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**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

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

**TWENTY SECOND REPORT**  
(Presented on 8<sup>th</sup> December, 2022)



SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2022

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ON  
PUBLIC ACCOUNTS  
(2021-2023)**

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**On**

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

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

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Shri M. Vincent.

*Legislature Secretariat:*

Shri A. M. Basheer, Secretary

Shri Reji B., Additional Secretary

Shri P. S. Selvarajan, Deputy Secretary

Smt. Shamy J., 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 Twenty Second Report on Action Taken by Government on the Recommendations contained in the Seventieth Report of the Committee on Public Accounts (2001-2004).

The Committee considered and finalised this Report at the meeting held on 21st November, 2022.

Thiruvananthapuram,  
8th December 2022.

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

## **REPORT**

This Report deals with the Action Taken by the Government on the recommendations contained in the 70th Report of the committee on Public Accounts (2001-2004).

The 70th Report of the Committee on Public Accounts (2001-2004) was presented to the House on 21st January 2004. The Report contains 11 recommendations relating to All Departments.

Government was addressed on 4-2-2004 to furnish the action taken statements on the recommendations contained above report and the final reply was received on 8-8-2019.

The Committee considered and approved the Action Taken Statements at its meetings held on 21-8-2008, 2-6-2010, 8-9-2010, 11-4-2018, 15-5-2012, 17-7-2013, 19-9-2018, and 4-12-2019 and decided not to pursue further action on the recommendations in the light of the replies furnished by the Government.

The recommendations of the committee (2001-2004) contained in the 70<sup>th</sup> Report and the Action Taken by Government on the recommendations are included in this Report.

### **FINANCE DEPARTMENT**

#### **Recommendation**

(Sl.No. 1, Para No. 3)

The Chairman, Committee on Public Accounts of the Parliament by a letter, drew the attention of the Committee to the mounting arrears in regularisation of excess expenditure and the huge amounts to be recommended for regularisation by the Committees of various State Legislatures due to the apparent non-co-operation of administrative departments. The letter also stressed the necessity to evolve measures to bring down the arrears. The Committee discussed the issue in detail and decided to give utmost priority in the matter. With a view to clear the pendency, the Committee convened a meeting on 11<sup>th</sup> June 2003 with the Secretary, Finance (Expenditure) to discuss the issues regarding regularisation and set a time limit to furnish notes on pending items. The Administrative Departments were

directed to submit notes on all pending cases of excess expenditure on or before 1st September, 2003. As the notes were not received within the time limit prescribed, the Committee summoned the Secretaries of those administrative departments wherein the Committee found heavy arrears and took evidence at the meetings held on 5-11-2003 and 18-11-2003. During discussion the Secretaries assured that notes on pending items would be furnished without further delay.

### **Action Taken**

Directions were issued in Circular No. 27/2004/Fin. Dated 7-5-2004 for the speedy settlement of the backlog of pending cases of excess regularization.

### **Additional Information**

Finance Department have issued strict directions to all departments for proper and prompt regularisation of excess expenditure vide Circular No. 38/2009 Dated: 7-5-2009 and revised hand book have been issued to all departments and also made available in the Publications Link in the Finance Website. The printed copy & CD of Appropriation Accounts of C&AG for each Financial Year are distributed to all departments with directions for the timely regularisation through D.O. letters. The Regularisation of Excess Savings Expenditure of Finance Department had been done upto 2016-17.

### **POWER DEPARTMENT**

There was no excess expenditure over sanctioned grant of Government.

### **INDUSTRIES DEPARTMENT**

Strict direction had been issued to all General Managers of the District Industries Centre by the Director of Industries & Commerce for proper and prompt reconciliation of departmental expenditure and for furnishing reports on monthly basis to the Director of Industries & Commerce.

### **SC/ST DEVELOPMENT DEPARTMENT**

The notes for regularisation of excess expenditure under Grant No. XXV relating to the year 1998-99 and 2000-01 has already been forwarded to Social Welfare Department for consolidation. The notes for regularisation of excess expenditure for the remaining years ie. 1992-93, 1996-97 and 1997-98 will be furnished to Social Welfare Department soon on receipt of the same from Chief Engineer, Public Works Department.

**TAXES DEPARTMENT**

The department had taken immediate steps to forward the notes on regularization within the time limit prescribed by the Committee. The department had furnished the notes on regularization for the year 2003-04. The delay caused due to the incompleteness of reconciliation for the year.

**FISHERIES & PORTS DEPARTMENT**

No excess expenditure is pending regularization in Fisheries & Ports Department.

**TRANSPORT DEPARTMENT**

Government have taken into account the views, expressed by the Committee very seriously and noted for future guidance.

**TOURISM DEPARTMENT**

Noted. Earnest efforts are being taken to furnish notes on pending items without delay. Arrears shall be cleared within 6 months.

**ADDITIONAL INFORMATION SOUGHT BY THE COMMITTEE**

The Committee recommended that the Government should taken disciplinary action against the persons who do not implement the instructions contained in the circular dated 7-5-2004 issued by the Finance Department. The committee also opined that further funds should not be given to departments concerned.

**Action Taken****TOURISM (B) DEPARTMENT**

Based on the recommendations of PAC, Department has verified the prior records and it was seen that the officers who were in charge during the period has already retired from service. In the circumstances, the recommendations may kindly be dropped. It may also be noted that the Department has already complied the instruction contained in the circular dated 7-5-2004 and 19-4-2005.

**LOCAL SELF GOVERNMENT DEPARTMENT**

Local Self Government Department has completed arrears in regularisation of excess expenditure up to 2004-05 by undertaking Treasury reconciliation work.

## REGISTRATION DEPARTMENT

Regularization of excess/savings expenditure had been done upto 2004-05.

## FINANCE DEPARTMENT

**Recommendation**

(Sl.No : 2, Para No. 4)

The Committee is happy to see that its efforts to clear the arrears in regularisation of excess expenditure over Voted Grants/Charged Appropriations is attaining desired results to a great extent. The Committee welcomes the positive approach of the Finance Department and many administrative departments and their recent efforts in getting the pendency cleared and would like to appreciate their co-operation in this regard. The Committee also urges the Government departments to expedite action to furnish notes on the remaining items of excess expenditure pending regularisation.

**Action Taken**

Finance Department has given necessary instructions to all Heads of Departments/Administrative Departments to clear pending cases of excess regularization vide Circular No. 18/2005/Fin. Dated: 19-4-2005.

## ADDITIONAL INFORMATION

Finance Department have issued strict directions to all departments for proper and prompt regularisation of excess expenditure vide Circular No. 38/2009 Dated 7-5-2009 and revised hand book have been issued to all departments and also made available in the Publications Link in the Finance Website. The printed copy & CD of Appropriation Accounts of C & AG for each Financial Year are distributed to all departments with directions for the timely regularisation through D.O Letters. The Regularisation of Excess/Savings Expenditure of Finance Department had been done upto 2016-17.

## REGISTRATION DEPARTMENT

Regularization of excess/savings expenditure had been done upto 2004-05.

## LOCAL SELF GOVERNMENT DEPARTMENT

Government have instructed all Head of Departments to take steps to avoid undue delay in furnishing reconciled statement of expenditure in time under various Head of Account.

### TRANSPORT DEPARTMENT

Urgent action has already been initiated for furnishing notes on the pending items and special care will be taken to avoid accumulation of arrears in regularization of excess expenditure.

### SC/ST DEVELOPMENT DEPARTMENT

The Department will expedite action to furnish notes on remaining items of excess expenditure pending regularisation in future.

### TAXES DEPARTMENT

As per the recommendations of the Committee the department took stringent action to complete the pending regularization works. The department strongly urged to the controlling officers to give top priority to reconciliation works and requested to furnish the details within the time frame stipulated by the Accountant General.

### FISHERIES AND PORTS DEPARTMENT

Notes for regularisation of excess expenditure are not pending in respect of Fisheries & Ports Department.

### TOURISM DEPARTMENT

Earnest efforts are being taken to expedite action to furnish notes on the remaining items of excess expenditure pending regularization.

### GENERAL EDUCATION, HIGHER EDUCATION, SPORTS AND YOUTH AFFAIRS, ART DEPARTMENT

#### **Recommendation**

(Sl.No : 4, Para No. 10)

The Committee notices that the notes explaining reasons for excess expenditure over Voted Grant/Charged Appropriation under Grant No. XVII-Education, Sports, Art and Culture during the years from 1983-84 onwards have not been received till date. The Committee notes with grave concern that the

General Education Department again failed to comply with its assurance given before the Committee hampering the efforts to clear the pendency in regularisation. The Committee considers this as a sheer negligence and disregard towards the Committee and a clear violation of constitutional obligation. The Committee strongly denounces the lethargic attitude of the department of placing impediments to the fulfilment of the constitutional requirements under Article 205 and expresses utter dissatisfaction in this regard. The Committee also notes the administrative departments such as Higher Education, Sports and Youth Affairs, Art and Culture, Power and Science, Technology and Environment also failed to discharge their duty by not furnishing notes on excess expenditure incurred under the Grant No. XVII.

### **Recommendation**

(Sl.No : 5, Para No. 11)

The Committee desires the administrative departments to forward on excess expenditure under Grant incurred, if any, by them during financial years 1983-84, 1984-85, 1989-90, 1990-91, 1991-92 and 2001-2002 the General Education Department consolidation. The General Education Department should take immediate consolidate the notes under Grant and to furnish the same before Committee, after getting them duly by Audit.

### **Action Taken (10 & 11)**

#### **CULTURAL AFFAIRS**

Notes for the regularisation of all the excess expenditure mentioned in the Appropriation Accounts 2010-2011 has already been submitted to the Legislature. In addition to this, the notes submitted by the Higher Education Department for regularising the excess amount in the head 2205-104-99 has been examined by the Public Accounts Committee (2011-14) and included in the 50<sup>th</sup> Report. Therefore there is no balance note pending in Cultural Affairs Department for regularisation of excess expenditure in Grant XVII, up to 2011-12.

#### **HIGHER EDUCATION DEPARTMENT**

The notes for regularisation of excess expenditure under Grant No. XVII, during financial years 1983-84, 1984-85, 1985-86, 1989-90, 1990-91, 1991-92 and 2001-02 have already been furnished.

**SCIENCE AND TECHNOLOGY DEPARTMENT**

Finance (PAC) Department informed that during the period 1983-84 to 2001-02, there is no pendency in respect of excess regularisation relating to Science & Technology Department.

**FINANCE DEPARTMENT****Recommendation**

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

The Committee would also like to note that the Finance Department is expected to play a pivotal role in the process of regularization of excess expenditure instead of being a spectator notwithstanding the lukewarm attitude displayed by some Administrative Department.

**Action Taken**

Apex Committee meeting/AMC meeting also convened to monitor the speedy settlement of the PAC recommendation, Audit paragraphs, excess regularisation etc. Finance Department is monitoring the clearance of pending cases of excess regularization and also avoid the excess expenditure over budget provision vide Circular No. 86/2003/Fin. Dated: 29-10-2003, Circular No. 27/04/Fin. Dated: 7-5-2004, Circular No. 18/05/Fin. Dated: 19-4-2005 and Circular No. 37/05/Fin. dated: 23-6-2005.

**ALL DEPARTMENTS****FINANCE DEPARTMENT****Recommendation**

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

While examining the notes explaining reasons for excess expenditure mentioned in paragraph 15 below, received from the Government Departments, the Committee observes that the Departments lack proper control over expenditure and fail to submit proposals for Demand for Supplementary Grant in time. The Committee notices severe laxity in the reconciliation of accounts also. The Committee would like to reiterate its earlier recommendations in this regard and urges the Administrative Departments to curb the wrong tendencies resurrected in incurring expenditure.

### **Action Taken**

Finance Department have issued strict directions in this regard vide Circular No. 37/2005/Fin. Dated 23-6-2005, Circular No.6/2004/Fin. Dated 20-1-2004. The details of Audit Monitoring Committee meeting held at Administrative Department level during 2004-05 and 2005-06 appended herewith.

### **Fisheries & Ports Department**

The proposals for Supplementary Demand for Grants had been submitted in time every year. Action has been taken for the reconciliation of accounts and to curb wrong tendencies in incurring expenditure.

### **Water Resources Department**

Necessary instructions have been issued to the concerned Heads of Departments within the purview of the section. As far as this department is concerned, no cases of excess expenditure over Grant No. XXXVIII are existing now.

### **LOCAL SELF GOVERNMENT DEPARTMENT**

Strict instructions have already been issued to all concerned to submit Reconciled Statement of Expenditure of each month by the 20th of every subsequent month. Action has already been taken to submit arrear reconciled statement of expenditure at the earliest possible. Care has been taken by the Local Self Government institutions to maintain the expenditure within the provision. If the expenditure is expected to increase over budget provision the money needed for the same would be obtained through additional authorization/Supplementary Demand in time.

### **INDUSTRIES DEPARTMENT**

Strict direction had been issued to all General Managers of the District Industries Centre by the Director of Industries & Commerce for proper and prompt reconciliation of departmental expenditure and for furnishing reports on monthly basis to the Director of Industries & Commerce.

### SC/ST DEVELOPMENT DEPARTMENT

The Department is exercising control over the expenditure and proposals for Demand for Supplementary Grant is made in time. Efforts are made for reconciliation of Accounts within the prescribed time limit positively.

### TAXES DEPARTMENT

The Department has taken strong and effective measures to limit its expenditure within the Grant. Also encouraging departmental inspection in connection with effective controlling of fund management. Department has also taken steps to submit proposals for SDG within the time limit stipulated by Government.

### PLANNING AND ECONOMIC AFFAIRS DEPARTMENT

Strict instructions were issued to all the Heads of Departments concerned to watch and ensure proper care and control over the expenditure in terms of the Budgetary Provision and submit proposals for Demand for Grants, if any, in time without fail and to effect monthly reconciliation of accounts with the Accountant General (A&E) vide Government letter No. 1354/P/08/Plg. Dated: 14-7-2009.

### REGISTRATION DEPARTMENT

This Department submits the SDG proposals in time and reconciliation of accounts had done up to January 2010.

### TRANSPORT DEPARTMENT

Strict instructions have already been given to the Heads of the Departments to act as per the observation of the Committee scrupulously while incurring expenditure and to expedite action to clear the remaining items of excess expenditure in a war footing.

### **Recommendation**

(Sl.No : 6, Para No. 17)

The committee realizes that on certain occasions the Government Departments may resort to excess expenditure due to reasons beyond their control. But the Administrative Departments should strictly adhere to time limit set to

submit notes on excess so that the Committee could examine and recommend for regularization. The Committee also would like to note the significance of the role to be exercised by the Finance Department to monitor the Functions regarding regularization of excess expenditure and desires to Co-ordinate the activities relating to the same.

### **Action Taken**

#### **FINANCE DEPARTMENT**

Finance Department have issued strict directions in this regard vide Circular No. 37/2005/Fin dated 23-6-2005, Circular No.6/2004/Fin dated 20-1-2004.

### **Additional Information**

Finance Department have issued strict directions to all departments for proper and prompt regularisation of excess expenditure vide Circular No. 38/2009 Dated: 7-5-2009 and revised hand book have been issued to all departments and also made available in the Publications Link in the Finance Website. The printed copy & CD of Appropriation Accounts of C&AG for each Financial Year are distributed to all departments with directions for the timely regularisation through D.O. letters. The Regularisation of Excess Savings Expenditure of Finance Department had been done upto 2016-17.

#### **INDUSTRIES DEPARTMENT**

Instructions had been issued to all sections of Industries Department for strict compliance.

#### **SC/ST DEVELOPMENT DEPARTMENT**

The Department will strictly adhere to time limit set to submit notes on excess expenditure for regularisation in future.

#### **LOCAL SELF GOVERNMENT DEPARTMENT**

Departments under Local Self Government in Government is taking care to regularise the excess expenditure. Treasury reconciliation are also being done intensively. In Urban Affairs Department, there occurred some excess expenditure due to misclassification in accounts in some heads of account. Steps have already been taken to rectify these.

TAXES DEPARTMENT

The view of the committee is exactly right that in many occasions the expenditure becomes excess due to reasons beyond control of the department. Department is very vigilant to furnish the notes of excess expenditure in time to administrative department.

TRANSPORT DEPARTMENT

Noted the observation for future guidance for limiting expenditure under budgetary provisions with strict budgetary control.

FISHERIES & PORTS DEPARTMENT

The release of funds are done within the Budget Provision. Proposals for regularization of additional authorization, if any, are submitted in time.

WATER RESOURCES DEPARTMENT

Noted for future guidance.

REGISTRATION DEPARTMENT

Regularization of excess / savings expenditure had been done up to 2004-05.

FISHERIES DEPARTMENT

**Recommendation**

(Sl.No : 7, Para No. 19)

While examining the notes on excess expenditure the Committee noticed that most of the savings occurred was mainly under the welfare schemes such as pension funds and development assistance to poor fishermen. The Committee observes that the savings under welfare schemes reveals that the desired goals envisaged in those schemes are not achieved resulting in denial of benefits to thousands of poor fishermen. The Committee urges the department for the proper and effective utilisation and management of the funds meant for welfare schemes in future.

### Action Taken

Department is giving special attention for the implementation of the Welfare Schemes to the fishermen. Also department ensure that the funds set apart for the Welfare Schemes are fully utilized. A statement showing the expenditure position right from 1991-92 in respect of the following schemes, are also appended:

1. Old age pension to Fishermen
2. NFHF Housing Scheme
3. Savings-cum-Relief Scheme and
4. Group Insurance Scheme, The Statement reveals that there is progress in expenditure towards the schemes meant for welfare.

#### EXPENDITURE STATEMENT

Year	Budget Provision (Rs. In lakhs)	Expenditure (Rs. In lakhs)
<b>1. Old Age Pension to Fishermen</b>		
1991-92	168.00	168.00
1992-93	216.00	216.00
1993-94	216.00	216.00
1994-95	216.00	216.00
1995-96	466.00	327.00
1996-97	300.00	317.16
1997-98	300.00	300.00
1998-99	300.00	300.00
1999-2000	300.00	300.00
<b>2. NFHF Housing Scheme</b>		
1991-92	11.85	11.85
1992-93	140.00	143.92
1993-94	140.00	136.25

1994-95	140.00	214.87
1995-96	275.00	263.50
1996-97	300.00	259.09
1997-98	300.00	279.94
1998-99	600.00	595.20
1999-2000	600.00	597.60
<b>3. Savings-Cum-Relief Scheme</b>		
1991-92	124.33	124.33
1992-93	400.00	393.00
1993-94	600.00	584.09
1994-95	600.00	528.81
1995-96	650.00	745.61
1996-97	570.00	601.60
1997-98	650.00	580.25
1998-99	650.00	650.00
1999-2000	650.00	674.50
<b>4. Group Insurance Scheme</b>		
1991-92	17.48	17.48
1992-93	16.00	14.39
1993-94	20.00	14.59
1994-95	16.00	12.10
1995-96	20.00	16.67
1996-97	20.00	17.00
1997-98	20.00	17.00
1998-99	20.00	20.00
1999-2000	20.00	20.00

## FOREST AND WILD LIFE DEPARTMENT

**Recommendation**

(Sl.No : 8, Para No. 21)

The Committee understands that the expenditure incurred under this Grant was unavoidable. The Committee is not convinced with the reasons for the inordinate delay in furnishing the notes to get the excess regularized. The argument of the department for the delay that it could not locate the exact forest division which had incurred the excess expenditure is not tenable. The Committee is of the view that had the department taken timely action, the details could have easily been traced out from the relevant records. The Committee cannot admit the lame excuses adduced by the department in this regard and urges the department to avoid such instances in future.

**Action Taken**

In view of the remarks of PAC, strict instructions have been issued to all Chief Conservator of Forests, Conservator of Forests, Assistant Forest Conservators and Divisional Forest Officers that the expenditure should not exceed the Budget allotment, on any account. Further instruction has been issued to review the expenditure on monthly basis.

The Principal Chief Conservator of Forests (PCCF) has been instructed to take necessary action to get the excess expenditure under the grant regularised, without any delay and to instruct all the departmental officers to avoid this sort of lapses in future.

**Recommendation**

## FINANCE DEPARTMENT

(Sl.No : 9, Para No. 22)

Subject to the above observations/ comments the excess expenditure over Voted Grants/Charged Appropriations for the years 1989-1990 to 2001-2002 as detailed in the paragraph 15 are recommended for regularisation under Article 205 of the Constitution.

**Action Taken**

The Demands for Excess Grants and the connected Appropriation Bills for regularizing the excess expenditure over Voted Grant/Charged Appropriation for the years 1989-90, 1991-92, 1993-94 , 1994-95, 1996-97 and 1998-99 to 2001-02 as recommended in the 70<sup>th</sup> Report, have been passed by the Legislative Assembly in September 2004. The connected Appropriation Acts (No. 14, 15, 16, 17, 18, 19, 20, 21, 22 of 2004) have been published as Kerala Gazette Extra Ordinary dt. 5-10-2004 (Vide Gazette Nos. 2107 to 2115 dt. 5-10-2004).

**REGISTRATION DEPARTMENT**

Regularization of excess/savings expenditure had been done upto 2004-05.

**FISHERIES AND PORT DEPARTMENT**

Noted. It is felt that no action is due at this end.

**LOCAL SELF GOVERNMENT DEPARTMENT**

No excess expenditure for the years 1989-90 to 2001-02 are there to be got regularized as far as Rural Development Department, Panchayat Department and Urban Affairs Department are concerned.

**TAXES DEPARTMENT**

The Department already submitted its proposals for regularization of excess expenditure for the period shown in the recommendation.

Thiruvananthapuram,  
8th December, 2022.

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