

TWELFTH KERALA LEGISLATIVE ASSEMBLY

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

SIXTY SEVENTH REPORT

(Presented on 15th July, 2008)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2008

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On

**Action taken by Government on the Recommendations
contained in the Seventy First Report of the
Committee on Public Accounts (1998-2000)**

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COMMITTEE ON PUBLIC ACCOUNTS (2006-2008)

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Smt. D. Kumari Girija., Deputy Secretary

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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 Sixty Seventh Report on Action taken by Government on the Recommendations contained in the Seventy First Report of the Committee on Public Accounts (1998-2000).

The Committee considered and finalised this Report at the meeting held on 7th July 2008.

Thiruvananthapuram,
15-7-2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the action taken by Government on the recommendations contained in the 71st Report of the Committee on Public Accounts (1998-2000).

The Seventy First Report of the Committee on Public Accounts (1998-2000) was presented to the House on 13th July 1999. It contains 23 recommendations relating to Labour and Rehabilitation Department. Government were addressed to furnish the Statements of action taken on the recommendations contained in the Report on 20th July 1999. The final replies were received on 7-12-2005.

The Committee examined the Statements of action taken at its meeting held on 9th May 2007.

The Committee was not satisfied with the action taken by Government on recommendation Nos. 6, 9, 13, 17, 19, 20 and 21 (Para Nos. 54, 57, 61, 65, 67, 68 and 69) and decided to pursue them further. Such recommendations, replies and further recommendations of the Committee are included in Chapter I of this Report.

The Committee decided not to pursue further action for the remaining recommendations, in the light of the replies furnished by Government. Such recommendations and their replies are included in Chapter II of this Report.

CHAPTER I

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

LABOUR AND REHABILITATION DEPARTMENT

Recommendation*(Sl.No. 6 Para No. 54)*

1.1. The Committee note with serious concern that there were serious lapses on the part of the Department in securing permanent affiliation from the National Council for Vocational Training for 36 trades started in 11 ITIs between 1979-80 and 1991-92. The funds provided for ensuring facilities of the standards prescribed by National Council for Vocational Training were not properly utilized. The Committee recommend that immediate arrangements should be made for securing permanent affiliation for the trades from National Council for Vocational Training so that the students provisionally permitted to appear for the examination are not left out in darkness.

Action Taken

1.2. All trade/units except one unit of MMV trade at ITI, Pallickathode and 2 units of Mechanic Machine Tool Maintenance trade at ITI, Attingal are affiliated with NCVT. For the purchase of tools, equipments and machinery required as per the Director General of Employment & Training norms, an amount of Rs. 450 lakh is required for all these ITIs. For the purchase of land, an amount of Rs. 215 lakhs and for the construction of additional building an amount of Rs.555 lakhs was required. Therefore getting affiliation from DGET for these units a total of Rs. 1220 lakhs was required for the purchase of tools, equipments, machinery, land and construction work as per DGET norms. Even though the department made requests for funds, the budget allocation was not sufficient to meet the requirements. A detailed proposal was submitted to Planning Board/Government to include the required amount in the 10th Five Year Plan. An amount of Rs. 274.5 lakh was provided exclusively for the procurement of tools and equipments for the unaffiliated trades/units in 2002-03. Utilizing this fund and with the financial assistance of PTAs action was taken to purchase tools and equipments to meet the requirements. Top priority will be given for getting affiliation of unaffiliated trades/units. The position has very much improved at present.

Further Recommendation

1.3. Despite the Committee's recommendation to make immediate arrangements for securing permanent affiliation for the trades /units from N.C.V.T (National Council for Vocational Training), the department could not secure affiliation to all the trades. Therefore, the Committee wanted to know the reason for not securing permanent affiliation from NCVT. The Committee once again direct to take urgent steps for securing the affiliation to those trades/units.

Recommendation

(Sl.No. 9 Para No. 57)

1.4. The Committee are pained to note that the workshop building constructed in ITI Kozhikode and five items of machinery supplied under World Bank aided scheme at a cost of Rs. 8.12 lakhs were lying idle for a period of six years owing to the administrative delays in arranging power connection. The Committee note that after remittance of Rs. 1.55 lakhs to KSEB in advance, no follow up action was initiated by the concerned officials in the Department to expedite the work nor was informed it to the higher levels. The Committee recommends that responsibility in this regard should be fixed and proper action taken against the delinquent officer.

Action Taken

1.5. Application for three-phase power connection was submitted to KSEB on 6-3-1991. An estimate of Rs. 1,55,485 was received from KSEB only on 27-1-1993. Administrative sanction was accorded on 30-7-1993. Due to treasury ban the amount could not be encashed till 31-10-1993. The amount was remitted to KSEB for getting electric connection under OYEC by the Principal of ITI Kozhikode on 1-11-1993 itself. As the local KSEB authority did not respond to give immediate electric connection, the matter was reported to the Executive Engineer, Kozhikode and Chief Engineer respectively by the Director of Training. KSEB authorities informed the Department that 400 volt 3 phase power connection could be provided in the ITI premises by execution of 11 KV line situated 3 KMs away from the ITI Kozhikode through public road by cutting trees on the road side with permission from the Forest Department and by giving compensation to the private parties on getting upset value fixed by the Revenue authorities. The Principal, ITI, Kozhikode was entrusted with the task of having constant efforts by contacting KSEB authorities, P.W.D. and Forest Department officials personally. The personal efforts taken by the Principal were reported to High-level project implementing Committee held on 31-8-1994, 13-3-1995 and 27-3-1996. Finally, the KSEB authorities provided the electrical connection on 6-11-1997, overcoming all the above said problems.

1.6. It may be noted that all the machines erected in the workshop are used for training practice with the existing temporary connection already provided in the ITI premises. There was no slackness or lapse on the part of any of the officials belonging to the Training department. This ITI is situated in remote area and it was very difficult to draw line cutting the trees/branches, thereof. Collector's interference was also called for clearing the hurdles. But the delay occurred in providing electric connection by the KSEB authorities due to the delay in providing overhead lines of 11 KV, 3 Kms away from the ITI compound, which was beyond the control of the Department. Now the entire machinery is erected properly after providing permanent electric connection. These facilities are put to proper use since then. Therefore, it may be seen that there was no laxity on the part of the concerned officers in this regard.

Further Recommendation

1.7. The Committee notes with serious concern that there was a delay of four years in providing 3 phase electric connection to ITI workshop building at Kozhikode. The Committee wants to know the reasons for such delay.

Recommendation

(Sl.No. 13 Para No. 61)

1.8. The Committee view with very serious concern the absence of physical verification of the Stores in ITIs at regular intervals. The Committee urge the Government to streamline the arrangement of effective verification of Stores in ITIs and to ensure that the annual physical verification of Stores is conducted every year by the officer entrusted with the task.

Action Taken

1.9. As per the recommendation of the PAC, instruction has been given to all the concerned Principals of ITIs to conduct the physical verification of the Stores in the ITIs every year and also at the time of transfer/retirement of the Storekeepers in the ITIs. This process is being followed without any complaint.

Further Recommendation

1.10. The Committee are not satisfied with the reply received from the Government regarding effective verification of stores in ITIs. Hence the Committee want to be intimated on the steps taken by the Government to implement the directions of the Committee effectively.

Recommendation*(Sl.No. 17 Para No. 65)*

1.11. The Committee understand that the students in the ITIs coming from far off areas are experiencing great difficulty in securing hostel accommodation. The Department failed to fulfill the assurance given to the Committee that the provision for hostel facilities would be included in the next year's budget. The Committee recommend that immediate steps should be taken to provide suitable hostel facilities to students from distant place.

Action Taken

1.12. Every year during the formulation of budget estimates suitable provisions are being included for the construction of hostel buildings in the ITIs where at present no hostel accommodation is available. During 2000-2001 and 2001-2002 the amount sought for by the department for the construction of hostel buildings are furnished below:

Outlay 2000-2001				
<i>Sl.No.</i>	<i>ITI</i>	<i>Proposed Rs.</i>	<i>Provided Rs.</i>	<i>Remarks</i>
1	Kozhikode (W)	15 lakh	1000	
2	Kozhikode (Gl)	25 ..	Nil	
3	Mala	25 ..	Nil	
4	Kattappana	25 ..	Nil	
5	Kalpatta	25 ..	Nil	
6	Chenneerkara	30 ..	10 lakh	Ad. Block
2001-2002				
1	Kozhikode (W)	15 lakh	2 lakh	
2	Kozhikode (Gl)	20 ..	8 ..	
3	Mala	50 ..	Nil	
4	Kattappana	30	
5	Kollam (W)	15	
6	Chenneerkara	20 ..	15 lakh	
7	Kalpatta	..	1 ..	
8	Kayyur	..	8 ..	Hostel

But due to lack of sufficient provision in the budget, the construction work could not be started.

Further Recommendation

1.13. The Committee want to know whether the amount allotted in the Budget has been utilized properly. The Committee also desire to know the present position in this regard.

Recommendation

(Sl.No. 19 Para No. 67)

1.14. The Committee also notice shortage of medicines in the clinic attached to the Industrial Training Institutes. The Committee recommend to take urgent steps for the supply of medicines to the clinics attached to ITIs.

Action Taken

1.15. Every year during the commencement of the academic session, sanctions are accorded to the concerned Principal of ITIs to procure essential medicines for the use of trainees in the ITIs directly from the District Medical Stores under the Health Department. At present, no report is seen received from the Principals about the shortage of medicines in the ITIs.

Further Recommendation

1.16. The reply received from the Government is not satisfactory. The Committee opine that non-reporting of shortage of medicines does not mean that the medicines are available in the clinics attached to the ITIs. Therefore, the Committee want to know the present position of the clinics in this regard.

Recommendation

(Sl.No. 20 Para No. 68)

1.17. The Committee notice that the private sector as well as the Public Sector Undertakings and certain departments of Government have not completed with the statutory requirement of filling the quota of trainees as per the Apprenticeship Act. The Committee find this as a serious lapse on the part of the Department. The Committee strongly recommend that a thorough check up should be carried out to detect the departments/establishments/Public Sector Undertakings which are not filling the quota of ITI trained hands to be accommodated as Apprentices under the Apprenticeship Act. The Committee also recommend that penal action should be taken against those who do not follow the strict instructions based on the Apprenticeship Act, 1961.

Action Taken

1.18. As per the instructions given by PAC, the Department has taken the following steps.

1. All Department heads/Chief Executives were informed to engage apprentices strictly in accordance with the seats located by the State Apprentice Advisor as per D.O. letter No. F1/29862/97/dated, 20-12-1997 of the Director of Training.
2. Based on the above direction major establishments like KSEB, PWD, KSRTC, GROUND WATER, KWA etc. have engaged more apprentices in their establishments.
3. Survey Department has given instructions to the Regional Offices to engage more apprentices as soon as the re-survey work is resumed.
4. KSRTC in their Board Meeting decided to engage 534 more apprentices in addition to the existing capacity.

As per the steps taken by the Training Department 1211 additional seats were located and utilized. As on March 2002 the total seats located are 7150 and those utilized are 6071. (The utilization position during January 1999 was 4860. During January 2002 it has gone up to 6071)

The main reason for the shortfall reported is due to the shortage of budget provision in the respective heads of accounts of the Department.

Further Recommendation

1.19. The Committee view that there is no question of Budget Provision in this regard as the number mentioned in the reply is the approved strength. Hence the Committee want to know the reason for not utilizing the full strength and also desire to get a detailed report in this regard.

Recommendation

(Sl.No. 21 Para No.69)

1.20. The Committee were distressed to note that funds provided in the budget under the World Bank Scheme were allowed to lapse mainly due to delay in taking up the programme and not completing them in time. The Committee notice that increased provision continued to be made in the budget under plan scheme every year in spite of very low expenditure incurred in previous years. The Committee would like to impress on the Department that when funds are provided in the budget for schemes, it should be their utmost endeavour to utilize the amounts before the close of the year taking necessary steps sufficiently in advance. Certain schemes under World Bank Project were

included in the budget without making any feasibility study and hence lacked foresight and planning. The Committee vehemently criticizes the manner in which funds have been provided in the budget for certain scheme without taking a policy decision or approval by Government. The Committee recommend the Government to evolve measures to curb this tendency. Planning Department and Finance Department should not allow budget provisions until the scheme is properly drawn up and sanctioned by a competent authority.

Action Taken

1.21. The Skill Development Project Aided by World Bank was introduced in the State as a 50 % Centrally Sponsored Scheme. The total project cost was Rs. 22.11 Crores and the Project period was from December 1989 to December 1995. (Later extended upto December 1998). As the outlay was for the total project period, the allotment will not lapse even if the expenditure for a particular financial year was less. The total expenditure within the project period was Rs. 22.36 crores ie. 101.13%. The project for the above period was phased for every year preparing the budget estimate forecasting different targets namely construction of building, procurement of machinery and appointment of staff etc. If anyone of the above components were got delayed, that would affect the functioning of the other components as well. The main hurdle faced for the implementation of the project during the initial days ie. upto 1994 was due to delay in completion of the construction works by the state P.W.D. There was also a handicap of monitoring the schemes at the higher level. However a high level committee was constituted as per G.O.(MS) No.35/94/LBR dated 24-5-1994 with Minister for Labour as Chairman and Chief Secretary as Vice Chairman. There after the Committee met seven times and reviewed the progress and shortfalls in implementing the scheme and directions issued then and there.

1.22. Soon after receiving the budget provision, a plan of action was prepared and programme drawn up based on it. However, in certain cases due to non-completion of the buildings, some courses envisaged in the project could not be started in time. Because of the earnest efforts made by the Department and based on the timely instructions given by the high level monitoring committee the project was successfully completed in the State and our State was the second, next only to Maharashtra in achieving the target.

Further Recommendation

1.23. The reply was not found satisfactory by the Committee. The Committee vehemently criticized the manner in which the funds have been provided in the budget by the Government for certain scheme without taking a policy decision or approval by the Government.

CHAPTER II

RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE ACTION IN THE LIGHT OF THE REPLIES
FURNISHED BY GOVERNMENT

LABOUR AND REHABILITATION DEPARTMENT

Recommendation*(Sl.No. 1 Para No. 49)*

2.1. The Committee find that the scheme to modernize, diversify and restructure the vocational training system, which was launched in the State during 1989-90 with the aid of World Bank, has not achieved the desired goal even after the lapse of eight years. Only 33% of the fund was utilized during the period from 1989-90 to 1994-95. No valid reasons were adduced before the Committee during evidence for the non-utilization of funds allotted for the modernization of ITIs.

2.2. As observed in the audit paragraph the achievements reported did not reflect the real position as a large number of ITIs brought under the Scheme would not be raised to the standards prescribed by NCVT due to various reasons.

Action Taken

2.3. The Committee considered the report of the audit covered the period of five years from 1989-90 to 93-94 in respect of seven ITIs viz. ITI Attingal, ITI for Women, Kollam, ITI, Kalamassery, ITI for Women Kalamassery, ITI Mala, ITI Malampuzha, ITI Kozhikode and one Related Instruction Centre at Kozhikode. The ITIs and schemes implemented are noted below.

<i>Sl.No.</i>	<i>Name of ITI</i>	<i>Schemes implemented under World Bank aided project</i>
(1)	(2)	(3)
1	Kalamassery (Women)	Only three trades namely Computer, Electronic Mech., Steno(English) were started under this scheme
2	Mala	Not covered under this scheme
3	Kollam (Women)	Two out of 13 schemes
4	Attingal	Three out of 13 schemes

(1)	(2)	(3)
5	Malampuzha	Four out of 13 schemes
6	Kozhikkode	do.
7	Kalamassery	do.
8	RIC Kozhikkode	Entire expenditure including building and salary to staff are covered under this scheme

2.4. Regarding World Bank schemes, the total project cost at the outset was Rs. 1508.92 lakhs, out of which Rs. 200 lakh was earmarked for Civil Works and Rs. 560 lakh was earmarked for the modernization of machinery and equipments. The scheme was to be implemented in a phased manner from 1989-1998. For the phase covering the period upto 92-93, the expenditure to be incurred by the department was Rs. 1186.57 lakhs and the actual expenditure incurred was Rs. 591.96 lakhs. 48.89% of expenditure had been achieved as on 31-3-1995. The observation of the Committee that only 33% of expenditure was incurred relates to all the schemes pertaining to the department during 1994-95 and not relating to World Bank(W.B) schemes alone. Similarly, the provision of Rs. 2747.30 lakhs under plan schemes for the year 89-90 to 1994-95 was the total plan scheme of the department and not for the W.B Scheme alone. The cost of the entire W.B aided project at that time was Rs. 1508.92 lakhs.

2.5. The actual expenditure incurred upto 1994-95 was Rs. 1031.8 lakhs out of Rs. 1508.92 lakhs. This came to be 68.39 %.

2.6. Government of India during 1995-96 revised the project cost to Rs. 2211.11 lakh and the project period was extended upto 31-12-1998. In the project document it was clearly mentioned that Government of India would be procuring majority of the equipments costing Rs. 20,000/- and above per item.

The reason for shortfall up to 1994 was due to the following aspects.

1. DGET/Government of India could not procure the equipments and machinery in time as scheduled by them.
2. P.W.D could not complete the construction works as anticipated in the project.

2.7. As per the WB/Government of India guidelines, the total project cost was a Lump Sum provision, which could be expended during the entire project period. If expenditure could not be incurred in a particular financial year, that

can be expended during the next year also. At the time of completion of the project, on 31-12-1998 the achievement was 101.13%. At the beginning of the implementation of the project, there was some shortfall in completing the construction works, appointment of staff and also procurement of equipments. All are interlinked. However, all these deficiencies were rectified and the target was achieved before the closing date of the project and Kerala has been adjudged as the second state in achieving the target out of the 27 states where these schemes were implemented.

2.8. Hence, at the end of the implementation of the project, it could be seen that the ITIs come under the scheme was raised to the expected NCVT standard.

Recommendation

(Sl.No. 2 Para No.50)

2.9. The Committee understand that procurement of tools and equipments was delayed for one reason or the other. The Committee notice that the Department could not achieve any improvements in the procurement of tools and equipments even at the closing date of the scheme ie. December 1997. The student community were forced to utilize the existing limited facilities in the ITIs despite availability of plenty of funds for the purchase of tools and equipments and also for modernization of the existing ones.

Action Taken

2.10. Government of India had themselves fixed the procurement guidelines at the initial stage itself. It may please be seen that the State could procure only items costing up to Rs. 20,000 per item and all other costly equipments and heavy machines were supposed to be procured by the Government of India. Government of India could not procure the items as scheduled by them till 1995. Later, the items, which could not be procured by Government of India, were directed to be procured by the respective State Governments. This was actually the reason for the delay. However, earnest efforts were taken by the department and could achieve 90.82% on procurement of equipments towards the end of the project period ie. on 31-12-1998.

Recommendation

(Sl.No.3 Para No. 51)

2.11. The Committee understand that even though about 70% of the training periods are devoted for practical training, the ITIs were lacking even the basic needs, such as tools and equipments. The Committee are not convinced

of the arguments that the procurement of tools and equipments were delayed due to the non-receipt of valid tenders and that the tools and equipments supplied by the concerns were not conforming to the specifications prescribed by the NCVT. The Committee notice serious lapse on the part of Director's/ Government in procurement of tools and equipments. The authorities responsible had not taken effective steps for the procurement of tools/machinery by inviting tenders or by purchase through negotiation from the concerns, which supplied tools and equipments earlier.

Action Taken

2.12. Government of India prescribed specific guidelines for the procurement of machinery and equipments for the schemes covered under the project. It was insisted that the State might evolve local state procurement procedure but there should be minimum three competitive bids for arriving at a decision to place award. These guidelines were to be strictly adhered to for getting reimbursement from Government of India under this scheme. However, before the closing date of the project Kerala could achieve the target as per the project document.

Recommendation

(Sl.No.4 Para No. 52)

2.13. This is an instance where the department failed to act with foresight and planning. It is evident that during the implementation of World Bank aided schemes nobody bothered to look into its progress and the department took earnest effort only after the laxity had been pointed out in audit. The Committee also find that there was no machinery in the Government to monitor and evaluate the scheme. The Committee desire that action is taken against the officials responsible for the failure in the proper implementation of the scheme and also for not reporting the fact to Government in time. There is also reason to suspect that serious irregularities are involved in the implementation of the scheme. The Committee recommend to conduct a detailed investigation into the whole affairs of the scheme and report the findings to the Committee within two months from the date of presentation of the report.

Action Taken

2.14. The audit conducted was for the period from 1989-90 to 1993-94. Based on the remarks pointed out in the audit report, the department had initiated to constitute a high power project implementation committee to monitor and evaluate the implementation of the World Bank aided 50% Centrally Sponsored Vocational Training Project in the State.

2.15. Government as per GO (MS) No. 35/94/LBR dated 23-5-1994 ordered to constitute a high power committee consisting the following members.

- | | | |
|----|---|------------------|
| 1. | Labour Minister | Chairman |
| 2. | Chief Secretary | Vice Chairman |
| 3. | Commissioner & Secretary (Labour) | Member |
| 4. | Commissioner & Secretary (Finance) | Member |
| 5. | Commissioner & Secretary (Store purchase) | Member |
| 6. | Director of Employment & Training | Member |
| 7. | Project Co-ordinator | Member Secretary |

This Committee was also delegated with the following powers.

1. To purchase Machinery & Equipments upto Rs. 5 lakh without consulting the Finance & S.P Departments.
2. To sanction Civil works without financial limit and as per approved estimate.

The Committee met seven times on the following dates.

31-8-1994, 13-3-1995, 12-5-1995, 27-3-1996, 11-11-1996, 13-3-1998, 2-12-1998.

2.16. It is therefore evident that there had been a high-power committee headed by the Minister himself to monitor the implementation of project and took timely action.

2.17. Hence, it could be seen that earnest attempts were made to implement the scheme properly.

Recommendation

(Sl.No.5 Para No. 53)

2.18. The Committee are convinced that the lack of continuity in administration at the level of Director adversely affected the successful implementation of the scheme. The witness, Secretary to Government testified that if an incumbent in the post of Director gets two years tenure there would be many improvements. The Committee are of the view that there is no system at Government level either for assessing manpower requirements or to review the consequences of the frequent changes of Directors. The Committee recommend that the Government should analyse this aspect seriously and find out a solution by providing department heads with efficient management skill and effective leadership.

Action Taken

2.19. Government will be more vigilant in posting the Director of Training with maximum period of continuance of tenure for providing efficient management skill and effective leadership.

2.20. As far as possible, the recommendation of the PAC will be carried out while posting of Director of Employment and Training.

Recommendation

(Sl.No.7 Para No. 55)

2.21. The Committee understand that the maintenance fee collected from the trainees intended to be utilized for replacement/repairs of machinery in the ITIs was deposited in the personal deposit accounts of the Principals of concerned ITIs. The Committee are surprised to note that the maintenance fee collected from the trainees had not been utilized at all in certain institutions inspite of the directions issued by the Government. Therefore, the committee recommend that steps should be taken to utilize the amount so collected for replacement/repairs of the tools/machinery in the concerned institutions itself so that complaints regarding the shortage of machineries in the ITIs could be minimized to the extent possible.

Action Taken

2.22. This remarks was well taken care of by the Department and strict instructions were given to the Principals of the concerned ITIs to utilize the maintenance funds collected from the trainees for the replacement/repairs of the machineries of the concerned institutes. The Directorate of Training as per E5/10946/99/L.Dis dated 9-6-1999 issued a circular enhancing the purchasing power of the Principals utilizing the M.F. up to Rs. 5000.

2.23. Now the situations of the ITIs are much improved. The accumulation of the fund is diminished.

Recommendation

(Sl.No.8 Para No. 56)

2.24. The Committee reckon with dismay the fact that there is a delay of 8 to 14 months in the supply of workshop clothing to trainees in ITIs and in certain cases it was supplied at the fag end of the year. The Committee opine that the delayed supply of uniforms to trainees defeated the intended purpose. Therefore, the Committee recommend that the Government should make necessary arrangements for the timely supply of uniforms to trainees every year.

Action Taken

2.25. The purchase of uniform clothes was made after inviting tenders and observing the provisions in the S P Manual. For assessing the quality of cloths the textile technology wing in the Polytechnic and also the Handloom Development Corporation were contacted.

2.26. There was delay in processing and procuring the uniform clothes observing all formalities as aforesaid. Based on the remarks in the audit report the Department initiated action to purchase uniform clothes to the trainees directly from the State Government Organizations dealing with textile material. Government issued a direction as per GO (Rt) No. 936/97/ID dated 28-8-1997 permitting all Government Departments and Public Sector Undertaking to effect the direct purchase of textile goods for their requirements from Hantex and Handloom Development Corporation without resorting to tender formalities. Hence, based on the recommendation now the uniform cloth is directly procured from Hantex and Handloom Development Corporation after collecting the list of eligible trainees and the same is being supplied in time.

Recommendation

(Sl.No.10 Para No. 58)

2.27. The Committee are convinced that the Department had neither taken proper care, nor completed procedural formalities while arranging purchase of 12 Matador Diesel Engines. The Committee pointed out that serious lapse occurred on the part of the officer who had ordered to purchase the Diesel Engines without essential accessories even though the tenders were invited to supply engines with accessories. The Committee are doubtful of the quality of the engines purchased and do not accept the views of the witness that they were purchased for reassembling purposes. The Committee desire to be informed of the result of the Vigilance enquiry and recommend that Government should conduct a detailed enquiry into the lapses on the part of the Officers responsible in this case and initiate action against them for making good the huge loss to Government.

Action Taken

2.28. 12 Matador Diesel Engines were purchased for the trade of Mechanical Diesel as part of the standard tool list. The engines are purchased for dismantling and assembling and also for testing of the performance of the engines. As per the guidelines issued by the funding agencies, World Bank/DGET the cost of accessories would be fully met from the state budget. These items are not covered under the World Bank assistance. The Radiator and Back

plate are not integral parts of the engine and they were the accessories of the engine. The engines were purchased and supplied to all the consignees as per the purchase guidelines issued by the World Bank. The Back plate and Radiator were also purchased separately observing Store Purchase Rules and utilizing funds from state budget. Eligible central share for the engines was also received from Government of India. There was no loss sustained to Government. Hence, it may be seen that there was no lapse on the part of officers in purchasing the Matador Diesel Engines and Government consider no necessity to conduct further enquiry in the matter. The Vigilance Department has informed that no enquiry was conducted regarding the purchase of 12 Matador Diesel Engines.

Recommendation

(Sl.No.11 Para No. 59)

2.29. The Committee notice that the 41 Computers purchased at a cost of Rs. 23.85 lakhs for Data Preparation and Computer Software (DPCS) trade were not working. The Department failed to fulfill the agreement condition with the firm for servicing of Computers on payment of 9% of the cost of Hardware, and the firm therefore discontinued the maintenance of the computers. The Committee are of the opinion that there has been serious lapse on the part of the officer concerned who entered into such an agreement with the firm, which supplied computers. The Committee desires that deterrent punishment should be awarded to the Officer responsible in this case so that such instances will not occur in future. The Committee also desire to know the outcome of the enquiry of the Stores Purchase Department.

Action Taken

2.30. As per GO (RT) No. 763/92/LBR dated 21-3-1992 sanction was accorded for the purchase of 5 P.C. AT, 11 P.C XT, 25 PCs (total 41 computers) along with Printers and Software and Floppies at a total cost of Rs. 25,85,315 based on the recommendations of the Departmental Purchase Committee held on 26-2-1992 from M/s. HCL Ltd. The terms & conditions of the supply order were as follows :

1. Supplier has to give free guarantee for the first year.
2. To enter into an AMC from 2nd year onwards for a period of five years after satisfactory supply, installation, commissioning and trial runs.
3. The rate of AMC was 9% of the Hardware cost which will be paid by middle each year.

4. Preventive maintenance has to be carried out once in three months.
5. The supplier should attend to the computer within 48 hours on receipt of complaints.
6. A penalty of Rs. 100 per day will be charged for the delay.

2.31. The one-year warranty ended by 4-6-1993. The firm requested in the prescribed forms for the AMC from 5-6-1993 in advance and sanction was issued vide GO (Rt) 2392/94/LBR dated 19-10-2004. In all the cases the consignees (Principal of ITIs) have to maintain the equipments in full working condition for the effective utilization of the Computers for imparting proper training to the trainees. Here also the consignees were to face difficulty to repair the computers for want of proper AMC sanction, but to a certain extent, this was achieved by utilizing the maintenance fund and PTA Fund available in the respective ITIs. It may please be seen that there was no laxity/lapse on the part of any of then officials in the Department or Officers in the ITIs who entered into the agreement with the firm, which supplied the computers.

Recommendation

(Sl.No.12 Para No. 60)

2.32. The most disappointing fact noticed by the Committee during evidence was that purchase and condemnation committee had not met till 1995. The Committee urge the Government to ensure regular sittings of the Committee for approving the purchase of tools and equipments of ITIs and for condemnation of tools and equipments, which are actually unserviceable. The Committee recommend that necessary changes should be effected in the structure and nature of the purchase and condemnation committee for ensuring the presence of experts at the sittings of the committee.

Action Taken

2.33. As per the delegation of powers, the Joint Director of the Training Department is delegated with powers to inspect and declare the unserviceable tools and equipments, and machinery up to Rs. 5,000, Additional Director upto 10,000 and Director of Training upto Rs. 15,000 and for above Rs. 15,000 Government sanction is required. On receiving the Survey report of the items to be declared as unserviceable from the Principal of the respective ITIs in KFC form 21, a committee is to be constituted with the Director/Additional Director/ Joint Director as the case may be as Chairman and the Inspector of Training of that region and Principal of the ITI as members. The above committee can declare the item as unserviceable. This is being done periodically and regularly at present.

Recommendation

(Sl.No.14 Para No. 62)

2.34. The Committee understand that the Department had no arrangements for the collection of institution-wise details of requirement of tools and equipments, machinery lying idle, details of purchase etc. The Committee notice that there was significant shortfall in the procurement of tools and equipments, due to lack of co-ordination between the Annual Plan formulated by the Working Group and procurement of tools & equipment. The Committee suggest that a monitoring cell should be constituted at Directorate level for formulating an Annual Action Plan sufficiently early for prompt and proper utilization of fund and for watching proper maintenance of tools and equipments already purchased.

Action Taken

2.35. As recommended by the Public Accounts Committee, a Committee was constituted with Joint Director of Training, Inspector of Training, Accounts Officer-II to watch proper maintenance of tools and equipments already purchased and to formulate annual plan for the procurement of tools and equipments and other consumable of bulk purchase.

The Committee is now functioning well.

Recommendation

(Sl.No.15 Para No. 63)

2.36. The Committee recommend that a detailed review of the Vocational Training System should be conducted to sort out the short coming and difficulties now felt and evolve measures to restructure the course so as to achieve the main objectives of the Craftsmen Training.

Action Taken

2.37. Action has already been taken to revamp the Craftsman Training Scheme in the State. The study was conducted to assess the job opportunities in different trades in the State, Country and abroad for the next 5 to 10 years and to propose new courses to meet the future requirements. For conducting study based on the data collected, DGET and CSTARI were addressed to give a panel of agencies with International reputation. Besides this, discussions were already going on with IMG, C-DIT, CMD etc. for this purpose. Based on this study report, starting of unpopular trades under the Craftsman Training Scheme in the State will be restricted in future.

2.38. A Standing Committee was also constituted by the Government vide G.O (RT) No. 2747/2001/LBR dated 14-9-2001 under the Chairmanship of the Secretary, Labour Department for considering the proposal for opening new ITIs/ ITCs in the State in future. Proposals were already submitted to Planning Board in the Plan proposal for the 10th five-year plan to convert unpopular trade in the State to popular trade with the present staff and infrastructure. Hence for revamping the existing trades in ITIs Government have accorded sanction to discontinue obsolete courses and for starting new trades with advanced technology having high employment potential utilizing the available staff and other existing infrastructure facilities (GO (Ms) No. 52/2004/LBR dated 28-9-2004).

Recommendation

(Sl.No.16 Para No. 64)

2.39. During the visit to Industrial Training Institutes at Malampuzha and Kozhikode, the Committee notice that it was very difficult to sit inside the classroom due to high temperature. The Committee recommend to provide false ceiling with thermocol to minimize the inside temperature in classrooms. The Committee also urged the Government to complete the Electrification works of ITI buildings and to finalise all formalities relating to new civil works in respect of all ITIs.

Action Taken

2.40. The Principal ITI, Malampuzha has given necessary request to the local PWD officials for providing false ceiling with thermocol in the classroom. Administrative sanction for the construction of the main building for Rs. 46 lakhs and Hostel building for Rs. 79 lakhs have been accorded. Government have taken necessary action to comply with the recommendation.

Recommendation

(Sl.No.18 Para No. 66)

2.41. During evidence and visits to ITIs, the Committee came to know that many posts of the instructors in the Institutes had been lying vacant for long. The Committee recommend to take immediate steps for filling up the vacancies.

Action Taken

2.42. All posts lying vacant in the department were reported to PSC. In the case of delay in getting officials recruited through PSC, the posts are being filled up through Employment Exchange and also by engaging Guest Lectures in emergency situation. At present, there is no post lying vacant for long period.

Recommendation

(Sl.No.22 Para No. 70)

2.43. The Committee understand that at present there is a monitoring system in the Finance Department to evaluate the implementation of the schemes assisted by World Bank or financed by other external agencies. The Committee feel that had periodical monitoring been conducted, this world bank aided scheme to modernize the ITIs would not have ended in such a failure. The Committee therefore recommend that the functioning of the project cell should be extended to watch the progress and lapse in the implementation of all the schemes assisted by the World Bank or other external agencies.

Action Taken

2.44. A high level committee was already constituted with Minister of Labour as Chairman and Chief Secretary as Vice Chairman as per G.O (MS) 35/94/LBR dated 23-5-1994 to watch the progress and lapses in the implementation of this project in the State. The Committee met 7 times during the Project period and satisfied with the progress of the implementation of the project. It may be seen that Kerala achieved 101.13% expenditure and stood second in India in the implementation of the project.

Recommendation

(Sl.No.23 Para No. 71)

2.45. The Committee note that Government had not denied the fact that the implementation of the World Bank aided projects to modernize the vocational training system was a failure. They are however, at a loss to understand why Government had taken nearly 7 years to spend less than 50% of the fund under Plan Scheme. It is the opinion of the Committee that after sanctioning the project, Government should have reviewed the results periodically for evaluating its performance to avoid such under utilization of funds from the evidence tendered before the Committee as well as from the additional information furnished, the Committee are made to understand that there has been serious lapse on the part of the former Director of Industrial Training Department and the coordinator of World Bank scheme. The Committee recommend that thorough probe should be conducted in this regard and responsibility for lapse fixed and appropriate action taken against them to prevent recurrence of such instance in future.

Action Taken

2.46. The high-level project implementation committee met 7 times during the project period. In all the above meetings, the progress of the project was discussed in detail and the bottleneck in implementing the project was brought to light and steps taken to overcome the same.

2.47. There was no lapse on the part of any of the officials who implemented the project.

Total Project cost was Rs.22.11 Crores. Target achieved is Rs. 22.36 Crores. The percentage of Expenditure is 101.13

1. The target was successfully achieved.
2. The eligible central share due to the State Government was fully claimed.
3. Kerala is second, next only to the State of Maharashtra in the successful completion of the project.
4. Government of India/WB also appreciated the State of Kerala in their Final Report.

Thiruvananthapuram,
15-7-2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

APPENDIX I

Summary of Main Conclusions/Recommendations

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations
(1)	(2)	(3)	(4)
1	1.3	Labour and Rehabilitation Department	Dehspite the Committee's recommendation to make immediate arrangements for securing permanent affiliation for the trades/units from N.C.V.T. (National Council for Vocational Training), the department could not secure affiliation to all the trades. Therefore, the Committee wanted to know the reason for not securing permanent affiliation from N.C.V.T. The Committee once again direct to take urgent steps for securing the affiliation to those trades/units.
2	1.7	„	The Committee notes with serious concern that there was a delay of four years in providing 3 phase electric connection to ITI workshop building at Kozhikode. The Committee wants to know the reasons for such delay.
3	1.10	„	The Committee are not satisfied with the reply received from the Government regarding effective verification of stores in ITIs. Hence the Committee want to be intimated on the steps taken by the Government to implement the directions of the Committee effectively.'
4	1.13	„	The Committee want to know whether the amount allotted in the Budget has been utilized properly. The Committee also desire to know the present position in this regard.

(1)	(2)	(3)	(4)
5	1.16	Labour and Rehabilitation Department	The reply received from the Government is not satisfactory. The Committee opine that non-reporting of shortage of medicines does not mean that the medicines are available in the clinics attached to the ITIs. Therefore, the Committee want to know the present position of the clinics in this regard.
6	1.19	„	The committee view that there is no question of Budget Provision in this regard as the number mentioned in the reply is the approved strength. Hence the Committee want to know the reason for not utilizing the full strength and also desire to get a detailed report in this regard.
7	1.23	„	The reply was not found satisfactory by the Committee. The Committee vehemently criticized the manner in which the funds have been provided in the budget by the Government for certain scheme without taking a policy decision or approval by the Government.