

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

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

SEVENTH REPORT

On

**Action Taken by Government on the Recommendations
contained in the Seventieth Report of the Committee
on Public Accounts (1998-2000)**

432/22

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COMMITTEE ON PUBLIC ACCOUNTS

(2021-2023)

COMPOSITION

Chairman:

Shri Sunny Joseph.

Members:

Shri Manjalamkuzhi Ali

DR. K. T. Jaleel

Shri C. H. Kunhambu

Shri Mathew T. Thomas

Shri M. Rajagopalan

Shri A. N. Shamseer

Shri P. S. Supal

Shri Thomas K. Thomas

Shri K. N. Unnikrishnan.

Shri M. Vincent

Legislature Secretariat:

Shri S. V. Unnikrishnan Nair, Secretary

Shri Reji B., Joint Secretary

Shri R. Venugopal, Deputy Secretary.

Smt. Shamy J, Under Secretary

INTRODUCTION

I, Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Seventh Report on Action Taken by Government on the Recommendations contained in the Seventieth Report of the Committee on Public Accounts (1998-2000).

The Committee considered and finalised this Report at the meeting held on 11th March, 2022.

Thiruvananthapuram,
11th March, 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 (1998-2000)

The 70th Report of the Committee on Public Accounts (1998-2000) was presented to the House on 13th July 1999. The Report contained 11 recommendations relating to Public Works, Agriculture (AH), and Water Resources Departments.

Government was addressed on 19th July 1999 to furnish the Statements of Action Taken on the recommendations contained in the Report and the final reply was received on 10 May 2018.

The Committee examined the action taken statements at its meetings held on 7-8-2002, 14-3-2001, 17-12-2003, 6-1-2009, 8-9-2010, 18-12-2013 and 18-7-2018.

The Committee did not satisfy with the Statements of Action Taken by Government on recommendation No. 10 (Para No. 30) and decided to pursue it further. The recommendations, the replies from the Government and further recommendations of the Committee are incorporated in chapter I of this Report.

The Committee decided not to pursue further on the remaining recommendations in the light of the replies furnished by Government. These recommendations and their replies are incorporated in chapter II of this report.

CHAPTER I

**RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN BY
THE GOVERNMENT IS NOT SATISFACTORY AND WHICH
REQUIRES REITERATION****PUBLIC WORKS DEPARTMENT**Recommendation

(Sl. No. 10, para No. 30)

1.1 Regarding the construction of school buildings pending with the Corporation, the Managing Director has forwarded his suggestion to the Government, copy of which was made available to the Committee(Appendix I) The Committee recommend Government to consider the proposals of the Corporation and to make available sufficient fund for the work so as to avoid further loss on account of cost escalation.

Action Taken

1.2 Construction of following school buildings were entrusted to KSCC Limited:

- Govt. High School, Attingal
- Govt. High School, Aruvikkara
- Govt. High School, Vakkom
- Govt. High School, Ezhur
- Govt. High School, Pallikkunnu
- Govt. UP School, Anikkad
- Govt. UP School, Kappad

The above works awarded to KSCC Ltd. were at standstill due to non-availability of funds, consequent on the coming into force of Panchayathiraj Act on 2-10-1995, Local Self Government Institutions were vested with the responsibility of construction and maintenance of buildings for Government

schools and no funds were provided to education department for those works. Subsequently the construction of above school buildings were handed over to concerned local bodies for the timely completion of work by meeting the expenditure from the funds allotted to local bodies.

Further Recommendation

1.3 The Committee recommends that a special grant should be provided in addition to plan fund, to the concerned Local Self Institutions for timely completion of the construction of the school buildings.

CHAPTER II

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

PUBIC WORKS DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 21)

2.1 The intention behind the formation of Kerala State Construction Corporation Ltd. was to function as a Civil Construction Agency to thwart collusion by private contractors and bring about economy in construction works. But the Committee are constrained to note that the performance of the Corporation is far from satisfactory.

Recommendation

(Sl. No. 2, Para. No. 22)

2.2 Acknowledging the fact due to the emergence of the Corporation, private contractors could be kept back to a considerable extent from quoting exorbitant rates the Committee opine that the inordinate delay on the part of the Corporation in completing the works entrusted to it often leads to cost escalation and as a result the user departments have to pay more on the works had it been arranged direct through contractors.

Action Taken

2.3 Paras 21 & 22 Inadequacy of working capital is the main reason for the unsatisfactory functioning of the Kerala State Construction Corporation. In order to overcome this difficulty Corporation has taken steps to borrow a loan of the tune of ₹ 25 crore from HUDCO. By this venture, it is expected that most of the problems now faced by the Corporation can be tackled more effectively and efficiently than ever before.

Recommendation

(Sl. No. 3, Para. No. 23)

2.4 The Committee notice that out of the 55 works awarded to Kerala State Construction Corporation up to March 1987, only 22 are completed and the remaining works, including those awarded prior to 1980 are still at different stages of execution. The reasons attributed for the poor progress of the works were delay in finalisation of design, preparations of detailed estimates and allotment of funds etc. The details as to the number of works completed till date, present position of the incompleted works, up to date expenditure incurred on them, the amount required for their completion etc. should be furnished to the committee.

Action Taken

2.5 Out of the 55 works, 44 works were completed and handed over. Partially completed and surrendered are 10 and work yet to be completed is One. That is VBI, Palode. A statement showing details of 55 works undertaken by KSCC up to 31-3-1987 is enclosed. With reference to VBI, Palode total cost/expenditure is ₹ 291.73 lakh. Further investment required for completion is ₹ 2 lakh.

Recommendation

(Sl. No. 4, Para. No. 24)

2.6 Although the DRIQ Board was constituted with the main objective of curtailing delay in preparation of designs, the committee has come across instances where delays of more than 6 years have occurred in finalising design. In certain cases the designs turned out to be faulty and unsuitable to the site condition. It is evident from the additional information furnished to the committee later

(Appendix III) that as many as 62 works are pending with the DRIQ Board from periods ranging from 1991 to 1997 for want of details from the field/soil investigation report/architectural drawings etc. The Committee opined that the Department should think of entrusting the preparation of design to the bodies like National Transportation Planning and Research center (NATPAC)

Recommendation

(Sl. No. 5, Para. No. 25)

2.7 The Committee also recommends that the Design Wing should be strengthened inducting efficient and earnest personnel.

Action Taken

2.8 Paras 24 & 25 regarding the 62 works pending for want of details, suitable actions were taken by the DRIQ Board to obtain sufficient details from the field officers for the completion of design.

The investigation work are being taken up either by the Investigation and Planning Sub Divisions under the control of Roads Division or by an agency entrusted with the work by the concerned Executive Engineers. One of the objectives envisaged while constituting the DRIQ Board was to undertake Investigation and Quality Control of all PWD works under a separate wing: Accordingly Government sanctioned the post of Director (Investigation and Quality Control). The supporting staffs are proposed to be deployed from other wings. The proposal for the formation of investigation and Quality Control Circle office at Thiruvananthapuram, reorganisation of investigation and Planning sub divisions is under consideration of Government.

Recommendation

(Sl. No. 9, Para. No. 29)

2.13 During the course of witness examination, the Committee also came to know that Finance Inspection Wing had conducted an enquiry into the leakage of laboratory building. They recommended that the persons found responsible should be brought to book. The findings of the Finance Inspection Wing, and action taken on the basis of the enquiry report should also be furnished to the committee.

Action Taken

2.14 The following officers of the Kerala State Construction Corporation were in-charge of the design and construction of the project 'VBI Palode' while they were on deputation from Public Works Department:

1. Shri V. Ramachandran Nair - Architect
2. Shri A.V. Venugopal - Assistant Design Engineer
3. Shri V. Ranganathan - Design Engineer
4. Shri P. Thomas - Senior Engineer
5. Shri C.V. Antony - Managing Director

Out of the above, two officers A. V. Venugopal and P. Thomas have since expired. Others retired from service long back even before obtaining the report from the Finance Wing.

Since none of the officers is in service, action against them could not be taken on the basis of the report. In the circumstances, it is requested that further proceedings in the matter may be kindly be dropped.

AGRICULTURE (AH) DEPARTMENTRecommendation

(Sl. No. 6, Para. No. 26)

2.9 It is alarming to note that the construction of the main laboratory building of Veterinary Biological Institute, Palode awarded to the Corporation in 1977 stipulating completion in 1981 has not yet been completed. During evidence the Committee were told that 85 % of the civil works were completed in 1981 and the balance work could not be taken up for want of sufficient funds. The witness (MD,KSCC) informed that no work was done from 1982 to 1995 and when the work was resumed after preparing revised estimates for ₹ 27 lakh, problems such as leakage of roof, structural defects etc. crept in. He further stated that ₹ 120 lakh more is required for completing the work as some additional works have also become unavoidable after a period of 20 years.

Recommendation*(Sl. No. 7, Para. No. 27)*

2.10 The Committee are of the view that there should be some co-ordinated efforts between the Animal Husbandry Department, and Construction Corporation for completing the work of Laboratory building in a time-bound manner especially in the wake of the proposal to make the VBI an autonomous institution.

Recommendation*(Sl. No. 8, Para. No. 28)*

2.11 The committee recommend that a sum of ₹ 120 lakh should be provided for this through additional authorisation.

Action Taken*(Paras. 26, 27, 28)*

2.12 The construction of the laboratory building of the Institute of Animal Health & Veterinary Biological's, palode has already been completed and the building was formally inaugurated on 25-7-2000.

Actual amount of ₹ 3,44,70,962 has been spent for the construction of the building. The laboratory is functioning in full swing in the newly constructed building.

WATER RESOURCES DEPARTMENTRecommendation*(Sl. No. 11, Para. No. 31)*

2.15 It is appalling to note that the construction of 'Onambalam - Cut', Commenced in 1987, was discontinued mid way due to non-receipt of design from Irrigation Department. The Committee notice that after the work was handed over to irrigation Department no effective steps was taken by this Department and the work had been at a standstill for the last four years. The Committee consider it

unfortunate that the laudable objective of diverting flood waters from Chittumalachira(East Kallada) could not be achieved due to laxity on the part of the Department, and that lakhs of rupees spent on the project has become dead investment. The Committee therefore, strongly recommended to complete the work so as to avoid the expenditure already incurred, becoming infructuous.

Action Taken

2.16 The issue relates to the construction of cut a Onambalam for diverting flood water from Chittumala chira in East Kallada. Revised Administrative Sanction for the work for an amount of ₹ 29.42 crore was prepared as per the schedule of Rates 2010. In the mean time as per the request of the local people received during the visit by the Chief Engineer, IDR B, it was decided to change the proposals of submersible earthen bunds. The design was received from IDR B during April 2012 and detailed estimate is prepared. The estimate amount is 29.5 crores. The estimate is under scrutiny of office of the Chief Engineer (I&A). On issuing revised Administrative Sanction and Technical Sanction the work will be put to tender.

Further Recommendation

2.17 " The Committee directed the Department to furnish the present position of the construction work of 'Onambalam Cut'. Committee also directed to enquire whether there is any need to persue this work"

Action Taken

2.18 The work related to the Chittumala Chira has been handed over to the Minor Irrigation Division, Kollam. They had made proposal for the revamping of the Chittumala chira as well as for draining the chira to the Kallada River, This project was phased into 3 phases. Phase1, Phase2, and Phase 3. The Phase 1 includes desilting of Naduthodu and river draining works to the Naduthodu for enabling the flow of excess water from the Chittumala chira to the near by Kallada river.

The Chief Engineer (I&A) has requested to accord revised Administrative Sanction for phase I of the Chittumala Chira Project for an estimate amount of ₹ 500 lakh and accordingly Revised Administrative Sanction was accorded for phase I of the Chittumala Chira Project as per G. O. (Rt.) No. 150/2014/WRD dated 12-2-2014 by revoking Administrative Sanction issued for the Project earlier vide G. O. (Rt.) No. 902/2009/WRD dated 4-8-2009, and G. O. (Rt.) No. 1356/2010/WRD dated 30-11-2010. 40% of work is completed and the balance work is ongoing . Also the construction works of 3.nos of vented cross bars are remaining in phase I. In phase 2 and phase 3, the work of Regulator cum bridge and subsequent renovation works of the Chittumala Chira are proposed.

Once these proposals are materialised the excess flood from the Chittumala chira can be drained into Kallada River through the Naduthodu facilitating agricultural production in the adjacent areas of Chira. The scope and benefit which was envisaged with the construction of Onambalam cut will be met. Once the three phases of minor irrigation works are completed. Hence it is presumed that the balance work of Onambalam cut need not be proceeded with, as envisaged earlier.

The Chief Engineer (I & A) has also been given direction to furnish proposals for phase II and III of Chittumala Chira project to Government.

SUNNY JOSEPH,

Chairman,

Public Accounts Committee.

Thiruvananthapuram,
11th March, 2022.

APPENDIX

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para. No.	Department Concerned	Conclusion/Recommendation
1	1.3	Public Works Department	1.3 The Committee recommends that a special grant should be provided in addition to plan fund, to the concerned Local Self Institutions for timely completion of the construction of the school buildings.