropriate machinery for effective co-ordination for the proper implementation of the scheme.

ACTION TAKEN

2.6 The lapse pointed out by the Public Accounts Committee has been well taken by Government and action is being planned in such a way as to ensure issue of Administrative Sanction at the earliest possible and at any time before 31ST August 2004.

Recommendation

(Sl. No. 6, Para No. 24)

2.7 The Committee find no justification for unauthorised diversion of funds amounting to ₹ 20.13 lakhs in the District Agricultural Farms at Kozha, Areekuzha and Koothali and Principal Agricultural Officers at Idukki and Ernakulam. The Committee reasonably suspect the possibility of similar irregularities in other farms and offices as well. The Committee is distressed in not getting satisfactory explanation for the irregularities even at the time of examination of the audit paragraph and urge that those responsible for the unauthorised diversion of funds may be proceeded against.

ACTION TAKEN

2.8 Diversion of funds in the farms was for meeting the salary, wages and other infrastructure facilities. This was in accordance with Administrative Sanction issued by Government of India and State Government and State Government in their Administrative Sanction order has apart provision to meet the expenditure under salary for the staff and other infrastructure to the tune of 10% of the total provision.

Recommendation

(Sl. No. 7, Para No. 25)

2.9 The Committee also desires to be informed whether irregularities of this nature had occurred, in the districts where audit had not conducted any test check.

ACTION TAKEN

2.10 No instance of this nature have been reported from other districts where audit has not conducted any test check.

Recommendation

(Sl. No. 8, Para No. 26)

2.11 The Committee note with regret that the performance of Agriculture Department in the implementation of various components of the scheme has been far from satisfactory and express dissatisfaction in adopting conventional methods of multiplication instead of modern rapid multiplication techniques by violating the specific recommendation in this regard, by National Research Centre of Spices. The Committee also notice that the Department collected pepper vines from private gardens instead of procuring them from the research centres of ICAR, KAE etc. The Committee do not accept the plea of the Department that the required cuttings were hardly available from these institutions.

The Committee are of the view that it is high time to revamp the programme of development of spices which could not be implemented properly in the State due to the short comings in procurement planting and low rate of survival and growth of the planting materials supplied by the Department. The Committee urge the Government to evolve appropriate steps to popularise the rapid multiplication method which ensures vigorous growth and enhanced production.

ACTION TAKEN

2.12 Even though the, rapid multiplication technique was established in department farms for the propagation of pepper, it was found that the programme was not successful due to a number of reasons including the climatic conditions. The non-availability of mother vines improved varieties from the Research Institutions is the biggest problem in multiplying the planting materials. The practice followed in Departmental Farms for procuring mother vine or multiplication of pepper is to collect from the gardens of progressive farmers which will be visited and certified by the District Level Quality Control Team including Scientists from Kerala Agricultural University. Now progeny garden of improved varieties of pepper is being established in Departmental Farms.

Recommendation

(Sl. No. 9, Para No. 27)

2.13 The Committee regret to note that under the Integrated Programme of Development of Spices, the Agriculture Department has not taken appropriate steps to popularise and propagate the improved and hybrid varieties of pepper developed under different research projects undertaken by Kerala Agricultural University. The Committee point out that lack of adequate publicity about production of new varieties of spices is one of the basic reasons for the non-achievements of target envisaged under this programme. Therefore, the Committee urge to evolve suitable methods so give adequate publicity to popularise newly developed hybrid varieties of spices and to ensure that the benefits of research reaches to the farmers.

ACTION TAKEN

2.14 Necessary steps were taken to give maximum publicity to the improved varieties. Farmers training were organized during previous years under the scheme Technology Mission on pepper, in which adoption of improved/high breeding varieties is included and has been implemented in the State. It is being utilised for dissemination of information on all programmes/schemes and all matters concerning Agriculture.

Recommendation

(Sl. No. 10, Para No. 28)

2.15 The Committee note with dismay that the model gardens set-up to demonstrate the yield potential of high yielding varieties of pepper have not commenced yielding even after the normal period. As traditional varieties of pepper were planted in the place of HYV plants, the model gardens established did not have demonstration value. The programme was drawn up and implemented without any foresight and planning. The Committee desire that the Department should take adequate steps to arrange for the setting up of model gardens which have more demonstration values and thereby beneficial to farmers by utilising funds provided under this programme.

ACTION TAKEN

2.16 The Department have taken all necessary steps to ensure that the model garden set-up under the component, establishment of demonstration plots has more demonstration values and thereby beneficial to farmers. However, the component has been discontinued since 1999-2000.

Recommendation

(Sl. No. 11, Para No. 29)

2.17 The Committee understand that the prescribed quantity of fertilizers and plant protection chemicals were not provided in the input kits supplied. Further, there was reprehensible negligence and laxity on the part of the Department in ensuring the supply of input kits during the planting and manuring season. The Committee vehemently criticise the Department in not ensuring the availability of required quantity of fertilizers and chemicals and the timely distribution of input kits to farmers. The Committee urge the Government to ensure transparency in distribution of recommended quantity of materials to farmers.

ACTION TAKEN

2.18 Schemes for the implementation are now processing well in advance and based on this, permits have been issued to societies for distribution of qualified fertilizers and Plant Protection (PP) chemicals, if fertilizers and chemicals has to be supplied to farmers. Quantity of items issued to farmers is presented before the Agriculture Development Committee for transparency.

Recommendation

(Sl. No. 12, Para No. 30)

2.19 The Committee notice that the Department has not yet initiated any step to get refunded ₹ 10.60 lakh being the cost of the balance quantity of 10600 kits from the Kerala State Co-operative Marketing Federation which the Federation have not supplied. The Committee desire that action should be taken against the officers whose failure resulted in blacking such a large amount with the Kerala State Co-operative Marketing Federation. Urgent steps should be initiated for getting the amount refunded and the present position of refund may be intimated to the Committee.

ACTION TAKEN

2.20 1.5 lakhs kits were supplied in full and advance amount adjusted. The Stock Certificate received from districts have been filed. Details of supply and issue of 1.5 lakh kits of pepper is enclosed (App. IV).

Recommendation

(Sl. No. 13, Para No. 31)

2.21 It was stated during examination of the Audit Paragraph that the Agriculture Department had conducted a study about the adverse impact of pests and disease in the yield. The Committee regret to note that the copy of the Study Report though specifically required has not been furnished and desire that it should be furnished without further delay.

ACTION TAKEN

2.22 Copy of study Report of enclosed (App.V).

Recommendation

(Sl. No. 14, Para No. 32)

2.23 The Committee are concerned to note that in spite of the objective of raising production of spices by replacing the unproductive varieties, the Department failed to conduct field visits during the actual planting and manuring season. The Committee feel that there has been culpable negligence on the part of the field officers of the Agriculture Department also since it was their duty to monitor the rehabilitation of the existing garden by replacing the unproductive vines with high yielding varieties. The Committee desire that action should be

taken against the officers responsible for the lapse in conducting field visits so that recurrence of such instances could be avoided in future.

ACTION TAKEN

2.24 The Department has given strict instruction to the field level officers to execute and monitor the implementation of different components under the scheme in flawless manner. As regards implementation of the said item strict warning has been given to all concerned and they have been directed to avoid any lapse in monitoring the scheme in future.

Recommendation

(Sl. No. 15, Para No. 33)

2.25 The Committee desire that the farm-wise details of implementation of the component. 'Production and distribution of clove and nutmeg seedlings' as promised during evidence may be furnished to the Committee.

ACTION TAKEN

2.26 The farm-wise details of the production of spices are attached separately in (App.VI).

Recommendation

(Sl. No. 16, Para No. 34)

2.28 The Committee feel that whatever had been done by the Agriculture Department for implementation of several components under the programme, they could not achieve the desired physical and financial targets due to lack of foresight, deviation from the recommended procedure and absence of an efficient monitoring system. The Committee wish to underline the need for an effective evaluation of the impact of the scheme as implemented so far on the production and productivity of the selected spices by an external agency. The Agriculture Department should also conduct regular review and evaluation and keep details of impact of the scheme and shortfalls in yield etc., for the successful implementation of the scheme in future by ensuring corrective steps. The Committee, recommend the Government to take immediate steps to conduct an exhaustive study of the impact of the Integrated Programme for the Development of Spices on agricultural sector by an external agency so that the lapses and drawbacks could be avoided in future.

ACTION TAKEN

2.29 The Department has conducted an evaluation study on the impact of pepper. A copy of the same is enclosed as Annexure IV. The Department will conduct regular review and evaluation and will keep the impact of scheme for the successful implementation of schemes in future by ensuring corrective steps.

Recommendation

(Sl. No. 17, Para No. 37)

2.30 The Committee note with serious concern that the Agriculture Department has not made an earnest attempt for the prudent investment of corpus of ₹ 50 lakh towards 'Kissan Nidhi' formulated with the intention to utilise the interest thereon for distribution of awards for outstanding performance in the Agricultural Sector. The Committee are convinced that the Government had suffered substantial loss by way of interest due to administrative delay in transferring the funds from Savings Bank Account to Treasury Fixed Deposit. The Committee recommend to fix responsibility for the inordinate delay in obtaining sanction and proceed against the officers for their lapses in this regard.

ACTION TAKEN

2.31 The Kissan Nidhi Funds materialised after thorough study by expert Committee which framed the guidelines and selection procedure. The funds constituted by contribution from Central and State Government, voluntary organization, local bodies, Co-operative, Government companies, farmers and others for giving awards and prizes to farmers, scientists etc. Hence this fund is not solely a Government fund.

2.32 Director of Agriculture opened an S.B a/c in the name of Director of Agriculture (Treasurer of Kissan Nidhi) in the State Co-operative Bank, Vazhuthacaud Branch for crediting the contributions towards Kissan Nidhi and the action of the Director of Agriculture in having opened an account in the SCB for the said purpose was ratified by Government vide G.O.(Rt.) No. 693/93/AD dated 26-5-1993.

2.33 Again Government as per G.O. (Rt.) No. 1736/93/AD dated 21-12-1993 had accorded sanction to withdraw the amount from SCB and to deposit the amount so withdrawn in the treasury under fixed deposit scheme.

2.34 Accordingly the amount was withdrawn from SCB on 18-1-1994 and deposited in the treasury under Fixed Deposit Account of Director of

Agriculture. From the above mentioned circumstances, it is clear that speedy action was taken by the then officials for withdrawing the amount from State Co-operative Bank and depositing the same in the Treasury Saving Account.

2.35 The fund transfer, took place more than 16 years back. The disposal leading to the Government orders in this regard are seen destroyed and in the absence of the relevant documents and records, it would be almost impossible to fix responsibility for the lapse. It is therefore kindly requested that further action in this regard may be dropped in view of the foregoing facts.

Thiruvananthapuram,
26th June, 2012.

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

APPENDIX I

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusion/Recommendation</i>
1	1.3	Agriculture	The Committee opines that there is no mention of disciplinary action against the Officer who Committed the willful lapse in the Circular. Therefore, the committee stresses the need for the same in the Circular.
2	1.6	Agriculture	The Committee notes that even though it had recommended to fix responsibility and take immediate action for the lapse, no action was seen taken. Therefore the Committee reiterates the earlier recommendation that action should be taken against the officials responsible for the lapses.