

**TWELFTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2006-2008)**

**THIRTEENTH REPORT**

(Presented on 18th October, 2006)



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM**

2006

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2006-2008)**

**THIRTEENTH REPORT**

**On**

**Action taken by Government on the Recommendations contained  
in the Hundred and Thirty Second Report of the Committee  
on Public Accounts (1995-96)**

1006/2006.

## CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1
Appendix :	
I Summary of Main Conclusions/Recommendations ..	10

COMMITTEE ON PUBLIC ACCOUNTS (2006-2008)

*Chairman :*

Shri Aryadan Muhammed

*Members :*

- Shri C. T. Ahammed Ali
- ” Alphons Kannanthanam
  - ” P. Jayarajan
  - ” K. M. Mani
  - ” K. P. Mohanan
  - ” C. K. P. Padmanabhan
  - ” M. Prakashan Master
  - ” Thiruvanchoor Radhakrishnan
  - ” N. Rajan
  - ” A. K. Saseendran

*Legislature Secretariat :*

- Dr. M. C. Valson, Secretary  
Shri K. Ravikumar, Deputy Secretary  
Smt. M. T. Eleykutty, 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 Thirteenth Report on Action Taken by Government on the Recommendations contained in the Hundred and Thirty Second Report of the Committee on Public Accounts (1995-96).

The Committee considered and finalised this Report at the meeting held on 11th October, 2006.

ARYADAN MUHAMMED,

Thiruvananthapuram,  
18th October, 2006.

*Chairman,  
Committee on Public Accounts.*

## **REPORT**

This Report deals with the action taken by Government on the recommendations contained in the 132nd Report of the Committee on Public Accounts (1995-1996).

The 132nd Report of the Committee on Public Accounts (1995-96) was presented to the House on March 19, 1996. The Report contained Twelve recommendations relating to Higher Education Department. Government were addressed on 8th April 1996 to furnish the statements of action taken on the recommendations contained in the Report and the final replies were received on 10-6-2005.

The Committee examined the statement at its meetings held on 5-7-2000 and 18-8-2005.

The Committee was not satisfied with the action taken by Government on recommendation No. 1, 7, 8, 9 and 11 & 12 [Para No. 18, 24, 25, 26, 28 and 29] and decided to pursue it further. The recommendations, its replies thereon and further recommendations of the Committee are included in Chapter I of this Report.

The Committee decided not to pursue further 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 the action taken by Government  
is not satisfactory and which require reiteration**

## HIGHER EDUCATION DEPARTMENT

**Recommendation***(Sl. No. 1 Para No. 18)*

1.1 The Committee note with deep concern the gross irregularities in the functioning of the Calicut University resulting from the administrative lapse of high magnitude and very poor cash management. Though the Provident Fund subscriptions of the employee for a month were to be remitted into the treasury before the 10th of the succeeding month as per rules, they had been remitted into the treasury after delays ranging from one month to nine months. This has resulted in loss of interest amounting to Rs. 31.31 lakhs on such delayed remittances. The Committee were told that responsibility for the loss had not been fixed. The Committee urge that action in this regard should be taken and responsibility should be fixed for the diversion of the General Provident Fund subscription for other purposes.

**Action Taken**

1.2 As ascertained from the University the following details are furnished:

**Loss of interest of investment to PF**

1.3 It is true that the University had delayed the remittance of Provident Fund contributions deducted from the salary of the University employees. But it was not due to the administrative lapse or poor financial management. In this connection the following facts are furnished:

1.4 The Non-Plan Grant fixed for this University was not enough even to pay the salary of the employees. Besides staff salary a lot of other inevitable payments have to be met from this grant. A huge amount had to be set apart for the conduct of examinations and centralised valuations. If the examination results were delayed it will tell upon the future of the students taking examinations, inviting criticism from the students, parents and press. The heavy expenditure on centralised valuation was worsening the already precarious financial position of the University.

**Further Recommendation**

1.5 **The Committee observes that delayed remittance of Provident Fund contributions deducted from the salary of employees to the treasury is a**

**criminal negligence on the part of the University. The reason put forth by the University for this is not at all satisfactory. The action of the University is highly irregular and violation of Provident Fund Rules. Committee recommends that Government should issue strict instructions to the University not to repeat such actions in future.**

**Recommendation**

*(Sl. No. 7 Para No. 24)*

1.6 The Committee observe that there was lapse on the part of the officials in non adjustment of temporary advances amounting to Rs. 2.95 crores paid to the officials of the University during the period from 1975-76 to 1989-90. As per the procedure, only three advances can be paid to officials. Until these advances are settled, they should not be paid further advances. Moreover advances should be adjusted within one month of its drawal.

**Action Taken**

1.7 The position of the amount of advances pending adjustment with year-wise break up are furnished in all the provisional payment registers and the same are attested by the Finance Officer. At the beginning of the financial year D. O. letters along with list of pending advances are sent to the Heads of Departments requesting them to forward the remaining vouchers for pre-audit.

**Further Recommendation**

**1.8 The Committee observes that the reply received from the Government is not satisfactory. The Committee desires to get a specific reply to the recommendation and requires that year-wise details of the present position regarding adjustment of advances should be furnished within one month.**

**Recommendation**

*(Sl. No. 8 Para No. 25)*

1.9 The Committee understand that staff settlement of advances was being delayed and proposals for disciplinary action for non adjustment of advances were under consideration of the University. But the Committee were now told that disciplinary action has not been taken so far. The Committee want to know the reason for the delay in this regard.

**Action Taken**

1.10 Strict measures are being taken against Officers/Heads of departments who have defaulted themselves in the adjustment of advances. The University has decided not to give further advances to Heads of depts/Officers who have not submitted accounts for the pending advances.

### **Further Recommendation**

**1.11 The Committee desires to be informed about the action taken against those officers who had defaulted in the adjustment of advances. If no action has been taken so far, the reason for this may be intimated to the Committee within one month.**

### **Recommendation**

*(Sl. No. 9 Para No. 26)*

1.12 The Committee note that out of the advances aggregating to Rs. 2.95 crores, Rs. 1.78 lakhs is still pending adjustment. The Committee desires to be intimated the action taken for settlement of the outstanding advances and the progress achieved in this regard.

### **Action Taken**

1.13 It may please be seen that an amount of Rs. 1,73,63,999 had been adjusted as on July, 1995 out of Rs. 295.00 lakhs as on Feb 91. And again, out of the remaining Rs. 1,21,45,091 pending Rs. 46,55,891 has been adjusted as on June 19ruary 1996. The balance amount of Rs. 74,89,200 is in the process of being adjusted.

### **Further Recommendation**

**1.14 The Committee would like do be informed whether interest has been levied on the belated adjustments if not action should be initiated to levy interest. The present position in this regard should be intimated to the Committee within one month.**

### **Recommendation**

*(Sl. Nos. 11 and 12 Para Nos. 28 and 29)*

1.15 The Committee understand that the court had ordered in 1988 departmental enquiry against three employees of the University who were involved in the misappropriation of an amount of Rs. 23,000 in 1988. The enquiry was initiated only after three years from the court order in April 1991. Even though six years have lapsed it was not finalized. The Committee note some kind of vicious interplay involved in this theft case in deliberately delaying action against the culprits.

1.16 The Committee feel that further delay in the case cannot be justifiable since 6 years had elapsed. The Committee strongly recommend that the enquiry should be completed without further delay and appropriate action should be taken against the officials concerned.

### **Action Taken**

1.17 Though there was delay in initiating action, the Syndicate on 6-1-1998 considered the defalcation of money and decided to recover the money from the culprits and the amount in full has been recovered.

1.18 The three accused officers were P. Surendran, Deputy Registrar, P. Abdul Azeez, Assistant Grade I, P. Bhaskaran, Assistant Grade II. As per the decision of the Syndicate the sum of Rs. 23,000 has been recovered in equal share from the concerned persons. There after the Syndicate has again, decided for the recovery of Rs. 40,039 as interest on the misappropriated amount from the three accused persons.

1.19 Considering the petitions from the three accused officers, the Hon'ble Chancellor of the University of Calicut had ordered vide order dated 3-11-1999 to set aside the order of recovery of Rs. 40,039 and accordingly University has issued order vide U. O. No. A.d. F1/7996/88 dated 20-3-2003 cancelling the order to recover the interest amount from the three officers.

The three officers retired on following dates :

- P. Surendran, Deputy Registrar – 31-8-2002
- P. Abdul Azeez, Assistant Grade I – 31-7-2003
- P. Bhaskaran, Assistant Grade II – 31-8-2003

As reported by the University, the Syndicate at its meeting held on 6-1-1998 considered the enquiry report on Defalcation of money and resolved to impose the penalty of recovery of Rs. 23,000 from the salary of

- (1) Shri P. Surendran, Assistant Registrar.
- (2) Shri P. Abdul Azeez, Assistant Grade I and Sri P. Bhaskaran, Assistant Grade II. As such the amount has been fully recovered.

### **Further Recommendation**

1.20 **The Committee finds that Government had recovered the defalcated amount from the accused officers in equal share without considering the difference in their designation. The Committee would like to point out that dividing the amount due to the University equally among the officers without taking into account their rank was unfair.**

## 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. 2 Para No. 19)*

2.1 The Committee notice that the belated remittance was due to the non-receipt of the grants due from the State Government in time. Thus the University was compelled to divert the Provident Fund contributions for other purposes such as payment of salary, pension etc. This cannot however be attributed as sufficient justification for withholding the Provident Fund subscription without authorisation. No authority is competent to take such decision. The Committee also recommend that the grants due to the University from the State Government should be released in time.

**Action Taken**

2.2 There is no delay in according sanction for payment from Higher Education Department. However, at times university might not be getting clearance of Finance Department for the entire amount at a stretch. This is due to the financial stringency the Government may experience at times.

**Recommendation***(Sl. No. 3 Para No. 20)*

2.3 About to the present position of arrears the Committee were informed that before 1984, Rs. 134 lakhs was to be remitted. Out of which Rs. 50 lakhs was since remitted. The arrears had not further accumulated after 1984. The Committee recommend that entire amount pending remittance should be remitted without delay.

**Action Taken**

2.4 The pending Provident Fund remittance during the year 1990-91 was Rs. 134 lakhs. Out of this an amount of Rs. 50 lakhs was remitted on 6-3-1993. The balance amount of Rs. 84 lakh was remitted on 6-4-1999.

**Recommendation***(Sl. No. 4 Para No. 21)*

2.5 Regarding the deposit of Provident Fund in time deposits in Post Office and Scheduled Banks, the Committee were informed that though the interest of

Provident Fund deposits was enhanced from 1986-87, the information was received only by the end of 1987, and that 44.71 lakhs had since been deposited in the Treasury after withdrawing from Post Office. No deposits is there in the Post Office now. The Committee are of the opinion that the wisdom lies in depositing money in the Treasury rather than depositing in Post Office Recurring Deposit and Banks.

#### **Action Taken**

2.6 Every possible effort has been made during the past to enforce financial discipline in this University. The University has not created any new posts of Teaching or Non-teaching except the bare minimum in the Examination Branch. All avoidable expenditure have also been curtailed. Even then the monthly non plan grant fixed by the Government is found not sufficient for the payment of the salary of the employees. A statement of expenditure on accounts of salary disbursement during the last 6 months are shown below for ready reference.

Month	Gross pay	Monthly grant	Deficit
9/95	9606924	8643000	963924
10/95	10274645	8643000	1631645
11/95	9644428	8643000	1001428
12/95	12086587	8643000	3443587
1/96	10320258	8643000	1677258
2/96	13296946	8643000	4653946

#### **Recommendation**

*(Sl. No. 5 Para No. 22)*

2.7 The Committee observe that the 'Microfiche' camera received in May 1986 and installed in December 1986 for microfilming the reading materials to be preserved was idle for the last eight years because of the absence of necessary dark room facility. The very purpose of the camera could not therefore be achieved. The Committee feel that there were serious lapses on the part of the University especially on the part of the Librarian. The investments of Rs. 0.50 lakh on the procurement of the camera and consumables had consequently remained unfruitful.

#### **Action Taken**

2.8 In the absence of a darkroom in the library the Microfiche' Camera could not be used and it has to be eventually shifted to the Art and Photography Unit of the University which has all the Photographic facilities. As the Art and Photographic Unit is a centralised service point, all the departments of the University are availing themselves of the benefits of the camera.

**Recommendation**

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

2.9 The Committee were displeased over the divergent statement regarding the procurement of the camera. The Government Secretary stated that it was a gift from the Swiss Government. But in a reply dated 10-6-1994, furnished by Government in this regard it has been stated that the Camera was not a gift but it was purchased from National Remote Sensing Agency, Hyderabad, a Government of India undertaking. The Registrar of Calicut University informed in his letter dated 1-6-1995 that the instrument named Microfiche Reader had been received as a gift from Switzerland, and the Microfiche Camera had been purchased from National Remote Sensing Agency, Hyderabad. He has further informed that the information given to the Committee was out of a confusion between Microfiche Camera and Microfiche Reader and requested to excuse the mistake. The Committee take a serious note of the irresponsible way of replying in the Committee without properly verifying the facts. Government had sufficient time, right from the time of the draft audit para to verify the authenticity of the information. Instead, the Registrar had simply sought information over telephone from the Assistant Librarian working under him in the same campus. The Committee are of the opinion that the Registrar should have personally verified the files and deposed the actual facts before the Committee.

**Action Taken**

2.10 The inadvertent error and confusion in the reply given at the hearing is deeply regretted. Government assure that they will guard against lapses in future.

**Recommendation**

*(Sl. No. 10 Para No. 27)*

2.11 The University has published two books and printed 500 copies of each. The Committee noticed that 623 copies of the two books valued at 0.53 lakhs were held unsold. The Committee urge that action should be taken to dispose of the old unsold stock.

**Action Taken**

2.12 The Publications in question are the "Theatre of the Earth is Never Dead" and "A Cultural Calendar of Kerala" – 500 copies each. These books were published as part of the Traditional Arts project fully financed by the Ford Foundation. There was no financial commitment to the University in this regard.

2.13 These were not meant to be sold for profit. In fact, these were to be circulated among and issued as complimentary copies to folklorists and researchers in traditional and classical art forms. That was the objective of the publications according to the funding agency, i.e Ford Foundation. But when the first phase of the project was over, the then Director, Prof. G. Sankara Pillai and Vice-Chancellor Shri T. S. Jayachandran had decided to sell out the remaining copies at the rate of Rs. 100 and Rs. 60 for the book and calendar respectively and the proceeds remitted to the University Fund.

2.14 These copies cannot be easily sold out like other ordinary publications. Only research scholars, students, teachers and artists in the traditional art forms and folklore would purchase them. In short, eventhough there is no investment on the part of the University for these publications, the proceeds were remitted to the University Fund. It will continue till the remaining copies are gradually sold out. Now 589 copies of the publication (Book 370 and Calendar 219) are remaining to be sold.

ARYADAN MUHAMMED,

Thiruvananthapuram,  
October 18, 2006.

*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	Higher Education	The Committee observes that delayed remittance of Provident Fund contributions deducted from the salary of employees to the treasury is a criminal negligence on the part of the University. The reason put forth by the University for this is not at all satisfactory. The action of the University is highly irregular and violation of Provident Fund Rules. Committee recommends that Government should issue strict instructions to the University not to repeat such actions in future.
2	1.8	„	The Committee observes that the reply received from the Government is not satisfactory. The Committee desires to get a specific reply to the recommendation and requires that year wise details of the present position regarding adjustment of advances should be furnished to it.
3	1.11	„	The Committee desires to be informed about the action taken against those officers who had defaulted in the adjustment of advances. If no action had been taken so far, the reason for this may be intimated to the Committee within one month.

---

(1)	(2)	(3)	(4)
4	1.14	Higher Education	The Committee would like do be informed whether interest has been levied on the belated adjustments if not, action should be initiated to levy interest. The present position in this regard should be intimated to the Committee within one month.
5	1.20	„	The Committee finds that Government had recovered the defalcated amount from the accused officers in equal share without considering the difference in their designation. The Committee would like to point out that dividing the amount due to the University equally among the officers without taking into account their rank was unfair.

---