

TWELFTH KERALA LEGISLATIVE ASSEMBLY

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

SIXTY NINTH REPORT

(Presented on 17th December, 2008)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2008

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On

**Paragraphs relating to Finance Department contained in the Reports of
the Comptroller and Auditor General of India for the year(s) ended
31 March 2001 (Civil), 31 March 2004 (Civil)
and 31 March 2006 (Civil)**

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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 Ninth Report on paragraphs relating to Finance Department contained in the Reports of the Comptroller and Auditor General of India for the years ended 31 March 2001 (Civil), 31 March 2004 (Civil) and 31 March 2006 (Civil).

The Reports of the Comptroller and Auditor General of India for the years ended 31 March 2001 (Civil), 31 March 2004 (Civil) and 31 March 2006 (Civil) were laid on the Table of the House on 15th March, 2002, 20th July, 2005 and 28th December, 2006 respectively.

The Committee considered and finalised this Report at the meeting held on 11th December, 2008.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram,
17 December, 2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

REPORT

FINANCE DEPARTMENT

AUDIT PARAGRAPH

Treasury Public Accounts

Introduction

Treasury Public (TP) Accounts are in the nature of Savings Deposits under the Major Head 8001. Under Kerala Treasury Code, TP Accounts can be operated by Local Bodies, Government Companies and Corporations, Autonomous Bodies, Government Offices and other institutions on the basis of Government sanction. Balance in TP accounts are required to be periodically reconciled by the Departmental Officers with treasury figures and TP cheques are checked by Treasury Officer before payment to ensure compliance of Rules and prevent overdrawal. As of March 2001, there were 2957 TP Accounts in 8 Treasuries, having a balance of Rs. 337.30 crore.

Test-check (May and June 2001) of the 133 TP Accounts maintained in the offices of District Collectors, District Rural Development Agencies, Principal Agriculture Officers and 14 subordinate offices in the districts of Ernakulam, Kannur, Kasargode, Palakkad and Wayanad and seven Directorates* revealed serious financial irregularities as discussed below:

Drawal of funds in advance of requirement

Kerala Financial Code prohibits Government servants from transferring unutilised budgeted funds to any deposit account to prevent it from lapsing and use it for expenditure after the close of the year.

Finance Department reiterated (December 1993) that the funds would be withdrawn from the Treasuries only when it is actually required and Government money should not be deposited into TP account without specific Government sanction. However, in disregard of these provisions Government in various

* Directorates of (i) Agriculture (ii) Civil Supplies (iii) Fisheries (iv) Scheduled Caste Development (v) Schedule Tribe Development (vi) Handloom and Textiles and (vii) Animal Husbandry.

departments authorised, in March 2001, 35 DDOs of 9 departments to draw Rs. 103.74 crore from the Consolidated Fund of the State and deposit these into the TP Accounts. Details are as below:

<i>Sl. No.</i>	<i>Name of Department</i>	<i>No. of TP Accounts</i>	<i>Amount drawn and deposited in March 2001 (Rupees in crore)</i>
1	Collectorates (3 Districts)	6	4.80
2	District Rural Development Agencies (D.R.D.A.) (5 Districts and 7 BDOs)	22	4.25
3	Agriculture Department (13 Offices)	13	12.01
4	Director of Animal Husbandry	1	0.59
5	Director of Fisheries	1	17.50
6	Director of Scheduled Caste Development	1	53.06
7	Director of Handloom and Textiles	1	3.98
8	Director of Agriculture	1	7.44
9	Director of Scheduled Tribe Development	1	0.11
Total		47	103.74

This practice is routinely followed by the Government as seen from various sanctions issued by Government violating codal provisions. Further, such deposits of budgeted funds prevent legislative scrutiny of the expenditure as expenditure figures are overstated through such process.

Major items of outstanding balances

A test-check of the balances in the TP Account as of March 2001 (as per Treasury records) revealed that a large number of officers are holding huge balances in their TP Accounts as shown below:

<i>Sl. No.</i>	<i>Designation of officers holding the account</i>	<i>Amount (Rupees in crore)</i>	<i>Outstanding from</i>
1	Director of Agriculture	32.72	1994-95
2	Director of Fisheries	24.54	1993-94
3	Director of Scheduled Caste Development	44.40	1992-93
4	Director of Handloom and Textiles	13.45	*
5	District Collector, Kasargode	5.04	1994-95
6	District Collector, Kannur	6.44	*
7	District Collector, Wayanad	5.01	*
8	District Collector, Palakkad	6.36	1997-98
9	District Collector, Ernakulam	9.82	*
10	Principal Agricultural Officer (PAO), Palakkad	4.22	*
11	PAO Ernakulam	2.39	1994-95
12	PAO Kasargode	2.11	1994-95
13	PAO Kannur	3.23	1994-95
14	PAO Wayanad	4.33	*
15	DRDA, Ernakulam	1.26	*
16	DRDA, Palakkad	9.45	*
17	DRDA, Kasargode	2.84	*
18	DRDA, Kannur	2.31	*
19	DRDA, Wayanad	1.02	*
20	BDO, Taliparamba	1.09	*
Total		182.03	

* Details awaited

Retention of such large amounts in deposit accounts by these officers for long period was fraught with the risk of diversion and misappropriation of funds provided for specific purpose as also non-implementation of the schemes.

Unutilised funds provided for specific schemes in the Budget should, unless re-appropriated, be surrendered to the Government at the end of the year. However, in disregard of this provision 15 officers drew Rs.12.88 crore during 1986-1998 for specific schemes and deposited into TP accounts. These funds remained unutilised as of March 2001, as per details in Appendix III.

Diversion of funds

Due to absence of proper control over the expenditure out of TP accounts, Rs. 66.92 lakh deposited in TP Accounts for specific schemes were misutilized for various sundry items of expenditure in the following cases.

<i>Sl. No.</i>	<i>Designation of the Officer holding the account</i>	<i>Scheme for which the amount was deposited and period in bracket</i>	<i>Purpose for which diverted</i>	<i>Period</i>	<i>Amount (Rupees in Lakh)</i>
(1)	(2)	(3)	(4)	(5)	(6)
1	Principal Agricultural Officer, Kasargode	(i) Implementation of various plan schemes (1996-97)	Meeting office expenses such as charges on fuel, transportation etc.	August 2000	1.18
		(ii) Construction of office building (1999-2000)	Onam Vegetable fair 2000	August 2000	0.40
2	ADA Payyannur	Comprehensive Coconut Development Programme (1998-99)	Onam Vegetable market 2000	August 2000	0.06
			Mite control	August 2000	0.65

(1)	(2)	(3)	(4)	(5)	(6)
3	District Collector, Kannur	(i) Construction of village record rooms and purchase of furniture for model village offices (1996-97)	(i) Special repairs of existing village office buildings	1999-2000	15.48
			(ii) Purchase of furniture for use in collectorate and sub offices	1999-2000	1.70
			(iii) For binding old books in Revenue Divisional Office, Thalassery.	1999-2000	0.35
			(iv) Construction of new Village Offices.	1999-2000	3.21
		(ii) Development of Muzhupilangad as a Tourist Centre (1998-99)	Land Acquisition purpose of Dharmadam island	2000-01	17.05
4	District Collector, Wayanad	Construction of record room and purchase of furniture for model Village Offices (1996-97)	Purchase of furniture for use in the collectorate and sub offices	2000-01	2.41
5	Project Officer, D.R.D.A., Palakkad	Integrated waste land development programme (1993-94)	Purchase/installations of computer, EPABX, UPS etc. for use in the collectorate, Palakkad and Collector's camp office.	1999-2000	1.58

(1)	(2)	(3)	(4)	(5)	(6)
6	PAO, Palakkad	BPH attack in Paddy (1997-98)	(i) Coconut spra- ying	1999- 2000	3.34
			(ii) Settling the cost of 15,000 cashew grafts under cashew development scheme	January 2001	2.55
			(iii) Construction of modern rice mill at Alathur	August 2000	16.96
Total					66.92

As Government kept no track of proper accounting and expenditure of the funds out of TP accounts no action could be taken against the officers responsible for those unauthorised diversion of funds. This had evidently encouraged uncontrolled misuse of funds given for specific purposes.

Unadjusted advances made from TP accounts

- (i) Large advances amounting to Rs. 7.25 crore were paid by 6 DDOs during 1993-2001 from TP accounts for implementation of various schemes to departmental officers, contractors, convenors and other agencies. These advances were pending adjustments as on 31 March 2001, as given in Appendix IV. Misuse of TP account balances for payment of such advances which were not contemplated under the scheme, indicated that the Government failed to enforce compliance of its own rules.
- (ii) Utilisation Certificates/statements of expenditure for Rs. 8.57 crore released from TP accounts up to 31 March 2001 for implementation of various development programmes had not been received by 5 DDOs from the executing agencies (Appendix V).

In the absence of detailed bills for advances and non- receipt of utilisation certificates towards funds released to implementing agencies, it could not be verified whether the funds were utilised for the intended purpose within the prescribed time limit. Such lack of control is fraught with risk of gross abuse of scheme funds.

Irregular withdrawal from TP account

In August 1998, Government issued orders for reimbursement of admissible subsidy on power tariff to the extent of Rs. 11 crore to individual industrial units. Of this, Rs. 2.13 crore was spent during 1998-99 and the unspent balance of Rs. 8.87 crore was transferred on 31 March 1999 to the TP account of the Director of Industries and Commerce (DIC) and expenditure continued to be incurred from the TP account even after the close of the financial year. As per Government orders, Rs. 7.57 crore was drawn by DIC from the TP account and paid to the Kerala State Electricity Board (KSEB) towards loss sustained by the Board instead of using the same for payment to individual units within the same financial year. Thus, payment of Rs. 7.57 crore to KSEB instead of to individual industrial units as ordained in the Budget for 1998-99 was irregular.

Non reconciliation of balances

Reconciliation of departmental balances of TP accounts with the treasury balances as required was not done in 13 cases out of 31 cases test-checked. Few instances of un-reconciled difference (above Rs. 5 lakh) as on 31 March 2001 are given in Appendix VI. Plus and minus memoranda required to be furnished to the AG (A&E) by the Treasury Officers by the end of each month were in arrears in six out of eight district treasuries.

Non reconciliation of TP account balances may lead to serious irregularities including misuse and misappropriation of Government funds. Expeditious action need be taken to reconcile the differences. Further, overdrawal of funds from Treasuries cannot be ruled out, in the absence of reconciliation.

Conclusion

Large amounts of budgeted funds retained in deposit accounts were shown as expenditure in Government accounts and the expenditure of the State were thus over-stated. The unspent funds were thus used for ways and means support at the cost of the schemes. Further, the amount held in deposit accounts enabled the departments to bypass budgetary restrictions on expenditure and also commit irregularities. Finance Department should take prompt action to arrest such irregular and illegal drawal of funds and ensure that DDOs do not misuse the facility to avoid treasury and budgetary regulations and audit checks. Necessary controls should also be developed to ensure that DDOs spend the amount in due compliance of Government rules and regulations.

The matter was forwarded to the Principal Secretary to Government, Finance Department in July 2001. No reply was received (October 2001).

[Paragraph 3.6 contained in the Report of the C&AG of India for the year ended 31 March, 2001 (Civil)]

Note furnished by the Government on the above audit paragraph is included in Appendix II.

In the light of the Accountant General's observation that as of March 2001, there were 2957 TP Accounts in 8 treasuries having a balance of Rs. 337.30 crore, the Committee wanted to know the total outstanding balance as on 30-7-2003, when Government had decided to stop the maintenance of TP Accounts and whether the full amount had since been adjusted.

2. The witness, Principal Secretary, Finance Department replied that even though the outstanding balance as on March 2001 was Rs. 337.30 crore it had increased considerably in the year 2003.

3. Pointing out to the audit observation regarding the T.P. accounts maintained by the District Rural Development Agencies, the Principal Secretary, Local Self Government Department clarified that DRDAs used to maintain their accounts in banks till 1994. When there arose certain problems regarding the ways and means position of the State in 1994, Government ordered to open TP accounts. This action was intended to improve the ways and means position of the State. DRDAs were allowed to open 5 accounts—4 in Blocks and one each in every panchayat. The funds released by Government of India and the State's share of the funds were deposited in these accounts.

4. Government of India, used to release their share by the end of March every year and the State should release its matching share within 15 days from the date of receipt of Central share. If the State Government fails to do so, then a nominal amount from the funds would be deducted by GOI, during the succeeding year. For releasing the next instalment, the State should prove that it had released its share within the stipulated time frame. These transactions were carried out by withdrawing and depositing in the TP Accounts. But unlike other departments, these funds were not diverted to any other purpose since these accounts were treated like bank accounts. There would always be unspent balances in the TP Accounts since DRDAs were expected to spend only 85% of the funds. Fifteen per cent of the funds would be carried over to the succeeding year resulting in excess in the TP accounts. All these were in accordance with the system approved by GOI called the DRDA Accounting System. From 2003 onwards the entire accounting was being done through nationalised banks. The State's share would be drawn in advance and deposited in the bank account. Immediately after the release of Central share, both the Central and State share would be withdrawn from the account and released to district, block and grama panchayats.

5. The Principal Secretary, LSGD further explained that another type of TP account was also being maintained by DRDAs. TP accounts were maintained to avoid lapse of the funds at the end of every fiscal year.

6. The Principal Secretary, Finance Department clarified that as far as DRDAs were concerned, they have a separate accounting procedure which was approved by Government of India. This system would not be applicable to any other government department. Earlier, government used to deposit money in treasury accounts. But later on deposits were changed to bank accounts. For the two or three years before, requests have been obtained from various departments to allow them to draw funds at the end of the year. But the requests were denied, with an assurance that the funds would be released to the Departments, during the following year.

7. To the Committee's query regarding the latest position of the TP Accounts maintained by other departments, the Principal Secretary, Finance Department remarked that TP accounts were still being maintained by many departments.

8. The Committee wanted to know whether Finance Department had taken any action against the departments which continued to maintain TP Accounts in violation of the extant provision of the Kerala Financial Code.

9. The Principal Secretary, Finance Department replied that necessary directions were issued to all departments that funds should not be drawn and deposited in treasuries.

10. The Committee observed that retention of huge amounts for long periods in TP accounts without using the same for the purpose for which it was sanctioned would be fraught with the risk of misappropriation and misuse of funds. The Committee expressed dissatisfaction over the fact that neither the Inspection Wing of the Finance Department nor the internal audit wings of the concerned departments were keeping any vigil to detect such instances in time.

11. Discarding the reasons adduced by the Principal Secretary, Finance Department the Committee observed that the internal audit wings of various departments should be strengthened and prompt action be taken by the Finance Department to arrest such irregular and illegal drawal of funds and ensure that the amounts were spent by the Departments in due compliance with existing Rules.

Conclusions/Recommendations

12. The Committee observes that even though government had stopped the maintenance of Treasury Public (TP) accounts with effect from 30th July, 2003, various departments continued to retain their TP Accounts in contravention to the instructions issued by Finance Department in this regard.

13. The Committee also finds that huge amounts running to crores of rupees were reserved by a large number of officers in their TP accounts during 1996-98 without utilising the money for the purpose for which it was sanctioned. These funds remained unutilised even in March 2001. Moreover, there were also instances of diversion of funds amounting to Rs. 66.92 lakh by six officers during the period 1999-2001 and the diverted funds were used for various sundry items of expenditure as pointed out in audit.

14. The Committee expresses grave concern over the fact that the Finance Department which is supposed to be a watchdog in the financial matters of the State had failed miserably to arrest such irregular and illegal drawal of funds. Even after repeated directions from the Finance Department against keeping TP account, so many departments are continuing it by depositing huge amounts in it as idle money. Since the unspent balances in the TP accounts enable the departments to bypass budgetary restrictions on expenditure and also commit financial irregularities, the Committee urges the Finance Department to take immediate action to ensure that the amounts held in deposit accounts are expended by all the Drawing and Disbursing Officers (DDOs) in due compliance of the existing Rules and Regulations. DDOs should not be allowed to escape treasury and budgetary regulations. The Committee is not happy in the fact that the inspection wing of the Finance Department as well as the internal audit wing of various departments are not functioning properly and recommend that these wings should be strengthened and they should work hand in hand to ensure that the funds are utilised only for the purposes for which they are sanctioned.

15. The Committee is dissatisfied with the fact that though the Finance Secretary assured to furnish copy of the reply on audit observation during its examination, it is yet to be submitted to the Committee. Hence, the Committee suggests to submit the details without delay. The Committee further suggests to implement a system in which the Finance Department collects replies on audit objections on utilisation of funds from various departments and to submit them to the Committee.

AUDIT PARAGRAPH

Information Technology Audit of Treasury Information System***Highlights***

The Computerisation of treasuries in the State taken up in 1998 at an estimated cost of Rs. 13.70 crore was implemented in 23 District Treasuries and 165 out of 166 Sub Treasuries by September 2004 incurring an expenditure of Rs. 29.54 crore. Information Technology (IT) audit of Treasury Information System (TIS) was conducted to assess the extent of benefit derived from TIS and its accuracy and reliability.

- There was no record of testing and acceptance of the TIS version 3.0 software by the Department.
- Treasury Wide Area Network for interconnecting the treasuries and Data Centre vital for updating master files and macro level budget monitoring had not yet been set up.
- Report generation in respect of Personal Deposit/Savings Bank transaction was defective.
- Improper data validation in the case of Savings Bank Accounts resulted in inflating of the balance to the extent of Rs. 310.73 crore.
- Savings Bank Account, Personal Deposit Account and Fixed Deposit Account balances were increased by Rs. 4.62 crore, Rs.103.30 crore and Rs. 211.60 crore respectively using the facility in TIS for alteration of balances, without any supporting documents to verify such transactions.

Introduction

Department of Treasuries, under the administrative control of Finance Department, is mainly responsible for receipt and payment of money on behalf of Government and maintaining accounts relating to these transactions. The Department also acts as the Banker in respect of Local Bodies and others who keep their funds with the Treasury.

The scheme of computerisation of treasuries in the State estimated to cost Rs. 13.70 crore was sanctioned (April 1998) based on the report (January 1998) of a High Level Committee. The Department had so far spent Rs. 29.54 crore (January 2004) which included Rs. 6.81 crore out of Rs. 7.33 crore awarded by the Eleventh Finance Commission. Increase in cost over estimate was attributed to increase in number of servers/nodes provided and additional civil/electrical works carried out for installation of computers and allied equipment.

Objective of computerisation

The Treasury Information System (TIS) was developed to:

- Computerise all treasuries
- Interconnect all treasuries in the State and link them to the Directorate of Treasuries and Finance Department.
- Render timely accounts to Accountant General (AG)
- Obtain day to day financial position of the State and
- Exercise demand-wise /head of account-wise /scheme-wise/treasury-wise control over expenditure.

Organisational set up

The Treasuries Department is under the administrative control of the Finance Department. The Director of Treasuries (Director) is the Head of Department assisted by two Joint Directors at the Directorate. There are three Regional Offices, 23 District Treasuries, 166 Sub Treasuries, 10 Stamp Depots and 17 One Man Treasuries under the Department.

Audit objectives

The Objectives of Information Technology Audit of the Treasury Information System (TIS) was to assess the accuracy and reliability of the information generated out of the system and to ascertain how far the benefits of TIS could be derived.

Audit Coverage

IT audit of treasuries was conducted during August 2003—January 2004 covering the Directorate, 5 District Treasuries* and 13 Sub treasuries**. During Audit it was examined whether the TIS has been designed with adequate controls to maintain data integrity, safeguard assets and to allow organisational goals to be achieved efficiently and effectively. TIS backup data relating to District Treasury, Thiruvananthapuram was uploaded into DB2† and analysed using Computer Aided Audit Technique.

* Thiruvananthapuram, Kattakada, Pathanamthitta, Thrissur and Kannur.

** Secretariat, Vikas Bhavan, Pension Payment, Principal Sub Treasury Thiruvananthapuram, Attingal, Neyyattinkara, Parassala, Pathanamthitta, Adoor, Kunnankulam, Thrissur, Thaliparamba and Kannur.

† (A relational Database Management System supported by IBM.)

Programme Management

According to the report of the high level committee all treasuries in the State were to be computerised in three phases and completed by 31 March 1999. As of September 2004, the System was installed in all the 23 District Treasuries (DT) and 165 out of 166 Sub Treasuries (ST) of which 104 Sub Treasuries were computerised only during 2003-04 due to delay in site preparation and procurement of hardware.

Treasury Information System (TIS version 3.0) developed by National Informatics Centre (NIC) with DB2 as back end and Power Builder as front end was installed for on-line operation at District Treasury, Thiruvananthapuram from 1 February, 2000 and replicated in other treasuries thereafter.

Computer System would produce results accurately and with greater speed only if it is designed properly with adequate controls. General computer controls cover security management, data centre operations, hardware/software acquisition, its maintenance, backup and recovery plans. Application controls ensure proper authorisation, accuracy and completeness of data input as well as output. Absence of controls may result in data loss, data corruption, fraud and may affect the continuity of the operations of the organisation.

Audit scrutiny revealed that the Department has not yet tested the adequacy of these controls in the software installed for on-line operation from 1 February, 2000. It was also seen that required infrastructure such as Data Centre, Wide Area Network (WAN), nodes to Bank etc., were not set up for efficient functioning of the system; instructions relating to system security issued by Government were not followed and application controls were inadequate leading to bypassing of controls, incorrect database maintenance and incorrect report generation.

Failure to test controls

Absence of records of testing and acceptance of Software

A standard computer control practice is to ensure that only authorised and fully tested application software is placed in operation. During July 1999, Government constituted a Committee for testing and acceptance of the Software. But the Committee did not submit any report even after four years. Though an expert group was formed (November 2002) for an aggressive final testing of the software, TIS version 3.0 to be completed by 30 December 2002, there was no record of completion of such testing.

The Department stated (September 2004) that the software was installed in DT, Thiruvananthapuram and later at all other treasuries, as it was acceptable to the Department. The reply is equivocal in the absence of documentation relating to acceptance of the software based on approved testing methodology.

Absence of required infrastructure

Absence of Treasury Wide Area Network

Mention was made in para 5.1 of the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2001 (Civil) about the non-functioning of the WAN connecting the treasuries in Thiruvananthapuram and Pathanamthitta Districts set up at a cost of Rs. 96.70 lakh. As the WAN was a failure, the network was not extended to the treasuries in other Districts. Hence the function of TIS was reduced to compilation of transaction and no information was derived out of the System for macro level budget monitoring for effective Ways and Means control.

The Department stated (September 2004) that Treasury WAN connecting all Treasuries with Directorate, Finance Department and Accountant General's Office was under consideration of Government.

Non-establishment of Data Centre at the Directorate

As per the scheme all District Treasuries were to be linked to a Data Centre at the Treasury Directorate. But no such Centre had been set up at the Directorate to link it with the District Treasuries so as to consolidate daily receipt and payment data or to assess day-to-day cash position. There was no module under TIS to discharge this function of the Directorate. In the absence of a Data Centre with required software, there was no arrangement for updating Master Data files to be maintained centrally. As a result, master files are to be updated at each of the 189 locations leading to scope for error and delay in effecting changes.

Department stated (September 2004) that an IT Management Cell had been set up for updating centrally maintained master data files and creating of a central database for compiling transaction data from all treasuries was in progress. But the Department had not yet devised methodology for transfer/ updating of such data in the absence of WAN.

Absence of TIS nodes at Banks

It was decided (June 1999) to provide TIS nodes to Banks at par with the number of transactions in each Bank to facilitate access to TIS data to view the details of bills passed for payment and enable the treasuries to ascertain head of

account-wise receipt and expenditure on the same day. Two nodes, two modems, one hub with necessary cabling were provided for State Bank of Travancore (SBT), Thiruvananthapuram Branch attached to Thiruvananthapuram District Treasury. But such nodes had not been provided to the Banks concerned in respect of 103 banking treasuries. In the absence of nodes at Bank, there was abnormal delay in day book closing in respect of banking treasuries due to delay in receipt of scroll from Banks causing delay in submission of monthly accounts to AG. Though TIS nodes in DT, Thiruvananthapuram is provided to the bank, nodes were not provided to banks in respect of STs resulting in delay of 10 to 12 days in receipt of accounts by AG.

Misuse of TIS facility for backlog voucher/chalan entry

As per User Manual, the data entry, scrutiny and passing of bills in respect of banking treasuries are to be done through the computer before sending the bills to Banks for payment. The system generates a daily sequence number to identify each transaction and also captures the date and time of the data entry, scrutiny and passing of bills together with user id for audit trail. It was, however, seen that the system was not at all used for scrutiny and passing of the bills in the banking treasuries test checked. Instead, the details of bills passed were entered using the backlog option on receipt of the paid vouchers from Bank with scroll. The backlog option had actually been provided in TIS for entering data which may fall in arrears due to an interruption of on-line system or due to an emergency situation such as network failure or system failure. Due to misuse of this facility, data entry was in arrears in these treasuries for 3 to 20 days, which would affect the time schedule for sending the vouchers and list of Payments (LOP) to AG, defeating the very purpose of computerisation.

The Department stated (September 2004) that POC* system had been introduced in all banking treasuries thereby eliminating misuse of the System. The Department's failure to review the effectiveness of computerisation led to the delay of more than four years in extending POC facility to all banking treasuries.

Absence of System Security

Failure to monitor Audit Trail

Audit trail is incorporated into an IT System for tracing an item from input through its final stage. TIS version 3.0 has the facility to capture details of terminal log on, start up time, activities of user etc. Further, Government stipulated (January 2000) maintenance of the System Administration register,

* Pay Order Cheque treated as negotiable instrument.

Password register and Daily Activity Register. But these Registers were not seen maintained by the Treasuries covered by audit.

A scrutiny of the data relating to audit trail in DT, Thiruvananthapuram revealed that log out details were missing in 20381 out of 87259 cases. User name and log on time were duplicated in 997 records, which included log on by the same user to another terminal simultaneously due to absence of restriction regarding multiple log on.

Analysis of Electronic data revealed 2 to 5 log in attempts by users due to absence of provision to restrict unauthorized log on and/or provision for automatic terminal shut down after 2 unsuccessful log in attempts.

The Department had neither entrusted the periodic review of audit trail to any responsible officer nor evolved a documented procedure for regular monitoring of audit trail to watch deviations in access trends and to ensure compliance of instructions relating to system security.

The Department stated (September 2004) that directions had been issued to Treasury Officers during August 2004 to maintain the registers and to monitor daily activities. Missing log-outs were attributed to abnormal termination of applications and multiple log-on was resorted to for utilising the services of the user during the time taken to generate lengthy reports. As the Department has not filled up any technical posts and the System administration is managed by the staff at lower level, steps for effective security monitoring need to be taken.

Lack of change management control

The menus described in the User Manual in respect of version 3.0 of TIS and versions of software in use in the treasuries varied drastically. Though many changes had since been made to the earlier version installed during February 2000, the present version is still numbered as 3.0. The details of amendments after installation of the software had not been documented. There was no record of testing the amendments. Different editions of version 3.0 were also seen running in different treasuries and even in the same treasury (Eg. ST Parassala). In the absence of change management and version control, the Department could not ensure that the latest modified version was installed in all Treasuries and the users were benefitted by the programme amendment. There is a risk of accidental or malicious changes to software and data due to poor change management control.

The Department stated (September 2004) that TIS version 3.0 had been frozen from December 2003 to ensure that the same software was running in all the treasuries. The Department has to ensure that the latest version is installed in all the 188 treasuries computerised.

Ineffective back up policy

Back up policy formulated and circulated by Government during January 2000, stipulated that two copies (one in tape and another in CD) each of back up transaction data should be taken on each working day and two copies of the back up of data relating to accounts should be taken every month in CDs, of which one copy should be kept by the Treasury Officer concerned and the other should be sent to the nearest treasury identified by the Director for off-site storage.

But the prescribed procedure for back up was not followed in two treasuries* as CDs and/or CD writers had not been supplied. Against the requirement of six tapes in each treasury for taking back up, one to three tapes only had been supplied to three treasuries**. The Director had not yet (January 2004) identified the treasuries for off-site storage of back-up. In the absence of adequate back up and off-site storage of data, it would be difficult to restore the system in the event of disaster.

The Department stated (September 2004) that the Treasury Officers had been directed to follow the instructions scrupulously and that proposals had been submitted to Government for providing CD writers to treasuries. It was also stated that off-sites for storage of monthly data for each treasury have been identified and communicated to treasuries. As this does not address the risk of loss of weekly transaction data in the event of disaster, the Department has to ensure that weekly data are also stored at the identified off-sites.

Defective maintenance of database***Excess accounting of SB Account Balance***

Treasury Department is responsible for the maintenance of Savings Bank Accounts in respect of deposits by local bodies, other institutions, pensioners and public. The statement of closing balance along with annual interest is forwarded to AG every year for making adjustments in the accounts. It was, however, seen that data entry relating to closing balance in respect of SB Accounts in District Treasury, Thiruvananthapuram were not validated before switch over to computerised transaction from 1st February 2000. As a result there was a difference of Rs. 310.73 crore between the balance as per Manual Ledger (Rs.1231.87 crore) and Computerised Ledger (Rs.1542.60 crore) as on 31st March 2000. The excess accounting of Rs. 310.73 crore was irregular and needs to be rectified by proper data validation.

* DT, Pathanamthitta & ST, Pathanamthitta

** ST, Kunnankulam, ST, Thaliparamba, ST, Thrissur

The Department admitted the failure to compare ledger balance with computer generated accounts and stated (September 2004) that the difference occurred due to non-inclusion of certain accounts in the manually prepared statement of interest (Rs.146.64 crore) and adoption of incorrect balance in respect of certain accounts involving shortage of Rs.39.59 crore. But the difference of Rs.124.49 crore remained to be reconciled.

Bypassing of Appropriation Control

Treasury Officers were required to monitor the expenditure against provision through the Appropriation Control Register provided in the TIS. The details of allotments received in the treasury were to be entered into the system through the New Allotment menu except for the heads of accounts exempted. After each transaction, the balance of allotment under each head of account in respect of a Drawing and Disbursing Officer (DDO) can be retrieved/viewed through the Appropriation Control Register. But in DT, Thiruvananthapuram the appropriation details were not entered into the system promptly and the prescribed procedure for budgetary control was not followed.

In respect of the Department whose expenditure was to be watched through the Appropriation Control Register, payment through the transaction type “contingent payments” is prevented by a message that “no appropriation was available”. To bypass this, payments were made through “miscellaneous payments” option.

Bill Exmptn. table contained 138 cases where payment was made in relaxation of appropriation control, but reason for exemption had not been indicated properly. In 27 cases, it was recorded as inevitable without authority. In 14 cases, the reason noted was “5 Advances pending” which was a valid reason for rejecting the bill, instead of passing it as inevitable payment.

Advances pending adjustment

As per codal provisions, if a final bill for advance drawn is not presented within 3 months of its drawal, the entire amount of advance is to be recovered from the next salary bill of the Self Drawing Officer (SDO) concerned with interest. But there was no provision in the software to recover such advance with interest. As the default option for Travelling allowance bills had been set as ‘Advance’, final payment is to be entered by changing the default option to ‘settlement’. Because of the failure to change option, some of the final payments are wrongly booked as advance payment. As such the amount of tour advance actually pending adjustment cannot be segregated from the data. Tour advances amounting to Rs.3 lakh in 467 cases were pending against SDOs in

four treasuries covered by audit, including those of officers who had been transferred/retired. But these pending advances were not seen included in the LPC/NLC* due to absence of provision therefore.

NIC stated that provision for recovery of tour advance/indicating the same in LPC/NLC was not included in TIS for want of specific request of the Department.

Inadequate application control

Provision for alteration of balance

A facility for the alteration of balance in the Savings and Deposit account was incorporated in TIS to correct mistakes in balance during the change over period from manual system to computerised system. Opening Balance adjustment short option (OB+) is used to increase the balances as per the system and Opening Balance adjustment excess option (OB-) to decrease the balance. But the facility was not withdrawn even after 4 years of implementation of TIS at DT, Thiruvananthapuram.

Between February 2000 and August 2003 DT, Thiruvananthapuram carried out several transactions using the options OB(+) and OB(-) which resulted in the increase in Savings Bank (SB) balance by Rs.4.62 crore, Personal Deposit (PD) account by Rs. 103.30 crore and Fixed Deposit (FD) account balance by Rs. 211.60 crore as shown below:

<i>Type of Account</i>	<i>Number of transactions using OB+</i>	<i>Amount increased through OB+</i>	<i>Number of transactions using OB-</i>	<i>Amount decreased using OB-</i>	<i>Net increase in balance</i>
SB Account	283	7.73	9	3.11	4.62
PD Account	284	122.32	44	19.02	103.30
FD Account	588	211.60	211.60

But the treasury did not have any document in support of above transactions involving crores of rupees. In the absence of any document, the authority for such data entry was not verifiable.

In the absence of regular receipt of Plus and Minus Memorandum indicating opening balance short and opening balance excess adjustments, such adjustments escape accounting by AG thereby misrepresenting the balance of State under Public Account.

* LPC/NLC- Last Pay Certificate/ Non-Liability Certificate

There is no justification for retaining this facility to manipulate opening balance without affecting cash transaction so as to cover up the defective data validation. Moreover, there is greater risk of misuse of this facility by the users of the system to arrange payment to account holders even if balance is not available.

The Department stated (September 2004) that this facility is essential to make alteration for correcting wrong entry in the account and that OB(+) facility was included in majority of cases to include Opening Balance which were not entered into the system at the time of computerisation. As this was a facility included to correct mistakes in carry forward of balance to computerised system, there is no justification in retaining the facility at treasuries for such a long period which may provide scope for manipulation.

Absence of provision in the stamp account

There is no provision to generate a report on the details of stamp issued on a particular day or stamps issued to a particular vendor and also for automatic deduction of income tax from a stamp vendor whose commission exceeds Rs. 2500 in a financial year.

Defective Report Generation

The figures as per reports generated through different options for the same period were different in the following cases.

The closing balance of a PD account for a particular day was different when extracted through the PD Ledger option and the PD Pass Book option.

The closing balance for a particular month and the opening balance for the following month were different when the Savings Bank Extract Registers were generated for the Head of Account 8001-00-102-99-00 through the option Reports-Reconciliation and Reports-SB Extract Registers.

The annual closing balance for 2000-01 and 2002-03 exceeded the closing balance for the month of March 2001 and March 2003 by Rs. 24.61 lakh and Rs. 117.59 lakh respectively and the closing balance for March 2002 exceeded the annual closing balance for 2001-02 by Rs.55.93 crore.

The closing balance for 2000-01, 2001-02 and 2002-03 did not tally with the opening balance of the following year.

The Closing balance as per the Plus and Minus Memorandum did not tally with the closing balance as per the Annual Interest Statement sent to AG during 2000-01, 2001-02 and 2002-03.

The department stated (September 2004) that the discrepancies occurred due to bugs in the software and action had been taken to rectify the same.

Inconsistencies in the Annual Interest Statement for SB Accounts

The Annual Interest Statement in respect of Savings Bank accounts in a treasury is a mandatory return to be sent to the AG at the end of each financial year. Total annual interest credited as per TIS during 1999-2000 to 2002-03, did not tally with the figures in the Plus and Minus Memorandum and as per the Annual Interest statement furnished to AG.

The amounts of short passed interest, annual interest, etc., credited to SB accounts as shown in the Plus and Minus Memorandum did not tally with the amounts shown in the SB extract register for the year 2002-03.

The interest on closed accounts and short passed interest as per the Annual Statement of Interest furnished to AG did not tally with the figures as per the Plus and Minus Memorandum.

The Department stated that the error in the report generation module had been rectified. As the present version of the software is stated to be frozen, the modification would be effective only when the next version is installed.

Absence of Internal Audit in computerised Treasuries

Internal Auditors have an important role in protecting the IT Systems by detecting deviations in prescribed procedure, identifying threats to information system, suggesting safeguards for timely rectification. Three Regional Deputy Directors and one Deputy Director at the Directorate were responsible for internal inspection of Treasuries. But the Internal Inspection Team had neither been trained in TIS nor new methodology of audit devised.

Though Treasury transactions are subject to Internal Audit by the Department and annual Inspection by AG there is no provision in TIS to query the data and extract the information required by audit. Evidently, the Internal Audit wing failed to present the above requirement at the time of development of the software.

The Department took (January 2004) steps to arrange training to Inspection Staff only after the lapse was pointed out by audit but no methodology of audit had been evolved so far (September 2004).

Conclusions

The computerisation of all treasuries (except one) targeted to be completed by March 1999, was completed only by August 2004. However, in the absence

of required infrastructure such as WAN, Data Centre, etc. the objective of budgetary control over expenditure expected from Treasury Computerisation could not be derived so far. As there was a delay of 10 to 12 days in the receipt of LOP and Cash account from computerised treasuries (January 2003), the objective of timely rendering of accounts had also not been achieved. As the adequacy of controls was not tested so far, the system lacks controls relating to system security and software change. The system remains vulnerable due to inadequate application controls.

Recommendations

- Test the final modified version of the software following approved testing methodology to ensure the adequacy of controls;
- Interconnect the treasuries and set up a Data Centre at the Directorate to update the centrally maintained Master data files and for Macro level Budget monitoring;
- Conduct a thorough data validation of Closing Balance of Savings Bank and Personal Deposit accounts urgently and thereafter withdraw the facility for alteration of balances to minimise the risk of fraud;
- Evolve suitable methodology for audit of computerised treasuries by the Internal Audit wing.

Government endorsed (November 2004) the remarks of the Department and stated that all possible efforts would be taken to make the accounts up-to-date and achieve the goals aimed at by computerisation of treasuries.

[Paragraph 3.6 contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2004 (Civil)]

Note furnished by the Government on the above audit paragraph is included in Appendix II.

16. The Committee wanted to know the reasons for the cost escalation above the estimate on account of computerisation of treasuries and whether the objectives had been fully achieved as envisaged.

17. The witness, Principal Secretary, Finance Department explained that eventhough Rs. 14 crore was earmarked for the purpose, almost 30 crore had been spent till date, which also included the amount received as central assistance.

18. The Committee enquired whether day to day receipts and expenditure and outstanding cash balance could be ascertained with the introduction of the

new system in the treasuries. The witness answered in the affirmative. He added that by entering the user name (Officer) and password (1,2,3) in the site namely "Treasury Information System", it would be possible to get the detailed statement of a bill passed, by the treasury. Even a single bill could not be got sanctioned from the treasury manually. As soon as a bill was submitted to the treasury, the assistant concerned, enters the details regarding the Head of Account, the person to whom the bill was to be paid and the name of the Drawing and Disbursing officer and transfer the above details to the senior officer's computer system. The bill would be verified by the senior officer and the same would be passed on to the officer's computer who was authorised to pass the bill. The bill would be cross checked by the officer and computer clearance would be given for the same. Once the bill was passed by the officer, the same would be returned to the concerned assistant. The assistant would take the print out of the pay order cheque, and payment against this would be made through banking treasuries.

19. A centralised server was placed in the Co-bank towers and dial-up connectivity was given to all the 200 treasuries. Daily information from the systems in all the treasuries were dialed up to the centralised server. The treasuries which have dialled up the day-to-day information could be monitored by the Principal Secretary, Finance Department. The treasuries which have failed to update the required information would be directed to do the same. Thus it was then possible to exercise a control over expenditure.

20. The Principal Secretary, Finance Department further deposed that eventhough the treasury information system was one of the best network systems, certain problems still persisted, the primary one was that, if any problem occurs while feeding the data into the computer system, then the data would be transferred to the suspense head. The data in the suspense head should be regularised periodically and this was not being done effectively. This had resulted in the accumulation of large amounts in the suspense head. Action was being taken to clear the arrears in the suspense head. The second problem would arise at the time of payment by the banking treasuries. The banks should return the pay order cheques to the treasuries with the undertaking that the amount had been paid and the same should be entered in the treasury information system. But it was not seen complied with. To solve this problem action was being taken to give a terminal of the treasury system to all branches of banking treasuries. Once the payment was effected, the details would be entered by the concerned bank official and it would be transferred automatically to the treasury system. This procedure had been adopted in 40 banks then and within the succeeding three months, this facility would be extended to all non banking treasuries as well.

21. Since VAT identification number had been included in the treasury system, it was possible to encash even high value cheques directly from banks without going to treasuries which was an added advantage. Eventhough it was mandatory for the Drawing and Disbursing officer to conduct monthly reconciliation of the amount credited and debited in the treasuries, the same was not being strictly adhered to. But since the Accountant General was simultaneously verifying each and every payment through treasuries, any kind of misappropriation would be detected by the Accountant General and the authenticity of the payment would be verified by them in consultation with the treasury officer. This procedure should also be made on line.

22. The Committee wanted to know the steps taken by the Finance Department to make the entire procedure on line.

23. The Principal Secretary, Finance Department replied that wide area network had been ordered and with the help of central fund, a state wide area network (information highway) had been developed. Even the Block panchayats would be brought under the state wide area network within three months. When the entire system was made completely on line, then the existing softwares and computers should be upgraded with an estimated cost of almost Rs. 20 crore. Action was in progress to upgrade the then existed system and to make it completely online. When the system was made completely online, Finance Department would get an overall control over the entire transactions in the treasuries.

24. Since the details of the movement register of all the Departments had also been entered in the computer system, it was then possible to trace the latest position of any file in any department. Delay, if any at any stage could be found out and rectified.

Conclusions/Recommendations

25. The Committee understands that the objectives of the Treasury Information System (TIS) was to computerise and interconnect all the treasuries in the State and link them to the Directorate of Treasuries and Finance Department. The computerisation of treasuries also aimed to render the daily financial dealings and the financial position of the State thereby making it possible for the Finance Department to exercise an overall control over expenditure of Government money.

26. The Committee, from the evidence tendered before it by the Principal Secretary, Finance Department infers that the TIS is one of the best network systems in the State. Eventhough the envisaged objectives

could not be accomplished to its full extent, the Committee appreciate the earnest efforts put forth by Finance Department in the matter. Endeavor should be made to transform it into a perfect network system.

27. From the information furnished by government, the Committee notes that State Wide Area Network (Information Highway) has been developed with the help of central fund. But the transactions were not made completely online which disabled the Finance Department from exercising an effective control over the entire transactions through the treasuries. This defeated the very purpose of the computerisation of treasuries. Hence the Committee suggests that immediate action be taken by the Finance Department to upgrade the existing softwares and hardwares and to ensure that similar softwares are being used in all the treasuries. The Department should also ensure that the latest version is installed in all the treasuries.

28. The Committee finds that the procedure prescribed for storing back up data was not adhered to by most of the treasuries and in the absence of adequate back up facility and off-site storage of data, it would be a herculean task to restore the system in the event of a disaster. Hence the Committee urges the Department to take effective steps to make sure that the prescribed procedure for back up is strictly followed by all the treasuries.

29. The Committee observes that the closing balance in respect of the Savings Bank Accounts maintained by the District Treasury, Thiruvananthapuram have not been validated before shifting over to computerised transaction resulting in a massive difference of Rs. 310.73 crore between the balance as per Manual Ledger and computerised Ledger as pointed out by audit. The Committee also perceives that the Department had admitted its inefficiency to compare the ledger balance with computer generated accounts. It was stated in September 2004 that the difference occurred due to non-inclusion of certain accounts in the manually prepared statement of interest amounting to Rs. 146.64 crore and adoption of incorrect balance in respect of certain accounts involving shortage of Rs. 39.59 crore. The Committee requires the Department to intimate whether the balance amount of Rs. 124.49 crore which remained to be reconciled has henceforth been settled.

30. Regarding the audit observation on the absence of provision in the stamp account, the Committee would like to be apprised of the system now prevailing in the Department to obtain the details of the stamps issued to a particular vendor and also for automatic deduction of income tax from a particular vendor whose commission exceeds Rs.2500 in a financial year.

AUDIT PARAGRAPH

Special Development Fund for Members of Legislative Assembly***Introduction***

Government of Kerala constituted (October 2001) a Special Development Fund for MLAs from 2001-02 on the pattern of “Members of Parliament Local Area Development (MPLAD) Scheme” of Government of India. The annual contribution of Rs. 25 lakh for each MLA was enhanced to Rs. 50 lakh from 2003-04. The objective of the scheme was to enable the MLAs to suggest developmental activities based on locally felt needs in their Legislative Assembly Constituencies (LACs) with emphasis on creation of durable assets*. The guidelines issued in October 2001 had been modified several times and the guidelines issued in May 2004 are by and large in conformity with the guidelines of MPLAD scheme.

The implementation of the scheme during 2001-04 in 58 constituencies of five (out of 14) districts was reviewed by a test check of records relating to five District Collectorates** and 30 implementing offices. Audit also conducted physical verification of 50 works in 22 LACs.

Funds released by Government during 2001-04 were Rs. 140.72 crore of which the expenditure incurred upto March 2004 was only Rs. 44.77 crore (32 per cent). Amount of expenditure covered in the review was Rs. 14.55 crore. Release of funds and expenditure incurred for works sanctioned for 2001-04 are given below.

(Rupees in crore)

<i>Year</i>	<i>Release of Funds</i>	<i>Expenditure</i>
2001-02	35.00	..
2002-03	35.25	38.31
2003-04	70.47	6.46
Total	140.72	44.77

* Construction of buildings, roads and bridges, water supply scheme etc.

** Alappuzha, Ernakulam, Kozhikode, Pathanamthitta and Thiruvananthapuram.

Implementation of the Scheme

The major irregularities/defects noticed in the implementation of the scheme are shortfall in utilisation of funds, delay in proposal by MLAs and sanction of the schemes by District Collectors (DCs), delay in execution of works etc., as shown below.

Shortfall in utilisation of funds

The funds released were kept in non-lapsing treasury savings deposit accounts of DCs. Government had not fixed any specific time limit for utilisation of funds. Out of Rs. 58.50 crore released to 58 LACs in five districts, DCs sanctioned works for Rs. 42.23 crore as of April 2004. As at the close of the year 2003-04 unspent balance in five districts was Rs. 43.95 crore.

Percentage of shortfall in utilisation of funds ranged between 42 and 100 in the 58 LACs. There were 9 LACs where the percentage of shortfall in utilisation was 90 per cent or more.

Late submission of proposals (668) by MLAs, delay in preparation of estimates (101) by the implementing agencies and execution of works (28) by implementing agencies were the reasons for the low utilisation of funds.

Delay in proposals/sanction

As per the guidelines, each MLA is required to give his choice of works to the DC. The DCs after getting estimates from the implementing departments*/executing agencies should issue sanction within 45 days from the date of receipt of proposals from MLAs.

It was seen that 41 MLAs gave 668 proposals towards the end of the year or the succeeding year. In 101 works (estimated cost: Rs. 3.39 crore) proposed by 24 MLAs delays ranging from 103 to 415 days were noticed in according administrative sanction by DCs. Delays in identification of sites and preparation of estimates by the executing agencies were the reasons for delay in issuing administrative sanctions by DCs.

Lack of co-ordination between District Collectorates and user Departments

DCs did not consult user departments before sanctioning works. This resulted in delay in execution of works due to revision of plans and estimates to suit the requirements of the user departments and delay in utilisation of assets created.

* Block Development Offices, Public Works Department, Kerala Water Authority, Kerala State Electricity Board and Local Bodies are the main implementing agencies.

Lack of proper planning/feasibility study before sanctioning works

Administrative sanction for works were issued without ascertaining the availability of land, proper estimates, infrastructure etc., resulting in abandoning/non-completion of the works as shown below.

- Due to non-availability of land, sanction issued in April and May 2002 (estimated cost : Rs. 17.50 lakh) in Kilimanoor LAC for construction of buildings for 14 Anganwadi Centres were cancelled (September 2003) and construction of buildings for an Anganwadi Centre sanctioned in February 2003 (estimated cost : Rs. 1.53 lakh) in Perambra LAC was not started so far (June 2004).
- In Balussery LAC construction of first stage of a mini stadium at Ulliyeri was completed in December 2003 at a cost of Rs. 7.45 lakh, the second stage proposed by the MLA was not sanctioned due to non-availability of land.
- In Balussery LAC, a large project, a stadium with gallery and shopping complex was sanctioned in July 2002. A small portion of gallery was constructed for Rs. 8.90 lakh (2001-02) and allotted Rs. 10 lakh for second phase (2002-03). Physical verification revealed that only about 10 per cent of the entire project had been completed so far. This would indicate that this project requires a very huge investment. Though sanction was given to the project the cost of the project and the expected date of completion of the project is not known by the sanctioning authority and as such the investment of Rs. 19 lakh is not likely to fetch the intended benefit in the near future.
- A mini water supply scheme sanctioned in August 2002 in Vadakara LAC at a cost of Rs. 1.50 lakh had no provision for installation of motor and distribution system.

Sanctioning of inadmissible works

According to the guidelines construction of office buildings, residential buildings and other buildings of Central or State Governments, Departments, agencies or organisations, works belonging to private institutions etc., were not permissible. However, in four districts* the DCs issued administrative sanction (between April 2002 and November 2003) for 16 works costing Rs. 1.28 crore in disregard of the guidelines. The amount spent on these works as of March 2004 was Rs. 62.54 lakh (Appendix VII).

* Alappuzha, Ernakulam, Pathanamthitta and Kozhikode.

Sanctioning of works in violation of guidelines

There was no provision in the guidelines for sanction of certain works. Government, however, sanctioned the following works for Rs. 61 lakh under the scheme during 2003-04 in violation of its own guidelines. No expenditure was incurred on the following works so far (August 2004).

- Construction of Kerala State Road Transport Corporation bus station at Chadayamangalam LAC.
- Construction of buildings for Institute of Human Resources Development Engineering College in Karunagappally LAC.
- Construction of Railway foot over bridge in Kannur LAC.
- Payment of arrears of electricity charges of Memury Coconut Development Lift Irrigation Scheme at Kaduthuruthy LAC
Government may therefore reconsider the sanctions issued to the above works.

Delay in execution of work

Delays were noticed in arranging works and in commencing work after execution of agreements.

In Thiruvananthapuram District the implementing officers did not arrange construction of four school/hospital buildings and 3 bridges which are permissible under the guidelines costing Rs. 18.50 lakh (Appendix VIII) sanctioned between February 2002 and June 2003. These works were tendered but there were no volunteers/convenors to take up the work.

In three districts delays ranging from six to 15 months occurred in arranging 14 works costing Rs. 41.25 lakh due to delay in selecting the convenors by the beneficiary committee to take up the works (Appendix IX).

Nature of assets created

The main purpose of the scheme was creation of durable assets. In the five districts out of 1486 works sanctioned during 2001-04, only 676 works were completed and 810 works were not completed as of March 2004. Out of the completed works, 315 works (47 per cent) were for repair and maintenance of roads for which expenditure of Rs. 5.08 crore was incurred which cannot be considered as creation of durable assets.

The Principal Secretary, Finance Department, however, disagreed with the audit observation that repair and maintenance of roads did not constitute creation of durable assets. This argument is not tenable as expenditure on repairs and

maintenance of roads is treated as revenue expenditure and cannot be considered as leading to creation of durable assets. The scheme guidelines itself prohibited utilisation of the scheme funds for revenue expenditure.

Irregular execution of works

In Kayamakulam LAC though the DC sanctioned (April 2002) construction of a ward in Government hospital, physical verification revealed that against the sanction for construction of a ward, an office building was constructed at an expenditure of Rs. 3.13 lakh which was against the guidelines.

Non-utilisation of assets created

There was no system in the five district collectorates to ensure that the assets created are utilised for the purposes for which they were created. Physical verification by Audit revealed that out of 34 buildings completed between October 2002 and January 2004, 15 buildings were not utilised.

- A ward for the Ayurvedic hospital in Parassala LAC completed in June 2003 at a cost of Rs. 3.64 lakh could not be used for want of furniture.
- A mortuary room completed at a cost of Rs. 3.56 lakh in Alappuzha Medical College in March 2003 remained idle due to non-installation of cooling chambers by the Department.
- Two comfort stations completed at a cost of Rs. 3 lakh in Thiruvananthapuram North LAC between April and June 2003 were not opened to public for want of water and power connections.

A crematorium completed in June 2003 in Kakkanad in Thripunithura LAC for Rs. 9.24 lakh was not handed over to the local body so far (March 2004).

Non-maintenance of Asset Register

As per the guidelines, an Asset Register showing the details of assets, drawal of funds, physical progress etc. was to be maintained by the DCs and the implementing Officers. However, the DCs and implementing Officers (except BDO, Kazhakkuttom) were not maintaining the registers.

Internal control

Finance Department is the nodal department at State level for implementation of the scheme. According to the scheme the department was responsible for the following :

- Issue of general instructions to all the planning and implementing agencies of the scheme at State/District level.

- Monitoring the progress of implementing the scheme and to decide on monitoring mechanism.
- Conducting meetings involving MLAs and DCs to assess the progress of project at least once in a year.

However, Finance Department failed to take action on these so far.

As per guidelines, the DCs, being the nodal officers of the scheme, at district level, were to inspect at least 20 per cent of the works every year, send monitoring reports to the Finance Department and MLAs once in two months, prescribe schedule of inspections to the implementing officers and to maintain asset register.

None of the DCs of the five districts had inspected any of the works. Progress reports were sent to the Finance Department only once in a year for release of funds. No schedule of inspection was prescribed for implementing officers in any of the districts.

Conclusions

The objectives were not achieved as there was considerable delay in the submission of proposals by MLAs, partial utilisation of the funds allotted for the creation of durable assets and inordinate delay in arranging works in many cases. All the assets created were also not put to use due to lack of co-ordination with the user department. Monitoring at State/District levels was ineffective.

Recommendations

- In order to ensure speedy and timely completion of schemes/projects the guidelines should prescribe specific time schedule from the stage of proposals to the handing over of the assets created and its utilisation for the intended purpose.
- The format prescribed in the guidelines issued in May 2004 may be used as a monitoring tool, by submitting a monthly report in this format to the MLAs and nodal department at Government level.
- Availability of land, proper estimates and infrastructure may be ensured before sanction of works.

Response of the Department

The points were discussed with the Principal Secretary to Government, Finance Department. The Principal Secretary agreed with the recommendations of Audit.

[Paragraph 3.7 contained in the Report of the C&AG of India for the year ended 31 March 2004 (Civil)]

Notes furnished by the Government on the above audit paragraph is included as Appendix II.

31. The Committee wanted to know the reasons for the shortfall in expenditure against the amount sanctioned to MLAs under Special Development Fund for Members of Legislative Assembly.

32. The witness, the Principal Secretary, Finance Department apprised that when the annual contribution was increased from Rs. 50 lakh to Rs. 75 lakh, there was hike in the sanctioned amount.

33. The Committee suggested that the department should take necessary action to see that when administrative sanction was given for a proposal, the MLA concerned should be informed of the same immediately.

34. The Committee also opined that the District Collector should give administrative sanction for a proposal within 30 days (instead of 45 days) of receipt of the proposal and suggested that necessary changes be incorporated in the guidelines to that effect. Another suggestion of the Committee in this regard was that the Department should send quarterly report to the MLA concerned on the progress of the work undertaken.

35. The Committee directed the Department to take effective steps to see that the assets created were not lying idle and were utilised for the purpose for which it was created. The Committee also stressed the need for getting prior approval from the user department before execution of works.

Conclusions/Recommendations

36. The Committee finds that acute shortfall had occurred in the utilisation of money provided under the Special Development Fund for Members of Legislative Assembly during 2003-04 in the five districts test checked by Audit. Late submission of proposals, delay in preparation of estimates by the implementing agencies, delay in Administrative Sanction by District Collectors and thereby delay in execution of works were the reasons attributed for the low utilisation of funds. The Committee observes that no specific time limit was fixed by Government at that time for the utilisation of funds.

37. The Committee from the reply furnished by Government learns that vide circular No. 56/NC.3/06/Fin. dated, 29-11-2006, necessary instructions had been issued to the District Collectors to prescribe a time schedule for completion of the works undertaken under the scheme in the

proceedings according Administrative sanction for the works. The Committee wants to know whether the circular instructions are being strictly followed by the District Collectors. The Committee opines that it had better to prescribe a specific time schedule in the guidelines itself for the works undertaken under the scheme from the stage of proposals to the handing over of the assets created therein.

38. The Committee notes that as per the guidelines, each MLA is required to give his/her choice of works to the District Collector and the District Collector, after getting the estimates from the implementing departments or executing agencies should issue sanction for the work within 45 days from the date of receipt of proposal from the MLA. The Committee recommends that the period should be reduced to 30 days (instead of the stipulated 45 days) and insists that necessary amendments ought to be brought about in the guidelines to that effect. In cases where it is rationally impracticable to grant sanction within the suggested timeframe, the Department should take earnest efforts to see that the delay is reduced to the barest minimum. The Committee also suggests that the MLA concerned should be informed with quarterly reports about the progress of the works undertaken under the scheme.

39. The Committee observes that lack of co-ordination between the District Collectors and the user departments had led to delay in implementing the works undertaken due to revision of plans and estimates to suit the requirements of the user department. Had the District Collectors consulted the user departments before issuing Administrative Sanction, such a state of affairs could have been averted. The Committee desires to know whether the instructions issued in the Circular of the Finance Department dated 24-11-2006 are being strictly complied with by the District Collectors.

40. Even though the responsibility of ascertaining the basic requirements for implementing works before according sanction vests with the District Collectors, who are the District Nodal Officers, it has been pointed out by Audit that they have failed miserably in accomplishing their obligations which in turn results in abandonment / non-completion of certain works. The Committee stresses the need for ensuring the basic requirements like availability of land, realistic estimates and necessary infrastructure before according sanction for works. The Committee would like to be apprised of the present district wise and year wise position of the works sanctioned under this scheme.

41. The Committee finds that the District Collectors of Alappuzha, Ernakulam, Pathanamthitta and Kozhikode had issued sanction for 16 inadmissible works costing Rs. 1.28 crore in violation of the guidelines. The

Committee directs the Finance Department to ensure strict compliance of the guidelines by all the District Collectors and to confirm that such instances are not repeated in future at any cost.

42. The Committee finds that explanation has been obtained from the District Collector, Alappuzha for allowing the construction of a ward in the Government Hospital, Kayamkulam at a cost of Rs. 3.13 lakh which was against the guidelines. The Committee would like to know the outcome of the enquiry.

43. The Committee learns that lack of prior consultation with the user departments by the District Collectors had led to non-utilisation of assets created in many cases. The Committee urges the Finance Department to develop a suitable system in all the district collectorates to see that the assets created are utilised for the purpose for which they were created.

44. The Committee from the Government reply finds that being the Nodal Department for the Special Development Fund for MLAs, Finance Department is responsible for issuing general instructions to all the planning and implementing agencies of the scheme at State/District level and to monitor the progress of the implementation of the Scheme. The Committee also notes that the District Collectors have been given necessary instructions to forward the monthly expenditure statement to Finance Department. The Committee requires the Finance Department to intimate whether the expenditure statements had been obtained from the District Collectors and whether the same were subjected to proper study. If so, the shortcomings/drawbacks noticed in the study should be communicated to the Committee along with the steps taken to rectify the same.

AUDIT PARAGRAPH

Functioning of Treasuries

Failure of the Treasury Officers to exercise the prescribed checks led to overpayment of pension/family pension aggregating Rs. 26.61 lakh

The treasuries in Kerala are functioning under the administrative control of the Director of Treasuries (DoT). There were 23 District Treasuries and 171 Sub Treasuries in the State as on 31 March 2006.

Inspection by Accountant General (Accounts & Entitlement)

Accountant General (Accounts & Entitlement) inspected 144* treasuries in 2004-05 and 149** treasuries in 2005-06. Inspection of treasuries is akin to regularity audit. Following major irregularities and failure in control were noticed during inspection of treasuries.

* 23 District Treasuries and 121 Sub Treasuries.

** 23 District Treasuries and 126 Sub Treasuries.

Department Inspections

According to the provisions in the Kerala Treasury Code (KTC), DoT has to inspect each District Treasury at least once in every year and arrange for inspection of Sub treasuries at least once in two years by an Assistant Director. District Treasury Officer (DTO) is required to conduct inspection of all Sub Treasuries once in a year, without notice. DoT/DTO failed to conduct inspections regularly resulting in arrears as indicated below :

- In the Sub Treasury, Vikas Bhavan, DoT and DTO had not conducted inspection so far.
- DoT conducted the last inspection in Additional Sub Treasury, Thiruvananthapuram in November 1994 and in Sub Treasury, Rajakumary in May 1998.
- DoT had not conducted inspection in eight* treasuries for the last five years, nine** treasuries for the last four years and 19† treasuries for the last three years.
- DTO had not conducted inspection in 14§ treasuries for more than four years.

Over payment of pension/family pension

It was noticed that overpayment of Rs. 10.61 lakh was made towards payment of pension/family pension in 206 cases (80 treasuries) during 2004-05 and Rs. 16 lakh in 260 cases (70 treasuries) during 2005-06 as detailed below :

- According to the Kerala Service Liberalized Family Pension Scheme, enhanced family pension equivalent to 50 per cent of basic pay last drawn subjected to a maximum of twice the family pension was admissible for a period of seven years from the date of death or till

* Sub Treasury (ST) Valancherry, ST. Chathannur, Rural District Treasury, Kattakkada, ST Thirurangadi, DT Thiruvananthapuram, Pension Payment Sub Treasury (PPST) Kollam, District Treasury (DT) Muvattupuzha, ST Annamanada.

** ST Tirur, ST Malayinkeezhu, DT Wayanad, ST Vithura, DT Malappuram, DT Thrissur, ST Punalur, ST Kaduthuruthy, ST Kuzhalmannam.

† ST Mannarkad, ST Kunnankulam, ST Taliparamba, ST Kothamangalam, ST Agali, ST Mulanthuruthy, ST Angamaly, ST Kannur, ST Kottarakkara, DT Kottarakkara, ST Ponnani, ST Manjeri, ST Peerumedu, ST Adimali, PPST Ernakulam, ST Paravoor, ST Aluva, ST Poochakkal, ST Irity.

§ Additional Sub Treasury, Thiruvananthapuram, Pension Payment Sub Treasury, Thiruvananthapuram, ST Thirurangadi, ST Tirur, ST Malayinkeezhu, ST Ponnani, ST Thriprayar, ST Pudukkad, ST Kodungallur, ST Vellarikundu, ST Kallachi, ST Mundakkayam, ST Thottipalam, ST Pattambi.

the date on which the employee would have reached the age of 62 years whichever period is shorter, and at ordinary rates thereafter. It was noticed that during 2004-05 and 2005-06, excess payment of Rs. 13.08 lakh was made in 115 cases due to non-reduction of family pension after the specific period.

- According to the Kerala Service (Pension) Rules, if a pensioner commuted a part of his pension, the amount of pension should be reduced to that extent. It was noticed that in 54 cases, commuted value of pension had not been reduced from the basic pension resulting in over payment of Rs. 1.65 lakh during 2002-03 to 2005-06. Similarly, payment of ineligible family pension, incorrect calculation of dearness relief etc., were also noticed and the total overpayment/excess payment worked out to Rs. 8.08 lakh in 233 cases.
- Consequent on revision of pay scale of the Government employees with effect from 1st March 1997 pension and family pension were revised by consolidating the existing pension and family pension, dearness relief, interim relief and fitment benefit. Due to wrong calculation of revision of pension excess payment of Rs. 2.82 lakh in 47 cases in 2004-05 and Rs. 0.99 lakh in 17 cases in 2005-06 were noticed.

District Treasury Officers/Sub Treasury Officers admitted the mistakes and started recovery of the overpayment. Out of the total overpayment of Rs. 26.61 lakh, the treasuries recovered an amount of Rs. 8.89 lakh leaving a balance of Rs. 17.72 lakh as reported by the Treasury Officers as of 30th June 2006.

[Paragraph 4.5.1 contained in the Report of the C&AG of India for the year ended 31 March 2006 (Civil)]

Notes furnished by the Government on the above audit paragraph is included in Appendix II.

Conclusions/Recommendations

45. **No comments.**

Thiruvananthapuram,
17th December, 2008.

ARYADAN MUHAMMED,
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	12	Finance	The Committee observes that even though Government had stopped the maintenance of Treasury Public (TP) Accounts with effect from 30th July, 2003, various departments continued to retain their TP Accounts in contravention to the instructions issued by Finance Department in this regard.
2	13	„	The Committee also finds that huge amounts running to crores of rupees were reserved by a large number of officers in their TP accounts during 1996-98 without utilising the money for the purpose for which it was sanctioned. These funds remained unutilised even in March 2001. Moreover, there were also instances of diversion of funds amounting to Rs. 66.92 lakh by six officers during the period 1999-2001 and the diverted funds were used for various sundry items of expenditure as pointed out in audit.
3	14	„	The Committee express grave concern over the fact that the Finance Department which is supposed to be a watchdog in the financial matters of the State had failed miserably to arrest such irregular and illegal drawal of funds. Even after repeated directions from the Finance Department against keeping TP account, so many departments are continuing it by depositing huge amounts in it as idle

(1)	(2)	(3)	(4)
			<p>money. Since the unspent balances in the TP accounts enable the departments to bypass budgetary restrictions on expenditure and also commit financial irregularities, the Committee urges the Finance Department to take immediate action to ensure that the amounts held in deposit accounts are expended by all the Drawing and Disbursing Officers (DDOs) in due compliance of the existing Rules and Regulations. DDOs should not be allowed to escape treasury and budgetary regulations. The Committee is not happy with the fact that the inspection wing of the Finance Department as well as the internal audit wing of various departments are not functioning properly and recommend that these wings should be strengthened and they should work hand in hand to ensure that the funds are utilised only for the purposes for which they are sanctioned.</p>
4	15	Finance	<p>The Committee is dissatisfied with the fact that though the Finance Secretary assured to furnish copy of the reply on audit observation during its examination, it is yet to be submitted to the Committee. Hence, the Committee suggests to submit the details without delay. The Committee further suggests to implement a system in which the Finance Department collects replies on audit objections on utilisation of funds from various departments and submit them to the Committee.</p>
5	25	„	<p>The Committee understands that the objectives of the Treasury Information System (TIS) was to computerise and</p>

(1)	(2)	(3)	(4)
			interconnect all the treasuries in the State and link them to the Directorate of Treasuries and Finance Department. The computerisation of treasuries also aimed to render the daily financial dealings and the financial position of the State thereby making it possible for the Finance Department to exercise an overall control over expenditure of Government money.
6	26	Finance	The Committee, from the evidence tendered before it by the Principal Secretary, Finance Department infers that the TIS is one of the best network systems in the State. Even though the envisaged objectives could not be accomplished to its full extent, the Committee appreciate the earnest efforts put forth by Finance Department in the matter. Endeavour should be made to transform it into a perfect network system.
7	27	„	From the information furnished by Government, the Committee notes that State Wide Area Network (Information Highway) has been developed with the help of central fund. But the transactions were not made completely online which disabled the Finance Department from exercising an effective control over the entire transactions through the treasuries. This defeated the very purpose of the computerisation of treasuries. Hence the Committee suggests that immediate action be taken by the Finance Department to upgrade the existing softwares and hardwares and to ensure that similar softwares are being used in

(1)	(2)	(3)	(4)
			all the treasuries. The Department should also ensure that the latest version is installed in all the treasuries.
8	28	Finance	The Committee finds that the procedure prescribed for storing back up data was not adhered to by most of the treasuries and in the absence of adequate back up facility and off-site storage of data, it would be a herculean task to restore the system in the event of a disaster. Hence the Committee urges the Department to take effective steps to make sure that the prescribed procedure for back up is strictly followed by all the treasuries.
9	29	,,	The Committee observes that the closing balance in respect of the Savings Bank Accounts maintained by the District Treasury, Thiruvananthapuram have not been validated before shifting over to computerised transaction resulting in a massive difference of Rs. 310.73 crore between the balance as per Manual Ledger and computerised Ledger as pointed out by audit. The Committee also perceives that the Department had admitted its inefficiency to compare the ledger balance with computer generated accounts. It was stated in September 2004 that the difference occurred due to non-inclusion of certain accounts in the manually prepared statement of interest amounting to Rs. 146.64 crore and adoption of incorrect balance in respect of certain accounts involving shortage of

(1)	(2)	(3)	(4)
			Rs. 39.59 crore. The Committee requires the Department to intimate whether the balance amount of Rs. 124.49 crore which remained to be reconciled has henceforth been settled.
10	30	Finance	Regarding the audit observation on the absence of provision in the stamp account, the Committee would like to be apprised of the system now prevailing in the Department to obtain the details of the stamps issued to a particular vendor and also for automatic deduction of income tax from a particular vendor whose commission exceeds Rs. 2500, in a financial year.
11	36	„	The Committee finds that acute shortfall had occurred in the utilisation of money provided under the Special Development Fund for Members of Legislative Assembly during 2003-04 in the five districts test checked by Audit. Late submission of proposals, delay in preparation of estimates by the implementing agencies, delay in Administrative Sanction by District Collectors and thereby delay in execution of works were the reasons attributed for the low utilisation of funds. The Committee observes that no specific time limit was fixed by Government at that time for the utilisation of funds.
12	37	„	The Committee from the reply furnished by Government learns that vide circular No. 56/NC.3/06/Fin. dated, 29-11-2006, necessary instructions had been issued to the District Collectors to prescribe a time schedule for completion of the works

(1)	(2)	(3)	(4)
			undertaken under the scheme in the proceedings according Administrative sanction for the works. The Committee wants to know whether the circular instructions are being strictly followed by the District Collectors. The Committee opines that it would be better to prescribe a specific time schedule in the guidelines itself for the works undertaken under the scheme from the stage of proposals to the handing over of the assets created therein.
13	38	Finance	The Committee notes that as per the guidelines, each MLA is required to give his/her choice of works to the District Collector and the District Collector, after getting the estimates from the implementing departments or executing agencies should issue sanction for the work within 45 days from the date of receipt of proposal from the MLA. The Committee recommends that the period should be reduced to 30 days (instead of the stipulated 45 days) and insists that necessary amendments ought to be brought about in the guidelines to that effect. In cases where it is rationally impracticable to grant sanction within the suggested timeframe, the Department should take earnest efforts to see that the delay is reduced to the barest minimum. The Committee also suggests that the MLA concerned should be informed with quarterly reports about the progress of the works undertaken under the scheme.
14	39	„	The Committee observes that lack of co-ordination between the District Collectors

(1)	(2)	(3)	(4)
			and the user departments had led to delay in implementing the works undertaken due to revision of plans and estimates to suit the requirements of the user department. Had the District Collectors consulted the user departments before issuing Administrative Sanction, such a state of affairs could have been averted. The Committee desires to know whether the instructions issued in the Circular of the Finance Department dated 24-11-2006 are being strictly complied with by the District Collectors.
15.	40	Finance	Even though the responsibility of ascertaining the basic requirements for implementing works before according sanction vests with the District Collectors, who are the District Nodal Officers, it has been pointed out by Audit that they have failed miserably in accomplishing their obligations which in turn results in abandonment/non-completion of certain works. The Committee stress the need for ensuring the basic requirements like availability of land, realistic estimates and necessary infrastructure before according sanction for works. The Committee would like to be apprised of the present district wise and year wise position of the works sanctioned under this scheme.
16.	41	„	The Committee finds that the District Collectors of Alappuzha, Ernakulam, Pathanamthitta and Kozhikode had issued sanction for 16 inadmissible works costing Rs. 1.28 crore in violation of the guidelines. The Committee directs

(1)	(2)	(3)	(4)
			the Finance Department to ensure strict compliance of the guidelines by all the District Collectors and to confirm that such instances are not repeated in future at any cost.
17	42	Finance	The Committee finds that explanation has been obtained from the District Collector, Alappuzha for allowing the construction of a ward in the Government Hospital, Kayamkulam at a cost of Rs. 3.13 lakh which was against the guidelines. The Committee would like to know the outcome of the enquiry.
18	43	,,	The Committee learns that lack of prior consultation with the user departments by the District Collectors had led to non-utilisation of assets created in many cases. The Committee urges the Finance Department to develop a suitable system in all the district collectorates to see that the assets created are utilised for the purpose for which they were created.
19	44	,,	The Committee from the Government reply finds that being the Nodal Department for the Special Development Fund for MLAs, Finance Department is responsible for issuing general instructions to all the planning and implementing agencies of the scheme at State/District level and to monitor the progress of the implementation of the Scheme. The Committee also notes that the District Collectors have been given necessary instructions to forward the monthly expenditure statement to Finance Department. The Committee requires the Finance Department to

(1)	(2)	(3)	(4)
			intimate whether the expenditure statements had been obtained from the District Collectors and whether the same were subjected to proper study. If so, the shortcomings/drawbacks noticed in the study should be communicated to the Committee along with the steps taken to rectify the same.

APPENDIX II

ACTION TAKEN NOTES ON THE REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA FOR THE
YEAR ENDED 31-3-2001

- I (a) Department : Finance Department
- (b) Subject/Title of the Review/
Paragraph : Treasury Public Accounts
- (c) Paragraph No. : 3.6.1, 3.6.2, 3.6.3, 3.6.4, 5, 6, 7, 8
- (d) Report Number and Year : Report of the C & AG for the
year ended 31-3-2001 (Civil).
- II (a) Date of receipts of the Draft
paragraph/review in the
department : 23-7-2001
- (b) Date of Department's reply : Nil
- III Gist of paragraph/review : Treasury Public Accounts-
Irregularities in maintenance/
Drawal of funds in advance of
requirements-Retention of large
amounts in TP a/cs for long
periods - Diversion of funds
deposited in TP a/cs-irregular
Withdrawal of funds from TP
a/cs-Non-reconciliation of balances
in TP a/cs.
- IV (a) Does the Department agree
with the facts and figures
included in the paragraph ? : Yes
- (b) If not, please indicate the areas
of disagreement and also attach
copies of the relevant documents
in support : N.A.
- V (a) Does the Department agree
with audit conclusions : Yes

(b) If not, please indicate specific areas of disagreement with reasons for disagreement and also attach of relevant documents, where necessary : N.A.

VI Remedial action taken :

- (1) Improvement in system and procedures including internal controls : In Cir. No. 65/02/Fin. dt 1-10-2002 instructions were issued to discontinue the practice of transfer crediting funds to TP a/cs. As per Cir. No. 28/03/Fin. dt. 20-3-2003 instructions have been issued to close the T. P a/cs of all departmental officers. Copies of circulars are enclosed.
- (2) Recovery of over payment pointed out by audit : No recovery pointed out by audit
- (3) Recovery of under assessment, short levy or other dues. : Not involved
- (4) Modifications in the Schemes and Programmes including financial pattern : Instructions have been issued to close all T. P accounts of departmental officers
- (2) Review of similar cases/complete Scheme/project in the light of findings of sample check by audit. : Action is being taken to write back the balances in the closed T.P. Accounts to the State Government Accounts.

GOVERNMENT OF KERALA
Finance (Streamlining) Department

CIRCULAR

No. 65/2002/Fin.

Dated, Thiruvananthapuram, 1st October, 2002.

Sub:—Maintenance of Treasury Public Accounts by Government Officers—Instructions issued.

It has come to the notice of Government that many Officers including Departmental Heads do not strictly follow the provisions under the codes for drawal of money from consolidated fund and for its proper utilization. The practice of incurring expenditure by transferring of budgeted amounts to treasury public accounts is violative of Article 40 (C) 7 KFC Vol. I and consequently the expenditure goes out of the control of the audit of the consolidated fund of the State. In order to observe the prudent financial principles and rules relating the withdrawal and expenditure of Government money by the Heads of Departments/ Departmental Officers, the following instructions are issued for strict compliance:

- (i) Transfer of funds into T. P. accounts of Departmental Officers will be stopped forthwith.
- (ii) Transfer of funds related to Centrally Sponsored Scheme on the 31st of March i.e., the last date of financial year will also be stopped. Departments are advised to seek revalidation for the schemes by the Government of India in time so that the schemes can be implemented and completed in the first two months of the next financial year for which adequate funds will be provided in the budget.

V. S. SENTHIL
Secretary (Finance Expenditure).

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A&E), Kerala, Thiruvananthapuram.

All Heads of Departments.

The Director of Treasuries, Thiruvananthapuram.

All District Treasury/Sub Treasury Officers (Through Director of Treasuries).

Director of Public Relations, Thiruvananthapuram.

Stock File/Office Copy.

GOVERNMENT OF KERALA
Finance (Streamlining) Department
CIRCULAR

No.28/03/Fin.

Dated, Thiruvananthapuram, 20th March, 2003.

*Sub:—Economy in expenditure-Closing of Treasury Public Accounts—
Instructions issued.*

Ref.—Circular No. 6/2002/Fin. dated 5-1-2002.

As per the Government circular cited, Government have issued directions for freezing the operation of all TP Accounts of Departments/Departmental officers and for furnishing the details of TP Accounts operated by them. It was also instructed that transferring of funds into TP Accounts as well as withdrawal from the accounts would not be permitted without clearance from the Finance Department.

2. In order to sort out the manner of accounting, resumption of TP Account balances and for issue of guidelines for utilization of funds lying in TP Accounts of Government Departments. Government have convened a meeting of various Heads of Departments/Finance Officers and the representatives of the Accountant General. On the basis of the discussions, Government have decided to close all the TP Accounts of Departments/Departmental Officers. All Heads of Departments/Office operating TP accounts are therefore, directed to surrender their TP Account Pass Books to the treasuries concerned by the 31st of March, 2003.

3. The Director of Treasuries will collect the details .of pass books surrendered by the departmental officers and consolidate the outstanding balance for adjustment against Government accounts after final verification and reconciliation.

4. All Heads of Departments/ Officers are directed to strictly abide by the above instructions.

V. S. SENTHIL
Secretary (Finance Expenditure).

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A & E), Kerala, Thiruvananthapuram.

All Heads of Departments and Offices

All Departments of the Secretariat.

The Director of Treasuries, Thiruvananthapuram.

The Director of Public Relations, Thiruvananthapuram.

All District Treasury/Sub Treasury Officers (Through the Director of Treasuries).

The Finance (Secret/W&M II) Department.

**31-3-2001-ൽ അവസാനിച്ച വർഷത്തെ സി ആന്റ് എ. ജി. റിപ്പോർട്ടിലെ (സിവിൽ) ഓഡിറ്റ്
ഖണ്ഡികകളിന്മേൽ കൈക്കൊണ്ട നടപടികൾ സംബന്ധിച്ച സ്റ്റേറ്റ്മെന്റ്**

ഖണ്ഡിക നമ്പർ	ഖണ്ഡിക	കൈക്കൊണ്ട നടപടികൾ
(1)	(2)	(3)

3.6.3. കുടിശ്ശിക നീക്കിയിരിപ്പുകളിലെ പ്രധാന ഇനങ്ങൾ :

വളരെയധികം ഓഫീസർമാർ അവരുടെ റ്റി. പി. അക്കൗണ്ടുകളിൽ വൻ നീക്കിയിരിപ്പുകൾ കൈവശം വച്ചിരുന്നതായി റ്റി. പി. അക്കൗണ്ടുകളിലെ 2001 മാർച്ചിലെ നീക്കിയിരിപ്പുകളുടെ ഒരു ലാക്ഷണിക പരിശോധന വെളിപ്പെടുത്തി.

ക്രമ നമ്പർ	അക്കൗണ്ടുകൾ കൈവശം വെച്ചിരിക്കുന്ന ഓഫീസർമാരുടെ ഔദ്യോഗിക പദവി	തുക (രൂപ കോടിയിൽ)	കുടിശ്ശികയായ കാലം ഏതു മുതൽ
(1)	(2)	(3)	(4)
1	ഡി. ആർ.ഡി.എ. എറണാകുളം	1.26	..

ഡി.ആർ.ഡി.എ.കൾ മുഖേന നടപ്പാക്കുന്ന വിവിധ കേന്ദ്രവിഷ്കൃത പദ്ധതികൾക്ക് സംസ്ഥാന വിഹിതമായി ലഭിക്കുന്ന തുകയും കഴിഞ്ഞ വർഷത്തെ നീക്കിയിരിപ്പും (കഴിഞ്ഞ വർഷഫണ്ടിന്റെ 15% നീക്കിയിരിപ്പായി സൂക്ഷിക്കാൻ ഗവൺമെന്റ് ഓഫ് ഇന്ത്യ അനുവദിച്ചിട്ടുണ്ട്) അവയ്ക്ക് ലഭിക്കുന്ന പലിശയും ചേർന്ന തുകയാണ് ഡി.ആർ.ഡി.എകളുടെ റ്റി. പി. അക്കൗണ്ടുകളിൽ കാണുന്നത്. പല പദ്ധതികളുടെയും രണ്ടാം ഗഡു സംസ്ഥാന വിഹിതം, മിക്കവാറും സാമ്പത്തിക വർഷത്തിന്റെ അവസാന നാളുകളിലാണ് ലഭിക്കുന്നത്. ഡി.ആർ.ഡി. എ. കളിൽ ലഭിക്കുന്ന തുക താമസംവിനാ അതത് നിർവ്വഹണ ഉദ്യോഗസ്ഥർക്ക് ചെക്ക് ആയി നൽകാറുണ്ട് റ്റി. പി. അക്കൗണ്ടുകളിൽ നീക്കിയിരിപ്പായി ഓഡിറ്റ് റിപ്പോർട്ടിൽ രേഖപ്പെടുത്തിയിരിക്കുന്ന തുക പദ്ധതി നിർവ്വഹണത്തിനായി ബന്ധപ്പെട്ട ഓഫീസർമാർക്ക് നൽകിയ

(1)	(2)	(3)	
(1)	(2)	(3)	(4)
2	ഡി.ആർ.ഡി.എ. പാലക്കാട്	9.45	..
3	ഡി.ആർ.ഡി.എ. കാസർഗോഡ്	2.84	..
4	ഡി.ആർ.ഡി.എ. കണ്ണൂർ	2.31	..
5	ഡി.ആർ.ഡി.എ. വയനാട്	1.02	..
6	ബി.ഡി.ഒ. വയനാട്	1.09	..

ചെക്ക് തുക കുടി ഉൾപ്പെട്ടതാണ്. അവ കളക്ഷനാകുന്ന മുറയ്ക്ക് കുറവ് വന്നുകൊണ്ടിരിക്കും. എന്നാൽ ട്രഷറി നിയന്ത്രണങ്ങൾമൂലം യഥാസമയം ചെക്കുകൾ മാറാൻ കഴിയാതെ വരാറുണ്ട്. ഈ സാഹചര്യങ്ങളിലാണ് നീക്കിയിരിപ്പായി വൻതുകകൾ ഉണ്ടായിരിക്കുന്നത്.

നിക്ഷേപ അക്കൗണ്ടുകളിൽ ഈ ഓഫീസർമാരാൽ നീണ്ട കാലയളവുകളിൽ ഇത്തരം തുകകൾ കൈവശം വയ്ക്കുന്നതിൽ, പ്രത്യേക ആവശ്യങ്ങൾക്കായി നൽകിയ ഫണ്ടുകളുടെ വകമാറി ചെലവഴിക്കലും, പണാപഹരണത്തിന്റെയും അതുപോലെ തന്നെ സ്കീമുകളുടെ നടപ്പിലാക്കലില്ലായ്മയുടേയും അപകട സാധ്യത നിറഞ്ഞുനിന്നിരുന്നു.

ബഡ്ജറ്റിൽ വകകൊള്ളിച്ചിരുന്ന പ്രത്യേക സ്കീമുകളുടെ വിനിയോഗിക്കപ്പെടാത്ത ഫണ്ടുകളുടെ പുനർ ധനവിനിയോഗം നടത്തിയിട്ടില്ലെങ്കിൽ, സർക്കാരിലേക്ക് വർഷാവസാനത്തിൽ തിരിച്ചേൽപ്പിക്കേണ്ടതാണ്. എന്നാൽ ഈ വ്യവസ്ഥയെ കണക്കിലെടുക്കാതെ, 1986-98 കാലയളവിൽ, 12.88 കോടി രൂപ പ്രത്യേക സ്കീമുകൾക്കായി 15

ഓഫീസർമാരാൽ പിൻവലിക്കപ്പെടുകയും റ്റി. പി. അക്കൗണ്ടുകളിൽ നിക്ഷേപിക്കപ്പെടുകയും ചെയ്തു. അനുബന്ധം XV പ്രകാരം, 2001 മാർച്ചിൽ ഈ ഫണ്ടുകൾ വിനിയോഗിക്കപ്പെടാതെ അവശേഷിച്ചു.

3.6.4. ഫണ്ടുകളുടെ വകമാറ്റി ചെലവഴിക്കൽ :

റ്റി. പി. അക്കൗണ്ടുകളിൽ നിന്നുള്ള ചെലവുകളുടെ മേൽ ശരിയായ നിയന്ത്രണ അഭാവത്തിൽ താഴെ പറയുന്ന കേസുകളിൽ, പ്രത്യേക സ്കീമുകൾക്കായി, റ്റി. പി. അക്കൗണ്ടുകളിൽ നിക്ഷേപിക്കപ്പെട്ടിരുന്ന 66.92 ലക്ഷം രൂപ, വിവിധ പലവക ചെലവിനങ്ങൾ നേരിടുന്നതിനായി ദുർവിനിയോഗം ചെയ്യപ്പെട്ടു.

അക്കൗണ്ടുകൾ സൂക്ഷിച്ചിരുന്ന ഓഫീസർമാരുടെ ഔദ്യോഗിക പദവി	തുക നിക്ഷേപിക്കപ്പെട്ടിരുന്ന സ്കീമും കാലാവധിയും	വകമാറ്റി ചെലവാക്കിയ ആവശ്യവും കാലാവധിയും	തുക (രൂപ (രൂപ ലക്ഷത്തിൽ)
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പ്രോജക്ട് ഓഫീസർ, ഡി. ആർ. ഡി. എ. പാലക്കാട്	സമഗ്ര പാഴ് ഭൂമി വികസന പരിപാടി 1993-94	കമ്പ്യൂട്ടർ ടെലഫോൺ എക്സ്ചേഞ്ച് എന്നിവയുടെ സ്ഥാപിക്കലും കളക്റ്ററേറ്റിലും കളക്റ്ററുടെ ക്യാമ്പ് ഓഫീസിലും ഉപയോഗിക്കാൻ.	1.58
			1999-2000

ഡി.ആർ.ഡി.എ.കൾക്ക് ലഭിക്കുന്ന കേന്ദ്ര വിഷ്കൃത പദ്ധതി ഫണ്ടിന്റെ 10% ഭരണ നിർവ്വഹണത്തിന് ചെലവഴിക്കാൻ കേന്ദ്ര ഗവൺമെന്റ് അനുമതി നൽകിയിട്ടുണ്ട്. അപ്രകാരം ലഭ്യമായ അധികാരം ഉപയോഗിച്ച് ഡി.ആർ.ഡി.എ.യുടെ ചെയർമാൻ എന്ന നിലയിൽ അന്നത്തെ ജില്ലാ കളക്ടർ എടുത്ത നടപടികളാണത്. ഇപ്രകാരം ചെലവഴിച്ച തുക ഡി.ആർ.ഡി.എ.യുടെ എസ്.ജി.എസ്.വൈ. അഡ്മിനിസ്ട്രേറ്റീവ് ഫണ്ടിൽ നിന്നും പിൻവലിച്ച് ഇൻഗ്രേറ്റഡ് വെയ്സ്റ്റ് ലാൻഡ് ഡവലപ്പ്മെന്റ് ഫണ്ടിൽ തിരിച്ചടച്ചിട്ടുണ്ടെന്ന് പാലക്കാട് പ്രോജക്ട് ഓഫീസർ അറിയിച്ചിട്ടുണ്ട്.

(1)	(2)	(3)
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റ്റി. പി. അക്കൗണ്ടുകളിൽ നിന്നുള്ള ഫണ്ടുകളുടെ ചെലവാക്കലിന്റെയും ശരിയായ കണക്കുവയ്ക്കലിന്റെയും പോക്ക് സർക്കാർ സൂക്ഷിച്ചിട്ടില്ലാതിരുന്നതിനാൽ, ഫണ്ടുകളുടെ അനധികൃത വകമാറ്റി ചെലവഴിക്കലിന് ഉത്തരവാദികളായ ഉദ്യോഗസ്ഥർക്കെതിരെ യാതൊരു നടപടിയും എടുക്കാൻ കഴിയുന്നില്ല. ഇത് പ്രകടമായും പ്രത്യേക ആവശ്യങ്ങൾക്ക് നൽകിയ ഫണ്ടുകളുടെ അനിയന്ത്രിതമായ ദുരുപയോഗത്തെ പ്രോത്സാഹിപ്പിച്ചു.

3.6.5. റ്റി. പി. അക്കൗണ്ടുകളിൽ നിന്ന് ക്രമീകരിക്കാത്ത മുൻകൂറുകൾ :

1. വിവിധ സ്കീമുകൾ നടപ്പിൽ വരുത്തുന്നതിനായി 1993-2001 കാലയളവിൽ റ്റി. പി. അക്കൗണ്ടുകളിൽ നിന്നും വകുപ്പുതല ഉദ്യോഗസ്ഥന്മാർ, കരാറുകാർ, കൺവീനർമാർ, മറ്റ് ഏജൻസികൾ എന്നിവയ്ക്ക് 6 ഡി.ഡി.ഒ. മാത്രം 7.25 കോടി രൂപയുടെ വമ്പിച്ച മുൻകൂറുകൾ നൽകപ്പെട്ടു. അനുബന്ധം XVI-ൽ കൊടുത്തിരിക്കുന്നതുപോലെ ഈ മുൻകൂറുകൾ 2000 മാർച്ച് 31-ന് ക്രമീകരണം നടത്താനായി തീർപ്പ് കാത്തിരുന്നു. പദ്ധതിയിൽ വിഭാവനം ചെയ്തിട്ടില്ലാത്ത ഇത്തരം മുൻകൂർ പണം തീർക്കലുകൾക്ക് റ്റി. പി. അക്കൗണ്ടുകളിലെ നീക്കിയിരിപ്പുകളെ ദുർവിനിയോഗം ചെയ്തത്, സർക്കാർ അതിന്റെ ചട്ടങ്ങളുടെ ഫലപ്രദമായ അനുവർത്തനം നടത്തിക്കാൻ പരാജയപ്പെടുവെന്നതിനെ സൂചിപ്പിച്ചു.

1. ഇരിക്കൂർ ബ്ലോക്ക് ഡവലപ്മെന്റ് ഓഫീസർ 1996-97 മുതൽ 1998-99 കാലഘട്ടത്തിൽ എംപ്ലോയീസ് അഷ്വറൻസ് സ്കീം, വരൾച്ച എന്നിവയ്ക്കായി റ്റി.പി. അക്കൗണ്ടിൽ നിന്നും നൽകിയ അഡ്വാൻസ് തുക 8.13 ലക്ഷം രൂപ റിപ്പോർട്ട് വർഷത്തിൽ തന്നെ അഡ്ജസ്റ്റ് ചെയ്തിട്ടുണ്ടെന്ന് അറിയിച്ചിട്ടുണ്ട്.
2. റിപ്പോർട്ട് കാലയളവിൽ കാസർഗോഡ്, കണ്ണൂർ, വയനാട് എന്നീ പ്രോജക്ട് ഓഫീസർമാർ യൂട്ടിലൈസേഷൻ സർട്ടിഫിക്കറ്റുകൾ ഹാജരാക്കാത്ത സംബന്ധിച്ച്:—
പദ്ധതി നിർവ്വഹണ ഏജൻസികളായ ജില്ലാ പഞ്ചായത്ത്/ബ്ലോക്ക് പഞ്ചായത്ത്/ഗ്രാമപഞ്ചായത്ത് എന്നിവയിൽ നിന്നും

2. വിവിധ വികസന പരിപാടികൾക്ക് 2001 മാർച്ച് 31 വരെ റ്റി. പി. അക്കൗണ്ടുകളിൽ നിന്നും വിടുതൽ ചെയ്ത് കൊടുത്ത 8.57 കോടി രൂപയുടെ വിനിയോഗ സാക്ഷ്യ പത്രങ്ങൾ/ചെലവിന്റെ പട്ടികകൾ നിർവ്വഹണ ഏജൻസികളിൽ നിന്നും (അനുബന്ധം XVII) 5 ഡി.ഡി.ഒ. മാർക്ക് ലഭിച്ചിട്ടില്ല.

നടപ്പിലാക്കൽ ഏജൻസികൾക്ക് നൽകിയിട്ടുള്ള ഫണ്ടുകളുടെ വിനിയോഗ സാക്ഷ്യ പത്രങ്ങൾ ഹാജരാക്കാത്തതിനാലും മുൻകൂറുകളുടെ വിശദ ബില്ലുകളുടെ അഭാവത്താലും, ഉദ്ദേശിക്കപ്പെടുന്ന കാര്യത്തിന് നിർദ്ദിഷ്ട സമയപരിധിക്കുള്ളിൽ പണം വിനിയോഗിക്കപ്പെട്ടിരുന്നു എന്ന് പരിശോധിക്കുവാൻ കഴിഞ്ഞിട്ടില്ല. സ്കീം ഫണ്ടുകളുടെ തികഞ്ഞ ദുരുപയോഗത്തിന്റെ അപകട സാധ്യത അത്തരം നിയന്ത്രണ കുറവുകളിൽ നിറഞ്ഞു നിൽക്കുന്നു.

3.6.7. നീക്കിയിരിപ്പുകൾ കളുടെ കണക്ക് പൊരുത്തപ്പെടുത്തൽ നടത്താത്തത് :

ലാക്ഷണികമായി പരിശോധിച്ച 31 കേസുകളിൽ, 13 എണ്ണത്തിൽ റ്റി. പി. അക്കൗണ്ടുകളിലെ വകുപ്പുതല നീക്കിയിരിപ്പുകളെ, നിർദ്ദേശാനുസരണം ട്രഷറി സംഖ്യകളുമായി കണക്ക്-പൊരുത്തപ്പെടുത്തൽ നടത്തിയിട്ടില്ല. 2001 മാർച്ച് 31-ൽ (5 ലക്ഷം രൂപ കൂടുതലായ) പൊരുത്തപ്പെടാത്ത വ്യത്യാസ

റിപ്പോർട്ട് ലഭിക്കാനുണ്ടായ കാലതാമസമാണ് യഥാസമയം യൂട്ടിലൈസേഷൻ സർട്ടിഫിക്കറ്റ് സമർപ്പിക്കാൻ ഡി.ആർ.ഡി. എ.യ്ക്ക് കഴിയാതെ വന്നത്. എന്നാൽ റിപ്പോർട്ട് വർഷം പ്രസ്തുത യൂട്ടിലൈസേഷൻ സർട്ടിഫിക്കറ്റ് കേന്ദ്ര സർക്കാരിന് നൽകിയിട്ടുണ്ടെന്ന് പ്രോജക്ട് ഓഫീസർ മാർ അറിയിച്ചിട്ടുണ്ട്.

2003 മാർച്ച് വരെയുള്ള ട്രഷറി കണക്കുകൾ അക്കൗണ്ടന്റ് ജനറലുടെ കണക്കുകളുമായി പൊരുത്തപ്പെടുത്തലുകൾ നടത്തി സർട്ടിഫിക്കറ്റ് നൽകിയിട്ടുണ്ട്. 28-11-2003-ൽ ഗ്രാമവികസന കമ്മീഷണർ വിളിച്ചുചേർത്ത ഗ്രാമവികസന വകുപ്പിലെ ബന്ധപ്പെട്ട ഉദ്യോഗസ്ഥരുടെ യോഗത്തിൽ ബഡ്ജറ്റിന് വിധേയമായി മാത്രമേ ചെലവ് നടത്താവൂ എന്നും കൂടുതൽ ചെലവ്

(1)	(2)	(3)
	<p>ങ്ങളുടെ കുറെ ഉദാഹരണങ്ങൾ, അനുബന്ധം XVIII-ൽ കൊടുത്തിട്ടുണ്ട്. ഓരോ മാസത്തിന്റെ അവസാനത്തിലും, ട്രഷറി ഓഫീസർമാർ, അക്കൗണ്ടന്റ് ജനറൽ (എ ആന്റ് ഇ)യ്ക്ക് പ്ലസ് ആന്റ് മൈനസ് മെമ്മോറാണ്ടം സമർപ്പിക്കേണ്ടതുണ്ട്. 8 ജില്ലകളിൽ 6 എണ്ണത്തിൽ, ഈ റിപ്പോർട്ടുകൾ കുടിശ്ശികയിലായിരുന്നു.</p> <p>റ്റി.പി. അക്കൗണ്ട് നീക്കിയിരിപ്പുകളുടെ കണക്ക്-പൊരുത്തപ്പെടുത്തൽ നടത്താതിരുന്നാൽ അത് സർക്കാർ ഫണ്ടുകളുടെ ദുരുപയോഗവും പണാപഹരണവും ഉൾപ്പെടെയുള്ള ഗുരുതരമായ ക്രമക്കേടുകളിലേക്ക് വഴി തെളിയിക്കാവുന്നതാണ്. വ്യത്യസ്തങ്ങളുടെ പൊരുത്തപ്പെടുത്തൽ നടത്താൻ സത്വര നടപടികൾ ഉടനടി സ്വീകരിക്കേണ്ടതുണ്ട്. കൂടാതെ, പൊരുത്തപ്പെടുത്തലിന്റെ അഭാവത്തിൽ ട്രഷറികളിൽ നിന്നും കൂടുതൽ തുക പിൻവലിക്കലിന്റെ സാധ്യതയെ തള്ളിക്കളയാനാവില്ല.</p>	<p>വരുത്തുന്ന പ്രവണത ഭാവിയിൽ ഒഴിവാക്കണമെന്നും ആവശ്യപ്പെട്ടിരുന്നു. ട്രഷറി കണക്കുമായി പൊരുത്തപ്പെടുത്തലുകൾ നടത്തി ഓരോ മാസവും കൃത്യമായി റിപ്പോർട്ട് നൽകാൻ ബന്ധപ്പെട്ടവർക്ക് കർശന നിർദ്ദേശം നൽകിയിട്ടുണ്ട്.</p>

GOVERNMENT OF KERALA

Finance DepartmentACTION TAKEN REPORT ON COMPTROLLER & AUDITOR GENERAL OF INDIA'S REPORT
FOR THE YEAR ENDED 31-3-2004 (CIVIL)

<i>Sl. No.</i>	<i>Para No.</i>	<i>Recommendations</i>	<i>Action Taken</i>
(1)	(2)	(3)	(4)
1	3.7.1	Government of Kerala constituted (October- 2001) a Special Development Fund for MLAs from 2001-02 on the pattern of "Members of Parliament Local Area Development (MPLAD) Scheme" of Government of India. The annual contribution of Rs. 25 lakh for each MLA was enhanced to Rs. 50 lakh from 2003-04. The objective of the Scheme was to enable the MLAs to suggest developmental activities based on locally felt needs in their Legislative Assembly Constituencies (LACs) with emphasis on creation of durable assets. The guidelines issued in October 2001 had been modified several times and the guidelines issued in May 2004 are by and large inconformity with the guidelines of MPLAD Scheme.	Not Required

(1)	(2)	(3)	(4)															
2	3.7.2	The implementation of the scheme during 2001-04 in 58 constituencies of five (out of 14) districts was reviewed by a test check of records relating to five District Collectorates and 30 implementing offices. Audit also conducted physical verification of 50 works in 22 LACs.	Not Required															
3	3.7.3	Funds released by Government during 2001-04 were Rs. 140.72 crore of which the expenditure incurred up to March 2004 was only Rs. 44.77 crore (32 per cent). Amount of expenditure covered in the review was Rs. 14.55 crore. Release of funds and expenditure incurred for works sanctioned for 2001-04 are given below :	Not Required															
		<table border="1"> <thead> <tr> <th><i>Year</i></th> <th><i>Release of Funds</i></th> <th><i>Expenditure (Rs. in crore)</i></th> </tr> </thead> <tbody> <tr> <td>2001-02</td> <td>35.00</td> <td>..</td> </tr> <tr> <td>2002-03</td> <td>35.25</td> <td>38.31</td> </tr> <tr> <td>2003-04</td> <td>70.47</td> <td>6.46</td> </tr> <tr> <td>Total</td> <td>140.72</td> <td>44.77</td> </tr> </tbody> </table>	<i>Year</i>	<i>Release of Funds</i>	<i>Expenditure (Rs. in crore)</i>	2001-02	35.00	..	2002-03	35.25	38.31	2003-04	70.47	6.46	Total	140.72	44.77	
<i>Year</i>	<i>Release of Funds</i>	<i>Expenditure (Rs. in crore)</i>																
2001-02	35.00	..																
2002-03	35.25	38.31																
2003-04	70.47	6.46																
Total	140.72	44.77																

4 3.7.4 **Implementation of the Scheme :**

The Major irregularities/defects noticed in the implementation of the scheme are shortfall in utilization of funds delay in proposal by MLAs and sanction of the schemes by District Collectors (DCs), delay in execution of works etc., as shown below :

5 3.7.5 **Shortfall in utilization of funds :**

The funds released were kept in non-lapsing treasury savings deposit accounts of DCs Government had not fixed any specific time limit for utilization of funds. Out of Rs. 58.50 crore released to 58 LACs in five districts, DCs sanctioned works for Rs. 42.23 crore as of April 2004. As at the close of the year 2003-04 unspent balance in five districts was Rs. 43.95 crore.

3.7.6 Percentage of shortfall in utilization of funds ranged between 42 and 100 in the 58 LACs. There were 9 LACs where the percentage of shortfall in utilization was 90% or more.

3.7.7 Late submission of proposals (668) by MLAs, delay in preparation of estimates (101) by the implementing agencies and execution of works (28) by implementing agencies were the reasons for the low utilization of funds.

Instruction was given District Collectors to prescribe a time schedule for completion of work the proceedings according administrative Sanction to the Scheme under Special Development Fund for MLAs vide Circular No. 56/NC3/06/Fin. dated 29-11-2006 (Copy enclosed).

(1)	(2)	(3)	(4)
6	<p data-bbox="577 448 1234 480">3.7.8 Delay in proposals/sanction :</p> <p data-bbox="656 496 1234 687">As per the guidelines, each MLA is required to give his choice of works to the District Collector. The DCs after getting estimates from the implementing departments/executing agencies should issue sanction within 45 days from the date receipt of proposals from MLAs.</p>		
	<p data-bbox="577 715 1234 746">3.7.9</p> <p data-bbox="656 751 1234 1007">It was seen that 41 MLAs gave 668 proposals towards the end of the year or the succeeding year. In 101 works (estimated cost Rs. 3.39 crore proposed by 24 MLAs delays ranging from 103 to 415 days were noticed in according administrative sanction by DCs. Delays in identification of sites and preparation of estimates by the executing agencies were the reasons for delay in issuing administrative sanction by DCs.</p>		<p data-bbox="1267 448 1767 1007">The guidelines of the Special Development Fund for MLAs envisage that MLAs have the choice to suggest schemes for implementation under their Special Development Fund. As per the guidelines they have to give their choice of schemes to the District Collectors concerned and the District Collector will initiate necessary steps for the implementation of schemes. As far as possible, all sanctions for works are accorded within 45 days from the date of receipt of proposal from the MLA. However, in situations such as unsuitability of the site selected for the schemes by the MLA, insufficiency of fund earmarked by the MLA for the work, it may cause some delay. Hence, it may not be practically possible to give administrative sanction to the suggested schemes in all cases within 45 days.</p>
7	<p data-bbox="577 1034 1234 1098">3.7.10 Lack of co-ordination between District Collectorates and user Departments</p> <p data-bbox="656 1118 1234 1214">DCs did not consult user departments before sanctioning works. This resulted in delay in execution of works due to revision of plans and</p>		<p data-bbox="1267 1034 1767 1214">The guidelines of Special Development Fund for MLAs give no specific instruction in this regard. If the District Collector consults the user department concerned before sanctioning the schemes, the requirement of the department can be taken</p>

estimates. to suit the requirements of the user departments and delay in utilization of assets created.

into account while preparing the estimate etc. Necessary instructions have been issued for the co-ordination between the Nodal office/implementing Agency and the user Departments vide Circular No. 56/NC3/06 Fin. dated 24-11-2006.

8 3.7.11 **Lack of proper planning/feasibility study before sanctioning works :**

Administrative sanction for works were issued without ascertaining the availability of land, proper estimates, infrastructure, etc., resulting in abandoning/non-completion of the works as shown below :

*Due to non-availability of land, sanction issued in April and May 2002 (estimated cost: Rs. 17.50 lakh) in Kilimanoor LAC for construction of buildings for 14 Anganwadi Centres were cancelled (Sept. 2003) and construction of building for an Anganwadi Centre sanctioned in February 2003 (estimated cost: Rs. 1.53 lakhs) in Perambra LAC was not started so far (June-2004).

*In Balussery LAC construction of first stage of a mini-stadium at Ulliyeeri was completed in

It is the responsibility of the District Collectors as the District Nodal Officer of the Special Development Fund for MLAs to ascertain the basic requirement for the implementation of schemes before according sanctions. Necessary instructions have been issued to all District Collectors to ensure availability of land, proper estimates, infrastructure etc. before the issuance of Administrative Sanction vide Circular No. 56/NC3/06/Fin. dated 24-11-2006.

(1)

(2)

(3)

(4)

December 2003 at a cost of Rs. 7.45 lakh, the second stage proposed by the MLA was not sanctioned due to non-availability of land.

- In Balussery LAC, a large project, a stadium with gallery and Shopping Complex was sanctioned in July 2002. A small portion of gallery was constructed for Rs. 8.90 lakh (2001-02) and allotted Rs. 10 lakh for second phase (2002-03). Physical verification revealed that only about 10 percent of the entire project had been completed so far. This would indicate that this project requires a very huge investment. Though sanction was given to the project the cost of the project and the expected date of the completion of the project is not known by the sanctioning authority and as such the investment of Rs. 19 lakh is not likely to fetch the intended benefit in the near future.
- A mini water supply scheme sanctioned in August 2002 in Vadakara LAC at a cost of Rs. 1.50 lakh had no provision for installation of motor and distribution system.

9 3.7.12 **Sanctioning of inadmissible works :**

According to the guidelines construction of office buildings, residential buildings and other buildings of Central or State Governments, Departments, agencies or organizations, works belonging to private institutions, etc., were not permissible. However, in four districts the DCs issued administrative sanction (between April 2002 and November 2003) for 16 works costing Rs. 1.28 crore in disregard of the guidelines. The amount spent on these works as of March 2004 was Rs. 62.54 lakh (Appendix XXXIV).

In the case of inadmissible schemes pointed out by the Accountant General, the explanation of the District Collectors concerned have been obtained and they have been directed to avoid recurrence of such practice in future vide letter No. 79486/NC3/2004/Fin. dated 27-11-2004.

10 3.7.13 **Sanctioning of works in violation of guidelines :**

There was no provision in the guidelines for sanction of certain works. Government, however, sanctioned the following works for Rs. 61 lakh under the scheme during 2003-04 in violation of its own guidelines. No expenditure was incurred on the following works so far (August 2004) :

- Construction of KSRTC bus station at Chadayamangalam LAC.
- Construction of building for Institute of Human Resources Development Engineering College in Karunagappally LAC.

The guidelines of Special Development Fund for MLAs give detailed list of inadmissible and admissible schemes. But in some cases Government have accorded sanction in relaxation of the guidelines considering the merit of the cases. There is no irregularity in this regard, since the Government reserves the authority for the relaxation of the guidelines as and when necessitated.

(1)	(2)	(3)	(4)
		<ul style="list-style-type: none"> • Construction of Railway foot over bridge in Kannur LAC. • Payment of arrears of electricity charges of Memury Coconut Development Lift Irrigation Scheme at Kadathuruthy LAC. 	
11	3.7.14 Delay in execution of work :	Delays were noticed in arranging works and in commencing work after execution of agreements.	The guidelines of Special Development Fund for MLAs give a simple procedure for the implementations of schemes under the Fund. However, situations such as non availability of sufficient land, lack of suitable implementing agencies etc. May cause delay in implementation of schemes. Delay in implementation of schemes cannot be termed, as irregularity. However instructions have been issued to avoid delay vide Circular No. 56/NC3/06/Fin. dated 24-11-2006.
	3.7.15 In Thiruvananthapuram District the implementing officers did not arrange construction of 4 school/hospital buildings and 3 bridges which are permissible under the guidelines costing Rs. 18.50 lakh (Appendix XXXV) sanctioned between February 2002 and June 2003. These works were tendered but there were no volunteers/conveners to take up the work.		
	3.7.16 In 3 districts delays ranging from 6 to 15 months occurred in arranging 14 works costing Rs. 41.25 lakh due to delay in selecting the conveners by the beneficiary committee to take up the works. (Appendix XXXVI)		

12 3.7.17 **Nature of assets created :**

The main purpose of the scheme was creation of durable assets. In the five districts out of 1486 works sanctioned during 2001-04, only 676 works were completed and 810 works were not completed as of March 2004. Out of the completed works, 315 works (47%) were for repair and maintenance of roads for which expenditure of Rs. 5.08 crore was incurred which cannot be considered as creation of durable assets.

The Special Development Fund for MLAs is intended for the creation of durable assets. The guidelines do not generally allow repair and maintenance works but contain clauses for allowing special repairs for restoration/upgradation of durable asset vide Appendix 2(3) of G.O.(P) No. 247/04/Fin. dtd. 27-5-2004. Thus special repairs which result in restoration or upgradation of assets can be permitted.

3. 7.18 The Principal Secretary, Finance Department, however, disagreed with the audit observation that repair and maintenance of roads did not constitute creation of durable assets. This argument is not tenable as expenditure on repairs and maintenance of roads is treated as revenue expenditure and cannot be considered as leading to creation of durable assets. The scheme guidelines itself prohibited utilization of the scheme funds for revenue expenditure.

13 3.7.19 **Irregular execution of works :**

In Kayamkulam LAC though the District Collector sanctioned (April 2002) construction of a ward in Government Hospital. physical verification revealed that against the sanction for construction of a ward,

Explanation of the District Collector, Alappuzha has been obtained and is being examined.

(1)	(2)	(3)	(4)
		an office building was constructed at an expenditure of Rs. 3.13 lakh which was against the guidelines.	
14	3.7.20	Non-utilization of assets created : There was no system in the five District Collectorates to ensure that the assets created utilized for the purposes for which they were created. Physical verification by Audit revealed that out of 34 buildings completed between October 2002 and January 2004, 15 buildings were not utilized. <ul style="list-style-type: none"> • A ward for the Ayurvedic hospital in Parassala LAC completed in June 2003 at a cost of Rs. 3.64 lakh could not be used for want of furniture. • A mortuary room completed at a cost of Rs. 3.56 lakh in Alappuzha Medical College in March 2003 remained idle due to non-installation of cooling chambers by the Department. 	Prior consultation with the user department will prevent such idling of assets. Instructions have been given to the parties concerned in this regard vide Circular No. 56/NC3/06/Fin. dated 24-11-2006.

- Two comfort stations completed at a cost of Rs. 3 lakh in Thiruvananthapuram North LAC between April and June 2003 were not opened to public for want of water and power connections.

3.7.21 A crematorium completed in June 2003 in Kakkanad in Thripunithura LAC for Rs. 9.24 lakh was not handed over to the local body so far (March 2004).

15. 3.7.22 **Non-maintenance of Asset Register :**

As per the guidelines, an Asset Register showing the details of assets, drawal of funds, physical progress, etc., was to be maintained by the DCs and the Implementing Officers. However, the DCs and Implementing Officer (except BDO, Kazhakuttom) were not maintaining the registers.

The guidelines of Special Development Fund for MLAs that existed earlier had a stipulation that registers for the asset created, drawal of funds, physical progress etc. is to be maintained. The existing guidelines do not insist maintenance of such registers. District Collectors and Implementing Officers/agencies have been instructed for the proper maintenance of required Registers vide Circular No. 9/NC3/05/Fin. dated 10-2-2005 and Circular No. 56/NC3/06/Fin. dated 24-11-2006.

(1)	(2)	(3)	(4)
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16 3.7.23 **Internal Control :**

Finance Department is the nodal department at State level for implementation of the scheme. According to the scheme the Department was responsible for the following :

- Issues of general instructions to all the planning and implementing agencies of the scheme at State/District level.
- Monitoring the progress of implementing the scheme and to decide on monitoring mechanism.
- Conducting meetings involving MLAs and DCs to assess the progress of project at least once in a year. However, Finance Department failed to take action on these so far.

As per the guidelines, Finance (NC) Department is the Nodal Department for the Special Development Fund for MLAs. General Instructions are being issued by Finance (NC) Department from time to time. As part of monitoring arrangements, District Collectors have been given instruction to forward monthly expenditure statement and Progress Report to Finance Department.

GOVERNMENT OF KERALA

Finance (NC) Department

CIRCULAR

No. 56/NC3/Fin.

Dated, Thiruvananthapuram, 29th November 2006.

Sub:—Special Development Fund for MLAs—Procedures for Implementation of Schemes—Instructions issued.

Ref:—Circular No. 9/NC3/05/Fin. dated 10-2-2005.

In the circular cited, instructions for speedy implementation of Schemes were issued to the Nodal Officers/Implementing Agencies of SDF for MLAs. In the Report of Comptroller and Auditor General of India for the period ended 31-3-2004 (Civil), certain defects/irregularities in the implementation of the Special Development Fund for MLAs were pointed out. In order to avoid recurrence of such lapses, the following further instructions are issued :

- (i) Before sanctioning a project under the SDF for MLAs, the District Collector shall ensure the availability of land, prepare proper estimate and consider the feasibility of the scheme/project proposed to be taken up.
- (ii) Administrative Sanction for implementation of the Scheme shall be issued within 45 days from the date of receipt of the proposal from the MLAs.
- (iii) The District Collector shall furnish a monthly report in the format appended to G.O.(P) 247/2004/Fin. dated 27-5-2004 as modified in Letter No.52187/NC3/06 Fin. dated 1-8-2006, to the Finance (NC) Department and to the MLAs concerned

2. All the Nodal Officers/Implementing Agencies of the Special Development Fund for MLAs are directed to scrupulously comply with the above instructions besides those in the circular cited.

K. JOSE CYRIAC,
Principal Secretary (Finance).

To

All District Collectors.
All Head of Departments.
All Members of Legislative Assembly.
The Accountant General (A&E/Audit), Kerala, Thiruvananthapuram.
The Principal Secretary to the Chief Minister.
The Private Secretary to the Speaker/Deputy Speaker.
The Principal Secretary to the Leader of Opposition.
The Private Secretary to Ministers.
Office Copy/Stock File.

APPENDIX III

Non-utilisation of funds kept under TP Account (Reference: Paragraph 3.6.3)

<i>Sl. No.</i>	<i>Designation of Officer holding the account</i>	<i>Scheme for which the amount was drawn</i>	<i>Year of drawal</i>	<i>Amount (Rupees in lakh)</i>
(1)	(2)	(3)	(4)	(5)
1	Director of Agriculture	(i) Price Support Fund	1996-97	216.07
		(ii) Providing financial assistance to various Societies	1995-96 and 1996-97	82.50
		(iii) Component award on organic farming	1996-97	1.65
		(iv) Various schemes	Upto 1997-98	2.18
2	Director of Fisheries	(i) Implementation of Matsyafed Scheme	1990-91 to 1992-93	56.31
		(ii) Brackish Water Fish Farmers Development Agency	1990-91 to 1991-92	42.75
		(iii) Artificial Reef Scheme	1996-97	4.00

(1)	(2)	(3)	(4)	(5)
		(iv) Agency for Development of Aquaculture in Kerala	1993-94	3.70
		(v) Fish Seed Bank	1993-94	1.00
3	Director of Scheduled Caste Development	(i) Cost of Tool Kits in ITCs	1995-96 and 1996-97	5.79
		(ii) Purchase of Photocopy Machine	1995-96	8.49
		(iii) Marine Radio Officer Course	1992-93	3.68
		(iv) Postgraduate diploma course in Travel and Tourism	1995-96	1.83
		(v) Unspent balance received from IG of Registration	1994-95	1.33
		(vi) Construction of sports hostel complex	1997-98	1.54
		(vii) SCA surrender fund	1997-98	505.80
		(viii) Apprenticeship to SC youth in ITCs	1997-98	2.83

		(ix)	Cost of 12 computers	1997-98	17.25
		(x)	Various other schemes	1997-98	1.61
4	District Collector, Kasargode		Various Plan Schemes	upto 1997-98	2.36
			DTPC		9.66
			MPLAD	upto 1997-98	31.26
5	District Collector, Kannur		Various Plan Schemes	upto 1997-98	2.10
6	District Collector, Wayanad	(i)	Various Plan Schemes	upto 1997-98	8.24
		(ii)	Integrated Waste Land Deve- lopment Programme	1994-95 and 1997-98	37.51
7	District Collector, Palakkad		Various Schemes	upto 1997-98	15.47
8	Principal Agricultural Officer, Kannur & ADA (S)		Various Plan Schemes CCDP 1995-96	1985-86 to 1997-98	28.56 8.27
9	Principal Agricultural Officer, Wayanad	(i)	Various Plan Schemes	1992-93 to 1997-98	117.17
		(ii)	Comprehensive Coconut Development Scheme	upto 1995-96	2.94

(1)	(2)	(3)	(4)	(5)
10	Principal Agricultural Officer,	Comprehensive Coconut Development Scheme	1993-94 to 1995-96	3.24
	Assistant Directors of Agricultural (3 Nos.) Kasargode	Various Schemes	upto 1997-98	8.56
11	PAO, Eranakulam	Various Schemes	upto 1997-98	0.35
12	PAO, Palakkad	Various Schemes	upto 1997-98	17.32
13	BDO, Kannur	Various Schemes	upto 1997-98	12.89
14	B.D.O., Payyannur	Various Schemes	upto 1997-98	10.61
15	Block Development Officer, Irrikkur	Various Plan Schemes	1986-87 to 1997-98	11.08
		Total		1287.90

APPENDIX IV

Advances paid out of funds in TP Accounts [Reference: Paragraph 3.6.5(i)]

<i>Sl. No.</i>	<i>Departmental Officer who paid the advance</i>	<i>Amount (Rupees in lakh)</i>	<i>Year of payment</i>	<i>Scheme for which the advances were paid</i>
1	District Collector, Kasargode	66.22	1998-99 to 2000-2001	M.Ps Local Area Development Scheme
2	District Collector, Kannur	133.03	1999-2000 to 2000-2001	M.Ps Local Area Development Scheme
3	District Collector, Wayanad,	38.17	1996-97 to 2000-2001	M.Ps Local Area Development Scheme
		61.99	1997-98	DTPC
4	Block Development Officer, Irikkur	18.13	1996-97 to 1998-99	Employment Assurance Scheme and Draught
5	Asst. Director of Agriculture, Kanhangad	108.71	1993-94 to 2000-2001	Implementation of various Agricultural Schemes
6	PAO, Kasargode,	298.49	1993-94 to 2000-2001	Various Agricultural Schemes
	Total	724.74		

APPENDIX V

Utilisation certificate from implementing agencies not received [Reference: Paragraph 3.6.5(ii)]

<i>Sl. No.</i>	<i>Designation of officer who released the fund</i>		<i>Amount (Rupees in lakh)</i>	<i>Name of implementing agency</i>
1	Project Officer, DRDA, Kasargode		179.32	District Panchayats
2	Project Officer, DRDA, Kannur		322.27	Block Panchayats and
3	Project Officer, DRDA, Wayanad		55.89	Grama Panchayats
4	District Collector, Kasargode	(i)	26.95	Nirmithi Kendra, Kasargode
		(ii)	146.37	Special Tahsildar (LA), Bekal Tourism Development Corporation
		(iii)	63.97	Special Tahsildar (LA), Railways
5	District Collector, Wayanad		61.99	District Tourism Promotion Council
		Total	856.76	

APPENDIX VI

Non-reconciliation of balances in TP Accounts (Reference: Paragraph 3.6.7)

Sl. No.	Officer holding the account	T. P. Account Number	Balance as on 31-3-2001 as per		Difference
			Treasury Pass Book	Departmental account	
(Rupees in lakh)					
(1)	(2)	(3)	(4)	(5)	(6)
1	Director of Scheduled Caste Development	176	4439.64	5736.98	(-) 1297.34
2	District Collector, Kasargode	83	277.56	224.27	(+) 53.29
3	District Collector, Kannur	1243	59.25	50.21	(+) 9.04
4	DRDA, Palakkad	958	309.22	99.95	(+) 209.27
		915	39.58	3.25	(+) 36.33
		916	110.36	3.43	(+) 106.93
5	Block Development Officer, Kannur	713	22.52	16.45	(+) 6.07

(1)	(2)	(3)	(4)	(5)	(6)	
6	BDO Mananthavady	287	6.83	42.00	(-)	35.17
7	BDO Kalpetta	80	15.14	4.34	(+)	10.80
		150	9.48	8.14	(+)	1.34
		404	36.90	1.56	(+)	35.34
		412	8.17	..	(+)	8.17
8	PAO Kasargode	460	210.54	194.79	(+)	15.75

APPENDIX VII

Execution of works not covered under the scheme (Reference: Paragraph 3.7.12)

<i>Sl. No.</i>	<i>Name of District/ Constituency</i>	<i>Details of work</i>	<i>Amount sanctioned</i>	<i>Expenditure incurred</i>	<i>Year in which sanctioned</i>	<i>Remarks/ reasons</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
ALAPPUZHA						
1	Pandalam	Construction of compound wall to Karumalakkal Orphanage in Chamakara	3.00	2.92	2001-03	Works belonging to Trusts, Registered societies and private institutions are not permissible as per guidelines
2	„	Construction of compound wall to Harijan Colony temple in Thazhakara	1.5	Not completed	2002-03	Works in places of religious worship are not permissible
3	Kuttanad	Concreting of Bus Station Yard, Edathua (KSRTC)	16.00	15.94	2002-03	Works belonging to commercial organisation not permissible

(1)	(2)	(3)	(4)	(5)	(6)	(7)
4	Kuttanad	Construction of Library building for Cochin University College of Engineering, Pulinkunnu	9.00	9.23	2002-03	Self financing institution
5	„	Construction of MCA Block in Cochin University College of Engineering, Pulinkunnu	15.00	Not completed	2003-04	„
6	Haripad	Purchase of Lab items/Specimen in Govt. HSS, Ayapambu	1.50	1.50	2002-03	Purchase of inventory not permissible
7	Kayamkulam	Comfort Station of KSRTC Bus Station, Kayamkulam	10.00	Work in progress	2003-04	work of commercial organisation
PATHANAMTHITTA						
8	Pathanamthitta	Construction of building for B.Ed. Centre, Elanthoor	6.10	..	2002-03	Self financing institution
9	„	Assistance to cancer care centre society for completion of payward in Kozhenchery Govt. Hospital	15.00	5.00	2003-04	Work belong to Registered societies not permissible

10/6/2009.

ERNAKULAM

10	Angamaly	Construction of shopping complex building at Karukutty	10.00	9.50	2002-03	Commercial purpose
11	Kothamangalam	Reconstruction of office building for Varapetty Panchayat	15.00	Not started	2002-03	Office building
12	Perumbavoor	Development of buffalo market	3.50	3.45	2001-02	Commercial purpose
13	Angamaly	Doctors' quarters for PHC Chully	5.00	4.74	2002-03	Residential quarters not permissible
KOZHIKODE						
14	Vadakara	Purchase of 15 wooden cots	0.50	0.42	2003-04	Purchase of stock
15	Meppayar	Construction of office building for Kunnummal Grama Panchayat	7.00	Not started	2001-02	Office building
16	„	Office building for Kuttiadi GP	10.00	9.84	2002-03	Office building

Total	128.10	62.54
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APPENDIX VIII

DELAY IN EXECUTION OF WORKS

Works not arranged (Reference: Paragraph 3.7.15)

<i>Sl. No.</i>	<i>District</i>	<i>LAC</i>	<i>Description of work</i>	<i>Date of A.S.</i>	<i>Estimate (Rs in lakh)</i>	<i>Implementing Officer</i>	<i>Remarks</i>
1	Thiruvananthapuram	Attingal	Building, Government H.S., Attingal	3-1-2003	4.00	BDO, Chirayinkil	No volunteers to take up work
2	„	„	Building for Veterinary Hospital, Kadakavoor	13-2-2002	5.00	„	„
3	„	Thiruvananthapuram North	Cloak room in Vattiyurkavu Market	27-6-2003	0.50	Exe. Engineer, PWD, Building Dn.Thiruvananthapuram	Tendered. No response
4	„	Thiruvananthapuram West	Library Hall for ITI, Chacka	22-3-2003	2.00	„	„

5	Thiruvananthapuram	Thiruvananthapuram West	Re-construction of Foot bridge across Parvathy Puttanar	6-5-2003	5.00	Exe. Engineer, PWD, Roads Dn., Thiruvananthapuram	Tendered. No response
6	„	Neyyattinkara	Construction of wood bridge at Chirakonam	20-2-2003	1.00	Exe. Engineer, PWD, Roads Dn., Thiruvananthapuram	„
7	„	„	Construction of Poovanvila bridge	22-3-2003	1.00	„	„
Total					18.50		

APPENDIX IX

Delay in arranging work (Reference: Paragraph 3.7.16)

<i>Sl. No.</i>	<i>District</i>	<i>LAC</i>	<i>Description of work</i>	<i>Date of A. S.</i>	<i>Estimate (Rs. in lakh)</i>	<i>Implementing officer</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Pathanamthitta	Aranmula	Metalling and tarring of Sasthakaripady-Kannan Road	3-5-2002	1.00	BDO, Koipuram	Agreement executed on 20-8-2003 (after 15 months) work completed
2	„	„	Metalling and tarring of Thevanthundilpady CSI Church Road	16-5-2002	1.00	„	Agreement executed on 2-12-2003 (after 6 months) work completed
3	„	Kalloopara	Building for Govt. U.P.S., Vallamkulam	18-5-2003	2.00	BDO, Koipuram	Agreement executed on 9-2-2004 (after 8 months) work completed
4	„	„	Concreting of Vennikulam-Ruthapally Road	18-6-2003	1.50	„	Agreement executed on 7-2-2004 only (after 7 months) work completed

5	Pathanamthitta	Konny	Metalling and tarring of Thundiylpady-Nedumuripady Road	23-7-2002	2.00	BDO, Konny	Agreement executed on 18-2-2003 only (after 6 months) work completed
6	„	„	Metalling and tarring of Kizhakupuram-Pulimoodu Road	23-7-2002	2.00	„	„
7	„	„	Providing chipping carpet to Vakayar estate-Ruthapally Road	23-7-2002	2.00	„	„
8	„	„	Construction of Thekkunath-Kurathiyad Road	23-7-2002	0.50	„	„
9	„	Pandalam	Metalling and tarring of Kuravakalpady-Kaliylpady Road	14-12-2002	2.00	BDO, Kulanada	Agreement executed on 21-1-2004 only (after 13 months)
10	„	„	Metalling and tarring of Ambadiyil-High School Jn. Road	16-5-2002	1.00	„	Agreement executed on 12-11-2002 (after 6 months) work completed
11	„	Aranmula	Metalling and tarring of Mangattumala-Lekshmi-veedu colony Road	16-5-2002	1.00	„	Agreement executed on 27-11-2002 (after 6 months) work completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
12	Eranakulam	Kotha-mangalam	Building for P.H.C, Cheravathur	6-3-2003	5.00	Exe.Engineer, Buildings Dn., Moovattupuzha	Agreement executed on 14-11-2003 (after 8 months) work not started
13	„	„	Reconstruction of Varapetty Panchayat Office	25-3-2003	15.00	Exe.Engineer, PWD Buildings Division, Ernakulam	Agreement executed on 31-12-2003 only (after 8 months)
14	Kozhikode	Koduvally	Auditorium cum class room for Govt. H. S. Poonoor	28-10-2002	5.25	BDO, Balussery	Agreement executed on 9-6-2003 only (after 8 months)
		Total		41.25			