



OF THE

COMPTROLLER

AND

AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31 MARCH 1991

No. 3

(CIVIL)

GOVERNMENT OF KERALA





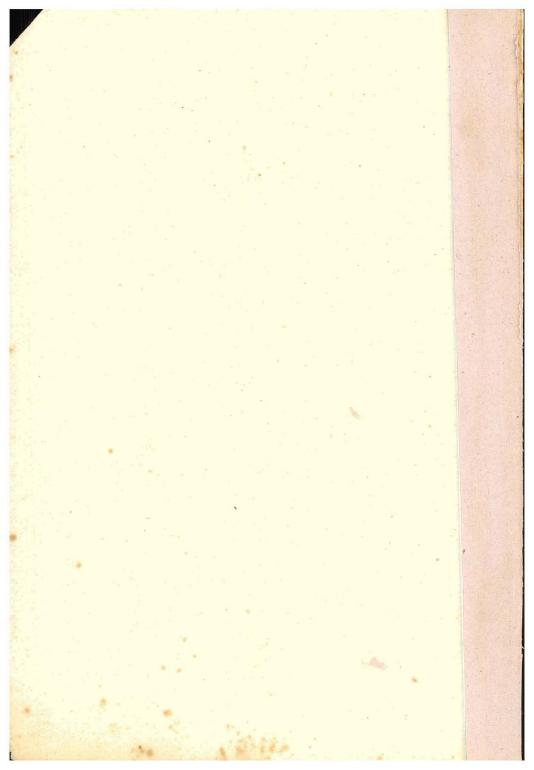
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ERRATA

Report of the Comptroller and Auditor General of India for the year ended 31 March 1991 No. 3 (Civil) Government of Kerala

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GPT. 102/9156/93/MC.



ERRATA

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GPT. 102/9156/93/MC.



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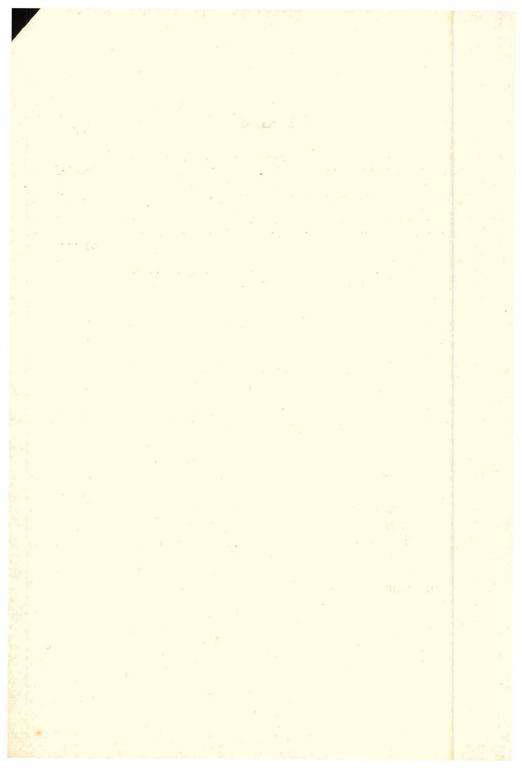
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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1990-91 and other points arising from audit of financial transactions of the Government of Kerala. It also includes:

(i) certain points of interest arising from the Finance Accounts for 1990-91; and

(ii) comments on the Soil conservation measures in Kundah River Valley Project, Scheme for Cadastral Survey in the State, Technology Mission on Immunisation, Vocational Higher Secondary Education, Command Area Development Programme, National Watershed Development Programme for Rain-fed Agriculture and University of Calicut.

2. The Report containing the observations of Audit on Statutory Corporations and Government Companies and the Report of Audit on Revenue Receipts are being presented separately.

3. The cases mentioned in the present Report are among those which came to notice in the course of test audit of accounts during 1990-91 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1990-91 have also been included wherever considered necessary.



OVERVIEW

This Report includes seven chapters, the first two containing the observations of Audit on the State's finances and the Appropriation Accounts for the year 1990-91 and the other five, comprising 4 reviews and 40 paragraphs, incorporating the results of audit of the financial transactions of various Government Departments, works expenditure, stores and stock accounts, commercial activities of Government and financial assistance to local bodies. A synopsis of the findings contained in the audit reviews and the more important paragraphs are presented in this Overview.

i. Accounts of the State Government

The revenue receipts of the State Government increased from Rs. 1503 crores in 1986-87 to Rs. 2403 crores (60 per cent) in 1990-91; the growth during 1990-91 in relation to 1989-90 (Rs. 2048 crores) was of the order of 17 per cent.

Tax revenue (Rs. 1340 crores) and non-tax revenue (Rs. 209 crores) raised by the State Government during 1990-91 constituted 56 per cent and 9 per cent of the total revenue receipts. Receipts from the tax revenue had increased progressively during 1986-91 from Rs. 814 crores to Rs. 1340 crores, the growth in relation to 1989-90 was 9 per cent. However, while tax revenue had grown at a faster rate than the total revenue receipts during 1987-88 and 1989-90, the growth during 1988-89 and 1990-91 lagged behind.

Non-tax revenue increased by 20 per cent during 1990-91 in relation to 1989-90 (Rs. 174 crores). The increase (Rs. 35 crores) was mainly attributable to more realisations from sale of lottery tickets, increased interest receipts from Public Sector and other undertakings and the write off, by the Central Government, of drought relief loans aggregating to Rs. 10.08 crores in pursuance of the recommendations of the Ninth Finance Commission, which were accounted as receipts.

The abbreviations used in this Report have been listed in the Glossary in Appendix 10 (Page 209)

Grants-in-aid from the Central Government and the State's share of Union Taxes and Duties constituted 15 per cent and 20 per cent respectively of the revenue receipts during 1990-91. The State's share of Union Taxes and Duties progressively increased from Rs. 339 crores in 1986-87 to Rs. 486 crores in 1990-91. Grants-in-aid from the Central Government also increased during this period from Rs. 186 crores to Rs. 368 crores, the increase in 1990-91 in relation to 1989-90 (Rs. 185 crores) being of the order of 99 per cent.

Notwithstanding the progressive increase in revenue receipts, both from internal and external sources, the resource gap had widened from year to year because of the faster increase in revenue expenditure which increased by 71 per cent from Rs. 1655 crores in 1986-87 to Rs. 2825 crores in 1990-91. The revenue deficit increased from Rs. 152 crores in 1986-87 to Rs. 422 crores in 1990-91, i.e. by 177 per cent. The increase in revenue deficit was as high as 69 per cent during 1990-91 mainly due to increase in non-Plan revenue expenditure. The deficit during 1990-91 was met from the surplus funds on capital account and net receipts under the Public Account and the year ended with an overall surplus of Rs. 11.56 crores as against the overall surplus of Rs. 7.32 crores during 1989-90.

Because of the increasing resource gap, the internal debt of the State had sharply increased by 145 per cent from Rs. 466 crores at the end of 1986-87 to Rs. 1140 crores as on 31st March 1991. Inclusive of the increase of Rs. 670 crores (45 per cent) in Loans and Advances from the Central Government, and of Rs. 776 crores (122 per cent) in other liabilities, the total liabilities of the State Government (Rs. 4717 crores) had increased by 82 per cent in relation to 1986-87 (Rs. 2597 crores).

The debt burden had resulted in an increase in the interest payments which burgeoned by 92 per cent from Rs. 177 crores in 1986-87 to Rs. 341 crores in 1990-91. The outflow of funds on this account ranged between 11 and 13 per cent of the revenue expenditure during 1986-91. In 1990-91, the total amount of repayment of principal of Central Government loans and interest thereon was 68 per cent of the loans received during the year. Government's investments in various Statutory Corporations, Government Companies, Joint Stock Companies and Cooperatives increased from Rs. 370 crores at the end of 1986-87 to Rs. 618 crores at the end of 1990-91. None of the Statutory Corporations paid any dividend or interest during the five-year period. Dividend received from the other concerns was also negligible and ranged between Rs. 0.86 crore to Rs. 2.70 crores (0.23 per cent and 0.44 per cent of the investment) only in the respective years. The return on the investments was thus substantially lower than the rate of interest payable on market borrowings.

The accounts rendered by 48 Government Companies and 2 Statutory Corporations for various years from 1982-83 to 1990-91 disclosed accumulated losses aggregating to Rs. 529.55 crores. Government investment in these enterprises totalled Rs 385.70 crores as on 31 March 1991.

Guarantees given by Government for repayment of loans raised by various public enterprises, local bodies, etc. and outstanding increased by 84 *per cent* from Rs. 765 crores to Rs. 1405 crores between 1986-87 and 1990-91. During the period, such guarantees were invoked in 9 cases, the sum involved being Rs. 5.82 crores. Recovery of guarantee fee of Rs. 13.07 crores from 54 institutions was in arrears as of March 1991.

Loans and advances disbursed by the State Government stood at Rs. 813.97 crores as on 31st March 1991 compared to Rs. 505.04 crores as at the end of 1986-87.

The net loans and advances disbursed by the State Government during the five-year period from 1986-87 to 1990-91 ranged between 26 and 39 *per cent* of the net receipts from longterm borrowings. During 1990-91, interest of Rs. 9.82 crores was received in respect of such loans and advances.

As on 31 March 1991, recovery of Rs. 283.88 crores (principal: Rs. 66.73 crores; interest: Rs. 217.15 crores) was in arrears in respect of loans and advances, the detailed accounts of which are maintained by the Accountant General. As regards loans and advances, the detailed accounts of which are maintained by the departmental officers themselves, similar information was furnished by 3 of the 39 departments only; this showed that recovery of Rs. 21.23 crores (principal : Rs. 9.92 crores; interest : Rs. 11.31 crores) was in arrears as on 31 March 1991.

Ways and Means Advances of Rs. 553.60 crores and Overdrafts of Rs. 595.71 crores were availed of by the State Government during 1990-91. The Advances and Overdraft outstanding at the end of the year amounted to Rs. 40.77 crores and Rs. 59.43 crores respectively.

(Paragraph 1.1 to 1.20)

2. Appropriation Audit and control over expenditure

During 1990-91, the overall excess expenditure in 22 Grants and Appropriations aggregated to Rs. 193.80 crores, while savings totalling Rs. 190.05 crores occurred in 82 Grants and Appropriations. After taking into account instances of excess expenditure attributable to changes in classification or misclassification, excess expenditure aggregating to Rs. 85.58 crores and Rs. 104.26 crores respectively in 16 Grants and 6 Appropriations requires regularisation under Article 205 of the Constitution of India.

Supplementary provisions of Rs. 647.11 crores obtained during the year 1990-91 constituted 16 per cent of the original budget provision of Rs. 3925.13 crores. Supplementary provisions aggregating to Rs. 10.27 crores obtained in 18 cases in March 1991 proved wholly unnecessary or could have been limited only to token amounts since the expenditure did not come to the level of original provisions. On the other hand, supplementary provision of Rs. 112.90 crores obtained on 25th March 1991 proved insufficient in 6 other cases by more than Rs. 25 lakhs in each case, leaving an aggregate uncovered expenditure of Rs. 110.03 crores. In 14 cases, supplementary provisions aggregating to Rs. 52.56 crores were obtained in March 1991 when the additional requirements of funds were Rs. 27.87 crores only, the saving in individual cases ranging from Rs. 25 lakhs to Rs. 7.75 crores. Savings in excess of Rupees one crore and by more than 10 *per cent* of the provision in each case occurred in 15 cases, and ranged between 12 and 90 *per cent* of the respective budget provisions.

Substantial savings, of Rs. 1 crore and above in each case occurred in 11 cases on account of non-implementation/slow implementation of plan schemes. Persistent savings, exceeding Rs. 25 lakhs in each case occurred in 26 cases during 1988-91 while the expenditure persistently exceeded the provisions during these three years in 3 Grants, such excess being more than Rs. 25 lakhs on each occasion.

In 10 cases, savings in excess of Rs. 1 crore in each case and ranging from 19 to 91 *per cent* of the total savings were not surrendered. On the other hand, in 9 other cases funds were injudiciously surrendered in March 1991 in excess of the final savings by more than Rs. 25 lakhs in each case. In 15 cases, reappropriation of funds proved excessive by over Rs. 25 lakhs in each case. These instances were indicative of inadequate budgetary control.

During 1990-91, 48 sanctions were issued for the withdrawal of Rs. 16.34 crores from the Contingency Fund of the State. Six of these sanctions for an aggregate amount of Rs. 1.69 crores were, however, not acted upon.

As against recoveries totalling Rs. 59.18 crores (Revenue: Rs. 53.25 crores: Capital: Rs. 5.93 crores) anticipated during the year, the actual recoveries were Rs. 74.38 crores (Revenue: Rs. 63.52 crores: Capital: Rs. 10.86 crores).

(Paragraph 2)

3. Scheme for Cadastral Survey in the State

A scheme for the resurvey (Cadastral Survey) of lands in the State was taken up for implementation from 1966 onwards with the objective of updating the land records to facilitate the implementation of land reforms and collection of agricultural statistics, and to ensure more effective revenue administration. The scheme initially envisaged the resurvey of an area of 29,267 square kilometres at an estimated cost of Rs. 15.78 crores. The total area to be resurveyed was subsequently reassessed to be 32,510 square kilometres in 1,451 villages. Expenditure totalling Rs. 105.67 crores was progressively incurred on the scheme to the end of March 1991.

When the scheme was sanctioned, initially in the Plan sector (up to 1985-86), a specific schedule for the completion of the resurvey operations, comprising field work (preliminary examination, survey of lands and recording of results), office work (preparation of drawings and maps), and translation of the resurvey records into land records, was not prescribed. However, with reference to the annual targets fixed for the purpose, these should have been normally completed by the year 1987-88. The prescribed targets were not achieved in any of the years since the commencement of the scheme. As of March 1991, after the lapse of 25 years, of the total area of 32,510 square kilometres to be resurveyed in 1,451 villages, field work had been completed in an area of 22,173 square kilometres (68 per cent) in 720 villages, and office work in 16,222 square kilometres (50 per cent) in 555 villages. Funds provided for the scheme had also not been fully utilised for a number of years, which was attributed to vacant posts. The full complement of staff was never employed on the work; the out-turn of the available personnel was also less than the norms prescribed, resulting in a net shortfall of 1,390 square kilometres in field work and 2,927 square kilometres in office work. Employment of additional manpower at a cost of Rs. 6.12 crores would be necessary to make good this shortfall.

Delay in finalisation of resurvey records necessitated their updating in the context of the changes in the extent and ownership of land holdings that had taken place in the meantime. In 139 of the 720 villages where the field work had been completed as of March 1991, such updating resulted in an additional expenditure of Rs. 5.56 crores, which could have been avoided had the resurvey records been finalised soon after the completion of the field work.

Manpower resources in 7 Preparation of Land Records Offices were also substantially under-utilised between February 1980 and May 1990 due to the out-turn of the Village Officer being significantly lower (16 per cent to 36 per cent) than tha prescribed. Expenditure incurred on the pay and allowance of these Officers during this period amounted to Rs. 41 lakhs Paucity of funds, unfavourable weather conditions, nonavailability of boundary stones, etc., necessitated suspension of resurvey operations in 8 offices. The expenditure of Rs. 27 lakhs incurred on the pay and allowances of the personnel during the period they were not gainfully engaged was consequently unproductive.

As of March 1990, field work had been completed in 1,629 blocks. However, necessary particulars for the realisation of the survey charges from the beneficiaries were furnished as of February 1991 to the Revenue Department only in respect of 1,322 blocks. Of the amount of Rs. 4.79 crores due on this account in these blocks, an amount of Rs. 2.70 crores only had been realised as of March 1991.

(Paragraph 3.3)

4. Soil conservation measures in Kundah River Valley Project

A Centrally sponsored scheme for soil conservation measures in the catchment area (61,326 hectares) of the Kundah River Valley Project falling within Kerala State was approved in May 1967. The scheme, which commenced in 1967-68, was still continuing and an expenditure of Rs. 9.31 crores had been incurred as of March 1991. Review by Audit of the implementation of soil conservation works during 1985-91 revealed the following:

The achievements of 6,653 hectares reported by the Subdivisions in respect of five watersheds testchecked differed from those incorporated in the Records of Rights and Liabilities, resulting in these being inflated to the extent of 917 hectares.

Of the 4,575 hectares identified for the execution of soil conservation works in the first priority area, 3,751 hectares were shown to have been covered, involving an expenditure of Rs. 47.20 lakhs. The area actually available according to the village records was, however, only 3,167 hectares. While 24.22 lakh running metres of trenches were constructed during 1985-91, agrostological and agronomical measures (among the cheapest of soil conservation measures with other inherent advantages) were, however, adopted only along 1.33 lakh running metres.

Nominees executing soil conservation works were not asked to maintain muster rolls of labourers, in the absence of which it could not be ensured that the prescribed wages were actually paid.

Adoption of higher wages of unskilled labour, of incorrect specifications and of quantities higher than those prescribed for excavation and trimming resulted in an excess expenditure of Rs. 36.74 lakhs.

The Department had assessed that arrears of loans and interest amounting to Rs. 275.65 lakhs were due for recovery from the beneficiaries as of March 1991. An amount of Rs. 4 lakhs only were, however, shown as recoverable in the revenue records, and the discrepancy had not been reconciled.

The proper maintenance of the assets created under the scheme by the beneficiaries was not monitored and ensured. No machinery had also been evolved for the purpose.

The scheme had not been evaluated by an independent agency as envisaged by the Government of India. No action was also taken to remedy the deficiencies pointed out by the State Department of Economics and Statistics following an evaluation of scheme undertaken by them.

(Paragraph 3.1)

5. Technology Mission on Immunisation (Universal Immunisation Programme)

The Centrally sponsored Universal Immunisation Programme (UIP) was launched during 1985-86 to provide universal coverage of immunisation against six vaccine preventable diseases (diphtheria, measles, pertussis, poliomyelitis, tetanus and tuberculosis) for infants and pregnant women by the year 1990 and to improve the quality of services earlier provided under the Expanded Programme on Immunisation (EPI). The Programme, which was initially introduced in Idukki and Palakkad Districts in Kerala and was extended to all the 14 Districts in 1988-89, was declared a Technology Mission in 1986 to provide a sense of urgency and commitment to achieve the goals within the specified period.

Expenditure incurred on the Programme against funds totalling Rs. 127.47 lakhs released by the Government of India during 1986-89 and 1990-91 was Rs. 83.75 lakhs only, the short-fall being of the order of 34 per cent.

Immunisation targets were fixed for individual districts by the Government of India with reference to the birth and infant mortality estimates for the State as a whole. In the context of the fact that the birth rate in different districts of the State was not uniform and varied substantially, this approach resulted in fixation of unrealistic targets.

The Department had reported that 62 per cent to 153 per cent of infants in the districts had been covered by immunisation. An evaluation survey conducted during 1989-90 had, however, revealed that the maximum percentage of infants covered ranged between 32 and 99 only. The achievements reported to the Government of India were apparently inflated.

An average drop-out rate of 5 per cent to 12 per cent between various doses of Oral Polio Vaccine (OPV) and Diphtheria-Pertussis-Tetanus (DPT) vaccine notwithstanding, the third dose of these vaccines administered in the State during 1989-90 and 1990-91 was more than the first and second doses. The number of DPT/OPV/TT (Tetanus Toxoid) vaccines stated to have been administered in three districts during 1986-91 was also much more than the number of vaccines issued from stores.

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Test-check of records also revealed instances of storage of vaccines in Primary Health Centres beyond the prescribed period of one month, non-adherence to instructions in regard to the recording of temperature of Ice Lined Refrigerators, non-accountal of vaccines, failure to discard opened vials of vaccines at the end of an immunisation session, and non-replacement by the supplier of broken and discoloured vials of OPV vaccine.

(Paragraph 3.4)

6. Command Area Development Programme

The Command Area Development Programme (CADP) was launched in the State in 1974-75 as a Central Sector Plan scheme, financed by grants and loans from the Government of India on a matching basis. The objective of the Programme was to bridge the gap between the creation of irrigation potential and its utilisation and to increase the area irrigated through such measures as the construction of field channels and drains, introduction of the *warabandi** system, organisation of associations of beneficiary farmers in the ayacut area, etc. A Command Area Development Authority (CADA), having jurisdiction over the command areas of 10 completed irrigation projects with a total culturable command area (CCA) of 95,743 hectares, started functioning in the State from September 1985. Four more projects with a total CCA of 84,205 hectares were also brought under the CADA in December 1990.

Central assistance totalling Rs. 25.47 crores (grants: Rs. 22.34 crores; loans: Rs. 3.13 crores) was received for the Programme during the period from 1974-75 to 1990-91, and the expenditure incurred on the Programme during this period amounted to Rs. 52.81 crores.

The following points were noticed in the course of an audit review of the implementation of the Programme during 1985-91 based on a test-check of the records at the CADA Headquarters,

^{*} Equitable distribution of water, by rotation, according to a predetermined schedule to beneficiaries.

three CAD Divisions, three Sub-Divisions and three Sections and four Irrigation Divisions:

Grants totalling Rs. 83.06 lakhs released during 1985-91 by the Government of India for payment of subsidy to farmers (Rs.75.24 lakhs) and for evaluation and monitoring (Rs.7.82 lakhs) were not utilised at all, while grants to the extent of Rs. 163.97 lakhs released for other activities of the Programme were under-utilised. Assistance amounting to Rs. 192.23 lakhs sanctioned as loans during 1985-88 for the construction of field channels and for providing equity support to the Land Development Corporation, and which was to be passed on to the beneficiaries, was not utilised as intended and was diverted unauthorisedly to meet expenditure to be financed by grants. Consequently, the liability for the repayment of these loans and interest thereon had to be borne by the State Government. The additional liability borne on this account upto March 1991 amounted to Rs. 98.22 lakhs.

A sizeable portion of funds was received by the CADA only towards the close of the financial year, resulting in retention of cash balances ranging from Rs. 83 lakhs to Rs.763 lakhs during 1986-91.

In order to ensure the utilisation of the irrigation potential to the optimum extent, *Warabandi* was to keep pace with the construction of field channels. However, whereas *Warabandi* was reported to have been introduced in an area of 38,359 hectares as of March 1991, field channels from the designated outlets to 5 to 8 hectare blocks and within such blocks had been constructed by then in 59,695 hectares and only 8,799 hectares respectively. Non-adherence to the prescribed norms resulted in an additional expenditure of Rs. 318 lakhs on *Warabandi* works.

Utilisation of the irrigation potential in the command areas of the 10 projects ranged between 5 *per cent* to 87 *per cent* only. The potential created in 4 of the 10 completed projects subsequent to the formation of the CADA had not been taken up for verification by revenue personnel. Consequently, the correctness of the assessment of water cess could not be ensured.

(Paragraph 7.4)

7. Vocational Higher Secondary Education

The objective of the Vocational Higher Secondary Education Scheme, launched in 1983-84, was to impart the necessary skills to students in their chosen vocation to facilitate their being employed directly or on their own. Expenditure of Rs. 8.30 crores was incurred on the scheme during 1986-91.

When the scheme was launched, a detailed project report was not prepared indicating its phasing, targets, financial commitments, etc. Only towards the end of 1987, the targets envisaged in the National Policy of Education (1986) were proposed to be achieved in a phased manner to cover 15,000 students by the year 1990. The annual targets fixed by the Department of Vocational Higher Secondary Education from 1987-88 were, however, not achieved in any of the years, reportedly because of delays in sanctioning courses and the selection of vocational courses by students only as a last resort. Admission in vocational courses was, in the circumstances, provided to only 5,000 students in 1989-90 and 8,650 students in 1990-91 In 40 of the 43 institutions test-checked by Audit, 13 *per cent* of the students admitted dropped out and did not complete the courses.

Contrary to the recommendation of a committee constituted for the purpose that vocational courses may be introduced only in 7 disciplines (which was based on surveys of employment opportunities), such courses were introduced in 27 disciplines in the first year and were increased to 40 disciplines by 1989-90. Test-check by Audit revealed that courses were introduced without ascertaining the suitability of the selected trades and their employment potential, and ensuring the availability of the necessary infrastructural facilities and adequacy of facilities for practical training in different trades.

In order to provide reasonable opportunities for employment and apprenticeship training, the scheme envisaged the establishment of a placement and training centre and the opening of an entrepreneurship and self-employment centre. These were, however, not established due to the necessary personnel not being sanctioned. In terms of the National Policy of Education, special steps were to be taken to cater to the needs of women, rural and tribal students and the deprived sections of society. Appropriate programmes were also to be started for the handicapped. However, as of February 1991, no measures had been taken to achieve these goals.

(Paragraph 3.5)

8. National Watershed Development Programme for Rain-fed Agriculture

The National Watershed Development Programme for Rain-fed Agriculture was formulated by the Government of India during 1986 with the objective of stabilising agricultural production in rain-fed areas by stepping up investment in the development of dry-land agriculture. The Programme was implemented in Palakkad District in the State during 1986-91. As against budget provisions totalling Rs. 83.50 lakhs and funds amounting to Rs. 90 lakhs (including Central grants of Rs. 40 lakhs) released by the State Government, expenditure of Rs.73.92 lakhs was incurred on the Programme during this period.

A major portion of the expenditure (Rs. 55.44 lakhs) was incurred only during the last quarter of each year due to belated release of funds. In fact, during 1987-88 and 1990-91, the entire amount released for the Programme was utilised in the last quarter, 95 *per cent* of the expenditure during 1987-88 and the entire expenditure during 1990-91 being incurred only in the month of March.

The progress reports furnished by the Department to the Government of India reflected an achievement of 2,650 hectares of land development works during 1987-90; the actual achievement during the period, as reported by the District Soil Conservation Officer was, however, only 27 hectares. Digging of new wells and renovation of old wells were not envisaged in the Programme. Expenditure of Rs.24.45 lakhs was nevertheless incurred on these activities during 1987-91. As against 82 training courses for 2,460 participants targeted during 1986-90, only two courses for 40 participants were organised in March 1990. The Programme also envisaged the distribution of seeds, seedlings, fertilisers, etc., to farmers in the watershed area. No follow-up action was taken either to assess the proper use of inputs by the farmers or to assess the increase in the crop yields or the additional income accruing by the adoption of the recommended practices.

(Paragraph 3.2)

9. Other points of interest

(a) The construction of an aqueduct-cum-road bridge across the main canal of the Pazhassi Irrigation Project taken up in September 1983 and scheduled for completion by March 1986 was yet to be completed even after the lapse of more than five years due to changes in scope, deficiencies in execution, defective planning, litigation by contractors entrusted with the work, etc. Consequently, apart from an expenditure of Rs. 3.07 crores incurred on the works as of June 1991 remaining unfruitful, following a tilt in some of the wells and shift in the position of one of the piers - which were yet to be rectified- the safety of the structure itself remained to be ensured. Failure to assess the requirements of islands, erroneous indication of the low water level in the approved plan and irregular execution of a supplemental agreement for concreting resulted in excess payments totalling Rs. 16.98 lakhs to two contractors. Liabilities totalling Rs. 25.41 lakhs had also not been discharged as of June 1991 by a defaulting contractor.

(Paragraph 4.1)

(b) Between October 1986 and December 1987, grants totalling Rs. 4.80 crores were provided for the creation of the necessary infrastructural facilities for the organisation of the Second National Games (December 1987). The accounts of the facilities had not been consolidated and audited by a Chartered Accountant even three years after the conclusion of the Games, and unutilised grants totalling Rs. 34.44 lakhs had been deposited in the treasury savings bank account and in a nationalised bank. A grant of Rs. 1.03 crores released between February and October 1987 for an indoor stadium then under construction at Ernakulam did not serve the intended purpose because the stadium was not completed in time and the competitions in the two disciplines for which the stadium was proposed were held at other locations with such facilities as were available. An amount of Rs. 6.65 lakhs, representing the sale proceeds of name slip stickers, gunny bags and sports baniyans and cost of advertisements in the Games Souvenir, had not been realised from various officials, firms and Government Departments as of June 1991.

(Paragraph 7.6)

(c) Failure of the Irrigation Department to ensure, in advance, the technical feasibility of constructing simultaneously all the 25 spans of a lock-cum-regulator-cum-bridge across Tirur-Ponnanipuzha in Malappuram District, and to schedule the work properly resulted in the work not being completed even after 12 years and in an unfruitful expenditure of Rs. 77 lakhs. Apart from the non-realisation of the objectives of providing irrigation, communication and flood protection facilities, the project cost had also increased from Rs. 86.50 lakhs to Rs. 213 lakhs in April 1988, and was likely to increase further.

(Paragraph 4.3)

(d) The Thenmala Water Supply Scheme in Kollam District, taken up for execution in April 1984 continued to remain incomplete even after seven years, and the expenditure of Rs. 75.14 lakhs incurred on the scheme had consequently remained unfruitful. Further, on account of the extension of the length of the distribution system from 10 kilometres initially envisaged to 48.44 kilometres, changes in the design and scope of the well-cumpump house and inclusion of certain additional items, combined with the laying of more expensive PVC/HDPE pipes instead of AC pipes and delay in the transfer of forest land, the cost of the scheme had also increased from Rs. 27.82 lakhs to Rs. 129.48 lakhs in December 1989. Failure to ensure that the pipes laid were of the required rated capacity necessitated additional investments on construction of additional sumps and pumping stations.

(Paragraph 7.14)

(e) Test-check of the stores and stock accounts of the Kallada Irrigation Project Divisions revealed, inter alia retention of excess stores over prescribed reserve limits, the valu of which amounted to Rs. 10.56 crores in 1990-91, instances o non-adjustment of debit advices amounting to Rs. 1.45 crore relating to periods from 1976-77 onwards, discrepancies in store accounts, non-settlement for prolonged periods of claims amount ing to Rs. 3.09 crores in respect of services rendered or supplie made by one Division to another, etc. Pipes valued at Rs. 94.3 lakhs purchased between October 1988 and March 1989 wer lying unused as of March 1991 in five Divisions, of which pipe costing Rs. 13.48 lakhs were held in excess of actual requirement. Failure to initiate effective follow-up action to obtain from cemer factories 24,871 tonnes of levy cement short supplied by ther necessitated local purchases at higher prices involving extr expenditure of Rs. 92.02 lakhs.

(Paragraph 5.1

(f) Belated remittance, after delays ranging from on month to nine months, of subscriptions to the Provident Fun deducted from the salaries of its employees into the treasury b the Calicut University resulted in a loss of interest of Rs. 31.3 lakhs. The University also suffered an avoidable loss of intere of Rs. 2.76 lakhs on account of the injudicious investment, betwee May 1986 and December 1987, of surplus funds in the Providen Fund in post office time deposits and banks at lower rates interest, instead of investing such funds in treasury fixed deposit As of February 1991, temporary advances totalling Rs. 2.9 crores paid to various officials of the University during 1975-9 were pending adjustment in the absence of final bills, of whic an amount of Rs. 81.94 lakhs were advanced during 1984-8 and earlier years.

(Paragraph 7.!

(g) A Fish Landing Centre constructed at a cost Rs. 24.89 lakhs at Dharmadom in Kannur District and inaugurated in May 1989 had not been made operational even for single day as of September 1991, rendering the investment unprductive. This was attributable to the failure of the Fisheries ar Ports Department to evolve appropriate measures to ensure the easy and unimpeded movement of fishing boats to the Landing Centre even though they were aware, even before commencement of the work, of certain inherent disadvantages of the selected site.

(Paragraph 4.10)

(h) Execution, contrary to the specific terms and conditions of the relevant contracts, of supplemental agreements providing for enhanced rates on account of variations between the quantities tendered and actually executed resulted in irregular payments totalling Rs. 17.83 lakhs in respect of two works relating to the Kallada Irrigation Project.

(Paragraph 4.4)

(i) On account of lack of effort on the part of the Kerala State Construction Corporation Limited entrusted with the construction of a Teak Museum and Research Centre at Nilambur; paucity of funds and the non-posting of supervisory personnel, an expenditure of Rs. 17.50 lakhs incurred on the work had remained unfruitful since September 1987, and the objectives of their establishment had also not been fulfilled.

(Paragraph 7.7)

(j) Failure, on the part of the Kerala Water Authority, to ensure the availability of land and adequate water sources which was indicative of defective planning—resulted in noncompletion of water supply schemes in three Harijan colonies for periods ranging from five to eight years and in the idle investments totalling Rs. 15.76 lakhs. Consequently, the objective of providing protected water supply to the less-privileged sections of society had not been realised.

(Paragraphs 7.15, 7.16 and 7.18)

(k) Failure of the Forest and Wild Life Department to finalise the frequencies of a communication system prior to the issue of the purchase order resulted in the investment of Rs. 10.64 lakhs on the purchase of transreceiver sets remaining unfruitful for 102/9102/92/MC. over four years and in the non-realisation of the objective of improving the infrastructure for the protection of forests from biotic interference.

(Paragraph 5.2)

(1) Extension of a water supply scheme without establishing its technical feasibility based on proper investigations, combined with the laying of sub-standard pipes, resulted in the expenditure of Rs. 6.90 lakhs incurred thereon being rendered infructuous and in an estimated additional liability of Rs. 3.18 lakhs on the replacement of the defective pipes.

(Paragraph 7.12)

(m) Contrary to the directions issued by Government that the liability of a defaulting contractor should be determined and recovered within a period of not more than one year from the date of arranging execution of the balance work through a fresh contract, the risk and cost liability of two defaulting contractors determined as Rs. 8.86 lakhs had not been recovered for over five years.

(Paragraph 4.9)

(n) The acquisition of one hectare of land in Panakkad village for construction of buildings for the Forest Department without conclusively establishing its suitability in all respects resulted in only a very small portion of the land (50 square metres) being finally utilised. Most of the land had, therefore, become surplus to requirements, and a major portion of the expenditure of Rs. 6.96 lakhs incurred on its acquisition had been rendered infructuous.

(Paragraph 4.12)

(o) A Foundry Service Centre established in 1970 at Thrissur to assist the foundry industry in testing the quality of its raw materials was non-functional after October 1987 due to defects in the equipment, vacant posts, absence of spares and trained staff and lack of demand. The services of the personnel of the Centre were, therefore, not being gainfully utilised and the expenditure of Rs. 6.12 lakhs incurred on their pay and allowances from November 1987 to December 1991 was largely infructuous.

(Paragraph 3.7)

(p) The distribution system for a water supply scheme was laid at a cost of Rs. 5.07 lakhs in February 1987 without the necessary administrative and technical sanctions and without preparing a proper scheme for the purpose. The scheme was subsequently abandoned rendering the entire expenditure infructuous. Materials valued at Rs. 21.90 lakhs issued to the contractor for this work and another work (also taken up without proper sanctions) had also not been returned by him as of October 1991.

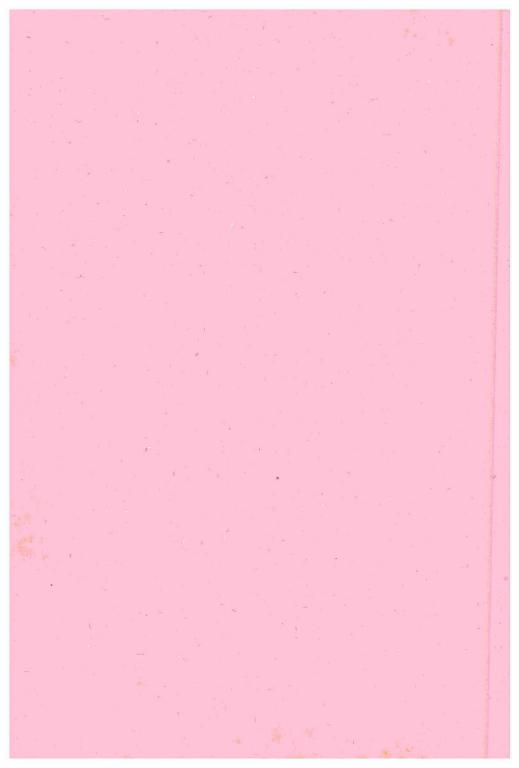
(Paragraph 7.13)

(q) Delay in according special sanction by the Government to improvements to a road and further delay in communicating the sanction to the Superintending Engineer before the expiry of the validity period resulted in the non-acceptance of the lowest offer and an additional estimated liability of Rs. 5.04 lakhs.⁻

(Paragraph 4.5)

(r) Non-adherence to codal provisions in regard to acceptance of tenders resulted in the lowest offer received for a road work being rejected without adequate justification, involving an additional financial liability of Rs. 4.25 lakhs on re-tendering of the work.

(Paragraph 4.7)



CHAPTER I

ACCOUNTS OF THE STATE GOVERNMENT

1.1. Summarised financial position

The summarised financial position of the Government of Kerala as on 31 March 1991 emerging from the Appropriation Accounts and the Finance Accounts for the year 1990-91, the Abstract of Receipts and Disbursements and the Sources and Application of Funds for the year are indicated in the following statements:—

I. Summarised financial position of the Government of Kerala as on 31 March 1991

Amount as on 31 March 1990 (Rupees in crores)		Liabilities	31 Ma	unt as on urch 1991 s in crores)
905.03		Internal debt including ways and means advances but excluding overdrafts		1080.39
	738.35	Market loans	890.49	
	53.79	Loans from Life Insurance Corporation of India	66.20	
	71.96	Loans from other institutions	82.33	
	40.93	Ways and means advances	41.37	
1895.82		Loans and advances from Central Government		2165.66
	580.47	Pre-1984-85 loans	548.93	
	484.43	Non-Plan loans	635.99	
	799.59	Loans for State Plan Schemes	940.67	
	14.99	Loans for Central Plan Schemes	16.31	
	16.34	Loans for Centrally Sponsored Plan Schemes	23.76	
11.19		Contingency Fund		13.92
1117.86		Small Savings, Provident Funds, etc.		1411.31
186.97		Deposits		232.50
23.16		Overdraft from Reserve Bank of India		59.43
6.09		Reserve Funds		15.85
	11.14	Gross	20.92	
	5.05	Less: Investments	5.07	
4146.12		Total	Sec.	4979.06
				10 10 10 10 10 10 10 10 10 10 10 10 10 1

102/9102/92/MC.

Amount as on 31 March 1990		Assets		unt as on Aarch 1991
(Rupees in crores)			(Rupe	es in crores)
2458.49		Gross capital outlay on fixed assets		2714.45
	538.81	Investment in shares of companies, corporations, etc.	617.79	
	1919.68	Other capital outlay	2096.66	
813.97		Loans and advances		934.53
	372.10	Loans for power projects	431.39	
	406.82	Other development loans	463.65	
	35.05	Loans to Government servants and Miscellaneous loans	39.49	
1.96		Other advances		1.52
90.31		Remittance balances		98.55
15.07		Suspense and miscellaneous balances— other items (Net)		29.13
11.30		Cash		23.84
	8.81	Cash in treasuries	14.18	1.0
	-1.27	Remittances in transit	-0.91	
Ĩ.	1.38	Departmental cash balance	1.86	
	0.15	Permanent cash imprest	0.15	
	7.67	Cash balance investment	8.17	
	-5.44	Deposits with Reserve Bank of India	0.39	
	*	Deposits in other banks	*	-
755.02		Deficit on Government Account		1177.04
		Previous year deficit	755.42	
		Less: Prior period adjustments	0.40	
		Net	755.02	
		Add: Revenue deficit during current year	422.02	ана 11 ж
1 - L		Less: Miscellaneous adjustments	**	1
4146.12		Total	4	979.06

*Less than Rs. 1 lakh. .

**Negligible amount (Rs. 9494 only).

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II. Abstract of Receipts and Disbursements for 1990-91

SECTION A-REVENUE

Disbursements

1	D	D	
1.	Revenue	Receipts	

Receipts

1. Revenue Expenditure

		(Rupees in cro	ores)	Sector	Non-Plan (Rup	Plan ees in cror	Total res)
(i)	Tax Revenue	1340.34	(i)	General Services	989.84	0.21	990.05
(ii)	Non-Tax Revenue	208.82	(ii)	Social Services	1124.53	150.30	1274.83
(iii)	State's share of Union taxes and duties	486.26	(iii)	Agriculture and Allied Activities	113.43	73.54	186.97
(iv)	Non-Plan grants	122.89	(iv)	Rural Development	29.19	96.79	125.98
(v) '	Grants for State Plan Schemes	95.53	(v)	Special Areas Programmes		7.20	7.20
(vi)	Grants for Central Plan and Centrally Sponsored Plan Schemes	149.09	(vi)	Irrigation and Flood Control	37.20	27.10	64.30
			(vii)	Energy	••	1.70	1.70
			(viii)	Industry and Minerals	16.73	21.76	38.49
2.	Revenue deficit carried to Section I	422.02	(ix)	Transport	68.00	1.27	69.27
	carried to Section I	2	(x)	Science, Technology and Environment	0.67	3.51	4.18
·			(xi)	General Economic Services	20.83	8.85	29.68
			(xii)	Grants-in-aid and contributions	32.30		32.30
						<u>.</u>	
	Total	2824.95			2432.72	392.23	2824.95

SECTION B-OTHERS

Receipts			Disbursements	
	(Rupees in c	rores)	(Rupee.	s in crores)
ning cash nce including nanent advance cash balance stment	11.30		Opening overdraft from ReserveBank of India	23.16
Stincit		2. (Capital Outlay	255. <mark>9</mark> 6
		(i) General Services 7	.61
		(ii) Social Services 35	.21
		(iii		.82
		(iv)		.06
		(v		. 70
		(vi)	Energy	
		(vii		,38
	-	(viii) Transport 59	.21
		(ix)	General Economic Services 1.9	97
overies of loans advances	17.69		loans and advances lisbursed	138.25
From power 0.37 projects		(i) For power projects 59.6	6
From Government servants 6.11		(ii) To Government servants 10.5	51
From others 11.21		(iii) To others 68.0	8
ic Debt pts	1168.21		Revenue deficit rought down	422.02
Internal debt 193.63 other than ways		5. I	Repayment of Public Debt	723.01
and means advances		(i) Internal debt 18.7 other than ways and means advances	1
Vays and 566.16 neans advances scluding overdraft		(ii)	Ways and means 565. advances excluding overdraft	72
oans and 408.42 dvances from Central Government		(iii)	Repayment of 138. loans and advances to Central Government	58

Opening of balance in 1. permanen and cash investmen

2. Recoveries and advan

- (i) From proje
- (ii) From serva
- (iii) From
- 3. Public De receipts
 - (i) Intern other and m advan
 - Ways a (ii) means a excludi
 - (iii) Loans advand Centra Govern

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SECTION B-OTHERS-Concld.

	Receipts	(Rupees	n crores)		Disb	ursements (R	upees in cror	res)
4. (Contingency Fund		3.81	6.	Cor	ntingency Fund		1.03
	Public Account receipts	32	11.71	7.		lic Account oursements		2884.83
(i) Small Savings, Provident Funds, etc.	1189.01			(i)	Small Savings, Provident Funds, etc.	895.56	
(ii) Reserve Funds	31.56			(ii)	Reserve Funds	21.80	
(iii) Deposits and advances	714.63			(iii)	Deposits and advances	668.66	
(iv) Suspense and Miscellaneous	420.65			(iv)	Suspense and Miscellaneous	434.71	
(v) Remittances	855.86			(v)	Remittances	864.10	
1	Closing overdraft from Reserve Bank of India		59.43	8.	(i) (ii)	sh balance at end Cash in treasuries, deposits with Reserve Bank of India and other banks and Remit- tances in transit Departmental cash bal ance including permanent advan	2.01 ces	23.84
					(iii)	Cash balance investment	8.17	
	Total	44	72.15					4472.15
								1. C.

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III. Sources and Application of funds 1990-91

I.	Sou	rces	(Rupees in cro	res)
	1.	Revenue Receipts	1 1	2402.93
	2.	Recoveries from loans and advances		17.69
	3.	Increase in Public Debt		445.20
	4.	Increase in overdraft		36.27
	5.	Net receipts from Contingency Fund		2.73
	6.	Net receipts from Public Account		326.88
		(i) Increase in Small Savings	2 <mark>9</mark> 3.45	
		(ii) Increase in Reserve Funds	9.76	
		(iii) Increase in Deposits and Advances	4 5.97	
		(iv) Effect of Suspense Balance	()14.06	÷
		(v) Effect on Remittance Balance	(—) 8.24	
		(vi) Miscellaneous adjustments		
		Total		3231.70
II.	Ap	plications		
	1.	Revenue Expenditure		2824.95
	2.	Capital Expenditure	s -	255.96
	3.	Lending for development and other purposes		138.25
	4.	Increase in cash balance including permanent advances, departmental cash balance and cash balance investment		12.54
		Total		3231.70

Explanatory Notes

1. The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

2. Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable and receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

3. Although a part of the revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.

4. Under the Government system of accounting, the revenue surplus or deficit is closed annually to Government account with the result that cumulative position of such surplus or deficit is not ascertainable. The balance figure of Rs.184.56 crores as on 31st March 1982 was, therefore, treated as cumulative surplus for drawing up the first statement of financial position for 1982-83 which took the place of a Balance Sheet.

5. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of States and others pending settlement, etc. The balance under Suspense and Miscellaneous had increased from Rs. 15.07 crores as on 31st March 1990 to Rs.29.13 crores as on 31st March 1991.

6. The closing cash balance according to the accounts of the Reserve Bank of India was Rs.59.24 crores (credit) against the figure of Rs.0.39 crore (debit) reflected in the State Government accounts. The difference of Rs. 59.63 crores (net credit) is under reconciliation (June 1992).

7. The amounts as of 31st March 1990 in respect of 'Gross capital outlay on fixed assets', 'Loans and advances', 'Deficit on Government Account' and 'Reserve Funds' shown in this summary differ from those shown in the Report of the Comptroller & Auditor General of India for the year ended 31st March 1990, No. 3 (Civil) due to *pro forma* adjustments carried out by the Accountant General (Accounts and Entitlements) on the progressive balances consequent on

(i) conversion of loan into share capital (Rs.15.33 crores),

(ii) conversion of grant-in -aid (Rs.0.50 crore) provided to the erstwhile Kerala School Teachers and Non-teaching Staff Welfare Society during 1980-81 as seed capital of the Kerala School Teachers and Non-teaching Staff Welfare Corporation,

(iii) crediting of compensation (Rs.3.90 crores) received from the Government of India in 1988-89 on their taking over the Electronics Research and Development Centre under a separate Reserve Fund (Electronic Development Fund) which was wrongly credited under '4859 Capital Outlay on Telecommunication and Electronics Industries' in 1988-89.

(iv) conversion of loan (Rs.0.31 crore) and equity (Rs. 0.31 crore) released during 1987-88 to KELTRON as grant-in-aid during 1990-91 which was ordered to be met from the Reserve Fund.

(v) setting off of dividend (Rs. 0.10 crore) declared by the Liquidator of Indian Bank Limited (under members voluntary liquidation) against investment. For details please refer to statements of Finance Accounts 1990-91.

1.2. Overall financial performance during 1990-91

There was an overall surplus of Rs.7.32 crores during 1989-90. For the current year a 'zero-deficit' budget was presented to the Legislature in which a deficit of Rs.360.40 crores was estimated on revenue account. However, the accounts for 1990-91 showed a revenue deficit of Rs.422.02 crores which was higher than the revenue deficit of Rs.250.45 crores in 1989-90. This was due to the fact that the growth of revenue expenditure was much faster (23 per cent compared to 12 per cent in 1989 -90) than the growth in revenue receipts (17 per cent as against 8 per cent in 1989-90). The revenue deficit was met from the surplus funds on Capital Account and net receipts under Public Account and the year ended with an overall surplus of Rs.11.56 crores.

The net accretion from debt transactions (as adjusted by the effect of deposits, reserve funds, remittances and suspense balances) and the net contribution from the Contingency Fund during 1990-91 aggregated to Rs. 811.08 crores. Of this, Rs. 255.96 crores were utilised for capital expenditure and Rs. 120.56 crores for net disbursement under loans and advances for development and other programmes. Out of the balance of Rs. 434.56 crores, Rs. 422.02 crores were utilised for meeting the revenue deficit. The balance Rs.12.54 crores was the increase in cash balance (including permanent advances, departmental cash balances and cash balance investment).

An analysis of the management of the finances of the State Government during 1990-91 in relation to the position obtaining in the preceding four years has been made in the succeeding paragraphs.

1.3. Assets and Liabilities of the State

The assets comprising capital investments, loans and advances, etc., and the total liabilities of the State Government during the past five years were as follows:

Year	Assets (Rupees	Liabilities in crores)
1986-87	2709.60	2775.54
1987-88	2947.23	3207.54
1988-89	3069.19	3573.70
1989-90	3391.10*	4146.12*
1990-91	3802.02	4979.06

* See Explanatory Note No. 7 below paragraph 1.1. 102/9102/92/MC.

While the assets have grown by 40 *per cent* during the years, the liabilities have grown by 79 *per cent*. In 1986-87 liabilities were in excess of the assets by Rs. 66 crores only be account of continuing revenue deficits during the subsequent the liabilities grew at a faster rate than the assets and at the of 1990-91, the liabilities were in excess of the assets by Rs. 1111 crores during period.

1.4. Revenue Receipts

The actual revenue receipts during the five years en 1990-91 are mentioned below:---

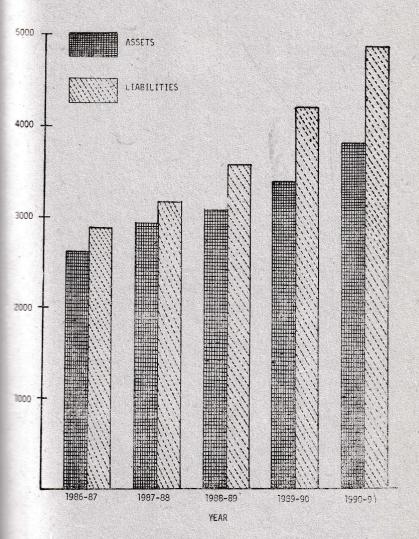
Year	Budget	Revised	Act	Perce	
	Estimates Estimates		Amount	Growth over the previous year	— of grad
		• (1	Rupees in crore	s)	1
1986-87	1418.88	1469.84	1502.53	131.36	10
1987-88	1602.92	1648.47	1586.09	83.56	6
1988-89	1803.41	1887.49	1897.06	310.97	2
1989-90	2076.72	2179.65	2047.64	150.58	
1990-91	2236.33	2503.53	2402.93	355.29	17

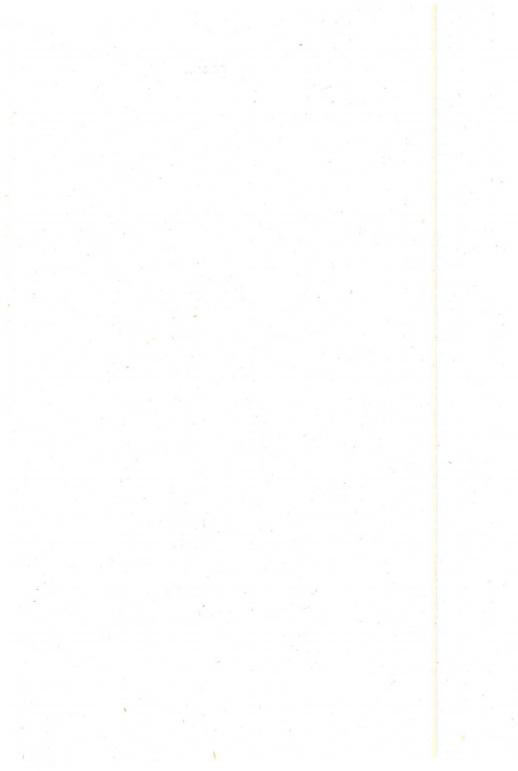
The position of revenue raised by the State and of State's share of taxes, duties and grants received from the Gor ment of India was as follows:—

			, 1986-87	1987-88	1988-89	1989-90	193
			N States	(Rupees in	crores)		
I.	Rev Stat	enue raised by te Government					
	(a)	Tax Revenue	813.91	925.22	1065.47	1232.50	13-
	(b)	Non-Tax Revenue	163.86	188.54	181.36	174.44	20
		Total	977.77	1113.76	1246.83	1406.94	154

ASSETS & LIABILITIES OF THE STATE

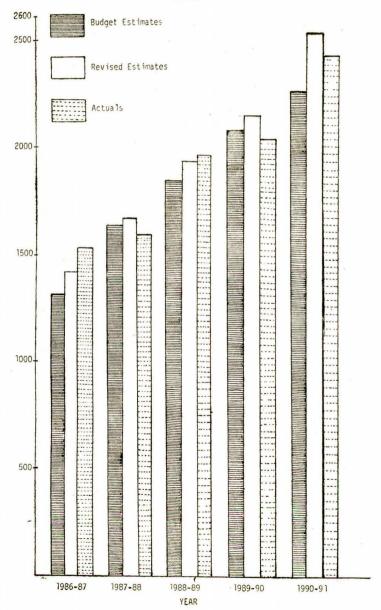
Crores





REVENUE RECEIPTS

Crores



	1986-87	1987-88	1988-89 (Rupees a	19 89-90 in crores)	1990-91
Receipts from Government of India					
•) State's share of:					
(i) Income Tax, etc.	105.16	81.09	123.88	140.13	153.65
 Union Excise Duties 	234.02	208. 24	312.92	315.77	332.61
) Grants-in-aid	185.58	183.00	213.43	184.80	367.51
Total	524.76	472.33	650.23	640.70	853.77
Total receipts of State Government Revenue Account)	1502.53	1586.09	1897.06	2047.64	2402.93
Percentage of receipts Form Government of India to total receipts	+	30	34	31	36

Tax Revenue

The growth of tax revenue raised by Government in the years was as indicated below:—

Year	Tax Revenue (Rupees in crores)	Percentage growth over previous year	
1986-87	813.91	11	
1987-88	925.22	14	
1988-89	1065.47	15	
1989-90	1232.50	16	
1990-91	1340.34	9	

1987-88 and 1989-90, the tax revenue grew at a te than the total revenue receipts whereas during 1988-89 **10-91**, the growth of tax revenue lagged behind that of the enue receipts.

An analysis of the tax revenue raised by the State Government through various sources and its percentage (in brackets) to the total tax revenue is furnished below:—

		1986-87	1987-88	1988-89	1989- <mark>9</mark> 0	1990-91
			(Rup	ees in cro	res)	
1.	Sales Tax	516.72 (63)	599.65 (65)	690.41 (65)	768. <mark>7</mark> 4 (62)	897.43 (67)
2.	State Excise	117.60 (14)	145.69 (16)	167.92 (16)	174. <mark>68</mark> (<mark>1</mark> 4)	175.41 (13)
3.	Taxes on Vehicles	53.36 (7)	55.19 (6)	62.85 (6)	69.92 (6)	74.13 (6)
4.	Stamps and Registration	54.43 (7)	66.67 (7)	95.41 (9)	113 <mark>.</mark> 05 (9)	122.00 (9)
5.	Land Revenue	6.14 (1)	6.96 (1)	11.59 (1)	11.04 (1)	11.12 (1)
6.	Taxes and duties on electricity	46.77 (6)	37.97 (4)	$18.36 \\ (2)$	72.82 (6)	30.56 (2)
7.	Taxes on Agricultural Income	16.26 (2)	9.61 (1)	13.83 (1)	16.52 (1)	23.94 (2)
8.	Other taxes	2.63 ()	3.48 ()	5.10 ()	5.73 (1)	5.75 ()
	Total	813.91 (100)	925. 22 (100)	1065.47 (100)	12 <mark>3</mark> 2.50 (100)	1340.34 (100)

1.6. Non-tax Revenue

The growth of non-tax revenue in the last five years is indicated below:—

Year	Non-tax revenue (Rupees in crores)	rcentag <mark>e</mark> growth er previ <mark>o</mark> us year
1986-87	163.86	16
1987-88	188.54	15
1988-89	181.36	() 4
1989-90	174.44	(-) 4
1990-91	208.82	20

It will be seen that while the growth of non-tax revenue had been more or less static during 1986-87 and 1987-88, it declined during 1988-89 and 1989-90, by about 4 per cent per annum. The decrease was mainly due to shortfall in receipt of interest from Public Sector and other undertakings and co-operative societies. The increase in non-tax revenue during 1990-91 was mainly due to increase in receipts from sale of lottery tickets, increase in receipt of interest from Public Sector and other undertakings and the write off of drought relief loans (Rs. 10.08 crores) granted by the Government of India based on the recommendations of Ninth Finance Commission which were accounted as receipts.

1.7. Revenue Expenditure

The revenue expenditure (Plan) during 1990-91 was Rs.392.23 crores against the budget estimates (including supplementary) (net) of Rs. 438.43 crores disclosing a shortfall of Rs. 46.20 crores. The Non-Plan revenue expenditure during the year was Rs. 2432.72 crores against the budget estimates (including supplementary) (net) of Rs. 2385.17 crores registering an increase of Rs. 47.55 crores. The main reasons for variations in expenditure, wherever furnished by Government, are given in Chapter II of this Report.

1.8. Growth of Revenue Expenditure

The growth of revenue expenditure (both Plan and Non-Plan) and revenue deficit in the last five years were as follows:-

Year	Reven	Revenue Expenditure				
	Plan	Non-Plan	Total	de ficit		
	(1	Rupees in crore	es)			
1986-87	220.35	1434.41	1654.76	152.23		
1987-88	259.09	1521.58	1780.67	194.58		
1988-89	320.80	1740.20	2061.00	163.94		
1989-90	318.34	1979.75	2298.09	250.45		
1990-91	392.23	2432.72	2824.95	422.02		

The total revenue expenditure (both Plan and Non-Plan) increased from Rs.1655 crores in 1986-87 to Rs. 2825 crores (71 per cent) in 1990-91. 102/9102/92/MC.

1.9. Non-Plan Revenue Expenditure

The following table shows the details of Non-Plan revenue expenditure, other than interest payments, where there has been significant increase during the five years:

(Rupees in crores)	
State Legislature 1.70 3.25	91
District Administration 9.23 16.83	82
Jails 3.34 6.68	100
Stationery and Printing 7.74 15.37	99
Housing 2.10 3.94	88
Labour and Labour Welfare 18.11 32.30	78
Water and Power Development/Irrigation and Flood Control 20.04 37.20	85

1.10. Interest payments

The quantum of interest payments in the last five years had been rising as indicated below:—

Year	Interest	Opening balance of					Total	Percen-
1.500	payments Internal debt		Small Savings, Provident Funds, etc.	Loans and advances from Central Government	funds	Other obli- gations	obli- gation	tage of interest to total obli- gation
			(Rupe	es in crores)				
1986-87	177.28	373.76	563.60	1382.13	0.29	0.02	2319.80	8 (
1987-88	213.17	466.28	634.80	1495.57	0.33	0.02	2597.00	8
1988-89	244.44	604.55	743.93	1615.93	0.38	0.02	2964.8	18
1989-90	293.00	718.45	903.51	1737.13	0.43	0.02	3359.54	4 9
1990-91	340.63	928.19	1117.86	1895.82	0.48	0.02	3942.37	9

was estimated on revenue account. However, the accounts for 1990-91 showed a revenue deficit of Rs.422.02 crores which was higher than the revenue deficit of Rs.250.45 crores in 1989-90. This was due to the fact that the growth of revenue expenditure was much faster (23 per cent compared to 12 per cent in 1989 -90) than the growth in revenue receipts (17 per cent as against 8 per cent in 1989-90). The revenue deficit was met from the surplus funds on Capital Account and net receipts under Public Account and the year ended with an overall surplus of Rs.11.56 crores.

The net accretion from debt transactions (as adjusted by the effect of deposits, reserve funds, remittances and suspense balances) and the net contribution from the Contingency Fund during 1990-91 aggregated to Rs. 811.08 crores. Of this, Rs. 255.96 crores were utilised for capital expenditure and Rs. 120.56 crores for net disbursement under loans and advances for development and other programmes. Out of the balance of Rs. 434.56 crores, Rs. 422.02 crores were utilised for meeting the revenue deficit. The balance Rs.12.54 crores was the increase in cash balance (including permanent advances, departmental cash balances and cash balance investment).

An analysis of the management of the finances of the State Government during 1990-91 in relation to the position obtaining in the preceding four years has been made in the succeeding paragraphs.

1.3. Assets and Liabilities of the State

The assets comprising capital investments, loans and advances, etc., and the total liabilities of the State Government during the past five years were as follows:

Year	Assets	Liabilities
	(Rupees in	n crores)
1986-87	2709.60	2775.54
1987-88	2947.23	3207.54
1988-89	3069.19	3573.70
1989-90	3391.10*	4146.12*
1990-91	3802.02	4979.06

* See Explanatory Note No. 7 below paragraph 1.1. 102/9102/92/MC.

While the assets have grown by 40 *per cent* during the five years, the liabilities have grown by 79 *per cent*. In 1986-87, the liabilities were in excess of the assets by Rs. 66 crores only but on account of continuing revenue deficits during the subsequent years the liabilities grew at a faster rate than the assets and at the end of 1990-91, the liabilities were in excess of the asset by Rs. 1177 crores. In all, there was a set back of Rs. 1111 crores during the period.

1.4. Revenue Receipts

The actual revenue receipts during the five years ending 1990-91 are mentioned below:—

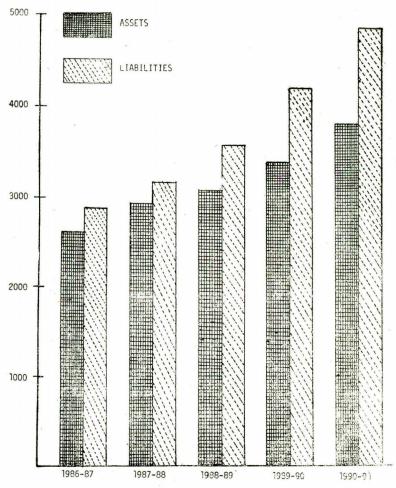
Year	Budget Estimates	Revised Estimates	Actu	Percentage		
	Estimates	Estimates	Amount	Growth over the previous year	— of growth	
		• (1	Rupees in crores)		
1986-87	1418.88	1469.84	1502.53	131.36	10	
1987-88	1602.92	1648.47	1586.09	83.56	6	
1988-89	1803.41	1887.49	1897.06	310.97	20	
1989-90	2076.72	2179.65	2047.64	150.58	8	
1990-91	2236.33	2503.53	2402.93	355.29	17	

The position of revenue raised by the State and of the State's share of taxes, duties and grants received from the Government of India was as follows:—

			., 1986-87	1987-88	1988-89	1989-90	1990-91
		*		(Rupees in	crores)		
I. Revenue raised by State Government							
	(a)	Tax Revenue	813.91	925.22	1065.47	1232.50	1340.34
	(b)	Non-Tax Revenue	163.86	1 88 .54	181.36	174.44	208.82
x		Total	977.77	1113.76	1246.83	1406.94	1549.16

ASSETS & LIABILITIES OF THE STATE

Crores

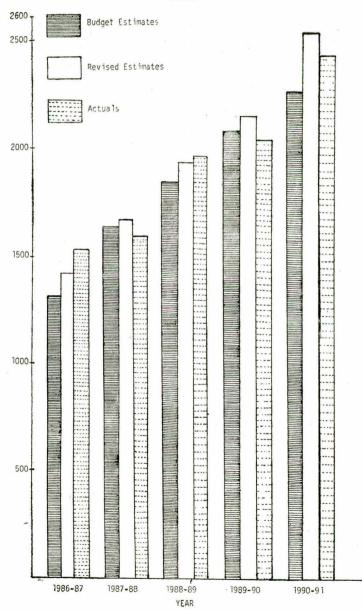


YEAR



REVENUE RECEIPTS

Crores





II.	Receipts from	1986-87	1987-88	1988-89 (Rupees a	19 89-90 in crores)	1990-91
	Government of India				,	
	(a) State's share of:					
	(i) Income Tax, etc	. 105.16	81.09	123.88	140.13	153.65
	(ii) Union Excise Duties	234.02	208. 24	31 2. 92	315.77	332.61
	(b) Grants-in-aid	185.58	183.00	213.43	184.80	367.51
	Total	524.76	472.33	650.23	640.70	853.77
III.	Total receipts of State Government					
	(Revenue Account)	1502.53	1586.09	1897.06	2047.64	2402.93
IV.	Percentage of receipts from Government of					
	India to total receipts	35	30	34	31	36

1.5. Tax Revenue

The growth of tax revenue raised by Government in the last five years was as indicated below:---

Year	Tax Revenue (Rupees in crores)	Percentage growth over previous year
1986-87	813.91	11 .
1987-88	925.22	14
1988-89	1065.47	15
1989-90	1232.50	16
1990-91	1340.34	9

During 1987-88 and 1989-90, the tax revenue grew at a faster rate than the total revenue receipts whereas during 1988-89 and 1990-91, the growth of tax revenue lagged behind that of the total revenue receipts.

An analysis of the tax revenue raised by the State Government through various sources and its percentage (in brackets) to the total tax revenue is furnished below:—

		1986-87	1987-88	1988-89	1989-90	1990-91
			(Rup	ees in cro	res)	
1.	Sales Tax	516.72 (63)	599.65 (65)	690.41 (65)	768.74 (62)	897.43 (67)
2.	State Excise	117.60 (14)	145.69 (16)	167.92 (16)	174.68 (14)	175.41 (13)
3.	Taxes on Vehicles	53.36 (7)	55.19 (6)	62.85 (6)	69.92 (6)	74.13 (6)
4.	Stamps and Registration	54.43 (7)	66.67 (7)	95.41 (9)	113.05 (9)	122.00 (9)
5.	Land Revenue	6.14 (1)	6.96 (1)	11.59 (1)	11.04 (1)	11.12 (1)
6.	Taxes and duties on electricity	46.77 (6)	37.97 (4)	$18.36 \\ (2)$	72.82 (6)	30.56 (2)
7.	Taxes on Agricultural Income	16.26 (2)	9.61 (1)	13.83 (1)	16.52 (1)	23.94 (2)
8.	Other taxes	2.63 ()	3.48 ()	5.10 ()	5.73 (1)	5.75 ()
	Total	813.91 (100)	925. 22 (100)	1065.47 (100)	1232.50 (100)	1340.34 (100)

1.6. Non-tax Revenue

The growth of non-tax revenue in the last five years is indicated below:----

Year	Non-tax revenue (Rupees in crores)	rcentage growth r previous year
1986-87	163.86	16
1987-88	188.54	15
1988-89	181.36	 () 4
1989-90	174.44	(—) 4
1990-91	208.82	20

It will be seen that while the growth of non-tax revenue had been more or less static during 1986-87 and 1987-88, it declined during 1988-89 and 1989-90, by about 4 per cent per annum. The decrease was mainly due to shortfall in receipt of interest from Public Sector and other undertakings and co-operative societies. The increase in non-tax revenue during 1990-91 was mainly due to increase in receipts from sale of lottery tickets, increase in receipt of interest from Public Sector and other undertakings and the write off of drought relief loans (Rs. 10.08 crores) granted by the Government of India based on the recommendations of Ninth Finance Commission which were accounted as receipts.

1.7. Revenue Expenditure

The revenue expenditure (Plan) during 1990-91 was Rs.392.23 crores against the budget estimates (including supplementary) (net) of Rs. 438.43 crores disclosing a shortfall of Rs. 46.20 crores. The Non-Plan revenue expenditure during the year was Rs. 2432.72 crores against the budget estimates (including supplementary) (net) of Rs. 2385.17 crores registering an increase of Rs. 47.55 crores. The main reasons for variations in expenditure, wherever furnished by Government, are given in Chapter II of this Report.

1.8. Growth of Revenue Expenditure

The growth of revenue expenditure (both Plan and Non-Plan) and revenue deficit in the last five years were as follows:-

Year		Revenue Expenditure					Revenue
		Plan	Non-Plan		Total	-	de ficit
		(1	Rupees in cros	res)			
1986-87		220.35	1434.41		1654.76		152.23
1987-88		259.09	1521.58		1780.67		194.58
1988-89		320.80	1740.20		2061.00		163.94
1989-90		318.34	1979.75		2298.09		250.45
1990-91		392.23	2432.72	:	2824.95		422.02

The total revenue expenditure (both Plan and Non-Plan) increased from Rs.1655 crores in 1986-87 to Rs. 2825 crores (71 per cent) in 1990-91. 102/9102/92/MC.

1.9. Non-Plan Revenue Expenditure

The following table shows the details of Non-Plan revenue expenditure, other than interest payments, where there has been significant increase during the five years:

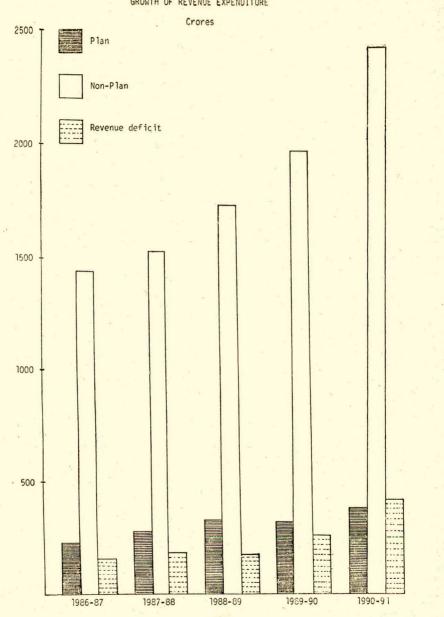
	1986-87	1990-91	Percentag increase	78
	(Ru	pees in crores)		
State Legislature	1.70	3.25	91	- 10
District Administration	9.23	16.83	82	
Jails	3.34	6.68	100	
Stationery and Printing	7.74	15.37	99	
Housing	2.10	3.94	88	
Labour and Labour Welfare	18.11	32.30	78	
Water and Power Development/Irrigation and Flood Control	20.04	37.20	85	

1.10. Interest payments

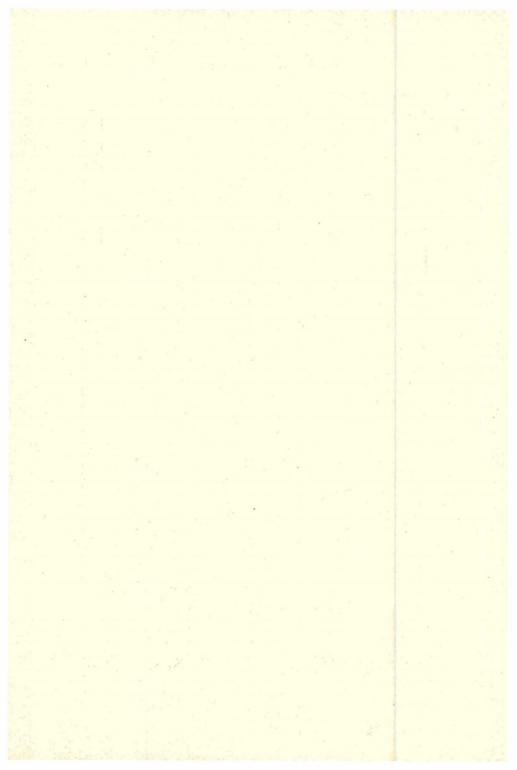
The quantum of interest payments in the last five years had been rising as indicated below:—

Year	Interest	Opening balance of				Total	Percen-	
1 6 6 7		Internal debt	Small Savings, Provident Funds, etc.	Loans and advances from Central Government	funds		obli- tag gation ini to ob	tage of interest to total obli- gation
			(Rupee	es in crores)				
1986-87	177.28	373.76	563.60	1382.13	0.29	0.02	2319.8	0 8
1987-88	213.17	466.28	634.80	1495.57	0.33	0.02	2597.0	0 8
1988-89	244.44	604.55	743.93	1615.93	0.38	0.02	2964.8	18
1989-90	293.00	718.45	903.51	1737.13	0.43	0.02	3359.5	4 9
1990-91	340.63	928.19	1117.86	1895.82	0.48	0.02	3942.3	7.9

GROWTH OF REVENUE EXPENDITURE



YEAR



1.11. Revenue deficit

By the end of 1990-91, the revenue receipts had grown by 60 *per cent* over that in 1986-87 as against the growth of 71 *per cent* in the revenue expenditure during the same period. This has resulted in the revenue deficit growing by 177 *per cent* at the end of 1990-91 over the level obtaining in 1986-87. The position is summarised in the following table:—

Year -		Revenue		Percentage over the prev	Percentage of actual deficit to		
1 eur -	Receipts Expenditure (Rupees in crores)		Deficit	Revenue receipts	Revenue expenditure	revenue receipts	
	(nup	ees in crores)					
1986-87	7 1502.53	1654.76	152.23	10	14	10	
1987-88	3 1586.09	1780.67	194.58	6	8	12	
1988-89	9 1897.06	2061.00	163.94	20	16	9	
1989-90	2047.64	2298.09	250.45	8	12	12	
1990-9	1 2402.93	2824.95	422.02	17	23	18	

The revenue deficit as envisaged in the Budget Estimates and Revised Estimates *vis-a-vis* the actuals are furnished below:—

Year	Revenue Deficit	
1 eur	Budget Revised Actuals Estimates Estimates	
	(Rupees in crores)	
1986-87	102.11 142.49 152.23	
1987-88	130.47 153.15 194.58	
1988-89	139.14 140.66 163.94	
1989-90	188.81 395.19 250.45	
1990-91	360.40 321.27 422.02	

The substantial increase in the revenue deficit in 1990-91 over the previous year was mainly due to increase in Non-Plan revenue expenditure under 'General Education' and 'Pension and other Retirement Benefits' consequent on the implementation of the recommendations of the Fifth Pay Commission and increase in 'Interest Payments'.

1.12. Arrears of revenue

The position of arrears of revenue based on information received from some departmental officers as against the total revenue raised by the State Government during the period 1986-87 to 1990-91 is indicated below:—

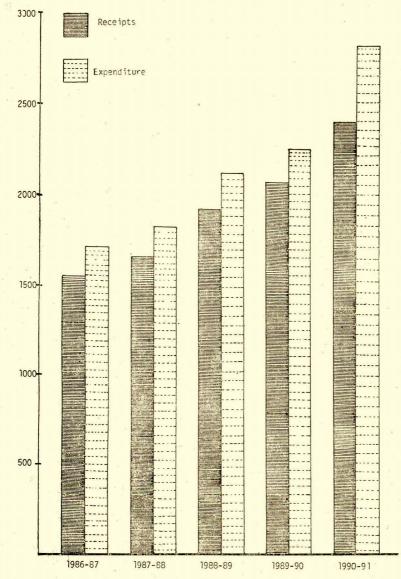
Year	Revenue raised	Arrears of revenue as at the end of the year	Percentage of arrears to revenue raised	Percentage of revenue deficit to arrears of revenue
	(Rup	ees in crores)		
1986-87	977.77	481.90	49	32
1987-88	1113.76	485.69	44	40
1988-89	1246.83	574.04	46	29
1989-90	1406.94	811.01*	58*	31*
1990-91	1549.16	971.29	63	43

The major portion of the arrears at the end of each year related to electricity duty payable by the Kerala State Electricity Board. As the revenue deficit each year constituted 29 to 43 *per cent* of the arrears of revenue pending collection, the revenue deficit could have been brought down by adopting more effective methods for realisation of arrears.

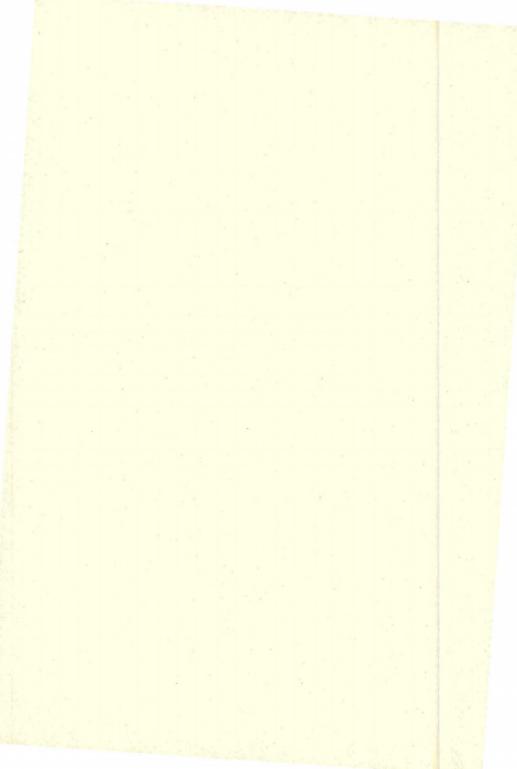
* Differs from position indicated in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1990, No. 3 (Civil) due to inclusion of details of arrears of revenue furnished subsequently by the concerned departmental officers.

REVENUE RECEIPTS - EXPENDITURE



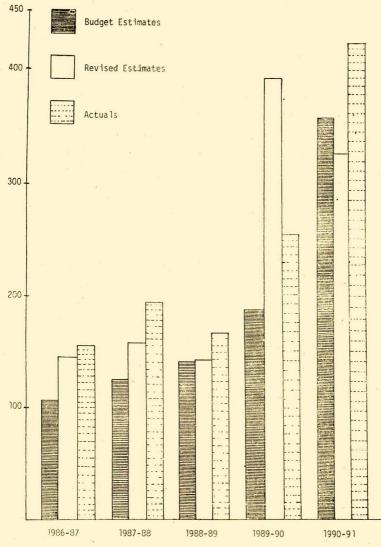


YEAR



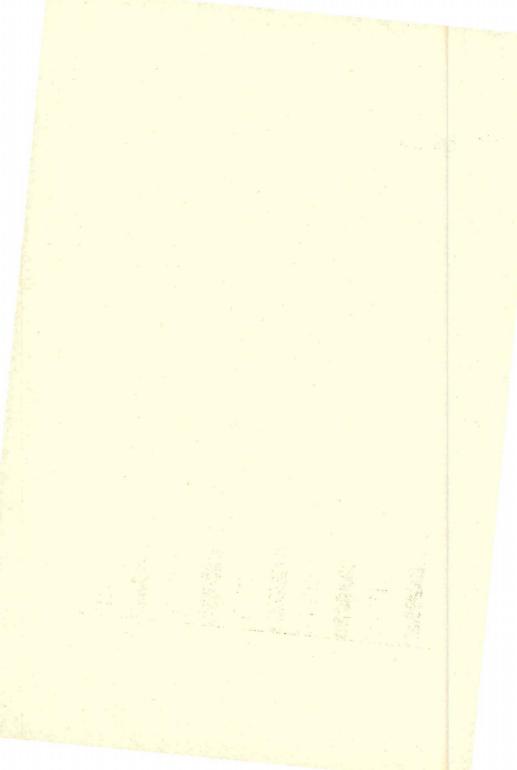


Crores



YEAR

102/9102/92/MC.



Financial assistance to local bodies and others 1.13.

	Name of body	1986-87	1987-88	1988-89	1989-90	1990-91
	and the second sec		(Rup	ees in crore	<i>s</i>)	
Ι	Municipalities, Corpora- tions, Panchayats, Deve- lopment Authorities, etc.	11.89	14.70	11.46	18.25	32.74
2.	Educational Institutions (Aided Schools, Private Colleges, Universities, etc.)	274.21	291.45	318.45	356.40	450.54
3.	Co-operative Societies and institutions	15.20	24.34	7.81	11.82	9.42
4.	District Rural Develop- ment Agencies	54.75	56.38	66.19	29.34	64. 2 6
5.	Command Area Develop- ment Authority	4.00	5.02	8.02	11.03	16.05
6.	Kerala Water Authority	52.00	51.00	83.45	71.50	85.53
7.	Other Institutions	83.39	80.62	59.41	117.66	122.92
	Total	495.44	523.51	554.79	616.00	781.46
8.	Tax and Non-tax Revenu Receipts (Rs. in crores)		1113.76	1246.83	1406.94	1549.16
9.	Percentage of assistance to Revenue Receipts	51	47	44	44	50
10.	Non-Plan revenue expenditure (Rupees in crores)	1434.41	1521.58	1740.20	1979.75	2432.72
11.	Percentage of assistance to non-plan revenue expenditure	35	34	32	31	32

Thus the total assistance at the end of 1990-91 had grown by 58 *per cent* over the level of 1986-87. The major portion of the assistance related to educational institutions which ranged between 25 and 29 per cent of the revenue raised during the period.

1.14. Capital Expenditure

The capital expenditure during 1990-91 was Rs. 255.96 crores against the budget estimates (including supplementary) (net) of Rs. 357.66 crores disclosing a shortfall in expenditure of Rs. 101.70 crores.

The main reasons for shortfall in expenditure wherever furnished by Government are given in Chapter II of this Report.

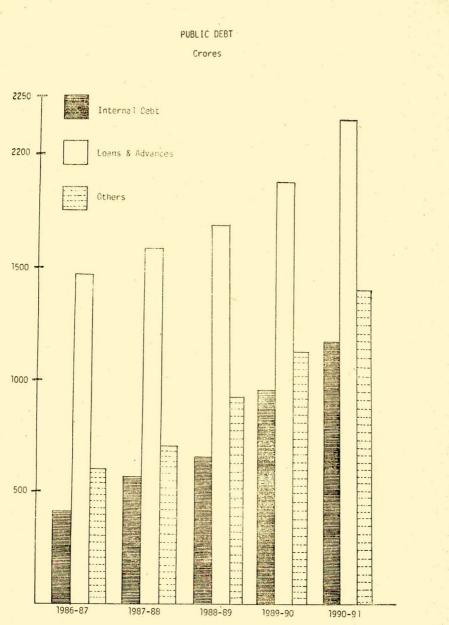
1.15. Public Debt

Under Article 293(1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Act of the Legislature of the State. No law has been passed by the Kerala Legislature laying down such a limit.

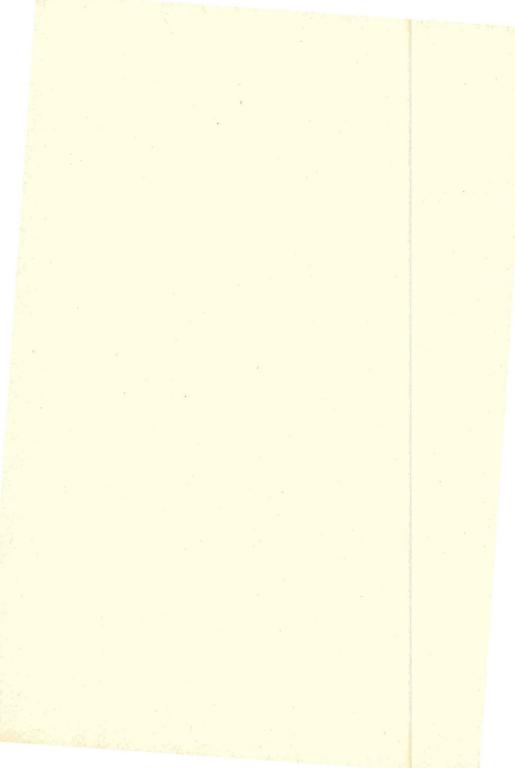
Public Debt of the State consists of internal debt and loans and advances from the Central Government. Internal debt comprises long term loans raised in the open market and loans received from the Life Insurance Corporation of India, National Bank for Agriculture and Rural Development and other institutions to finance projects, schemes, etc. This also includes and means advances from the Reserve Bank of India and other bonds issued by the State Government. Loans and advances from the Central Government represent loans received for execution of various Plan and Non-Plan schemes. Besides, the Government have other liabilities on account of funds raised through small savings, provident funds, etc.

The details of such liabilities of the State Government during the five years ending March 1991 are given below:—

	Internal	Loans and	Total	Other	Total
Year	Debt	Advances	Public Debt	liabilities	liabilities
		from Central	!		
		Government			
		(Rupees in	crores)		
1986-87	466.28	1495.57	1961.85	634.80	2596.65
1987-88	604.55	1615.93	2220.48	743.93	2964.41
1988-89	718.45	1737.13	2455.58	903.51	3359.09
1989-90	928.19	1895.82	2824.01	1117.86	3941.87
1990-91	1139.82	2165.66	3305.48	1411.31	4716.79



YEAR



It would be seen that the liabilities of the Government had increased from Rs. 2596.65 crores in 1986-87 to Rs. 4716.79 crores in 1990-91 (82 per cent).

1.16. Debt Service

The State Government had not made any amortisation arrangements for open market loans floated by them from 1975 onwards and also for repayment of loans taken from the Government of India.

The outflow of funds on account of interest payments, (gross) had been gradually rising with the interest payments in 1990-91 being 92 *per cent* more than the level of outflow in 1986-87. The position is summarised in the following table:—

Year	Revenue Expenditure	Interest payments	Interest payment as a percentage of revenue expenditure
	(Rupees in c	rores)	
1986-87	1654.76	177.28	11
1987-88	1780.67	213.17	12
1988-89	2061.00	244.44	12
1989-90	2298.09	293.00	13
1990-91	2824.95	340.63	12

Thus, outflow of funds for payment of interest was between 11 and 13 per cent of the revenue expenditure during the period.

The repayment of the Government of India loans and payment of interest thereon by the State Government during the ast five years was as follows:—

NC		Repayments		Loans	Percentage of repayment to loans received	
Year	Principal Intere.		Total	– received during the the year		
	(Rupee	es in crores)				
1986-87	171.34	104.28	275.62	284.78	97	
1987-88	181.51	108.79	290.30	301.87	96	
1988-89	167.98	126.53	294.51	289.18	102	
1989-90	190.62	141.77	332.39	349.31	95	
1990-91	138.58	138.33	276.91	408.42	68	

The net Central assistance to the State by way of loans during the years 1986-87, 1987-88 and 1989-90 after repayment of earlier loans and interest was negligible—i.e. 3 to 5 *per cent* of the receipt from the Government of India during the year. During 1988-89, the State Government had to repay more than the amount of loan received from the Central Government.

1.17. Investments and returns

In 1990-91, Government invested Rs. 78.98 crores in the share capital of Statutory Corporations (Rs. 5.20 crores), Government companies (Rs. 45.92 crores), Joint Stock companies (Rs. 0.61 crore) and co-operative banks and societies (Rs. 27.25 crores).

The investment of the Government in the share capital of different concerns at the end of 1986-87, 1987-88, 1988-89, 1989-90, 1990-91 were Rs. 369.70 crores, Rs. 414.27 crores, Rs. 467.94 crores, Rs. 538.81 crores and Rs. 617.79 crores respectively. The received therefrom was Rs. 0.86 dividend crore. Rs. 0.76 crore, Rs. 0.79 crore, Rs. 1.78 crores and Rs. 2.70 crores respectively which worked out to 0.23 per cent, 0.18 per cent 0.17 per cent, 0.33 per cent and 0.44 per cent of the investment in respective years against the average rate of interest of 11.30 per cent on market borrowings during this period. The accumulated loss of 48 companies and two statutory corporations in which Government investment as on 31 March1991 was Rs.385.70 crores as disclosed in the accounts rendered by them for various years from 1982-83 to 1990-91 was Rs. 529.55 crores. Seven institutions with Government investment of Rs. 0.56 crore were under liquidation.

No dividend or interest was received from Statutory Corporations during 1986-87 to 1990-91. The share of dividends received from Government companies, Joint Stock companies and Co-operative institutions is indicated below:-

	1986-87			1989-90	1990-91
		(Rupees	in crores)		
Government Companies	0.28	0.44	0.50	1.35	2.18
Other Joint Stock Companies	0.16	0.16	0.19	0.23	0.38
Co-operative banks and societies	0.42	0.16	0.10	0.20	0.14

.18. Loans and advances by State Government

The State Government have been advancing loans to bovernment companies, Corporations, autonomous bodies, Coperatives, non-government institutions, etc., for developmental nd non-developmental activities. The position of such loans or the five years 1986-87 to 1990-91 is given below:—

	1986-87	1987-88	1988-89	1989-90	1990-91	
		(R	upees in cror	es)		
pening balance	505.04	580.23*	648.99*	707.83*	813.97*	
mount advanced uring the year	109.23	103.78	90.36	140.59	138.25	
mount repaid by the beneficiaries						
aring the year	31.73	17.68	22.46	18.81	17.69	
losing balance	582.54	666.33	716.89	829.61	934.53	
et addition	77.50	86.10	67.90	121.78	120.56	
terest received and						
edited to revenue	24.90	29.30	16.24	7.08	9.82	
et receipts from	202.52	225.01	261.88	314.62	444.76	
ng term borrowing	s					

The net loans and advances disbursed during the five years nged between 26 and 39 *per cent* of the net receipts from long rm borrowings of the State.

ecoveries in arrears

In respect of loans and advances, the detailed accounts of hich are maintained by Accountant General (Accounts and atitlements) an amount of Rs. 283.88 crores was in arrears as 1 31 March 1991 as shown below:—

		Principal	Interest
		(Rupees in	crores)
1.	Kerala State Electricity Board	18.30	149.69
2.	Kerala State Road Transport Corporation	17.89	23.64
3.	Kerala Water Authority	26.31	38.31
4.	Other Institutions	4.23	5.51
S. S. C.	Total	66.73	217.15

* Difference between closing and opening balances is due to *proforma* corrections carried out on the opening balances in the respective years.

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During the period from 1988-89 to 1990-91, the State Government granted ten loans totalling Rs. 139.76 crores to the Kerala State Electricity Board. Out of this, Rs. 107.43 crores represented loans granted towards conversion of electricity duty due to Government. The terms and conditions of the loans aggregating to Rs.128.24 crores not having been prescribed by Government (June 1992), the arrears of principal and interest could not be worked out.

According to the orders issued by Government in March 1961, each head of the department has to intimate the Accountant General (Accounts and Entitlements) every year by 15th July, the arrears (as on 31st March preceding) in recovery of principal and interest on loans, the detailed accounts of which are maintained by the departmental officers. Of the 39 departmental officers from whom statements were to be received for the year 1990-91, 36 departmental officers had not yet furnished the statements (March 1992). The position of arrears in recovery of principal and interest based on information furnished by three departmental officers was as follows:—

Name of department	Arrears as on 31st March 199 Principal Interest
	(Rupees in lakhs)
Agriculture Department	124.32 217.31
Ports Department	18.95
Food Department	848.45 913.81

1.19. Ways and means advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum daily cash balance of Rs. 60 lakhs. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ways and means advances/overdraft from the Bank. The extent to which the Government maintained the minimum balance with the Bank during the period 1986-87 to 1990-91 is indicated below:—

	1	986-87	1987-88	1988-89	1989-90	1990-91
(i)	Number of days on which minimum balance was maintained	9.				
	(a) Without obtaining any advance	279	41	52	58	53
	(b) by obtaining ways and means advances	76	222	233	197	190
(ii)	Number of days on which there was shortfall from the agreed minimum balance	1	3	4	4	5
(iii)	Number of days on which overdraft was taken	9	100	76	106	- 117

The position of ways and means advances, shortfall and overdraft taken by the State Government and interest paid thereon during 1986-87 to 1990-91 is detailed below:—

	· *	1986-87	1987-88	1988-89	1989-90	1990-91
Ways	and Means Advances		(Rupe	ees in cro	ores)	
(i)	Advances taken during the year	142.99	4 93.02	661.77	599.13	553.60
(ii)	Advances outstanding at the end of the year	3.44	37.06	10.28	40.33	40.77
(iii)	Interest paid	0.36	2.13	2.11	2.10	2.14
Shortf	fall					
(i)	Amount obtained during the year	1.63	7.80	7.80	12.15	12.56
(ii)	Amount outstanding at the end of the year		. ••	· · ·	0.60	0.60
(iii)	Interest paid	*	0.01	0.01	0.02	0.02
					Contraction of the second	

*Less than Rupees one lakh.

1986-87	1987-88 1	988-89	1989-90	1990-	-91
	(Rupees	in cror	es)		

0	710	rd	ro	ft	
v	00	1u	14	110	

(i)	Overdraft taken during t	he 27.61	311.01	265.28	321.54	<u>595.71</u>
(ii)	Overdraft outstanding at the end of the year		•••	· •	23.16	59. 4 3
(iii)	Interest paid	0.02	0.42	0.39	0.36	0.61

1.20. Guarantees given by the Government

The position of contingent liability in respect of guarantees given by the State Government for repayment of loans raised by Statutory Corporations, Government companies, local bodies, etc., and payment of interest thereon was as follows:—

As on 31 March	Maximum amount	Amount out	Amount outstanding		
As on 51 March	guaranteed (Principal only)	Principal	Interest		
	(Rupe	ees in crores)			
1987	1273.06	740.52	24.90		
1988	1508.77	876.51	37.16		
1989	1438.27	914.98	73.03		
1990	2211.56	1040.26	61.64		
1991	2373.69	1316.37	88.89		

There had been an increase of 84 *per cent* in the amount of guarantees outstanding (including interest) during the last five years.

During 1989-90, Government paid Rs. 15.98 lakhs to the Kerala Financial Corporation as subvention towards guaranteed minimum dividend. Nine other cases where Government had to clear the liabilities amounting to Rs. 582.23 lakhs arising from invocation of guarantee during 1986-91 are listed below: –

Mana	of	441 01		hard	1000
Name	01	insi	u	uu	ion

Amount paid by Government

(Rupees in lakhs)

1.	Trivandrum (North) Regional Fish Marketing Co- operative Society Limited, Anjengo	87.01
2.	Kozhikode Regional Fish Marketing Co-operative Society Limited, Pudiappa	39.66
3.	Regional Fish Marketing Co-operative Society, Parappanangadi	127.33
4.	Kerala Fisheries Corporation Limited	92.06
5.	Joint Farming Co-operative Society for cultivation in Q,S and T blocks in Kuttanad	32.06
6.	Foam (Mattings) India Limited	20.00
7.	Kairali Beedi Workers Central Co-operative Society Limited, Shoranur	18.79
8.	Trivandrum Rubber Works Limited	138.38
9.	Palghat Wholesale Co-operative Consumers Stores Limited	26.94

No law under Article 293 of the Constitution has been enacted by the State Legislature laying down the limits within which Government may give guarantee on the security of the Consolidated Fund of the State.

An amount of Rs. 1.78 crores was received as guarantee fee during 1990-91. Guarantee fee amounting to Rs. 13.07 crores was in arrears as on 31stMarch 1991 in respect of guarantees given in favour of 54 institutions.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary of expenditure

2.1.1. The summarised position of actual expenditure during 1990-91 against provision is as follows:----

		Original grant appropri- ation	Supple- mentary grant appropriat	Total tion	Actual expenditure	Variation Savings (—) Excess (+)
	-		(Rupees	s in crores)		
1.	Revenue					
	Voted	2290.62	225.39	2516.01	. 2537.36	(+)21.35
	Charged	359.36	1.47	360.83	351.11	. ()9.72
2.	Capital					
	Voted	314.69	41.57	356.26	260.67	()95.59
	Charged	5.48	1.85	7.33	6.15	()1.18
3.	Public Debt					
	Charged	81 9 .30	359.15	1178.45	1282.45	(+)104.00
4.	Loans and Advar	nces				
	Voted	135.68	17.68	153.36	138.25	()15.11
	Total	3925.13	647.11	4572.24	4 575.99	(+)3.75

Figure 1 in the form of pie-charts depicts separately the provision and expenditure under revenue, capital, public debt and loans and advances.

2.2. Results of Appropriation Audit

The broad results emerging from Appropriation Audit are set out in the following paragraphs.

PROVISION AND EXPENDITURE DURING 1990-91 (Reference: Paragraph 2.1.1)

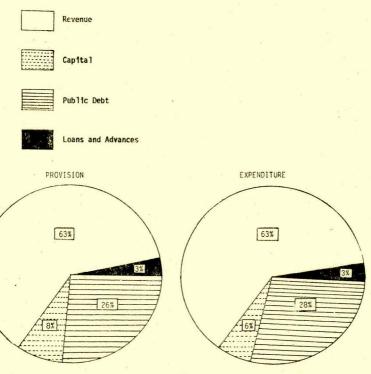
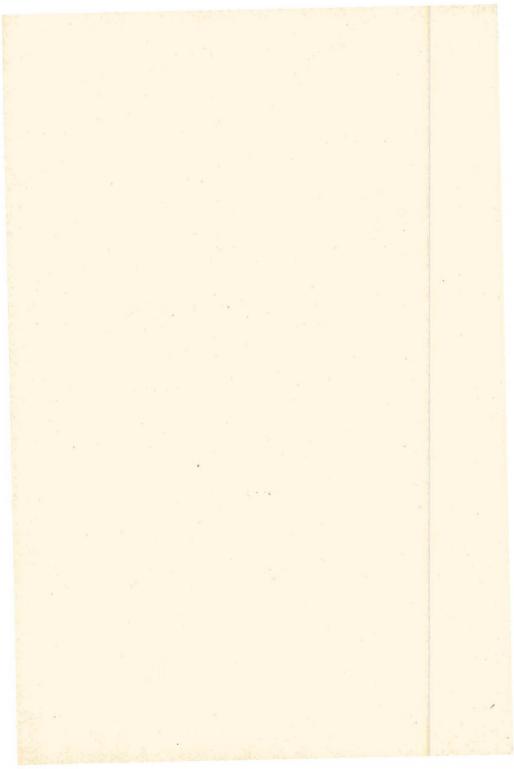


Figure 1



2.2.1. Supplementary provision

Supplementary provision obtained during the year worked out to 16 *per cent* of the original budget provision as against 29 *per cent* in the preceding year.

2.2.2. Savings from/excess over provision

The overall saving was Rs. 190.05 crores in 82 voted grants/ charged appropriations. In 22 voted grants/charged appropriations there was an overall excess amounting to Rs. 193.80 crores. Of the excess of Rs. 4,33,23,974 disclosed under Revenue (Voted) Section of Grant No. XXVIII-Miscellaneous Economic Services, Rs. 2,92,30,325 represented expenditure on the 'Nehru Rozgar Yojana' which was reclassified under this grant in pursuance of a correction slip issued in June 1990 to the Heads of Classification in Accounts. Provision for this was originally under Grant No. XXII-Urban Developmade ment in the budget for 1990-91. Similarly, Rs. 1,04,34,934 related to expenditure on payment of honorarium to enumeration staff in connection with the 1991 Census misclassified under the Consolidated Fund instead of under the Public Account. As the excess expenditure in these two cases was either due to change in classification or misclassification in accounts, these do not require regularisation. The remaining excess of Rs. 85,57,67,597 under 16 voted grants and Rs. 1,04,25,61,408 under 6 charged appropriations as detailed in Appendix I, requires regularisation under Article 205 of the Constitution.

2.2.3. Unnecessary/excessive/inadequate supplementary provision

In 18 cases, the final saving was more than the supplementary grant obtained on 25th March 1991. In these cases, the supplementary grants aggregating to Rs. 10.27 crores obtained on 25th March 1991 were wholly unnecessary or where the limitation of new service/new instrument of service was attracted, these could have been limited to token amounts.

The supplementary grant of Rs. 327.96 lakhs obtained under 'Grant No. XXXVII—4859—Capital Outlay on Telecommunication and Electronics Industries—Electronics—

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Investments in Public Sector and Other Undertakings—Kerala State Electronics Development Corporation—Investments' on 28th July 1990 for conversion of interest due from the Corporation into equity, remained unutilised since necessary provision had already been obtained in the Supplementary Demands for Grants March 1989 and the adjustment had also been effected in the accounts for the year 1988-89. This was indicative of inadequate scrutiny of proposals for Supplementary Grants at various levels.

In 14 cases, against the supplementary provision aggregating to Rs. 52.56 crores obtained on 25th March 1991, the actual utilisation was only Rs. 27.87 crores (53 *per cent*), and the savings in individual cases ranged from Rs. 25 lakhs to Rs 7.75 crores.

In 6 cases, though supplementary provision aggregating to Rs. 112.90 crores was obtained on 25th March 1991, the provision proved insufficient by more than Rs. 25 lakhs in each case, leaving an aggregate uncovered excess expenditure of Rs. 110.03 crores.

2.2.4. Major savings

In the following grants, the expenditure in each case fell short of the total provision by more than Rs. 1 crore and also by more than 10 *per cent*.

Sl. Number and name of grant No.

Amount of saving (Rupees in crores) Main reasons for saving

REVENUE (VOTED) SECTION

1. XXII—Urban Development 4.23 (44) Due to reclassification of expenditure (Rs. 2.92 crores) on 'Nehru Rozgar Yojana' under Grant No. XXVIII— Miscellaneous Economic Services in pursuance of a correction slip issued to the List of Major and Minor Heads of Account, for which provision was included originally under this grant. 2. XXIV—Labour and 4.76 Labour Welfare (12)

3. XXVI—Relief on account 9.42 of Natural (15)Calamities

XXXIV-Forest 13.37 4.

5.	XLII—Tourism			1.01	
					(15)

CAPITAL (VOTED) SECTION

6.	XV-Public W	orks 7.75
	1	(13)

Due to disbursement of less (Rs. 2.20 crores) assistance under 'Unemployment Assistance Scheme' in pursuance of austerity measures, withdrawal of provision (Rs. 0.85 crore) from the revenue section for providing matching contribution for civil works under World Bank aided projects in the capital section and non-approval of schemes costing Rs. 0.19 crore for modernising, diversifying and restructuring of vocational courses by the Director of Training.

Due to reduced requirement of funds.

Due to suspension of thinning and felling operations following labour problems(Rs.1.40 crores), shortfall in felling and in the extraction of windfallen trees (Rs. 0.75 crore), non-receipt of proposals from the department for transferring the proceeds of the Kerala Forest Development Tax to a separate Fund (Rs. 1.50 crores), non-implementation of various schemes under 'Forest Protection' (Rs. 1.03 crores)

Due to non-receipt of approval for certain Centrally sponsored schemes (Rs. 0.96 crore).

Main reasons for saving

(30)

Sl. No.	Number and name of grant	Amount of savi (Rupees in cro	
7.	XIX—Family Welfare	43.55 (90)	Due to non-receipt of sanction from the Government of India for the establishment of new sub- centres, non-execution of suffi- cient works and non-receipt of Central assistance for the India Population Project.
8.	XX—Water supply and Sanitation	11.15 (34)	Due to short release of loans to Kerala Water Authority.
9.	XXI—Housing	1.47 (26)	Due to less requirement of funds for construction of buil- dings under 'General Pool Accommodation' (Rs. 0.57 crore) and provision of full amount (Rs. 0.50 crore) instead of a token provision in the
			Supplementary Demands for Grants (July 1990) for adjust- ment of grant-in-aid paid in 1980-81 to the Kerala School Teaching and Non-Teaching Staff Welfare Corporation Limited as seed capital.
10.	XXVII—Co-operation	7.12 (21)	Due to delay in sanctioning of new projects in Pathanamthitta and Idukki districts for Integra- ted Development of Primary Agricultural Credit Societies by the National Co-operative De- velopment Corporation (Rs. 2.35 crores).
11.	XXIX—Agriculture	2.49 (15)	Due to non-achievement of ex- pected progress of Minor Irriga- tion and Lift Irrigation works under the Special Component Plan for Scheduled Castes

(Rs. 1.20crores) and short receipt of loan assistance from the Government of India under 'Manures and Fertilisers' (Rs. 0.75 crore).

44

Sl. Number and No. name of grant Amount of saving (Rupees in crores)

45

Main reasons for saving

12. XXX—Food

2.34 (22)

> the National Co-operative Development Corporation (Rs. 0.50 crore) and non-submission of proposals by Central Arecanut Marketing and Processing Cooperatives, Mangalore to the National Co-operative Development Corporation for margin money assistance (Rs. 0.60crore). Mainly due to non-implemen-

Due to reduction in the quan-

tum of assistance received from

tation of Kuwait Fund assisted scheme for prawn culture following the Gulf crisis (Rs. 0.53 crore) and limiting of expenditure to State share (Rs. 0.80 crore) consequent on the nonreceipt of approval from Government of India to the revised estimates in respect of development of Neendakara and Thankassery Fishing Harbours and non-receipt of sanction for construction of Fishing Harbour at Ponnani from the Government of India (Rs. 0.20 crore).

Due non-approval/nonto implementation of certain schemes (Rs. 1.38 crores) and non-utilisation of provision of Rs.3.28 crores in the Supplementary Demands for Grants (July 1990) for conversion of interest on outstanding loan of Kerala State Electronics Development Corporation Limited into equity as adjustment on this account had already been effected in the accounts for 1988-89.

XXXIII—Fisheries

1.70 (17)

4. XXXVII—Industries

11.94 (17)

5. XLI—Transport

16.**3**8 (44)

Note: Figures within parentheses represent percentage.

2.2.5. Significant cases of savings in Plan expenditure

In the following cases, substantial savings of more than Rs.1 crore each occurred owing to non-implementation or slow implementation of Plan schemes.

Sl. Number and name No. of grant	Name of scheme	Amount of saving (Rupees in crores)
REVENUE (VOTED) SI	ECTION	
1. XVII—Education, Sports, Art and Culture	 (i) Improvement of science education in schools (100 per cent Centrally sponsored scheme) 	3.47 (69)
	 (ii) Introduction of vo- cational courses in selected secondary schools and upgrading them as Higher Secondary Schools 	
(iii) Operation Black Board <i>per cent</i> Centrally sponso scheme)	(100 2.16 ored (54)
(iv) Centre for Developmen Imaging Technology (1 per cent Centrally sponso scheme)	.00 (58)
2. XIX—Family Welfare	(i) City and District Family Welfare Bureau (100 per Centrally sponsored sch	r cent (89)
(ii) State Level Organisatio per cent Centrally sponso scheme)	
(iii) India Population Project D.H.S. Cell (90 per cent Centrally sponsored sch	(60)

Name of scheme saving in crores) XXIV-Labour and World Bank Project for Labour Welfare modernising, diversifying and restructuring vocational programmes in Industrial Training Institutes (50 per cent Centrally sponsored scheme) XXV-Social Welfare (i) Integrated Child Development 1.93 Services (100 per cent including (24)Harijan Centrally sponsored scheme) Welfare (ii) Economic development schemes 1.61 for Scheduled Castes utili-(27)sing Special Central Assistance XXXIV-Forest (i) Eco Development 1.25Scheme for Periyar Tiger (100)Reserve (100 per cent Centrally sponsored scheme) (ii) Establishment of Nilgiri 1.18 Biosphere Reserve (100 per cent (74) Centrally sponsored scheme)

> (iii) Forest Protection 1.03

Scheme for small and marginal 2.57 farmers for increasing agri-(34)cultural production (50 per cent Central assistance)

CAPITAL (VOTED) SECTION

Development

7. XV—Public Works

XXXVI-Community

(i) Integrated development of 4.12 Cochin and adjoining (100)islands

Sl. Number and name of grant No.

3.

4.

5.

6.

Amount of (Rupees

2.84

(77)

- (52)

Sl. Number and name of grant No.

8.

9.

10.

Name of scheme

Amount of saving (Rupees in crores)

(64)

- (ii) State Highways-Developments 1.59 and Improvements-Road (42)Works
- (iii) District and other roads-1.23 Developments and (29)Improvements
- (i) Urban Family Welfare 17.93 (99.6)Services—Buildings (100 per *cent* Centrally sponsored scheme)
- 7.63 (ii) Rural Family Welfare Services—Buildings (100 per (61)*cent* Centrally sponsored scheme) (iii) Other Buildings (100 per cent 13.00 Centrally sponsored scheme) (100)
- 5.00 (iv) India Population Project III-Selected Area (100)Programmes (90 per cent Centrally
- 4.76 Share Capital Assistance to KERAFED (100 percent (30)NCDC scheme) 1.58
- (ii) Loans for the Integrated Development of Primary Agricultural Credit Societies (100 per cent NCDC scheme)
 - 3.65 Industrial Growth Centres (50 per cent Centrally (99)sponsored scheme)
 - National Waterway improve-12.00 ments to West Coast Canal (100)from Quilon to Cochin (100 per cent Centrally sponsored scheme)

XIX-Family Welfare sponsored scheme) XXVII—Co-operation (i) XXXVII-Industries

11. XLI—Transport

Figures within parentheses represent percentage. Note:

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2.2.6. Significant savings in Non-Plan expenditure

There were substantial savings exceeding 10 per cent of the provision and Rs. 1 crore each in the following eases of non-plan expenditure:

Sl. No.	Number and name of grant	Nature of activity	Amount of saving (Rupees in crores)
- 	REVENUE (VOTED) SEC	TION	
1.	XII—Police	Special Police— Armed Police	3.75 (25)
2.	XV—Public Works	Roads and Bridges— Ordinary repairs	1.07 (11)
ж		Suspense	4.99 (91)
3.	XVII— Education, Sports, Art and Culture	Text Books Publication	3.19 (27)
	and Outline	Assistance to non-Govern- ment Colleges & Institutes— Teaching grant	8.93 (13)
4.	XVIII— Medical and Public Health	Primary Health Units and Health Centres	2.04 (17)
5.	XXV—Social Welfare including Harijan Welfare	Family Benefit Fund Scheme	1.06 (100)
6.	XXXIV—Forest	Timber and other produce removed by Government Agency	5.85 (73)
		Transfer of net proceeds to Kerala Forest Development Fund	1.50 (100)

Note: Figures within parentheses represent percentage. 102/9102/92/MC.

2.2.7. Persistent savings

Savings exceeding Rs. 25 lakhs in each case were noticed persistently in all the three years from 1988-89 in the following voted grants|charged appropriations:—

Sl.N	o. Number and name of grant/appropriation	Amount of	savings (Rup	ees in lakhs)
	REVENUE SECTION	1988-89	198 9- 90	1990 -9 1
1.	II—Heads of States, Ministers and Headquarters staff	139.03 (9)	108.45 (6)	26.82 (1)
2.	V—Agricultural Income Tax and Sales Tax	109.19 (9)	90.90 (7)	77.68 (5)
3.	VIII—Excise	131.39 (15)	63.67 (7)	28.08 (3)
4.	Debt charges	762.62 (3)	591.94 (2)	937.23 (3)
5.	XI—District Administration and Miscellaneous	45.94 (3)	127.19 (7)	37.96 (2)
6.	XIV—Stationery and Printing and other Administrative Services	317.87 (15)	57.24 (2)	124.02 (5)
7.	XV—Public Works	1344.05 (12)	1335.13 (13)	552.01 (5)
8.	XXVII—Co-operation	285.94 (17)	894.48 (34)	80.43 (3)
9.	XXXIV—Forest	1035.35 (28)	1180.78 (32)	1336.79 (30)
10.	XXXV—Panchayat	185.04 (14)	120.89 (7)	73.47 (2)
11.	XLII—Tourism	192.41 (33)	195.42 (29)	100.57 (15)

Sl.No. Number and name of grant/appropriation	Amount of s	avings (Rupe	es in lakhs)
CAPITAL SECTION	1988-89	1989-90	.1990-91
12. XV—Public Works	446.95	214.97	774.76
	(9)	(4)	(13)
13. XVII—Education, Sports, Art and Culture	$277.48 \ (37)$	$\begin{array}{c}136.39\\(17)\end{array}$	28.38 (1)
14. XVIII—Medical and Public	37.19	42.66	52.85
Health	(7)	(10)	(11)
15. XIX—Family Welfare	693.63	354.55	4355.49
	(47)	(32)	(90)
16. XX—Water supply and	3180.64	$1308.00 \\ (43)$	1115.41
Sanitation	(60)		(34)
17. XXI—Housing	81.34 (15)	$137.25 \\ (18)$	146.85 (26)
18. XXV—Social Welfare including	130.85 (42)	84.73	92.71
Harijan Welfare		(22)	(19)
19. XXVII—Co-operation	152.64 (11)	141.34(7)	711.92 (21)
20. XXIX—Agriculture	151.72	192.18	249.42
	(12)	(14)	(15)
21. XXX—Food	33.64	249.67	233.96
	(6)	(32)	(22)
22. XXXIII—Fisheries	167.69	42.11	169.55
	(25)	(6)	(17)
23. XXXIV—Forest	71.87	107.62	99.07
	(46)	(24)	(23)
24. XXXVII—Industries	259.98	1262.13	1194.21
	(4)	(19)	(17)
25. XXXVIII—Irrigation	154.44	178.38	65.73
	(27)	(22)	(13)
	68.06	1208.69	1638.44
26. XLI—Transport	(4)	(43)	(44)

Note: Figures within parentheses represent percentage.

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2.2.8. Persistent excess

In the following voted grants, expenditure exceeded the provision persistently in all the three years from 1988-89:---

Sl.N	No. Number and name of grant	Amount of e	excess (Rupees	in lakhs)
	REVENUE SECTION	1988-89	1989-90	1990-91
1.	VII—Stamps and Registration	62.12 (8)	29.17 (3)	93.97 (9)
2.	XVII—Education, Sports, Art and Culture	2624.39 (5)	3845.66 (6)	7388.85 (10)
3.	XXXI—Animal Husbandry	49.66 (3)	59.71 (3)	29.90 (1)

Note: Figures within parentheses represent percentage.

expenditure under Grant No. VII-Stamps The and Registration exceeds the provision right from From 1985-86 onwards, the overall 1983-84. in excess the grant was mainly due to expenditure excess under a single sub-head 'Sub-Registry Offices'. On this being pointed out, the Department stated (September 1991) that they were now aware of the seriousness of the matter and that adequate steps would be taken to avoid excess expenditure as far as possible in future. It would be evident from the reply as well as the fact that the expenditure under this grant had been in excess of the provision continuously for the past eight years that, the persistence of a grave financial irregularity notwithstanding, no efforts had been made by the Department or Government to exercise adequate budgetary controls.

2.2.9. Surrender of savings

All anticipated savings should be surrendered as soon as the possibility of savings is envisaged. However, of the amount of Rs. 185.16 crores surrendered during 1990-91, surrender of Rs. 184.22 crores or 99.5 *per cent* was made only on the last working day (30th March 1991) of the financial year.

In the following grants, savings exceeding Rs. 1 crore in each case remained unsurrendered:---

Sl.No.	Number and name of grant	Total grant	Actual expenditure		Unsurrendered aving
					· ·
			(Rupees in cr	ores)	
ł	REVENUE SECTION				
1. 2	XV—Public Works	106.81	101.29	5.52	4.66 (84)
2. 2	VIII—Medical and Public Health	184.20	176.98	7.22	3.83 (53)
3. 3	XXII —Urban develop- ment	9.66	5.43	4.23	3.83 (91)
4. X	XXIV—Labour and Labour Welfare	38.75	33.99	4.76	1.52 (32)
5. X	XXV—Social Welfare including Harijan Welfa r e	133.01	128.03	4.98	2.64 (53)
6. X	XXXIV—Forest	44.34	30.97	13.37	5.30 (40)
	CAPITAL SECTION		8 ¹⁶ 4		
7. X	V—Public Works	59. 8 4	52.09	7.75	6.34 (82)
8. X	XIX—Family Welfare	48.58	5.03	43.55	8.12 (19)
9. X	XXVII—Industries	70.84	58.90	11.94	8.07 (68)
10 . X	KLI—Transport	37.65	21.27	16.38	12.47 (76)
NT (The state of				1

Note: Figures within parentheses represent percentage.

2.2.10. Injudicious surrenders

(a) In the following voted grants where surrender of savings exceeding Rs. 25 lakhs in each case was made on 30th March 1991, there were eventual excess indicating injudicious estimation of saving and surrender of funds.

Sl.No. Number and name of grant	Total grant	Actual expenditure	S ON	Amount urrendered 2 30th Iarch 1991
	(I	Rupees in crores)	
REVENUE SECTION				
1. VI-Land Revenue	38.16	38.34	0.18	0.42
2. XVII-Education,	707.40	781.29	73.8 <mark>9</mark>	14.19
Sports, Art and Culture				
3. XIX—Family Welfare	28.32	35.78	7.46	9.35
4. XXI—Housing	10.64	11.00	0.36	0.27

(b) In the following cases, the surrender of funds made on 30th March 1991 exceeded the final savings by over Rs. 25 lakhs in each case was injudicious/excessive.

Sl. No.	Number and name of grant REVENUE SECTION	Total grant	Actual expen- diture	Saving (Rupees	Amount surrend- ered on 30th March 1991 in crores)	Amount surrend- ered in excess
1.	II— Heads of States, Ministers and Headquarters staff	20.24	19.97	0.27	0.59	0.32
2.	Debt charges	350.01	340.64	9.37	35.74	26.37
3.	XIV—Stationery and Printing and Oth Administrative Services	27.37 er	26.13	1.24	1.89	0.65

Sl.No	o. Number and name of grant	Total grant	Actual expen- diture	S aving	Amount surrendered on 30th March 1991	Amount surren- dered in excess
4.	XVI—Pensions and Miscellaneous	334.50	334. 29	0.21	0.54	0.33
5.	XXVI— Relief on account of Natural Calamities	62.00	52.58	9.42	9.69	0.27
6.	XXIX— Agriculture	130.11	128.81	1.30	5.04	3.7 4
7.	XXXVI— Community Development	101.91	92.06	9.85	10.82	0.97
8.	XXXVII—Industries	37.38	37.30	0.08	1.25	1.17
	CAPITAL SECTION					
9.	XL— Ports	3.07	2.53	0.54	0.95	0.41

2.2.11. Injudicious reappropriation of funds

Reappropriation is transfer of funds within a grant, from one unit of appropriation where savings are anticipated to another unit where additional. funds are needed. Before withdrawal of funds from a head it is to be ensured that there is a definite or reasonable chance of saving under the head and that before additional funds are provided under a head, it is to be ensured that there is likelihood of increased expenditure under the head. Details of 15 cases where withdrawal of funds or additional provisions proved excessive by over Rs. 25 lakhs in each case are mentioned in *Appendix* 2.

2.2.12. Trend of recoveries and credits

During 1990-91 recoveries to be adjusted in accounts in reduction of expenditure were estimated at Rs. 59.18 crores (Revenue Section: Rs. 53.25 crores; Capital Section: Rs. 5.93 crores) against which the actual recoveries were Rs. 74.38 crores (Revenue Section: Rs. 63.52 crores; Capital Section: Rs.10.86 crores). In the Revenue Section, excess recovery was mainly under 'Relief on account of Natural Calamities' (Rs. 21.58 crores) while in the Capital Section, the excess recovery was mainly under 'Food' (Rs. 4.16 crores). There was, however, a major shortfall in recoveries under 'Public Works' (Revenue:Rs. 7.84 crores).

2.2.13. Failure to furnish reasons for variation

After the close of each financial year, the detailed appropriation accounts showing the final grant/appropriation, the actual expenditure and resultant variation are sent to the controlling officers by the Accountant General (Accounts and Entitlements) for furnishing promptly the reasons for variations in general and those under important sub heads in particular. The number of heads for which reasons were not received as at the end of January 1992 was 349, representing 68 *per cent* of the total number of heads (511) for which explanations for variations were required to be furnished.

2.3. Irregular payment of interest and administrative charges on deposits

Interest and administrative charges on deposits accepted by the State Government are to be classified as revenue expenditure of the State which can be incurred only from the Consolidated Fund after obtaining the approval of the Legislature. An instance where the interest and the administrative charges on the deposits accepted were paid from the Public Account without the approval of the legislature is mentioned below:—

During the years 1986-87, 1987-88 and 1988-89, the Government accepted deposits totalling Rs.53.64 crores from the Kerala Toddy Workers' Welfare Fund Board as part of the measures to improve the ways and means position of the State Government. The amounts were deposited by the Board, by taking loans against its fixed deposits in banks and credited to the personal deposit account maintained by the Labour Commissioner. According to the terms and conditions agreed upon, Government was to reimburse to the Board all charges of interest payable by the Board to the banks as well as the administrative charges at 2 *per cent* on the loans taken by the Board from the date of their availing of loans to the date of discharge as per the books of the banks. While the entire principal was repaid by Government to the Board in instalments, the interest and administrative charges were not determined till December 1990, pending completion of audit of the Board's accounts by the Examiner of Local Fund Accounts. However, in January 1991, Government ordered an interim payment of Rs. 6 crores to the Board to liquidate the dues of the Board towards interest, administrative charges, etc., and the amount was paid in January-March 1991 from the personal deposit account of the Labour Commissioner. The payment of Rs.6 crores to the Board without the approval of the Legislature from a personal deposit account maintained by the Government was irregular.

Government stated in July 1992 that action was being taken to regularise the payment of interest and administrative charges.

2.4. Advances from the Contingency Fund

The Contingency Fund of the State is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances for meeting unforeseen expenditure, pending authorisation by the Legislature. Advances from the fund are to be made only for meeting expenditure of an emergent character, the postponement of which, till its authorisation by the Legislature, would not be desirable.

Fortyeight sanctions were issued during 1990-91 advancing a total amount of Rs.1633.90 lakhs from the Fund, out of which the amounts of three sanctions were subsequently reduced by Rs. 6.24 lakhs. Six of these sanctions for an aggregate amount of Rs.168.83 lakhs issued during September 1990 to March 1991, were not operated upon.

It would, therefore, appear that these sanctions were issued without ensuring that the advance were, in fact, necessary and that the expenditure was of an emergent nature.

An instance where the sanction to an advance from the Contingency Fund was avoidable is mentioned below:

The period of validity of the existing ration cards issued by the Director of Civil Supplies was to expire by December 1990. No provision of funds for the printing 102/9102/92/MC. of new ration cards was, however, made in the budget for the year 1990-91. It was only in January 1990 the Director of Civil Supplies submitted a proposal to Government for printing 56 lakh ration cards anticipating an expenditure of Rs. 75 lakhs. In April 1990, Government accorded sanction to the printing of 56 lakh ration cards for distribution from 1991 onwards. No provision for meeting the expenditure on this account was, however, made in the Supplementary Demands for Grants made in July 1990.

In October 1990, Government authorised the Director of Civil Supplies to incur an expenditure of Rs. 133 lakhs on this account and sanctioned an advance of Rs. 116 lakhs in November 1990 from the Contingency Fund. No expenditure on this account was, however, incurred till December 1990, when the advance was recouped through the Supplementary Demands for Grants. The connected Appropriation Bill also received the assent of the Governor in January 1991.

The Finance Department stated (February 1991) that neither the Food and Civil Supplies Department nor the Board of Revenue (Civil Supplies) had proposed any provision for this purpose in the budget as the printing of ration cards was not a sanctioned item then. However, having been aware that new ration cards would have to be distributed from January 1991, the requirement of the funds for the purpose should have been foreseen in advance and appropriate monetary provision proposed either in the budget for 1990-91 or at least in the Supplementary Demands for Grants presented in July 1990. Had this been done, the need for obtaining advance from the contingency fund could have been avoided.

2.5. Arrears in departmental reconciliation

Departmental figures of expenditure are required to be reconciled every month with those in the books of the Accountant General (Accounts and Entitlements) in order to enable the departmental officers to exercise proper control over expenditure and to detect frauds and defalcations, if any, at an early stage. The reconciliation was in arrears in several departments. The number of controlling officers who had not reconciled as of December 1991 their figures up to the end of 1990-91 and the number of reconciliation certificates due from them are indicated below year-wise:

Year	Number of controlling officers	Number of monthly reconciliation certificates due
1985-86	1	9
1986-87	1	12
1987-88	4	65
1988-89	3	61
1989-90	16	272
1990-91	58	968
Total		1,387

Of these, as many as 297 certificates were due from the Revenue Department.

2.6. Excess of earlier years pending regularisation

In terms of Article 205 of the Constitution, expenditure in excess of grants charged appropriations authorised by the Legislature is to be regularised in the manner prescribed by the Constitution. According to the procedure prescribed for the purpose in February 1982, the notes seeking regularisation of excess expenditure should be furnished to the Committee on Public Accounts, after getting them vetted by Audit, by 31st May of the second succeeding year of accounts or immediately after presentation of the Appropriation Accounts to the Legislature, whichever is later.

As of November 1992, Government has not furnished notes for the regularisation of excess expenditure aggregating to Rs. 8065.30 lakhs in 21 Voted Grants (Rs. 8057.58 lakhs) and 4 Charged Appropriations (Rs. 7.72 lakhs) pertaining to the years 1983-84, 1985-86 and 1987-88 to 1989-90.

2.7. Drawal of funds in advance of requirements

The financial rules envisage that money should not be drawn by transfer to a deposit or any other head or drawn from the treasury and kept in the cash chest in order to prevent the lapse of budget provision. The Rules also prohibit drawal of money from the treasury unless it is required for immediate disbursement.

A few instances of drawal of funds in advance of requirements are mentioned below:

Sl. Particulars of drawing No. disbursing officer Brief facts of the case

HOME DEPARTMENT

1. Superintendent, Central Prison, Thiruvananthapuram. As part of the Centrally Sponsored scheme for the modernisation of prisons, Government administrative sanction issued in December 1989 to the installation of generators, search lights, flood lights intercoms and walkie-talkie sets in the Central Prisons at Thiruvananthapuram and Kannur at an estimated cost of Rs. 9 lakhs and to the provision of a workshed ir the female block of the Central Prison Thiruvananthapuram at an estimated cos of Rs. 1.5 lakhs. An amount of Rs. 7 lakh was drawn and paid to the Executive Engineers, Buildings Division and Loca Works Division, Thiruvananthapuram, ir March 1990 for modernisation of Centra Prison, Thiruvananthapuram while the construction of the workshed and the installa tion of intercoms and walkie-talkie sets were reported to have been completed in Octobe: 1991, the installation of the generators and other lighting arrangements were, however yet to be completed as of November 1991.

Brief facts of the case

Sl. Particulars of drawing No. disbursing officer

SCHEDULED CASTES AND SCHEDULED TRIBES DEVELOPMENT DEPARTMENT

2. District Development Officers for Scheduled Caste, Kozhikode, Kannur, Wayanad and Idukki. As part of a scheme to provide four cents of land and a house costing Rs. 15,000 to each landless and homeless scheduled caste family, Government allotted Rs. 40.50 lakhs during 1989-90 (Rs. 12 lakhs) and 1990-91 (Rs. 28,50 lakhs) to the District Development Officers for Scheduled Caste, Idukki, Kannur, Kozhikode and Wayanad. The sanctioned amounts was drawn during March 1990 and February—March 1991 and deposited in the Treasury Savings Bank or in accounts with nationalised banks.

Of the drawals aggregating to Rs. 40.50 lakhs, funds to the extent of Rs. 12.31 lakhs only were utilised between April 1990 and June 1991 on purchase of land (Rs. 4.88 lakhs), distribution to the Taluk Development Officers in Idukki, Kannur and Kozhikode districts for payment to the beneficiaries for construction of houses (Rs. 6.43 lakhs) and payment to the Nirmithi Kendra for construction of 10 houses (Rs. 1 lakh). The balance amount (Rs. 28.19 lakhs) remained unutilised as of August 1991. Of the 270 houses targeted to be constructed, construction of only 10 houses was taken up, of which 6 had been constructed. Details of the payments actually made by the Taluk Development Officers to the beneficiaries, called for by Audit, had not been received.

For implementation of various programmes in Ambedkar Grammoms in connection with the Ambedkar Centenary celebrations, Government provided Rs. 21.76 lakhs during 1990-91 to the District Development Officers for Scheduled Caste, Kannur, Kozhikode and Wayanad. The amount drawn during February—March 1991 was deposited in Treasury Savings Bank accounts. Of this, Rs. 12.54 lakhs were distributed till the end of May 1991 to the

 District Development Officers for Scheduled Caste, Kannur, Kozhikode and Wayanad.

Particulars of drawing| disbursing officer

Sl.

No.

Brief facts of the case

Block Development Officers, Tribal Development Officers, etc., responsible for implementing the programmes. The balance amount (Rs. 10.22 lakhs) remained unutilised as of May 1991.

PLANNING AND ECONOMIC AFFAIRS DEPARTMENT

4. District Development Officer for Scheduled Caste, Kollam.

5 District Animal Husbandry Officer, Ernakulam.

Under Special Central Assistance to the Special Component Plan for 1990-91 the Collector, Kollam District accorded (February 1991 and March 1991) administrative sanction to the implementation of schemes for training 40 scheduled caste youths in innovative housing technology (cost: Rs. 2.04 lakhs) and the establishment of a Home Appliances Repair Centre (cost: Rs. 2.95 lakhs). An amount of Rs. 3.04 lakhs was drawn by the District Development Officer for Scheduled Caste, Kollam on 21st March 1991 for these two schemes. While Rs. 2.04 lakhs relating to the former scheme was deposited in a nationalised bank in June 1991, Rs. 1 lakh pertaining to the latter scheme was retained in the form of demand draft. As of August 1991 neither the training programme had been started nor had the Centre been established.

In December 1990 the District Collector Ernakulam accorded administrative sanction to the implementation of a scheme for establishment of 200 dairy units for the benefit of scheduled caste families at a cost of Rs. 15 lakhs under Special Central Assistance to the Special Component Plan during 1990-91. The scheme envisaged a unit cost of Rs.7,500, including payment of subsidy at Rs. 2,500 to each beneficiary. In March 1991, the District Animal Husbandry Officer, Ernakulam, identified 100 beneficiaries each from Thiruvamkulam and Udayamperoor Panchayats and drew the subsidy of Rs. 5 lakhs. This amount was deposited Sl. Particulars of drawing | No. disbursing officer

Brief facts of the case

in the Treasury Savings Bank account on 26th March 1991. The subsidy had not, however, been released to any of the beneficiaries as of October 1991 pending approval of the list of selected beneficiaries by the District Collector.

GENERAL EDUCATION DEPARTMENT

6. Chief Engineer (Buildings and Local Works) In pursuance of the National Policy on Education, Government accorded sanction in August 1990 to the upgradation of seven Government Elementary Teacher Education Institutions as District Institutes of Education and Training. A sum of Rs. 194.75 lakhs (civil works: Rs. 151 lakhs; equipment: Rs. 43.75 lakhs) was also sanctioned for the purpose in August and November 1990 in order to utilise the Central assistance totalling Rs. 194.75 lakhs received in March 1990 and July 1990 before the close of the financial year 1990-91. The civil works were entrusted to the Chief Engineer (Buildings and Local Works) and the purchase of equipment to the Director of Public Instruction.

The plans and estimates in respect of the civil works having been finalised only towards the fag end of the financial year. Government ordered, the Chief Engineer in March 1991 to draw and deposit the amount in Public Works Deposits. Of an amount 151 lakhs so deposited on of Rs. 30th March 1991, Rs. 12.06 lakhs alone had been released to the executing Divisions up to 30th September 1991. Similarly, Rs. 43.75 lakhs were drawn by the Director of Public Instruction and deposited in the Treasury Savings Bank Account on 21st March 1991. The supply order for the equipment had not, however, been placed on the Kerala Small Industries Development Corporation Limited even as of Sl. No. Particulars of drawing disbursing officer,

 Chief Engineer (Buildings and Local works)

Brief facts of the case

September 1991 pending receipt of the list of equipment to be purchased for the scheme. In this case, more than 90 *per cent* of the funds remained unutilised even after six months of the subsequent financial year had expired.

In March 1991, Government entrusted the construction of school buildings, toilets and drinking water facilities in the Block areas under Phase II of the Centrally Sponsored Scheme 'Operation Black Board scheme' to the District Rural Development Agencies. Accordingly, the Chief Engineer (Buildings and Local Works) released a sum of Rs. 82.37 lakhs to the District Rural Development Agencies in March 1991 itself. No expenditure had, however, been incurred as of October 1991 because the scheme was in its initial stages of implementation.

CHAPTER III

CIVIL DEPARTMENTS AGRICULTURE DEPARTMENT

3.1. Soil conservation measures in Kundah River Valley Project

3.1.1. Introduction

The catchment area of the Kundah River Valley Project omprised of a total area of 1,25,991 hectares, of which 61,326 ectares were in Kerala State. Investigations for the efficient ontrol of soil erosion, increasing the fertility of soil in the catchnent area lying in the Kerala portion of the Project and reducing ltation in the Pilloor dam, sanctioned by the State Government n May 1965, were completed in 1967-68. In May 1967, the theme for soil conservation measures was accepted as a Centrally ponsored one, 50 *per cent* of the assistance treated as a grant and ne remaining 50 *per cent* as loan. Subsequently in February 1968, ne State Government accorded sanction to the implementation f. the scheme. No schedule having been prescribed for its pmpletion, the scheme started in 1967-68 was still continuing nd the expenditure incurred thereon totalled Rs. 931 lakhs up March 1991.

Based on surveys conducted by them, the All India Soil and Land Use Survey Organisation had assessed that 30,000 ctares (Agricultural land: 27,217 hectares and forest land: 783 hectares) of land would require soil conservation measures.

The scheme was implemented under the provisions of the erala Land Development Act, 1964. Execution of works was ranged through the beneficiary land owners or their nominees

All abbreviations used in this Review have been listed alphabetically and anded in the Glossary at *Appendix* 10 (Page 209).

02/9102/92/MC.

who were paid for the work done at approved rates. Fifty *per cent* of the cost of the works treated as loan plus interest thereon was recoverable from the beneficiaries.

3.1.2. Organisational set-up

The activities under the scheme were being co-ordinated and supervised by the Additional Director of Soil Conservation at Thiruvananthapuram at the State level and by the Joint Director of Soil Conservation, Palakkad, at the Divisional level. There were five Sub-divisional Offices*, each headed by an Assistant Director of Soil Conservation, engaged in the investigation/ execution of works (four Sub-divisions) and the conduct of engineering hydrology and sediment monitoring studies (one Sub-division).

3.1.3. Audit coverage

Review of the implementation of soil conservation works in the Kundah Project (Kerala portion) covering the period 1985-86 to 1990-91 was conducted by Audit during July-December 1990 and in June 1991 with reference to the records in the Offices of the Director of Agriculture (Soil Conservation), Thiruvananthapuram. Joint Director of Soil Conservation, Palakkad, and the five Sub-divisional Offices.

3.1.4. Highlights

-The physical achievements in five watersheds reported by the Sub-divisions concerned varied from those in the Records of Rights and Liabilities and were consequently inflated to the extent of 917 hectares.

(Paragraph 3.1.5.)

^{*} Kottathara, Kulukkoor, Mully, Thalayani and Engineering Hydrology Sub-division, Kottathara.

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The nominees executing soil conservation works were not asked to maintain muster rolls of labourers engaged, in the absence of which the Department could not ensure that the wages prescribed from time to time were actually paid. Whereas 3751 hectares were shown to have been covered by soil conservation works in the first priority area, the area actually available was only 3167 hectares according to the Village Office records. While 24.22 lakh RM of trenches were constructed during 1985-91, agrostological and agronomical measures-which are among the cheapest of soil conservation measures, with other inherent advantages-were adopted only along 1.33 lakh RM.

(Paragraph 3.1.6)

-As a result of adoption of higher wages for unskilled labour, incorrect specifications for excavation and higher quantities earthwork for excavation and trimming than those prescribed, the department had to incur an excess expenditure of Rs. 36.74 lakhs. Payments made for construction of trenches with embankments by two Sub-divisions between February 1989 and March 1991 at rates in excess of that specifically prescribed resulted in an extra payment of Rs. 2.52 lakhs. Payment made by one Sub-division on account of agronomical and agrostological measures which were not actually undertaken by the beneficiaries amounted to Rs. 1.19 lakhs.

(Paragraph 3.1.7)

The proper maintenance by the beneficiaries of the assets created under the scheme was not monitored and ensured by the District Collector in terms of the Kerala Land Development Act and no machinery had also been evolved for the purpose.

(Paragraph 3.1.9)

-Whereas the Department had assessed that arrears of loans and interest amounting to Rs. 275.65 lakhs were due for recovery from the beneficiaries, as of March 1991, an amount of Rs. 4 lakhs only was shown as recoverable in the records of the revenue authorities. The discrepancy had not been reconciled.

(Paragraph 3.1.10)

-While the scheme had not been evaluated by an independent institution as envisaged by the Government of India, no action was also taken to remedy the deficiencies pointed out in a report of evaluation undertaken by the State Department of Economics and Statistics.

(Paragraph 3.1.11)

3.1.5. Targets and achievements

(a) Financial

The following table indicates details of the funds provided for the scheme during each of the years from 1985-86 to 1990-91, expenditure incurred thereagainst and assistance received from the Government of India:

Year	Provision	Expenditure	Central assistance* received
		(Rupees in lakhs)	Teceroeu
1985-86	81.00	81.34	80.00
1986-87	80.00	80.14	80.00
1987-88	80.00	81.17	80.00
1088-89	80.00	81.00	80.00
1989-90	94.00	97.22	94.00
1990-91	100.00	125.00	125.00

Represent departmental figures.

(b) Physical

The physical targets fixed by the Government of India during the period 1985-86 to 1990-91 and the achievements as reflected in the departmental records were as follows:

Description of work	Unit	Target fixed by Government of India	Achievements
Puertoriccan contour bunds, contour trenches with embank- ment, etc.	hectare	7,950	7,825
Check dams	Number	1,121	942
Water harvesting structures	Number	282	130
Retaining walls	Running Metre (RM)	11,869	22,183

The achievements reported also included cross bar on gully (91 RM), agrostological measures (1.33 lakh RM) and planting soil erosion crops (120 hectares), in respect of which no eparate targets were fixed.

The officers executing the schemes were to prepare he Records of Rights and Liabilities (RRL), which were to be published within a period of three months of completion of the vork. The achievements reported in the progress reports of the bub-divisions were to tally with the corresponding figures in he RRL statements. A test-check of these records in respect f five watersheds, however, revealed variations between the chievements reported in the progress reports and those incororated in the RRL statements as indicated below:

			in progress in RRL reports statements (in hectares) to 1,912 1,822			
Name of water	shed	Period	in progress			
			(in h	ectares)		
1. Kulukkoor I	& II	1980-81 to 1987-88	1,912	1,822		
2. Jellippara		1983-84 to 1989-90	2,073	1 ,84 9		
3. Kathirampath	ıy	1985-86 to 1989-90	1,704	1,430		
4. Moolakombu		1987-88 to 1989-90	306	231		
5. Venthavetty		1988-89 to 1989-90	658	404		
			6,653	5,736		

The achievements reported were consequently inflated to the extent of 917 hectares. Government stated (November 1991) that, whereas the area directly benefiting from the scheme alone had been exhibited in the RRL statements, the progress reports showed, in addition, the area which had indirectly benefited from the scheme. In view, however, of the fact that the physical targets were fixed by the Government of India only with reference to the actual area to be covered, and assistance was also released accordingly, the progress reports should have shown only the actual coverage. Such inflated reporting could also result in the necessary soil conservation measures not being implemented subsequently in those areas shown to have been covered by virtue of their having benefited only indirectly.

3.1.6. Implementation of the Scheme

The Soil Conservation Scheme in the Kerala portion of the Project commenced during 1967-68. Priorities for the execution of soil conservation works were then determined on the basis of aerial photo interpretation and field inspections by the officers of the Central and State Governments. An area of 4,575 hectares, lying adjacent to the main river was to be accorded the first priority. The scheme was implemented up to 1974-75 in this area, when 3,751 hectares were saturated.

During 1975-76, the watershed management principles were introduced and 13 watersheds were identified for the purpose. In 1990-91, the total catchment area was divided into 31 watersheds and classified into very high, high, medium, low and very low priority areas on the basis of the silt yield index based on the reports of the All India Soil and Land Use Survey Organisation.

Of the 5,524 works executed during the six-year period from 1985-86 to 1990-91, 5,284 works were entrusted to nominees, of which 2,068 works were executed by nine nominees. In Thalayani Sub-division, one such nominee undertook 262 works during the six year period, whereas another nominee executed as many as 335 works in two Sub-divisions (Kottathara and Thalayani) during the same period. The nominees were not asked to maintain muster rolls of labourers engaged and hence the Department could not ensure whether the wages prescribed from time to time were actually paid to the labourers employed.

For undertaking soil conservation works in individual land holdings, each beneficiary land owner had to produce a certificate issued by the Village Officer showing the proof of ownership as well as the extent of land held by him. The area of land, shown in the possession certificates so issued by the Village Officers was accepted by the Department. In Attappady area, where the survey records were yet to be finalised, and in Kulukkoor watershed, where the land was shown as unsurveyed, the extent of land as indicated by the Village Officers in their certificates was not susceptible of verification.

Government stated (November 1991) that as the area was unsurveyed, the Village Officers were not in a position to report the exact extent of land and the certificates were issued for the purpose of soil conservation works only. Of the 4,575 hectares identified for soil conservation works in the first priority area, 3,751 hectares were shown to have been covered incurring expenditure of Rs. 47.20 lakhs. The area actually available for soil conservation works was, however, only 3,167 hectares according to the Village Office records.

Agrostological and agronomical measures, involving cultivation of plants like grass, pineapple and other erosionpreventing crops on the berms of bunds and embankments of trenches, were one of the cheapest among various soil conservation were Such measures also intended measures. to strengthen the embankments and reduce the run off. These measures were, however, adopted only during 1989-90 along 1.33 lakh running metres of the 24.22 lakh running metres of trenches constructed during 1985-86 to 1990-91. Having regard to the inherent advantages of agrostological and agronomical measures, their adoption on a larger scale would have minimised the risk of erosion at a lower cost.

Government stated (November 1991) that the farmers were requested to cultivate grasses where there was sufficient moisture.

The Government of India had also advised the State Government as early as in 1977 to take up studies on soil conservation at the Research and Training Institute at Konni (established in 1958) for reducing the cost of contour bunds by varying the components of the structures involved. No attempts were, however, made by the Research Institute in this direction. The failure was attributed to dearth of staff and paucity of funds in the Research Institute.

3.1.7. Irregularities in execution of works

(a) Construction of trenches with embankments constituted a major item in soil conservation works. The expenditure on the work related solely to the cost of unskilled labour. A review of the works relating to construction of trenches with embankments undertaken by the Sub-divisions revealed that the wages specifications for earthwork excavation and quantities adopted by them differed from those prescribed, as discussed below:

(i) The wages sanctioned by the Department for men mazdoors and boys engaged in soil conservation works were Rs. 9 and Rs. 6 respectively upto February 1986, Rs. 12 and Rs. 8 respectively upto January 1989 and Rs. 18 and Rs. 12 respectively thereafter. The three Sub-divisions which undertook the construction of trenches with embankments, however, adopted higher wages of Rs. 15 for men mazdoors and Rs. 10 for boys during 1985-86 and 1986-87 and of Rs. 18 and Rs. 12 respectively during 1987-88 and 1988-89.

(ii) Earthwork excavation in hard soil and depositing with lead up to 50 metres and lift upto 1.5 metres and trimming and dressing on earth surface were the two components of the work of construction of trenches. The specificaton for the earthwork excavation component rightly applicable was item No. 57 in the Public Works Department Schedule of Rates. This specification involved employment of 3.6 men mazdoors and 2.5 boys for every 10 cubic metres of earthwork excavation. The Sub-divisions, however, adopted specification No. 52, which involved additional labour of 0.4 man mazdoor and 0.5 boy mazdoor (total labour to be employed: 4 men mazdoors and 3 boys) for every 10 cubic metres of works specification No. 52 was applicable only to executed. As earthwork excavation for foundations of buildings, adoption of this specification by the Sub-divisions resulted in engagement of labour in excess of requirement.

(iii) The standard design of the trenches with embankments approved by the Department envisaged, *inter alia*, that the depth of the trenches and height of the embankments would be 0.50 metre. This involved the execution of 37.5 cubic metres of earthwork excavation and 160 square metres of trimming and dressing for every 100 RM of trench work. The depth of the trenches and height of embankments adopted by the Sub-divisions was, however, 0.55 metre, as a result of which the quantities of earthwork excavation and of trimming and dressing were increased to 41.25 cubic metres and 170 square metres respectively for 100 RM.

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These deviations, which were unauthorised, resulted in an excess expenditure of Rs. 36.74 lakhs on the trenches with embankments constructed during the period from 1985-86 to 1988-89 (upto January 1989), details of which have been furnished in *Appendix* 3.

Further, in January 1989, the Director of Agriculture (Soil Conservation Unit) had fixed a specific rate of Rs. 474.95 (including 15 *per cent* for hill tract areas) per 100 RM of trenches constructed with embankments. The rates at which payments were made by two of the Sub-divisions (Mully and Kottathara) were higher than this specific rate, which resulted in an excess expenditure of Rs. 2.52 lakhs on the works executed beyond January 1989 details of which have been indicated in *Appendix* 4.

Government stated (November 1991) that the difference in rates was attributable to the alternative design adopted by the Sub-divisions, which was permissible according to the orders of the Director. The orders of the Director were, however, absolute and no discretion was available to the Sub-divisions to deviate from the approved design.

(b) In the Thalayani Sub-division the estimates for the trenches constructed included a provision of Rs. 55 per 100 RM towards agronomical and agrostological measures. However, the beneficiaries/nominees were not specifically asked to adopt these measures while issuing the work orders. The measures were, therefore, neither undertaken by the beneficiaries nor recorded so in the measurement books. Nevertheless, while making payments for the work executed, an additional amount for the item at Rs. 55 per 100 RM was included, resulting in excess payment of Rs. 1.19 lakhs on 2,16,562 RM of trenches constructed during the period from 1985-86 to 1988-89.

3.1.8. Hydrology and Sediment Monitoring Programme

With a view to assessing the effectiveness of the soil conservation treatment given, the Hydrology and Sediment Monitoring Programme was taken up from 1978-79 onwards. The monitoring was done through collection, processing and interpretation of data on rainfall, run-off and sediment yield. Run-off is that portion of precipitation (mostly rainfall) which makes its way to stream channels, lakes or oceans as surface or subsurface. Sediment is defined as any fragmental material transported by, suspended in or deposited by natural agents like water, air or ice.

Four Sediment Monitoring Stations were established between March 1985 and March 1988. Sediment yield was measured by collecting sediment samples and analysing them. According to the guidelines, the data relating to run-off, sediment production, etc., were to be worked out based on the discharge at all the four stations measured thrice on all days. In practice, only two samples per month were collected on an average, and the mean of these two readings was treated as the average sedimentation for that month.

According to the guidelines issued by the Government of India, at least one rain gauge station was to be established in each watershed. Rain guage stations were, however, established in 4 of the 11 watersheds. Of these only 2 watersheds were provided with Sediment Monitoring Stations. Further, according to the guidelines, observation measurements were to be taken twice on all days of rainfall. In practice, however, only one reading was taken daily. There was also no system to ensure that readings were taken on all rainy days.

As the run-off and sedimentation were related to the quantum of rainfall and in view of the inadequate collection of rainfall data, no effective co-relation of run off with rainfall was possible. Further, as the data relating to run off, sedimentation, etc., were wrongly computed, such data could not justify the effectiveness of the soil conservation treatment given.

3.1.9. Maintenance of completed schemes

The Kerala Land Development Act makes the beneficiaries responsible for maintaining completed works to the satisfaction of the District Collector. In case of failure on the part of the beneficiaries, the District Collector was to arrange the maintenance and recover the cost thereof from the beneficiaries concerned. The whole project area was within the jurisdiction of the District Collector, Palakkad, and no machinery had been evolved by him in terms of the Act to ensure the proper upkeep and maintenance of the assets created under the scheme.

According to the evaluation report published by the State Economics and Statistics Department in January 1989, only three of the 151 sample beneficiaries selected for evaluation had maintained the completed works.

Government stated (November 1991) that the question of maintenance would be taken up subsequently if the land owners were not maintaining the assets. The reply, read with the findings of the sample study, would, therefore, imply that the proper maintenance of the assets had not been monitored and ensured by the District Collector or Government for well over two decades. Failure to ensure timely and proper maintenance could result in the deterioration of the bunds and embankments, necessitating further investments on their subsequent restoration.

3.1.10. Arrears in recovery of loans

Fifty *per cent* of the cost of soil conservation works treated as loan was recoverable from the beneficiaries in 20 equated half yearly instalments. The Tahsildar, Mannarkad taluk, was responsible for the recovery of the loans under the scheme in accordance with the Records of Rights and Liabilities prepared by the Assistant Directors of the Sub-divisions.

According to the Demand, Collection and Balance Statement relating to recovery of loans prepared by the Joint Director, a total amount of Rs. 275.65 lakhs including interest (Rs. 109.85 lakhs) and penal interest (Rs. 10.93 lakhs) was pending recovery as of March 1991. The Tahsildar, Mannarkad, stated (November 1990) that proper action for recovery of the loans could not be taken by him because of difficulties in identifying the loanees and scertaining the extent of land owned by the defaulters, notwithtanding the fact that the beneficiaries under the scheme were hose to whom possession certificates had been issued by the *illage* Officers under him.

Further, whereas the arrears computed by the Department otalled Rs. 275.65 lakhs, an amount of Rs. 4.00 lakhs only vas shown as recoverable in the Demand, Collection and Balance Statement prepared by the Tahsildar as of March 1991. The discrepancy had not been reconciled.

Though, under the provisions of the Act, all amounts recoveable from the beneficiaries could be recovered in the same nanner as arrears of revenue, this power was never exercised by ne Tahsildar.

.1.11. Evaluation

The Government of India had recommended in September 985 the entrustment of the work of evaluation to independent istitutions like agricultural universities, Indian Institute of fanagement, etc. This had not been done as of March 1991. Other than the report of an evaluation conducted by the Departient of Economics and Statistics, published in February 1989 o records of evaluation conducted were available with the Department. Though the report published by the Economics and Statistics Department contained a number of observations elating to increase in the uncultivated area even after implemenation of the scheme, failure to maintain the completed works by eneficiaries, damages caused to assets created, etc., no action on ite report had been taken as of February 1991.

3.2. National Watershed Development Programme for Rain-fed Agriculture

With a view to stabilising agricultural production in rain-fed areas by stepping up investment in the development of dry-land agriculture, the Government of India formulated the National Watershed Development Programme for Rain-fed Agriculture during 1986. The Programme was implemented in Palakkad District in the State during the period 1986-91 at an annual outlay of Rs. 20 lakhs for the development of a minimum area of 800 hectares of land per year.

The expenditure on the Programme was to be shared equally by the Government of India and the State Government. Details of the budget provision, grants released by the State Government and the Government of India and the expenditure incurred during the period from 1986-87 to 1990-91 were as follows:

		Grant relea- sed by the	Amount released by	Expen	aditure
Year	Budget provision	Government of India	the State Government including Central Gra	During the year nt	During the last quarter of the year
1986-87	5.00	5.00	10.00	4 .00	N.A.
1987-88	8.50	10.00	20.00	9.9 <mark>0</mark>	9.90
1988-89	30.00	10.00	20.00	19.98	14.72
1989-90	20.00	5.00	20.00	20.04	10.82
1990-91	20.00	10.00	20.00	20.00	20.00
Total	83.50	40.00	90.00	73.9 <mark>2</mark>	55.44

Bulk of the expenditure on the Programme was incurred during the last quarter of each year due to late release of fund by the Government. During 1987-88 and 1990-91, the entire amount for the Programme was utilised during the last quarte and 95 *per cent* of the expenditure for 1987-88 and the entire expenditure for 1990-91 were incurred during the month of

N.A.-Not available.

March. In fact, of the amount of Rs. 20 lakhs released during 1990-91, expenditure of Rs. 3.12 lakhs only was incurred on the implementation of the Programme and the balance amount of Rs. 16.88 lakhs was retained by the Department in the form of a demand draft. Funds were evidently drawn during the year solely with the objective of avoiding lapse of the grant.

Against an annual physical target of 800 hectares fixed by the Government of India during 1987-91, the State Government selected 25 sub-watersheds comprising a total area of 10,000 hectares for implementation during the period as shown below:

Year	Area selected					
1 ear	No. of sub watersheds	Area (in hectares)				
1986-87	2	800				
1987-88	. 4	1,1 4 6				
1988-89	9	2,499				
1989-90	5	2,555				
1990-91	5	3,000				
Total	25	10,000				

No work could be undertaken during 1986-87 on the area of 800 hectares selected, as the soil survey work was not completed during the year and the expenditure of Rs. 4 lakhs incurred during the year represented payments made in respect of a pilot project for propagation of water conservation and harvesting technology for dry farming areas.

During 1987-88, when four sub-watersheds comprising an area of 1,146 hectares were selected for implementation, the Government imposed restrictions on the drawal of funds from the treasury and consequently only less than 50 *per cent* of the funds could be utilised.

Though digging of new wells and renovation of old wells were not envisaged in the Programme, expenditure of Rs. 24.45 lakhs was nevertheless incurred on such activities between 1987-88 and 1990-91. During the period from 1986-87 to 1989-90, 82 training courses to benefit 2,460 participants were targeted. Only two courses of 40 participants were, however, organised in March 1990.

The following points were also noticed during test-check of the records:

(a) The progress reports furnished by the Department to the Government of India reflected an achievement of 2,650 hectares of land development works during the years 1987-88 to 1989-90. The actual achievement, however, was only 27 hectares during the period.

Government stated (January 1992) that land smoothening works, which constituted one of the components of the land development works, were undertaken in 27 hectares, while land development works were actually executed in 2,659 hectares. The reply was, however, contrary to the position intimated to Audit in August, 1991 by the District Soil Conservation Officer, Palakkad, that land development works were undertaken only in 27 hectares.

(b) The guidelines issued by the Government of India in July 1986 envisaged maintenance of stocks of certified/quality seeds. On 30th March 1990, 10,659 kg. of groundnut seeds (cost: Rs. 1.33 lakhs) were purchased by the Department for distribution in the watershed area. According to the instructions issued by the Joint Director of Agriculture, Palakkad, in March 1990, the seeds were to be tested at the Seeds Testing Laboratory, Pattambi, and their viability ensured. No records were, however, produced to Audit to show that the prescribed testing was done and that the seeds were certified.

The seeds were purchased at a price of Rs. 12.50 per kg. from three private farmers, though these could have been obtained at the price of Rs. 8.40 per kg. through co-operative societies. Purchases from private farmers at higher prices resulted in an extra expenditure of Rs. 0.44 lakh. While the Department informed Audit in April 1991 that this was done to avoid lapse of funds, Government, however, contended (January 1992) that the Secretaries of the co-operative societies were contacted personally in the matter and they had expressed their inability to supply the required quantity of groundnut seeds. No records were, however, made available in support of this contention, which was also contrary to the position taken by the Department themselves earlier.

(c) The Programme also envisaged the distribution of seeds/seedlings, fertilisers etc., to the farmers in the watershed area. No follow-up action was taken either to ascertain the proper use of inputs by the farmers or to assess the increase in the crop yields or the additional income accruing to the farmers due to adoption of the recommended practices. This was attributed (March 1991) to shortage of staff by the Department.

Government stated (January 1992) that follow-up action was taken to the extent possible with the available staff. The details of action taken in the matter were, however, not furnished.

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REVENUE DEPARTMENT

3.3. Scheme for Cadastral Survey* in the State

3.3.1. Introduction

A scheme for the resurvey of lands in the State was sanctioned in principle by the State Government in October 1965 with technical approval of the Government of India. The scheme, formulated with the objective of updating the land records to facilitate the implementation of land reforms and collection of agricultural statistics and to ensure more effective revenue administration, was being implemented from 1966 onwards. It envisaged the resurvey of 29,267 sq. km. at an estimated cost of Rs. 15.78 crores. In view, however, of the large investment involved, Government ordered that the resurvey might be confined to the Travancore area and parts of the Malabar area where the survey records were in a bad shape. In November 1979, Government expected that following the acceptance of the proposal to increase the number of resurvey parties (which was then under consideration), the entire area of 29,267 sq. km. would be resurveyed by 1990.

The total area to be resurveyed was subsequently assessed by the Department to be 32,510 sq. km. in 1,451 villages. The resurvey involved (i) field work covering the preliminary examination of the area, measurement of the land, systematic recording of the results, etc., (ii) office work, relating to the preparation of drawings and maps, and (iii) the translation o resurvey records into revenue records.

3.3.2. Organisational set-up

The scheme was implemented under the overall control o the Director of Survey and Land Records. Since 1980, work

All abbreviations used in this Review have been listed alphabetically and expanded in the Glossary at *Appendix* 10 (Page 209).

^{*} Survey of the extent, value and ownership of land for purposes o taxation.

relating to the resurvey had been entrusted to 12 Resurvey Parties, 3 Range Survey Parties, 3 Mapping Offices and a Central Survey Office, all in charge of Assistant Directors and 38 Superintendents of Survey and Land Records. Besides, 49 new offices for the preparation of land records, headed by Special Tahsildars (PLR), had also been established progressively since 1979 (1980: 40 offices; and 1987: 9 offices) to build up fresh revenue records based on the resurvey.

3.3.3. Audit coverage

Mention was made in paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1970-71 (Civil) and in paragraph 3.7 of the Report for the year 1978-79 (Civil) of certain aspects of implementation of the scheme. A further review of the implementation of the scheme was conducted by Audit between September 1990 and April 1991 covering the period from 1979-80 to 1989-90, based on a test-check of the records of the Directorate of Survey and Land Records, Offices of five of the 12 Resurvey Parties, two Range Survey Parties, one Mapping Office, the Central Survey Office and 13 Offices of the Superintendent of Survey and Land Records and 11 PLR Offices.*

3.3.4. Highlights

-No firm schedule for the completion of resurvey operations having been prescribed at the time the scheme was sanctioned, and these should normally have been completed by 1987-88 even with reference to the annual targets, the prescribed targets fixed were not achieved in any of the years since the the commencement of the scheme, resulting in more than 32 *per cent* of the field work and 50 *per cent* of the office work remaining incomplete even after 25 years. While the full complement of staff was never employed on the work, the

* For details Appendix 5 may be referred to.

out-turn of the available personnel was also less than the norm, resulting in a net shortfall of 1,390 sq. km. in field work and 2,927 sq. km. in office work. Employment of additional manpower at a cost of Rs. 6.12 crores would be necessary to overcome the shortfall.

(Paragraph 3.3.6)

-Inordinate delay in finalising the resurvey records necessitated avoidable additional expenditure on their updating which amounted to Rs. 5.56 crores in 139 of the 720 villages where the field work had been completed as of March 1991. (Paragraph 3.3.7)

The out-turn of the Village Officers in seven Preparation of Land Records (PLR) Offices between February 1980 and May 1990 ranged between 16 per cent and 36 per cent of the out-turn prescribed by the Department, resulting in substantial under-utilisation of manpower resources. Expenditure incurred on the pay and allowances of these officers amounted to Rs. 41 lakhs during this period.

(Paragraph 3.3.8)

-An expenditure of Rs. 4.57 lakhs incurred on account of rectification works remained to be recovered as of January 1991 from the surveyors responsible for the incorrect survey.

(Paragraph 3.3.9)

-Suspension of resurvey operations in 8 offices attributable to paucity of funds, unfavourable weather conditions, non-availability of boundary stones, etc., resulted in an unfruitful expenditure of Rs. 27 lakhs on pay and allowances during the period the personnel were not gainfully engaged.

(Paragraph 3.3.10)

-Though field work in respect of 1,629 blocks had been completed as of March 1990, necessary particulars for the realisation of survey charges amounting to Rs. 478.66 lakhs in respect of 1,322 blocks only were furnished to the Revenue Department as of February 1991. The amount realised on this account upto the end of March 1991 was only Rs. 270.42 lakhs.

(**Paragraph 3.3.12**)

3.3.5. Provision of funds and expenditure

The scheme was implemented in the Plan sector upto 1985-86. Thereafter, expenditure thereon was incurred out of non-Plan funds. Expenditure totalling Rs. 105.67 crores was progressively incurred on the scheme to the end of March 1991, as against the original estimate of Rs. 15.78 crores (1964) for resurvey of 29,267 sq. km. as shown below:

	Year		Final grant	Expenditure
			(Rupees	in lakhs)
		1		
Upto	1978-79			1,755.97
	1979-80		280.35	284.50
	1980-81		376.68	372.80
	1981-82		447.79	448.58
S.	1982-83		491.56	478.25
	1983-84		569.00	604.18
	1984-85		634.05	615.00
	1985-86		674.79	721.33
	1986-87		814.43	796.27
	1987-88		961.96	921.63
	1988-89		1,073.68	1,032.17
	1989-90		1,272.05	1,158.52
	1990-91		1,412.18	1,377.91

Total

10,567.11

The amounts provided for a number of years had not been fully utilised. The shortfall in expenditure was attributed by the Department to a number of posts lying vacant.

3.3.6. Physical progress

Of the total area of 32,510 sq. km. to be resurveyed in 1,451 villages, field work had been completed only in respect of 22,173 sq. km. in 720 villages and office work in respect of 16,222 sq. km. in 555 villages as of March 1991. The year-wise details of the targets fixed and achieved as furnished by the Department are indicated below:

Year	Target	fixed	Achievement			
1 eur	Field work	Office work	Field work	Office work		
		(in sq.	km.)			
Upto 1978-79	17,737	17,737	12,590	7,495		
1979-80	2,100	2,100	1,397	1,044		
1980-81	1,800	1,800	1,333	628		
1981-82	1,800	1,800	1,280	673		
1982-83	1,800	1,800	1,257	949		
1983-84	1,800	1,800	1,315	1,070		
1984-85	1,800	1,800	955	926		
1985-86	1,800	1,800	507	704		
1986-87	1,800	1,800	614	718		
1987-88	1,800	1,800	642	613		
1988-89	••		123	546		
1989-90	••	••	86	417		
1990-91	•	••	74	439		
Total		#: 	22,173	16,222		

No firm schedule for the completion of resurvey was prescribed at the time the scheme was sanctioned. Even with reference to the annual targets, the work should have been completed by 1987-88. However, the physical targets were not achieved in any of the years since the commencement of the scheme, resulting in more than 32 *per cent* of the field work and 50 *per cent* of the office work remaining incomplete even after 25 years. In its Fifteenth Report, the Committee on Public Accounts (1973-74) had recommended, *inter alia*, that Government should take suitable measures to complete the resurvey work as early as possible especially in view of the fact that the resurvey programme would not only facilitate better and more effective administration of land revenue but also pave the way for speedier implementation of land reforms by making land records up-to-date and providing ready data on agricultural statistics.

The annual targets were based on the premise that the full complement of 1,790 surveyors and 850 draftsmen could complete 150 sq. km. of field work and office work per month. The actual strength of surveyors deployed, however, ranged between 1,090 and 1,362 and that of draftsmen between 434 and 625 during the period from 1979-80 to 1989-90. The staff deployment was still lower prior to 1979-80. The office work had also never kept pace with the field work. Further, from May 1988 onwards, the resurvey work was stopped and the entire staff were attending to updating work. These factors were mainly responsible for the shortfalls in achievement of the targets. However, calculated with reference to the available manpower during 1979-80 to 1987-88, there was a net shortfall of 1,390 sq. km. in field work and 2,927 sq. km. in office work with reference to the norm. To overcome this shortfall, employment of additional manpower costing Rs. 6.12 crores would be required.

Government stated (December 1991) that the resurvey operation required engaging of hired labourers and when the labour became costlier, there had been slackness in the progress of work. Government also stated that with the inclusion of the scheme under the non-Plan sector, there was scarcity of funds.

According to the Report of November 1987 of a Committee constituted to review the staff and equipment requirements of the Department for completion of resurvey work, a major factor responsible for the delay in the resurvey operations was the poor quality of essential instruments like theodolites. However, of the 949 theodolites possessed by the Department throughout the State, 393 were not in working condition as of March 1990. Of these, 88 were beyond repair. The defective theodolites of the Department were being got repaired by the Government Instrument Workshop, Pappanamcode. The workshop took more than a year to repair the instruments; for instance out of 50 theodolites sent to the workshop in September 1987 (20) and April 1988 (30), 34 were repaired and returned only after a year. Of the balance, 6 had not been returned after repairs even as of December 1991.

In the 555 villages (16,222 sq. km.) where both field and office works had been completed, other connected items of work such as rectification of defects, preparation of maps, etc., issue of notifications calling for appeals and publication of the final notification with reference to the provisions of the Kerala Survey and Boundaries Act, 1961, remained to be done in respect of 234 villages as of March 1991 to facilitate transfer of the records to the Revenue Administration.

3.3.7. Avoidable expenditure on updating work

Though the field work in respect of certain villages was started as early as in 1966, no effective action had been taken till 1988 to finalise the resurvey records of the villages where the field work had been completed. Delay in finalisation of resurvey records necessitated substantial updating to incorporate several changes that had taken place in the interim period in the extent and ownership of the land holdings owing to regular transactions of sale, gift, partition, etc., and due to the implementation of land reforms. Such delays noticed in 139 villages of the 720 villages in the State where the field work in respect of resurvey had been completed as of March 1991 ranged from one year to over 10 years as shown below:

Extent of delay			No. of villages	
1 to 2 years		ж.	7	
2 to 4 years			35	
4 to 6 years			15	
6 to 8 years			35	
8 to 10 years			21	
Over 10 years			26	

An expenditure of Rs. 556.47 lakhs had been incurred up o March 1990 on updating the records of these 139 villages, which could have been avoided had the Department initiated action to finalise the records soon after the completion of the ield work. Two instances of inordinate delay in updating are nentioned below:

(a) The field work in respect of the resurvey of Vellanad Village (Blocks No. 38 and 39; Area: 23.46 q. km.) was completed as early as in 1978, but the finalisation of records was taken up by the Department only in January 1990, 12 years after completion of the field work. Meanwhile, many changes had taken place in the extent and ownership of the land holdings necessitating revision of original records relating to field work. The updating work taken up in January 1990 was completed in December 1990, involving an expenditure of Rs. 1.52 lakhs.

(b) The field work relating to resurvey of Kallelibhagom Village (Block No. 14; Area: 10.12 sq. km.) started in December 1978 was completed in May 1982. The updating work in respect of this village taken up in April 1990 was completed in January 1991. The expenditure incurred on the updating was Rs. 5.12 lakhs.

3.3.8. Establishment of PLR Offices

As mentioned earlier in paragraph 3.3.2, 49 Preparation of Land Records (PLR) Offices, headed by Special Tahsildars were set up in 1980 and 1987 in order to build up fresh revenue records based on the resurvey records. The Special Tahsildars, by utilising the services of Village Officers under them, prepared the land revenue records (Basic Tax Register, *Thandapper* Register* and *Poramboke* Register**) on the basis

** Record of lands in possession of Government.

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^{*} A register containing details of ownership, extent and classification of lands, other than Government lands, in a village. Whenever changes in the ownership of land take place, the details thereof are noted in the register. Basic tax is collected with reference to the details in this Register.

of the revised survey records for being utilised for the Revenu administration. No norms were fixed by the Department fo undertaking the work till May 1987, when a uniform out-turi was fixed by the Department as shown below:

Basic Tax Register	—125 Sub Divisions/Day/Villag Officer
Thandapper Register	—200 Sub Divisions/Day/Villag Officer
	Omeer

Poramboke Register

When compared with this out-turn fixed by the Depart ment, it was noticed that the out-turn of the Village Officer was far below the prescribed norms. For instance, the wor done by the Village Officers of seven PLR offices during th period from February 1980 to May 1990 ranged between 1 per cent and 36 per cent of the out-turn fixed. Expenditur incurred on the pay and allowances of these Village Officer during the period amounted to Rs. 40.60 lakhs.

Government stated (December 1991) that work done b the Village Officers was being reviewed by the Director c Survey and Land Records and the District Collectors had bee directed to take stringent action against those Village Officer who did not achieve the out-turn fixed.

The Basic Tax Registers, *Thandapper* Registers an *Poramboke* Registers relating to 32 villages prepared by 6 of th 11 PLR offices test-checked for being handed over to th revenue administration were re-written owing to a larg number of changes subsequently made in the resurvey record on the basis of complaints from land holders, re-verificatio of field, etc., involving an additional expenditure of Rs. 6.9 lakhs. This could have been avoided had all the processor relating to the preparation of the resurvey records bee completed in all respects, prior to their being handed over t the PLR offices.

.3.9. Rectification works

According to the orders issued by Government in April 978, when it becomes inevitable to rectify mistakes detected n the course of scrutiny of records, a statement showing the cost of correction is to be prepared. When the mistake is rectified based on a fresh survey, the entire cost of such rectification should be recovered from the surveyor responsible for the incorrect urvey. In February 1981 Government also ordered that the cost on this account should be recovered within a period of two rears of the survey. A great deal of rectification was done after ield work in various blocks which indicated lack of effective upervision during field survey. Between 1979-80 and 1989-90, 8,679 surveyor days pertaining to 15 offices for which details were nade available, involving an expenditure of Rs. 5.87 lakhs, vere utilised on rectification works. Of this, only Rs. 1.30 akhs had been recovered as of January 1991, leaving an unrecorered balance of Rs. 4.57 lakhs. In the context of the specific ime limit prescribed by Government and the time lag in the completion of the office work forming the basis of such rectification, iny delay in recovery would render the amount irrecoverable on the expiry of two years.

3.3 10. Manpower utilisation

(a) During 1989-90, there were 1,362 surveyors and 525 draftsmen for resurvey work in the Department. They were treated as two different cadres for purposes of promotion, assignment of work, etc. In 1969, Government ordered the integration of these two cadres for the proper utilisation of manpower. The orders had, however, not been implemented as of December 1991.

Government stated (December 1991) that these orders could not be implemented due to resistance from Service Organisations and that it would be difficult to integrate these categories of employees in view of the expertise gained by them in their respective fields. (b) In the Office of the Superintendent of Survey and Land Records, Nedumangad, services of surveyors were irregularly utilised for clerical work for about 21 surveyor months. The Department stated (January 1991) that the surveyors were diverted for clerical work in the absence of experienced clerical staff in the office.

(c) In January 1982, Government sanctioned the post of a typist in each of the 26 offices of the Superintendent of Survey and Land Records. In 9 of these offices in respect of which details were made available, necessary typewriters were provided after two to nine years of the posting of typists. The expenditure of Rs. 4.58 lakhs incurred on the pay and allowances of the typists during the period the typewriters were not available was unfruitful.

Government stated (December 1991) that, while the typists were utilised to the extent possible, for transcribing communications manually, the Director of Survey and Land Records had been directed to ascertain the extent of delay in procuring typewriters in all the offices and the reasons therefor, and to take suitable action against those responsible for lapses, if any.

(d) According to the information furnished by 24 offices, 8,728 surveyor months were not properly utilised following suspension of the resurvey work mainly due to paucity of funds, unfavourable weather conditions, non-availability of boundary stones, etc. In 8 offices where 1,398 surveyor months were so lost, and relevant details in respect of which were made available, the expenditure incurred on the pay and allowances of the surveyors not gainfully engaged on resurvey amounted to Rs. 27.31 lakhs.

Government stated (December 1991) that the Director had been directed to examine the possibilities of utilising the services of surveyors for other purposes, when such a contingency arose in future.

3.3.11. Extra expenditure on purchases

(a) In April 1988, administrative sanction was accorded by Government for the purchase of certain survey equipment, subject to the condition that the Stores Purchase Rules would scrupulously followed in effecting the purchase. Tenders be were invited in May 1988 by the Assistant Director, Central Survey, Thiruvananthapuram, for the supply of these survey equipment which, inter alia, included 500 Metric Survey Chains and 500 Cross Staves. The lowest valid offer received for these two items was Rs. 87.40 per survey chain and Rs. 49 per cross staff from two firms outside the State. The Government Instrument Workshop, Pappanamcode, a Government Departmental Unit, quoted the price of Rs. 237 per chain and Rs. 92 per staff which, on negotiation, were reduced to Rs. 203 per chain and Rs. 83 per staff. The Department accepted the negotiated offer of the Government Departmental Unit and purchases were effected accordingly. The Kerala Stores Purchase Manual provided for a price preference of 10 per cent only to the Government Departmental units/Public Sector Industries, etc., against firms manufacturing outside State. However, the negotiated rate accepted by the Department allowed a price preference of 132 per cent for survey chains and 69 per cent for cross staves. The acceptance of the offer of the Government Departmental Unit resulted in an extra expenditure of Rs. 0.75 lakh to Government.

Government stated (December 1991) that only the Government Workshop produced samples and its tender was, therefore, accepted. A review of the files of the Directorate, however, revealed that, while the tender notification did not specically stipulate production of samples, and all the other tenders were requested subsequently in July 1988 to furnish samples, the relevant communication was, however, not addressed to the two firms whose offers were the lowest on the somewhat tenuous ground that it was not practicable to obtain samples from firms outside the State.

(b) In January 1989, the Director of Survey and Land Records sought administrative sanction to the purchase of three Xerox machines at a cost not exceeding Rs. 6.75 lakhs. In August 1989, the sole manufacturer of the machine informed the Department that the price of the machine was going to be increased from Rs. 2.10 lakhs to Rs. 2.70 lakhs with effect from October 1989. Necessary sanction for the purchase of machines was, however, accorded by Government only on 23rd September 1989. A committee constituted for the purchase decided on 29th September 1989 to follow the open tender system for the purchase of machines. Accordingly, tenders were invited in November 1989 and the only valid offer of the sole manufacturer at the rate of Rs. 2.72 lakhs was accepted in March 1990. Only one machine was purchased as reommended by the committee.

The delay in issue of administrative sanction by Government and completion of other formalities resulted in an extra expenditure of Rs. 0.62 lakh on the purchase of the machine.

Government stated (December 1991) that the manufacturer of the Xerox machine had increased the price after giving two months' notice and that it was not practicable to complete the purchase formalities within such a short period.

3.3.12. Recovery of survey charges

Under Section 6(5) of the Kerala Survey and Boundaries Act, 1961, the cost of labour employed and of the survey stones used for survey was to be recovered from the persons having interest in the land or in the boundaries of which the survey had been ordered. Further, according to Rules 96 and 97 of the Kerala Survey and Boundaries Rules, 1964, the provisional determination of the survey charges should begin as soon as the field work in respect of a specified area or block (part of a village) was completed. The provisional demands for the survey charges were to be sent to the Revenue Department for collection. Though field work in respect of 1,629 blocks had been completed as of March 1990, necessary particulars for the realisation of survey charges amounting to Rs. 478.66 lakhs in respect of 1,322 blocks only were furnished to the Revenue Department as of February 1991. The amount realised on this account up to the end of March 1991 was only Rs. 270.42 lakhs,

3.3.13. Field Inspection

Frequent inspections are essential for ensuring the quantity and out-turn of field work. The Assistant Directors, Superintendents and Head Surveyors were to supervise the work of surveyors of resurvey parties. According to the instructions issued by the Department, the Assistant Director was to undertake field inspection at least on 10 days in a month and cover the work of as many surveyors as possible. Similarly, the minimum number of days in a month to be spent for inspection of field work was 15 in the case of Superintendents and 18 in the case of Head Surveyors. The prescribed quantum of inspection was, however, not ensured by these officers. The shortfall in inspection by these personnel in the office test-checked by Audit ranged between 11 per cent and 99 per cent of the norm fixed.

Government stated (December 1991) that all the inspecting officers had been instructed to adhere to the directions issued in this regard from time to time and undertake the prescribed inspections without fail.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4. Technology Mission on Immunisation (Universal Immunisation Programme)

3.4.1. Introduction

The Expanded Programme on Immunisation (EPI) was initiated in the State in 1978. In 1985-86, the Universal Immunisation Programme (UIP) was launched for universal coverage of immunisation for infants (0-12 months) and pregnant women by 1990 and to improve the quality of services being rendered under EPI. The programme was declared a Technology Mission in 1986 to provide a sense of urgency and commitment to the goals within the specified period.

The programme was a Centrally sponsored one. It aimed at reducing morbidity and infant mortality through universal immunisation against six vaccine preventable diseases.* The UIP which covered two districts** in the State initially was extended to the whole State (14 districts) in 1988-89.

3.4.2. Organisational set-up

The Director of Health Services (DHS) was responsible for the overall implementation of the Programme, and was assisted by the State Maternity and Child Health Officer in the rank of Deputy Director. At the District level, the scheme was implemented through District Immunisation Officers. The programme of immunisation was conducted through the doctors and para medical staff attached to the Government medical institutions. There was also a Cold Chain Officer in the Directorate for the management of the cold chain.***

The abbreviations used in this Review have been listed in the Glossary at Appendix 10 (Page 209).

- * Diphtheria, Measles, Pertussis, Poliomyelitis, Tetanus and Tuberculos is (Childhood).
- ** Idukki and Palakkad.
- *** The cold chain consists of a series of transportation links during which adequate refrigeration is required to maintain vaccine potency.

1.4.3. Audit coverage

The implementation of the Programme covering the period 985-86 to 1990-91 was reviewed by Audit during February to une 1991 based on a test-check of the records of the Directorate of Health Services, six District Offices, four Medical College Iospitals, three Regional Stores, 29 Primary Health Centres PHCs) and *post partum* units of three hospitals, details of which have been indicated in *Appendix* 6.

.4.4. Highlights

- As against funds totalling Rs. 127.47 lakhs released by the Government of India for the implementation of the immunisation programme during 1986-89 and 1990-91, expenditure incurred was only Rs. 83.75 lakhs, representing a shortfall of 34 per cent.

(Paragraph 3.4.5)

-Fixation of targets for individual districts with reference to the birth and infant mortality estimates for the entire State resulted in the targets being unrealistic in view of the substantial variations in different parts of the State. Apparently the achievements reported were inflated, for an evaluation survey covering the entire State conducted during 1989-90 revealed that the maximum percentage of infants covered by immunisation ranged only between 32 and 99 as against 62 and 153 reported by the Department. (Paragraph 3.4.6)

--'The third dose of DPT and Oral Polio Vaccines administered during the years 1989-90 and 1990-91 was more than the first and second doses. The number of DPT/OPV/TT Vaccines stated to have been administered in three districts during 1986-91 was also much more than the number of vaccines issued from stores.

(Paragraph 3.4.7)

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Though vaccines were not to be stored for longer than three months in the District Stores and one month in the Primary Health Centres, these were stored for periods even beyond five months in the Primary Health Centres of two Districts Though the temperature of the Ice Lined Refri gerators containing vaccines were to be recorded twice daily, this was not done for periods ranging from 27 days to over four years in 10 institutions Four lakh doses of OPV (cost: Rs. 2.99 lakhs supplied in broken vials in March 1990 and found discoloured had not been replaced by the supplie firm as of June 1991.

(Paragraph 3.4.8

3.4.5. Financial performance

Details of the funds allocated and released by the Govern ment of India and the expenditure incurred by the State Govern ment as reported by the Director of Health Services were a follows:

Year	Amount allocated	Amount released	Expenditure
	(Rupe	ees in lakhs)	
1985-86	N.A.	1.91	Nil
1986-87	16.07	9.99	4.65
1987-88	27.32	17.00	13.20
1988-89	54.60	52.30	27.44
1989-90	50.04	25.03	36.82
1990-91	48.18	48.18	38.46

As against the releases totalling Rs. 127.47 lakhs durin 1986-89 and 1990-91, actual expenditure amounted to Rs. 83.7 lakhs only, representing a shortfall of 34 *per cent*. The reasons for the shortfall had not been explained by the Department.

N.A.--Not Available.

3.4.6. Physical targets and achievements

The following table presents details of the physical targets and achievements of the Programme under different activities during the period from 1986-87 to 1990-91:---

Year		ant women)	D	Diphtheria, Pertussis Oral Polio Vaccine Measles Tetanus			Dral Polio Vaccine			<i>B.C.G.</i>			
	Target .	Achieve- Percen- ment tage	Target	Achieve- Percen- ment tage	Target	Achieve- 1 ment	Percen- tage	Target	Achieve- ment	Percen- tage	Target	Achieve- I ment	Percen- tage
19 86-87*	2,75,000	2,48,246 90	2,25,000	1,87,337 83	2,25,000	2,02,950	90	2,25,000	90,969	40	2,25.000	1,65,96	61 74
198 7-88**	4,44,000	4,18,402 94	3,68,000	3,38,245 92	3,68,000	3,72,898	101	3,68,000	1,76,230) 48	3,68,000	3,11,25	5 85
19 88-89	6,21,000	6,57,321 106	6,03,000	5,63,388 93	6,03,000	5,85,060	97	6,03,000	3,39,49	2 66	6,03,000	5,99,70	4 99
1989-90	6,21,000	6,38,582 103	6,03,000	5,84,499 97	6,03,000	5,97,886	99	6,03,000	4,91,79	4 82	6,03,000	6,46,072	2 107
1990-91	6,23,731	6,43,001 103	5,81,837	5,90,814 102	5,81,837	6,07,516	104	5,81,837	5,43,19	5 93	5,81,837	6,56,370	113

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*Implemented in 5 districts only.

**Implemented in 10 districts only.

The targets for the State as a whole and for individual Districts were fixed by the Government of India based on an estimation of the number of pregnant women and of infants available for immunisation with reference to the projections contained in the report of an Expert Committee and available information on birth rate and infant mortality rate for the State. In view of the fact that the birth rate in different Districts of the State was not uniform, the reckoning of the birth rate for the State as a whole for fixation of targets for individual Districts resulted in fixation of unrealistic targets. In fact, the growth rate of different Districts in the State (birth rate minus death rate plus or minus migration) during 1981-91 ranged between 5 and 29 (per thousand population). The Director of Health Services also admitted in May 1991 that, in the absence of data on district-wise birth and infant mortality rates, there was every possibility that the targets assigned to some of the districts were on the higher side, and lower in certain others. The Director of Health Services had also stated that no attempts were made to ascertain the reasons for the achievements being more than the targets fixed. According to a house to house survey conducted in Ernakulam District in November 1990, the actual number of infants was only 29,920 against the target of 55,798 fixed by the Government of India for 1990-91. Against the target so fixed, the achievements reported were DPT: 53,037, OPV: 55,961, BCG: 58,659 and Measles: 45,668. This would also indicate that the achievements reported to the Government of India were on the higher side.

A vaccine coverage evaluation survey covering the whole State conducted during 1989-90 by Medical Colleges and the *Kerala Sastra Sahitya Parishad* revealed that the maximum percentage of infants covered by immunisation in the Districts ranged between 32 and 99 against 62 and 153 reported by the Department.

IDEAL NATIONAL IMMUNISATION SCHEDULE

FOR WHOM

Pregnant Women

Infants (Un**d**er One) WHEN (Age) At 4 months (16 weeks)

At 5 months (20 weeks)

At birth

 $1\frac{1}{2}$ months (6 weeks)

 $2\frac{1}{2}$ months (10 weeks)

 $3\frac{1}{2}$ months (16 weeks)

WHAT

 TT_1

TT₂ or Booster

BCG vaccination

 DPT_1, OPV_1

 DPT_2 , OPV_2

DPT₃, OPV₃

9 months

18–24 months 18–24 months 5 to 6 Years 10 Years Measles vaccination

DPT Booster OPV Booster DT TT

This is the ideal recommended schedule. The interval between he first DPT, OPV and the second should be at least one nonth. Similarly, the interval between the second DPT, OPV nd the third should be at least one month. Should there be a elay in giving any of the vaccinations to any infant they should ill be given all vaccinations at the earliest opportunity. t is important that every attempt should be made to complete chedule before the infant is 1 year old.

If a pregnant woman reports earlier than 4 months the TT ijections must be started. If she has had TT injections before, in needs only a Booster dose, which should be reported as T_2 Booster.

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Over One)

3.4.7. Vaccination programme

Under the UIP, each infant was given three doses of DPT and OPV and one dose each of BCG and Measles vaccines before attaining the age of one year. According to the National Immunisation Schedule for vaccination, while the first dose of DPT/OPV was to be given one and a half months after birth, the second and third doses were to be given at an interval of one month each thereafter. A percentage of drop out cases was also expected between the doses of DPT/OPV. It was, however, found during review that the third dose of DPT/OPV vaccine administered during the years 1989-90 and 1990-91 in the State was more than the first and second doses as shown below:

		1989-90	1990-91
		(infants in	lakhs)
Diphtheria, Pertussis, Tetanus	First dose	5.55	5.82
	Second dose	4.89	5.85
1	Third dose	5.15	5.88
Oral Polio Vaccine	First dose	5.16	6.06
W Heg	Second dose	5.37	5.75
	Third dose	5.83	6.09

This was notwithstanding the fact that the vaccine coverage evaluation survey conducted in 1989 in various districts had pointed out an average drop out rate of 5 to 12 *per cent* between the various doses of OPV/DPT.

In Thiruvananthapuram District, the vaccination performance during March 1989 (between 14,429 and 15,828 for the three doses of DPT and between 12,575 and 14,044 for three doses of OPV) showed a highly inflated figure with reference to the average vaccine performance during other months of the year (between 4,514 and 5,026 for the three doses of DPT and between 4,315 and 4,966 for the three doses of OPV).

Unutilised quantity of vaccine at the end of a session was discarded and a maximum wastage of 50 *per cent* for Measles vaccine and 25 *per cent* for other vaccines was also allowed. In three Districts test-checked, it was found that the DPT/OPV/TT vaccines stated to have been administered (1.56 lakh to 2.99 lakh doses) were much more than the vaccines issued (1.09 lakh to 2.61 lakh doses) from the stores during 1986-87 to 1990-91 and that there was also no wastage. The reasons for the wide variation had not been clarified (February 1992).

3.4.8. Provision of infrastructure

(a) Cold chain-monitoring and maintenance

The vaccines used for immunisation were to be kept at safe temperatures between plus 2°C and plus 8°C. In order to ensure that the vaccines retained their potency till they were administered on infants, the Government of India had provided cold chain equipment. With a view to monitoring and co-ordinating the various activities under the cold chain system, the post of a Cold Chain Officer was created in March 1987.

The cold chain consisted of a series of transportation links during which adequate refrigeration was required to retain vaccine potency. The vaccines were to be transported from the point of manufacture to the point of administration in the cold chain equipment. It was, however, seen that DPT/DT/TT vaccines supplied to the State by the manufacturer in Coonoor were delivered to the Regional Stores at Kozhikode, Kochi and Thiruvananthapuram without any cold chain arrangement. The Director of Health Services stated (June 1991) that transportation from the manufacturer to the first supply point without cold chain arrangement would only affect the shelf life of the vaccines and not their potency and that the vaccines were used before one-third of their shelf life had expired. According to the Module on 'Manage the cold chain system' published by the Government of India (1989), one of the objectives of good vaccine handling was to minimise the period of time in which any vaccine remained in cold chain stores without being used. The risk of cold chain failure increased as the vaccine moved along the cold chain from the manufacturer to the mother or the child receiving it. Since the vaccines were safe at the specified temperature for four months at least, it had been recommended that the vaccine be stored no longer than three months in the District Stores and one month at the Primary Health Centre. Vaccines were, however, stored in the Primary Health Centres of two Districts for periods in excess of five months. The potency of these vaccines were also not subjected to any tests.

According to the instructions issued by the Government of India, the temperature of the Ice Lined Refrigerator (ILR) used for the storage of vaccines should be recorded twice daily. A break in the cold chain was indicated if the temperature rose above plus 8°C or fell below plus 2°C. A scrutiny of the refrigeration temperature records of the PHCs test-checked revealed that the temperature was not recorded on certain days in 10 The number of days for which temperatures were institutions. not recorded ranged from 27 days to more than four years in these institutions during the period from April 1986 to November 1990. There were also instances where the vaccines continued to be stored in the ILR though the temperature was outside the recommended range. In one PHC, temperature readings were not recorded for more than four years due to non-supply of dial thermometer.

According to the staffing pattern approved by the Government of India, a Refrigeration Mechanic was to be appointed in each of the 14 districts. However, due to the delay in framing recruitment rules for the post, no Refrigeration Mechanic was appointed on a permanent basis. The posts were filled through employment exchanges for periods not exceeding six months. There were also instances when the posts were not filled up for periods ranging from 2 to 28 months in two Districts. Arrangements made for maintenance and repairs on such occasions had not been furnished by the District Officers.

(b) Vaccine and other supplies

The vaccines supplied to the Regional Stores were distributed to the District Stores and thereafter to the PHCs concerned. Test-check of the stock accounts maintained in all the three Regional and six District Stores and the PHCs test-checked revealed the following:

(i) Though the date-wise issues of vaccines were to be recorded in the stock registers, omissions in this respect were observed in the PHCs of three Districts test-checked.

(ii) Accounts relating to wastage were not maintained in 12 PHCs.

(iii) Delays in accounting and instances of non-accounting of vaccines as well as issue of OPV even when the closing balance as per the stock register was nil was noticed in one District Store. Issue of 3,100 doses of OPV to three institutions in September and October 1990 was accounted for in the stock register after delays of over one month to four months. Further, issue of 5,800 doses of OPV/DPT to ten institutions during the period December 1989 to March 1991 was not accounted for in the stock accounts.

(1v) According to the guidelines of the Government of India, vaccines from open vials should be discarded at the end of the session. In two PHCs, however, partly used vials were taken back to stock at the end of an immunisation session.

(v) The Regional Stores, Kozhikode, received four lakh doses of DPT vaccine in December 1987, which were due to expire in July 1988. Of these, 68,510 doses (cost: Rs. 0.41 lakh) supplied to the District Stores, Kozhikode, (19,840 doses) and retained in the Regional Stores (48,670 doses) could not be utilised before the period of expiry.

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(vi) Four lakh doses of OPV (cost: Rs. 2.99 lakhs) were supplied to the Regional Stores at Ernakulam by a Bombay firm in March 1990 under DGS&D rate contract. The supply consisted of 400 boxes of 50 vials each. On opening 100 boxe at the Regional Stores, it was found that the vaccine was dis coloured and 80 *per cent* of the vials were broken. The vaccine in the remaining 300 boxes was not checked. The decomposition of vaccine and breakage of vials were reported to the Government of India and the firm in March 1990 with a request to replace the entire quantity of the vaccine. The vaccine had not, however, been replaced as of June 1991.

3.4.9. Surveillance

Surveillance is the collection of the data about cases o target diseases and the use of the data to improve action to prevent these diseases. The details of target diseases occurring in the jurisdiction of each District were shown in the monthly reports of UIP and also in the Monthly Health Condition (MHC reports furnished by the District Offices to the DHS. The details in regard to cases of attack and death shown in these reports varied and also varied from the figures furnished to the Government of India by the District offices. Instances of such variations noticed during 1989-90 are furnished below:

Disease		Figures as per UIP report		Figures as per MHC report		Figures reported to Government of India	
land a second second	Attack	Death	Attack _	Death	Attack	Deat	
Pertussis	703	4	8,575	9	333	- 1	
Tetanus (NN)	4	1	25	3	36	:	
T.B.(C)	2,251	4	55,362	300	1,713	1	
Measles	11,097	6	23,156	3	9,551	1	

Such variations would indicate that there was no proper monitoring to assess the effectiveness of the immunisation activities and to identify problems.

3.4.10. These points were brought to the notice of Govern ment in September 1991; their reply had not been received (February 1992).

GENERAL EDUCATION DEPARTMENT

3.5. Vocational Higher Secondary Education

Vocational Higher Secondary Education (VHSE) was launched in Kerala State in 1983-84. The main objective of the scheme was that, on completion of the course, the students would acquire the necessary skill and abilities in their chosen vocation, which would enable them to be directly employed or to seek self-employment. At the same time, the students would also be enabled to continue their studies in arts and science courses or in professional courses. The scheme, initially introduced in 19 institutions in 1983-84, was extended to 156 institutions from 1990-91, involving 40 different trades of specialisation (subjects). Each institution offered studies in two disciplines and had an annual intake capacity of 25 students per course. During 1990-91, 10 such institutions, however, offered studies in three disciplines, while 12 others offered four disciplines with an intake capacity of 25 students per course.

The scheme, launched initially in the State sector, was approved as a Centrally sponsored scheme by the Government of India in September 1988. As against the budget provisions totalling Rs. 11.23 crores during the period from 1986-87 to 1990-91 and Central assistance totalling Rs. 8.03 crores (1988-89 to 1990-91), expenditure of Rs. 8.30 crores was incurred on the scheme during the five-year period.

The implementation, control and co-ordination of the scheme were vested with the Director of Vocational Higher Secondary Education. The State Council of Vocational Education constituted in August 1989 by the State Government functioned as the policy making and co-ordinating body for the scheme in the State. A Board of Vocational Higher Secondary Education was also set up in August 1989 for the preparation of the curriculum and the syllabus, conduct of the examination and certification and staff training.

Points arising out of a scrutiny by Audit of records relating to the implementation of the scheme during the period from 1986-87 to 1990-91 in the Directorate of Vocational Higher Secondary Education, the Regional Office at Vadakara and 43 of the 156 institutions are mentioned in the following paragraphs.

(a) Physical targets and achievements

The scheme was launched in the State without preparing a detailed project report indicating the phasing of the programme, targets to be achieved, financial commitments that would be involved, future of successful students, etc. It was only towards the end of the year 1987 that the targets fixed by the National Policy of Education in 1986 were adopted. The National Policy envisaged coverage of ten per cent of the higher secondary school students by 1990. There were 1.5 lakh students in the State seeking admission to the higher secondary (plus two) level every year, and the targets envisaged in the National Policy of Education was proposed to be achieved in a phased manner, covering 15,000 students by the year 1990. However, the scheme could provide admission in vocational courses to only 5,000 students in 1989-90 and 8,650 students in 1990-91. Details of the annual targets indicated in the Action Plans prepared by the Department of Vocational Higher Secondary Education for 1987-91 and the achievements thereagainst were as follows:

Year-	Target as	per Action	Plan		Ac	chievements		Short-
	5	Number of schools having 4 courses with a total strength of 100	intake	of schools	ols having 3 courses with a total	Number of schools having 4 courses with a total strength of 100	Annual intake capacity	fall
10 A.	students	students		students	students	students	× .	
1986-87	73	••	3,650	73	•••••		3,650	
1987-88	50	50	7500	73	· . · ·		3,650	3,850
1988-89	50	100	12,500	.73			3,650.	8,850
1989-90	25	125	13,750	100			5,000	8,750
1990-91	••		15,000	134	10	12	8,650	6,350

The Director, VHSE, stated (October 1991) that as there were no facilities to start four courses in the institutions selected, the full complement of courses as envisaged in the Action Plans could not be started. This does not, however, explain why argets were continued to be fixed for four courses in the selected nstitutions in the absence of the required facilities. The Director added that the shortfall in achievement was attributable to the lelay in sanctioning the VHSE courses by the Central and State Governments and to the fact that students sought admision to these courses only as a last resort in case they were unable to secure admission to the Pre-Degree and Higher Secondary courses.

In 40 of the 43 institutions test-checked, only 6,516 students were admitted during the period from 1986-87 to 1989-90 as against the total intake capacity of 7778 students. Of these, 335 students (13 per cent) dropped out without completing the courses.

Admission to the courses was restricted to those students who had secured 40 *per cent* marks in science subjects in the uggregate in the qualifying examination. The minimum requirement was, however, lowered to 35 *per cent* from the academic *rear* 1988-89 to attract more students so as to sustain the courses n some of the institutions. Though the Department claimed hat admissions were made only on the basis of the preferences and aptitude of the applicants, such conditions were, however, not being insisted upon according to the heads of the schools test-checked.

In order to help secure employment to the successful tudents, the Action Plans contained a number of proposals uch as (a) the establishment of a placement and training centre n the Directorate to provide the students a reasonable opportuity of worthwhile employment and apprenticeship training and (b) the opening of an entrepreneurship and self-employment entre in the Directorate. These centres could not, however, be stablished due to the necessary personnel not being sanctioned by Government. Further, the National Policy of Education specified that the Government would take special steps to cater to the needs of women, rural and tribal students and the deprived sections of the society. Appropriate programmes were also to be started for the handicapped. No steps had been taken to achieve these goals as of February 1991. The Director stated (November 1991) that, while a VHS school had since been started for the handicapped at Kozhikode, proposals for starting such schools for women, rural and tribal students were awaiting the sanction of Government.

(b) Assessment of employment opportunities

In November 1978 and February 1979 Government had constituted a committee to undertake surveys in some districts to determine the employment opportunities for those joining vocational courses. Following detailed surveys from April 1979, the committee had recommended the introduction of courses only in seven disciplines which had the necessary employment potential. The committee had also identified suitable institutions for such courses. Contrary to the recommendations of the committee, Government, however, introduced courses in 27 disciplines in the first year, the number of disciplines being increased subsequently to 40 by 1989-90.

In September 1988, Government of India sanctioned a grant of Rs. 2.10 lakhs for conducting a vocational survey in the 14 districts of the State. The specific objectives of the survey were to estimate the employment potential available in different economic sectors, trend of emerging vocations in the foreseeable future and avenues for self-employment, etc. The survey was to be completed and the report published in November 1989 and January 1990 respectively. The officer posted for the purpose, however, joined duty only in December 1989 and the other personnel during January-March 1990. It was reported by the Director in October 1991 that the survey was expected to be completed and the report published by the end of 1991.

(c) Criteria for selection of institutions and allotment of courses

A committee constituted in October 1982 for the introduction of vocational courses at the higher secondary level had opined in April 1983 that only such courses relevant to the area should be introduced having regard to the availability of training and instructional facilities and potential mainly for self-employment. Further, according to a decision taken in April 1987 in a conference arranged by the Government of India, guidelines issued by the Joint Council for Vocational Education were to be followed in the selection of institutions for vocational courses. The State Governments were also to constitute a team of experts for selecting such institutions. While the team was not constituted as envisaged, the guidelines relating to the availability of a reasonably large campus in the institutions to allow expansion, reasonable building and teacher support and proximity between the selected institution and other collaborating agencies were also not adhered to. Thirty institutions were selected by the Director in March 1989 on the basis of requests received from Members of the Legislative Assembly and Parent Teachers Associations of the institutions concerned. The heads of these institutions were first informed of the selection and of the courses allotted to them and they were then asked to indicate their willingness to assume the responsibility for the courses and the acceptability of the trades allotted. In the process, the vital information about the suitability of the trade to that area was not ascertained. Further, proximity between the Institutions and the collaborating agencies was also not ensured; the students in seven schools had to be taken to institutions at distances of 9 to 40 kilometres for practical training.

(d) Infrastructural facilities

(i) Accommodation

The Commissioner for Educational Development and Research (Member-Convenor of the Committee constituted in October 1982) had instructed the heads of the institution concerned in August 1983 to set apart space equivalent to four class rooms for the VHSE courses. The Director of VHSE, however, reported in June 1988 that space to accommodate the class rooms and laboratories was scarcely available in 23 of the 73 schools. Library facilities could not be provided in one institution, while laboratories could not be set up in two other institutions in the absence of the necessary accommodation. The Government Regional Fisheries Technical High School, Arthinkal, was accommodated in thatched shed and the laboratory equipment and consumables were dumped in the headmaster's room. In the absence of proper laboratory facilities, the practical classes were conducted in the open verandah or in the open courtyard by the institution.

In March 1989, the Government of India sanctioned a grant of Rs. 150 lakhs for the construction of 100 work sheds intended for 200 courses in 100 schools. Though the amount was released in April 1989, the State Government decided to entrust the work to the Kerala State Construction Corporation Limited (a Government Company) only in September 1989. There was further delay up to May 1990 in identifying the institutions. Though the sheds were to be constructed in 100 institutions, only 72 institutions were selected and intimated to the Company. Whereas the sheds in these institutions were to be completed by November 1990, the Company had constructed only 40 sheds as of October 1991, and work in respect of the remaining 32 sheds was in progress.

(ii) Facilities for practical training

In 1989-90, there were 64 courses in various branches of agriculture in 33 institutions. None of these schools had a properly maintained agricultural demonstration plot where students could practice various agricultural operations. Though the Director of VHSE had directed all the schools concerned in October 1989 to utilise about 30 to 50 cents of land of the school for the purpose, none of the schools test-checked maintained a plot owing to non-availability of land, irrigation facilities, protective fencing, etc. In the Technical High School, Kannur, due to non-procureient of six items of essential equipment for the 'Ceramic Techology' course, practical training as envisaged (250 hours in he first year and 180 hours in the second year) could not be onducted. The course was, therefore, discontinued from 990-91.

In Government High School, Narakkal, courses in Aquaulture and the operation and maintenance of marine engines vere introduced in 1984-85. The syllabus for the latter course nvisaged familiarisation with the dismantling, identification f parts, assembly and installation of the engines and their ystems, and the diagnosis and rectification of faults. Though ve batches of students had completed the course, the instituion was yet to be provided with a marine engine and the students vere being taken to the Fishermen's Training Centre, Thevara, t a distance of 20 kilometres, where only limited facilities were vailable. Because of the limitations, as against 440 hours rescribed in a year, only 58 hours to 203 hours of practical raining could be provided annually during the period from 985-86 to 1989-90. Consequently, the course on Marine Engines was discontinued from 1990-91.

Maintenance and repairs of automobiles was the field of pecialisation in five technical high schools. One jeep was lready provided to each of four schools in 1984 and 1985 nd the course was started only in 1990-91 in the fifth chool. Though the vehicles were intended exclusively or practical training in dismantling, reassembling, servicing, tc., test-check of the entries in the log books in three of the schools Krishnapuram, Kunnamkulam and Vadakara) revealed that he jeeps were entirely used for official trips of the Superintenlent and other officers of the Department and were seldom used or imparting practical training to the students.

In order to equip the automobile workshop, the Superinendent, Junior Technical School, Kunnamkulam, purchased in old bus in January 1986 at a cost of Rs. 0.35 lakh. The bus vas kept unused in an open yard of the school without even providing a shed to protect it from the elements. The Superinendent of the school stated (December 1990) that action would 102/9102/92/MC. be taken to dismantle the vehicle for a study of the parts, a and when a shed was made available. The construction o shed had not commenced as of October 1991.

(e) Allocation of time for vocational subjects

The vocational courses were so designed as to allot 50 per cen of the total instructional time for the teaching of vocationa subjects. This was not adhered to in most of the institutions and the duration of the vocational subjects ranged from 2 per cent to 34 per cent of the total instructional hours in 25 of the 59 school which had reported these details to Audit.

The curriculum for the second year included 80 hours se apart for classes on entrepreneurial and management skill and guidance classes in the respective vocations. While thes classes had not been introduced in six schools, the classes wer conducted in 20 other schools during 1984-85 to 1989-90 fo durations ranging from 12 per cent to 54 per cent of the dura tion prescribed.

(f) Training of teaching staff

The Action Plan required that the lecturers in differen vocational subjects should be sent for short-term training in institutions such as the National Council for Educational Research and Training, Technical Teachers Training Institute, etc. Whil no lecturer was sent for training, the offer made by the latte in August 1986 to train teachers was not availed of by the Depart ment on the plea that such training could not be extended to the teaching staff who were either on deputation from othe departments or had been employed only provisionally.

Government stated (February 1992) that all the VHS pass outs in Animal Science were given training as Livestock Assist ant and that on completion of the period of training, they would be absorbed in the Department of Animal Husbandry. Thos who had acquired the certificate in ECG and Audiometric Techni cian course were eligible to get appointment in the Health Service Department. Government also added that about 700 places had been identified for placing the VHS pass-outs for training unde the Apprenticeship Act.

FINANCE DEPARTMENT

3.6. Unproductive expenditure on pay and allowances

A banking sub-treasury was started at Mundakayam in May 1983 without constructing a strong room, in the absence of which the activities of the treasury were confined only to the passing of bills for payment through a nationalised bank. In September 1983, Government sanctioned the post of a treasurer (mainly responsible for handling cash) for the treasury and the post was filled up in December 1983. Since the treasury was not responsible for any cash transactions, and the responsibility for the scrutiny and passing of bills presented at the sub-treasury was that of Junior Accountants, the Treasurer had no assigned work in relation to the specific responsibilities attached to his post during the period from December 1983 to December 1990, when he was transferred. Expenditure aggregating to Rs.1.23 lakhs incurred on his pay and allowances from December 1983 to December 1990 was, therefore, largely unproductive.

Similarly, a Treasurer was also retained at the District Treasury, Kottarakkara, from August 1984 to October 1991, though the treasury had not conducted any cash transaction during this period in the absence of a strong room, resulting in an unproductive expenditure of Rs.1.47 lakhs on his pay and allowances.

Government sought (November 1991) to justify the retention of both the posts on the ground that the incumbents were engaged in the operation of transactions relating to a savings scheme, issue of cheque books, tokens, etc., necessitated by dearth of staff in the treasury and the sub-treasury, and added that the payment of the special pay attached to the posts had been discontinued. Apart from the fact that these transactions were only nominal and should not have been undertaken in the absence of a strong room, this factor by itself did not justify the retention of the treasurers, whose functional responsibilities were clearly defined.

INDUSTRIES DEPARTMENT

3.7. Idling of staff and machinery

In July 1961, Government sanctioned the establishmen of a Foundry Service Centre at Thrissur during 1962-63 with a view to providing quality control facilities for the foundry industry on a no profit no loss basis. The Centre, however started functioning only in 1970 as the selection of site, purchas of machinery and posting of staff were delayed. A total invest ment of Rs.2.70 lakhs was made in the Centre*. The machiner and equipment were installed between 1963 and 1971.

The Centre mainly assisted the foundry industry in testing the quality of its raw materials on payment of the prescribed fees While details of tests conducted from 1970-71 to 1982-83 wer not made available, the number of tests conducted during th period from 1983- 84 to 1986-87 ranged from 255 to 367. Sub sequently, only 38 tests were conducted up to October 198 and no testing was done thereafter due to defects in the equip ment, vacant posts, absence of spares and trained staff and lac of demand. Since no services were rendered by the Centr beyond October 1987, the entire staff and the machinery an equipment were not gainfully utilised. Consequently, an expendi ture of Rs.6.12 lakhs incurred on the pay and allowances of th idle staff for the period from November 1987 to December 199 was largely infructuous.

Government stated (December 1991) that the question c revival of the Centre was considered in August 1991 and that proposal for handing over the Centre to the National Smal Industries Corporation for the establishment of a training centr was under consideration.

* Land: Rs.0.08 lakh; building: Rs.1.01 lakhs and machiner and equipment: Rs.1.61 lakhs.

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HOME DEPARTMENT

3.8. Irregular payment of Permanent Travelling Allowance

In November 1989, Government issued orders enhancing the rates of Permanent Travelling Allowance payable to the Sub-Inspectors, Assistant Sub-Inspectors, Head Constables and Constables of the Police Department. The enhanced rates were to take effect from December 1989.

Test-check of the pay bills of four offices* of the Police Department revealed that Permanent Travelling Allowance at the enhanced rates was irregularly drawn from July 1988 onwards itself and that arrears for the period from July 1988 to November 1989 were credited to the General Provident Fund Accounts of the employees concerned. This resulted in over-payments totalling Rs.8.32 lakhs** in the four offices, which were pointed out by Audit during February - March 1991.

While the facts were confirmed by Government in October 1991, the Superintendents of Police, Idukki, and Thiruvananthapuram Rural furnished the relevant details to the Accountant General (Accounts and Entitlements) to facilitate necessary adjustments of the amounts incorrectly credited to the Provident Fund Accounts of individual subscribers. In Kollam District, the necessary adjustments could not be made by the Accountant General as of February 1992 in the absence of further particulars called for, which had not been furnished by the Department.

The Department was, however, yet to initiate action as of February 1992 for the withdrawal of the incorrect credits totalling Rs.0.55 lakh from the Provident Fund accounts of personnel in the other office. Information about similar overpayments in the remaining offices of the Department, requested by Audit in April 1991, had also not been furnished as of February 1992.

* District offices of Idukki, Kollam and Thiruvananthapuram Rural and the Directorate of Vigilance Investigation, Thiruvananthapuram.

** Idukki: Rs. 2.44 lakhs, Kollam: Rs. 2.19 lakhs, Thiruvananthapuram Rural: Rs. 3.14 lakhs and Directorate of Vigilance Investigation: Rs. 0.55 lakh.

Nie.

FOREST AND WILD LIFE DEPARTMENT

3.9. Forest Advances and Forest Miscellaneous Advances

The Kerala Forest Code empowers Forest Officers not below the rank of Divisional Forest Officers to provide subordinate disbursing officers with funds within prescribed limits (Divisional Forest Officer: upto Rs. 15,000; Conservator of Forests: upto Rs. 25,000; and Chief Conservator of Forests: upto Rs. 50,000) for incurring departmental expenditure by charging the amount to "Forest Advances". Ordinarily every advance is to be cleared within 30 days of its issue, failing which the Divisional Forest Officer is to institute necessary action against the concerned disbursing officers.

As at the end of March 1991, 54 of the 82 Forest Division in the State had balances aggregating to Rs.274.88 lakhs under the head "Forest Advances", a broad analysis of which is indicated below:

Amount of each Divis	advances outstanding in ion		Number of Divisions	Total amount (Rupees in lakhs)
Up to	Rs. 1 lakh		22	6.02
Between	Rs. 1 lakh and Rs. 5 lakhs	a.	18	53.34
Between	Rs. 5 lakhs and Rs. 10 lakhs		3	20.79
Between	Rs. 10 lakhs and Rs. 20 lakhs		8	115.92
Between	Rs. 20 lakhs and Rs. 30 lakhs		2	43.57
Above	Rs. 30 lakhs		1	35.24
е	Total	1	54	274.88

A further analysis of such information as was made available in this regard by some of the Divisions concerned revealed the following:

(a) Some of the outstanding advances related to the year 1977-78 and earlier.

(b) An amount of Rs.4.73 lakhs was pending recovery in 6 Divisions from 26 persons who had been transferred to other offices (Rs.4.47 lakhs) and from 9 persons who had retired from service (Rs.0.26 lakh).

(c) In one case, an amount of Rs.3.09 lakhs was outstanding against a Range Officer from March 1985.

Any amount disallowed from vouchers submitted by the disbursing officer is debited to the head "Forest Miscellaneous Advances" in the accounts of the Divisional Forest Officer for watching its eventual settlement. As at the end of March 1991, Rs.168.83 lakhs were outstanding under "Forest Miscellaneous Advances" in 47 of the 82 Divisions as shown below:

Amount per each Divisi	nding settlement in on	Number of Divisions	Total amount (Rupees in lakhs)
Upto	Rs. 1 lakh	8	2.17
Between	Rs. 1 lakh and Rs. 5 lakhs	28	83.67
Between	Rs. 5 lakhs and Rs. 10 lakhs	. 9	60.13
Above	Rs. 10 lakhs	2	22.86
	Total	47	168.83

While some of the pending items related to the year 1977-78 and earlier, the outstandings also included Rs.5.04 lakhs pending settlement in 8 Divisions in respect of 22 persons who had either expired or had retired from service. A sum of Rs. 22.08 lakhs was outstanding in 7 Divisions against 46 persons transferred to other offices.

Retention of heavy balances under advances entails the risk of monies due to Government not being realised as recoveries become difficult with the passage of time. There is also the possibility of misclassifications, irregularities, losses, misappropriations, etc., remaining undetected.

In reply to a reference pointing out large balances under "Forest Miscellaneous Advances" in one Division, Government stated (February 1991) that the Association of Rangers had strongly protested against extreme steps being taken for the recovery of the outstanding advances and that the matter was being looked into carefully to find a way out of this serious situation without antagonising the staff.

GENERAL

3.10. Misappropriations, losses, etc.

One hundred and ninety four cases of misappropriations, losses, etc., involving Government money (Rs.77.99 lakhs) occurred till the end of March 1991 and reported to Audit were pending finalisation at the end of September 1991. This included 8 cases where the monetary value of loss/misappropriation had not been assessed. Department-wise details of the cases are given in *Appendix* 7. Year-wise analysis of the outstanding cases is given below:

lakhs)
9.95
3.92
5.91
2.46
8.80
5.95
7.99

A broad analysis of the reasons for pendency is furnished below:

Particulars	Number of cases	Amount (Rs. in lakhs)
(i) Awaiting departmental and crimina investigation	al 56	16.62
(ii) Departmental action started, but n completed	ot 56	35.06
(iii) Awaiting orders for recovery/ write off	54	15.33
(iv) Pending in courts of law	28	10.98
Total	194	77.99

According to the information received by Audit, sanctions were issued by various authorities during 1990-91 ordering the write off of Rs.11.72 lakhs in 214 cases and waivers amounting to Rs.60.58 lakhs in 7 cases. Department-wise details are given n Appendix 8.

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CHAPTER IV

WORKS EXPENDITURE

IRRIGATION DEPARTMENT

4.1. Construction of an aqueduct-cum-road bridge

The construction of an aqueduct-cum-road bridge at Parass inikkadavu across the main canal of the Pazhassi Irrigation Project was sanctioned by Government in July 1980. In order to facilitate speedy execution, the work was split into two parts Part I from chainage 42038 to 42281 metres covering the first ' spans (estimated cost: Rs.120.40 lakhs) and Part II from chainag 42281 to 42548 metres covering the remaining 10 spans (estimated cost: Rs.145.40 lakhs). Contracts for the two parts were awarded in September 1983 to two contractors 'A' and 'B' at a cost o Rs. 113.33 lakhs and Rs.145.99 lakhs respectively. The worl was to be completed within a period of 30 months; this wa subsequently extended up to September 1987 (Part I) and Jun 1987 (Part II).

(i) After executing a portion of the work and receivin payment of Rs. 63.81 lakhs, Contractor 'A' suspended the wor in June 1987. As he did not resume the work notwithstandin the issue of several notices, the contract was terminated i March 1989 at his risk and cost. The balance work was awarde to Contractor 'B' in July 1990 at a cost of Rs. 77.22 lakhs fo completion within 18 months. The work was in progress as c June 1991.

Audit scrutiny revealed the following:

(a) The original agreement provided for formation of on island only at a cost of Rs. 0.09 lakh plus tender excess of 9 p_{i} cent. A supplementary agreement was, however, executed i November 1984 providing for the formation of five islands at

total cost of Rs. 2.81 lakhs to facilitate the sinking of wells for 5 of the 9 piers. Of these, only three were formed at a cost of Rs. 1.84 lakhs. The Superintending Engineer had admitted in August 1985 that the scope of the work relating to the formation of the island had to be completely revised due to the erroneous indication of the low water level in the approved plan forming the basis of the detailed estimates.

Apart from the erroneous indication of the water level nitially, which necessitated certain changes in scope, that only hree islands were ultimately formed would indicate that the issessment of the requirements of islands was defective even after he error in the water level was detected. Had the requirements of islands been correctly assessed *ab initio*, these could have been ormed at a cost of Rs. 0.09 lakh per island plus the tender excess igreed upon in the original agreement. Failure to do so resulted n an avoidable additional expenditure of Rs. 1.53 lakhs.

Government stated (November 1991) that the scope of the work had undergone a complete change due to the difference in the low water level shown in the approved plan.

(b) In June 1987, a tilt in the wells of the seventh pier vas noticed which exceeded the limit prescribed by the Indian Standard Specification. Following investigations, the Lal Bahadur Sastri Science and Technology Centre, appointed as consultants for the purpose, expressed the view that the possibility of rectifying or straightening the tilted wells was remote and that, even if some rectificatory measures were to be taken, these would cost about Rs. 4 lakhs. No specific reason for the tilt had been idduced by the Department. A final decision on the measures necessary to rectify the defect had also not been taken as of June 1991.

Government stated (November 1991) that a proposal for ectifying the tilt in the wells of the seventh pier had been received rom the Superintending Engineer in October 1991, and that a decision on retaining or abandoning the wells could be taken only after undertaking the works recommended by him and observing the results. While the tilt in the wells had not consequently been rectified a shift in the position of the eighth pier was also noticed in November 1990, resulting in a variation of the span between th 7th and 8th piers as well as the 6th and 7th piers and in th span exceeding its designed length. The Chief Engineer had held in February 1991 that it would be necessary to be reassured about the safety of the structure and the design based on a detailed examination.

(c) At the time of suspension of the work in June 1987 materials valued at Rs. 10.43 lakhs issued to Contractor 'A' wer not returned by him. Nevertheless, further payments totalling Rs. 15.59 lakhs for work executed earlier by him were made in August and October 1988 without adjusting the cost of thes materials.

The liability of the first contractor was determined by th Department in March 1990 as Rs. 25.41 lakhs (risk and cos execution: Rs. 16.08 lakhs; cost of unreturned departmenta materials and penal cost thereon: Rs. 10.43 lakhs and retention and other monies available with the Department: Rs. 1.10 lakhs) While the amount had not been recovered as of June 1991, the contractor had in the meantime, filed a case in a court in Jul-1989 claiming compensation of Rs. 43.93 lakhs on various grounds which was pending disposal.

Government stated (November 1991) that action was being taken separately for the recovery of the amount due from th contractor.

(ii) The agreement with Contractor 'B' in respect of Par II provided for different rates for the concreting of the botton slab, beams and deck slab. In June 1984, however, the Depart ment entered into a supplemental agreement substituting th rates for these three items by a single rate. This was on th ground that, on a detailed examination of the site, appreciabl differences from the conditions of the river bed mentioned in th approved plan were observed, which necessitated revision of th centering work in conformity with the actual site conditions Though the changes involved an additional financial commitmen of Rs. 42 lakhs, the approval of Government was not obtained The substitution of the rates for concreting by a single uniform rate was not justified in view of the fact that the Notice Inviting Tenders had specifically stipulated that the tenderers should inspect the site and study the plans and specifications before submitting their offers. Further, according to the Madras Detailed Standard Specifications, forming a part of the agreement, the form work and the centering were to be clearly designed by the Contractor and got approved by the Department. In the circumstances, the payment made to Contractor 'B' in terms of the supplemental agreement for 848.13 cubic metres of concreting was unauthorised and irregular and resulted in an excess payment of Rs. 15.45 lakhs.

Based on complaints alleging irregularities in the execution of the work by Contractor 'B', Government had ordered in March 1987 that payments at the enhanced rates for concreting should not be made to the contractor. Contractor 'B' therefore, suspended further work in July 1987 after completing the deck slab of seven of the ten spans and receiving payments totalling Rs. 135.12 lakhs. He also filed a case in the High Court against the Government decision not to allow enhanced rates for concreting.

While the case was pending, an inspection of the work executed by the contractor was undertaken by the Chief Technical Examiner at the instance of Government. In his report, submitted in January 1988, the Chief Technical Examiner had pointed out that two-stage centering, instead of three-stage centering provided in the agreement, had been resorted to by the contractor and that there were other deviations as well. Consequently, the materials, such as coconut and teakwood piles used by the contractor were less than the quantities provided and paid for to the extent of about 35 per cent. He had concluded that the centering work actually done was quite sufficient and stable and that there was no necessity for providing additional centering for the remaining portion of the work. Though Government had ordered in March 1988 that the excess payments made on account of the enhanced rates may be recovered, this was not done.

Subsequently, in June 1991, on the contractor expressing his willingness to withdraw the court case and to complete the work, Government approved a uniform rate recommended by the Chief Technical Examiner for the items and ordered that the excess payments already made to the contractor in excess of the amount admissible on the basis of this rate may be recovered. While details of the recovery effected were awaited, the work, resumed by Contractor 'B', was stated to be in progress.

Government stated (November 1991) that, after being convinced of the necessity for revising the centering with reference to the changed position of the river bed, the Chief Engineer had sanctioned the revised proposal of centering and the supplemental agreement was executed accordingly. The reply was, however, contrary to Government's own decision, based on the findings of the Chief Technical Examiner, that the payments at the enhanced rates on this account, were not justified and were recoverable.

Further, the agreement originally entered into with Contractor 'B' provided for the formation of nine islands at a cost of Rs. 15,735 per island (total cost: Rs. 1.42 lakhs). Subsequently, in February 1984, a supplemental agreement changing the scope of the islands and enhancing the rate to Rs. 89,329 per island (total cost: Rs. 8.04 lakhs) was executed in February 1984, the justification for which was not ascertainable from the records made available to Audit.

Government stated (November 1991) that the intention at the time of preparation of the estimate was to provide for formation of islands with reference to the site conditions prevailing during the execution of the work because the course of the river was subject to severe changes after every monsoon. It was, however, not clear how the Department came to the conclusion that the rate of Rs. 15,735 per island provided in the original agreement of September 1983 was unrealistic and agreed to an enhancement of about 500 *per cent* barely within six months of the execution of the agreement. Besides, the severe changes in the course of the river would have been of relevance only after the monsoon during May-October 1984. These could have also been foreseen based on past trends and the requirements of islands estimated more realistically. That this was not done was indicative of defective planning.

The construction of the aqueduct-cum-road bridge taken up in September 1983 and scheduled for completion by March 1986 was yet to be completed even after the lapse of more than five years and the expenditure of Rs. 306.58 lakhs incurred on the works had remained unfruitful. In the context of the time overrun of over 5 years and of the fact that the expenditure already incurred was in excess of the sanctioned estimates, these would no longer be reliable necessitating their upward revision. Further, the safety of the structure itself following the tilt in the wells and the shift in the position of one of the piers—which were indicative of defective execution and were yet to be rectifiedremained to be ensured.

4.2. Excess payment due to error in computation

Mention was made in paragraph 4.1.3 (4) (iii) of the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil) of the delay in construction of a tunnel across Methala hills and formation of canal forming part of the Periyar Valley Irrigation Project, the contract for which was initially awarded in March 1977 and had been terminated on two occasions.

As mentioned therein, the work left incomplete by the two earlier contractors was entrusted to a third contractor in May 1984 at a cost of Rs. 32.27 lakhs. The estimate for the work as well as the contract envisaged the collection of metal, rubble and sand, free of cost, from the tunnel muck for the lining works of the tunnel. The unit rates in respect of five lining works, for which collection of material free of cost was envisaged in the estimate, were, however, computed by including erroneously the cost and conveyance of metal and sand, resulting in an inadmissible payment of Rs. 3.59 lakhs to the contractor. While admitting (July 1990) the inclusion of the cost and conveyance of metal and sand in the unit rates, the Superintending Engineer sought to justify the payment on the ground that the cost of conversion of the tunnel muck into metal and sand had not been taken into account in the estimate. The payment on account of the cost and conveyance of metal and sand was, however, not admissible in terms of the contract and, therefore, constituted an extra-contractual benefit to the contractor. The reply does not also explain why the estimate did not provide for the cost of conversion of the tunnel muck into metal and sand, if such conversion was, in fact, warranted in the circumstances of the case.

The matter was reported to Government in April 1991; their reply had not been received (February 1992).

4.3. Unfruitful expenditure on the construction of a bridge

In December 1977, Government accorded sanction for the construction of a lock-cum-regulator-cum-bridge, involving 25 spans, at Koottayi across Tirur-Ponnanipuzha in Malappuram District (estimated cost: Rs. 86.50 lakhs). The objective of the scheme was to facilitate an all round development of the area by providing irrigation for the production of 1,168 tonnes of paddy, protection from floods to 1,192 acres of paddy fields and garden land and communication facilities to the under-developed western parts of the river.

Contracts for the works from the foundation to the pile cap level and from the pile cap level to the deck slab on all the 25 spans were awarded in May 1979 and May 1981 respectively. These contracts were, however, terminated in December 1981 and June 1984 respectively after the works were completed on the first 14 spans on one side of the river. This became necessary because the work on the remaining 11 spans on the other side could be executed only after the entire work, including the erection of shutters and locks, was completed on one side and the flow of the river diverted through this portion. In December 1981, the Superintending Engineer had observed that works covering one half of the river alone ought to have been tendered and entrusted for execution taking into account, in advance, the actual working facilities and the work in the other half entrusted for execution only after these works had been completed.

The laying of the deck slab for these 14 spans awarded on contract in November 1982 was also completed in 1985. A contract for the supply and erection of shutters for these spans was awarded to a firm in March 1987. The firm, however, supplied only the embedded parts and failed to supply and erect the shutters. As the firm did not show any interest in completing the work, the contract was terminated in January 1990 at its risk and cost. While alternative arrangements for the procurement and erection of the shutters and completion of the work had not been made as of May 1991, the liability of the firm in terms of the risk purchase clause had also not been determined.

The work was, therefore, at a standstill from June 1988. Meanwhile, the estimate for the work was revised to Rs. 213 lakhs, which was sanctioned by Government in April 1988. Subsequently, in order to reduce the time lag and cost of balance works, Government decided in March 1989 that the construction of the remaining 11 spans on the other side of the river may be dropped and the technical feasibility of completing the project with only the completed 14 spans provided with suitable shutters and locks and by constructing earthern bunds over the remaining length of 11 spans be considered. The technical feasibility of restricting the scope of the project in pursuance of these decisions was yet to be established as of May 1991.

As a result of the failure of the Department in ensuring, in advance, the technical feasiblity of constructing all the 25 spans simultaneously and scheduling the work properly, the work commenced as early as in 1979 had not been completed even after 12 years. The objectives of providing irrigation and communication facilities and protection from floods had also remained unrealised. Apart from the expenditure of Rs. 77 lakhs incurred on the project up to March 1991 remaining unfruitful, the project cost had also increased from Rs. 86.50 lakhs 102/9102/92/MC. estimated initially to Rs. 213 lakhs and could conceivably increase further on account of the delays subsequent to April 1988, when the estimate was last revised.

The matter was reported to Government in August 1991; their reply had not been received (February 1992).

4.4. Unauthorised payments outside the terms of contracts

The contracts in respect of the Kallada Irrigation Project stipulated that the rates agreed upon would apply in all cases where the quantity actually executed under any item did not vary by more than 30 per cent and that where the variation was in excess thereof, the rate for such item would be revised by mutual agreement. This provision was modified in September 1984 to the effect that where the actual quantity under any item exceeded the tendered quantity by more than 30 per cent, the rate for such excess could be revised ensuring that the revised rate did not, in the process, exceed the rate quoted for the item, subject to such adjustments as may be permissible in terms of the price adjustment clauses, if any, provided in the contracts. The price adjustment clause was also to be included only in those contracts for works, the completion period of which, as notified in the Notice Inviting Tenders, was more than 12 months.

Further, in cases where the quantity executed under any item was less than 70 *per cent* of the tendered quantity, the rate for the item was to be revised by mutual agreement, ensuring that its cost did not exceed 70 *per cent* of the cost of the tendered quantity at the item rate quoted.

(a) Mention was made in paragraph 4.1.2 of the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil) of a few instances of inadmissible payments made at enhanced rates for items of work where the quantities executed exceeded the estimates by more than 30 *per cent*. The quantities in respect of several items relating to the raising of the Kallada Dam at Parappar to +390 feet, including construction of the spillway bridge, hoist bridge, etc., which were to be completed within a period of four months, varied from the Igreed upon quantities during execution. A supplemental greement incorporating revised rates in such cases was, thereore, executed in September 1990. While no revision of the ates was contemplated in cases where the variation was only up to 30 per cent, the rates were, however, revised in excess of the juoted rate in cases where the increase in quantities was more than 30 per cent by invoking the price adjustment clause. This was done notwithstanding the fact that the price adjustment clause was not applicable in these cases and was also not provided in the contract having regard to the fact that the works were tipulated to be completed in four months. Further, in cases where the quantity executed was less than 70 per cent of the tendered quantity it was not ensured that the total cost did 10t exceed the cost of 70 per cent of the tendered quantity at the originally quoted rates for these items. These mistakes resulted n irregular payments totalling Rs. 16 contractor outside the terms of the contract. 16.25 lakhs to the

The wide variations between the agreed upon and executed quantities were also indicative of inadequate investigation and lefective preparation of estimates.

The Chief Engineer admitted (October 1991) that the Superintending Engineer, as the authority executing the agreenent, was bound to act within the limits of its terms and conlitions and that his action in having executed the supplemental agreement without the sanction of Government and having allowed exorbitant rates outside the terms of the contract was unauthorised and had resulted in extra expenditure to Government.

The matter was reported to Government in June 1991; their eply had not been received (February 1992).

(b) The work relating to the formation of the leading channel to the left bank head regulator at Ottakkal under the Kallada Irrigation Project was awarded to a contractor in December 1985 at a cost of Rs. 6.56 lakhs for completion in July 1986. The completion schedule was subsequently extended up to April 1987. In April 1987, when the contractor had executed work valued at Rs. 4.91 lakhs, the Department came to the conclusion that it would be necessary to undertake additional works at an estimated cost of Rs. 14.90 lakhs to ensure the satisfactory completion of the work and that the work of such a magnitude could not be entrusted to the same contractor. The contract was, therefore, foreclosed in June 1987 without any financial liability in terms of the relevant provision contained in the agreement.

In terms of the provision relating to foreclosure the contractor was to be paid for the works executed till then only at the rates accepted and agreed upon in the contract. A request by the contractor that the rates may be enhanced for certain items of work in respect of which the quantities executed varied by more than 30 *per cent* from the tendered quantities was not acceded to by the then Superintending Engineer. However, more than three years after the foreclosure of the contract, a supplemental agreement was executed in September 1990 by the successor Superintending Engineer providing for enhanced rates in respect of 12 items of work and an additional payment of Rs. 1.58 lakhs was made to the contractor based on such enhanced rates.

Audit scrutiny revealed the following:

(i) The quantity executed by the contractor exceeded the tendered quantity by more than 30 *per cent* only in the case of one of the 12 items. Though the schedule of completion stipulated in the Notice Inviting Tenders was less than 12 months and the price adjustment clause was consequently not applicable in this case, the enhancement of the rate in respect of this item was irregularly agreed to by invoking the price adjustment clause in the contract.

(ii) The quantities executed by the contractor in respec of the remaining 11 items were less than the tendered quantitie by more than 30 *per cent* and ranged between 22 *per cent* and 46 per cent (8 items) and between 59 per cent and 67 per cent (3 items, of the tendered quantities. The payments made for these items in terms of the supplemental agreement were, however, almost equal to or more than 70 per cent of the cost of the tendered quantities at the rates quoted for these items.

The action of the Superintending Engineer in entering into a supplemental agreement more than three years after the foreclosure of the contract contrary to the specific contractual provisions was irregular. This resulted in undue benefit of Rs. 1.58 lakhs to the contractor beyond the terms of the contract.

Government admitted in February 1992 that the action of the Superintending Engineer in having executed the supplemental agreement in September 1990 providing for enhanced rates was irregular.

PUBLIC WORKS AND TRANSPORT DEPARTMENT

4.5. Extra expenditure due to delay in acceptance of a tender

Tenders for improvements to the Unnival-Murivazhikka road in Malappuram District (estimated cost: Rs. 10.40 lakhs) were invited by the Superintending Engineer, Buildings and Roads, North Circle, Kozhikode, in October 1984. Of the seven tenders received, which were valid up to 7th February 1985, the lowest offer was 17.5 per cent below the estimate, less cost of departmental materials. As a result of a ban imposed by Government on new works, special sanction in relaxation of the ban was sought in May 1984. This was accorded by Government only on 23rd January 1985 and the sanction was endorsed to the Superintending Engineer by the Chief Engineer on 1st February 1985. Meanwhile the tenderer was not willing to extend the period of validity of his offer. Delay in receipt of the special sanction resulted in non-acceptance of the lowest offer within the validity period. The work was re-tendered and awarded at 40.5 per cent above the estimate, less cost of departmental materials in August 1985. An amount of Rs. 16.35 lakhs had been spent on the work so far (December 1991).

The delay in according special sanction by Government and further delay in communicating the sanction to the Superintending Engineer before the expiry of the validity period resulted in the non-acceptance of the lowest offer and an additional estimated liability of Rs. 5.04 lakhs.

Government stated (November 1991) that the Superintending Engineer invited tenders without their knowledge and that they were unaware that the tenders were firm and valid only upto 7th February 1985. They added that the endorsement of the sanction in the Chief Engineer's office was delayed due to administrative reasons.

4.6. Extra expenditure due to lack of proper investigation

The construction of a two-storeyed building for the Government College, Chittur, was awarded to a contractor in April 1984 at a cost of Rs. 13.59 lakhs, stipulating completion by October 1985. The contractor abandoned the work without assigning any reasons in October 1985 after completing the ground floor structure and some brick work on the first floor, for which he was paid Rs. 6.57 lakhs. The contract was thereupon terminated in November 1988 at his risk and cost. Meanwhile, several cracks developed in the structure already complet-The Chief Engineer who inspected the building in December ed. 1989 suggested rectification of damages to the wall and foundation and completion of the ground floor only. On a further inspection conducted in June 1990, the Chief Engineer observed that the cracks were attributable to foundation failure and that, even after the proposed rectification, it was likely that the defects might continue to persist to a certain extent. After limiting the construction to one floor, the balance work, including rectification works (estimated cost: Rs. 2.34 lakhs), was awarded on contract in August 1990 at a total cost of Rs. 6.21 lakhs and payment of Rs. 5.48 lakhs had also been made up to October 1991.

According to the provisions contained in the Departmental Manual, the nature of the soil and sub-soil and its bearing capacity should have been ascertained at the time of investigation. Audit scrutiny, however, revealed that the bearing capacity of the soil had not been ascertained based on soil tests before commencement of the work notwithstanding the fact that the building was to be constructed in the vicinity of a river. Failure to do so resulted in the defective designing of the foundation and consequential damages to the structure, the rectification of which would involve an estimated additional expenditure of Rs. 2.34 lakhs. Even thereafter, the defects were likely to persist to a certain extent rendering the building unsafe. Besides, the construction had also to be restricted to one floor as against two floors initially envisaged, which would necessitate further investments on the provision of the requisite accommodation for the college.

The matter was reported to Government in August 1991; their reply had not been received (February 1992).

4.7. Avoidable additional expenditure due to nonadherence to codal provisions

The Kerala Public Works Department Manual prescribes that if there are discrepancies between the unit rates quoted in words and in figures, the rates quoted in words should be accepted and the discrepant rate quoted in figures should be ignored.

Tenders were received in August 1982 for improvements to the Kutty road from Chittoor to Kothad (estimated cost : Rs. 14.60 lakhs), proposed by the local Member of the Legislative Assembly. In the lowest offer received, the rate quoted by the contractor was thirty-one per cent above the estimate in words (PAC: Rs. 18.54 lakhs) and 25 per cent above the estimate in figures. Instead of accepting the offer at the rate quoted in words in terms of provisions contained in the Manual, the Superintending Engineer directed the contractor in September 1982 to take up the work at the rate of 25 per cent above the estimate quoted by him in figures. The contractor, however, insisted on the settlement of the contract according to the codal provisions in this regard. The offer was thereupon rejected by the Superintending Engineer, who invited fresh tenders in June 1983 after revising the estimate to Rs. 18.70 lakhs based on the then current schedule of rates, which had been revised during July 1982. The work awarded to another contractor at 28.7 per cent above the estimate (PAC: Rs. 22.79 lakhs) in August 1983 was nearing completion in March 1991.

Non-acceptance of the lowest offer received in August 1982 in terms of the provisions in the Manual, particularly when the schedule of rates themselves had been revised in July 1982, was not prudent. Had the codal provisions been adhered to, the Department could have availed of the lower offer based on the earlier schedule of rates. Failure to do so resulted in an avoidable additional financial liability of Rs. 4.25 lakhs.

Government stated (September 1991) that the Superintending Engineer anticipated that the contractor would be willing to reduce his rates and that, as this expectation did not materialise ne work was re-tendered. The fact, however, remains that dherence to the codal provisions would have been financially nore advantageous to Government, particularly in the context f the contractor's own insistence on the settlement of the contract n terms of the provisions in the manual.

.8. Avoidable expenditure on conveyance of quarried materials

One of the sources of rubble and broken stones required or works in Thrissur District was the Kundukad quarry. In he estimates for works involving the use of rubble and broken tones, an element on account of the cost of their conveyance, y head loads, for a distance of 400 metres was also included rior to March 1986. The Chief Technical Examiner had. lowever, observed in March 1986 that no appreciable lead was nvolved in the conveyance of rubble and broken stones by head oads at the quarry, and had called for the financial implications of having included this element in all the estimates sanctioned While these details were not furnished by the Departill then. nent, the Executive Engineer, Roads Division, Thrissur, however, ssued instructions in October 1986 that the provision on account of 400 metres head load conveyance of the materials at the juarry be deleted from all estimates with effect from October 986.

Scrutiny by Audit of the estimates of two works* prepared n July 1985 and March 1986 and contracts in respect of which were awarded in November 1986 and February 1987 revealed hat the lead of 400 metres for the conveyance of rubble and proken stones from the quarry, involving an additional financial commitment of Rs. 1.68 lakhs, had been taken into account in letermining the rates. This additional commitment could have been avoided had the necessity for the allowance on account of conveyance of the materials been reviewed, at the ime of preparation of the estimates, with reference to the actual conditions prevailing at the quarry site.

Extension of men's hostel at Engineering College, Thrissur, and Construction of internal roads in the Medical College Campus, Mulamkunnathukavu.

102/9102/92/MC.

The Chief Engineer stated (October 1990) that the conractors had quoted their rates based on their own assessmer of the costs and that, even if the departmental rates were less the contractors would have quoted for the work at the same tota cost. He added that the rates had been correctly worked ou after the mistake was pointed out. The reply was not tenabl as the estimates do influence tenders and an incorrect higher estimate would normally result in the receipt of inflated offer The actual conditions at the quarry site and the necessity for th lead of 400 metres for conveyance of the quarried materia should have also been reviewed on each occasion while preparin the estimates for individual works involving the use of rubbl and broken stones, instead of including this as a matter of cours in the estimates, as was apparently done.

Government stated (November 1991) that, according t the Chief Engineer, the head load conveyance for a distance of 400 metres at Kundukad quarry was provided in the estimate on the basis of the conveyance statement prepared and certifie by the Assistant Executive Engineer. In the context, howeve of the specific findings of the Chief Technical Examiner, th veracity of the conveyance statement forming the basis of th estimates would be open to question.

4.9. Delay in recovery of dues from defaulting contractor

(a) Works relating to improvements to the Mala-Elanth kara road was awarded to a firm by the Superintending Enginee Roads and Bridges, Central Circle, Aluva in March 1982 a a cost of Rs. 14.71 lakhs, stipulating completio by March 1984. After completing 40 per cent of th work valued at Rs. 5.22 lakhs, the firm suspended further wor in March 1984 and did not resume the work in spite of issue of several notices. The contract was, therefore, terminated i April 1985 at the firm's risk and cost. The execution of th balance work was entrusted to another contractor in Septembe 1986 and was got completed in May 1989 at a cost of Rs. 27 lakh

Instructions issued by Government in 1972 envisaged the the liability of defaulting contractors should be determined an he amount recovered within a period of not more than one ear from the date on which the execution of the balance work is rranged through other contractors. Contrary to these instuctions, the liability of the defaulting firm on account of execuion of the balance work at its risk and cost was finally assessed inly in October 1991, more than five years after the award of a resh contract in September 1986, and two years after the compleion of the balance work. The net liability of the firm deternined as Rs. 4.77 lakhs (risk and cost: Rs. 6.06 lakhs less retenion and other amounts with the Department: Rs 1.29 lakhs) ad not been recovered as of December 1991.

Government stated (September 1991) that action had been nitiated by the Superintending Engineer to realise the amount rom the contractor.

(b) The contract for construction of a building for the Fovernment High School, Mankavu, in Kozhikode District vas awarded to a contractor in September 1979 at a cost of Rs.3.12 akhs stipulating completion by September 1980. As the contractor ailed to complete the work even after the issue of several notices, he contract was terminated in August 1983 at his risk and cost, when departmental materials valued at Rs.0.41 lakh had not een returned by the contractor. The balance work awarded o another contractor in April 1986 was completed in June 1987 it a cost of Rs. 6.30 lakhs.

The liability of the defaulted contractor was fixed at Rs.4.09 akhs in June 1985, inclusive of Rs. 1.22 lakhs towards the cost of departmental materials not returned by him and penal and other cash recoveries. On receipt of a requisition in June 1985 rom the Department for the recovery of the dues under the Recovery Act, the District Collector informed the Department in February 1989 that recovery under the Act was not possible as the contractor did not possess any movable or mmovable property. Details of the further action taken for he recovery of the dues had not been received from the Departnent (June 1991).

The matter was reported to Government in May 1991, their eply had not been received (February 1992).

FISHERIES AND PORTS DEPARTMENT

4.10. Unfruitful expenditure on construction of a Fis Landing Centre

In June 1984, Government accorded sanction for th construction of a Fish Landing Centre at Dharmadom i Kannur District at an estimated cost of Rs. 20.95 lakh. The site selected for the purpose was located within a distanc of 500 metres from the mouth of the Anjarakandy river on th northern side of its estuary.

The work was awarded to a contractor in November 198 at a cost of Rs. 18.10 lakhs for completion in 12 months. After completing 20 *per cent* of the work at a cost of Rs.3.85 lakh the contractor suspended further work in May 1986. As th contractor did not resume the work but put forth untenabl claims, the contract was terminated in September 1986 at h risk and cost. The balance work was awarded to another contractor in May 1987 and was got completed in March 1989 at a cost of Rs. 20.01 lakhs. Expenditure of Rs. 1.03 lakhs was als incurred, in addition, on land acquisition and electrificatio and water supply arrangements. The risk and cost liabilit of the original contractor was fixed at Rs. 9.36 lakhs and reporte to District Collector, Kozhikode, in May 1988 for realising th amount under the Revenue Recovery Act. No amount hac however, been realised as of September 1991.

The Fish Landing Centre was formally inaugurated in Ma 1989. However, it had not become operational because sub merged rocks at the estuary obstructed the passage of fishin boats into the Landing Centre. Audit scrutiny of the record revealed that the Department was aware even when preliminar investigations were undertaken in 1978 that rock pinnacle present in the approach channel from the sea to the estuar were likely to pose problems of navigation. Further, the projec report prepared in 1980 had also indicated that the outlet was ver shallow and was studded with rocks. Mention had also bee made therein of the existence of a sand bar at the mouth of th river, formed due to the reduced flushing effect of the discharge from the river. The Superintending Engineer had opined in September 1986 that dredging of this area would be necessary to provide easy access to the Landing Centre. Further, to avert the formation of the sand bar and to control littoral drift from the north, the construction of a groyne* was also considered necessary by the Department in January 1987. The Department, however, failed to formulate appropriate measures to facilitate the unhindered movement of fishing boats to the Landing Centre.

It was only in February 1991 that a contract for the removal of the submerged rocks by blasting was awarded at a cost of Rs.2.56 lakhs. The work, which was to be completed in two months, had not, however, commenced as of September 1991 because the necessary licence for the procurement of blasting materials had not been issued to the contractor.

Failure to evolve appropriate measures to ensure the easy and unimpeded movement of the fishing boats to the Landing Centre even when the Department was aware of the inherent disadvantages of the site selected for the purpose was indicative of defective planning. This resulted in the investment of Rs.24.89 lakhs on the scheme remaining unproductive for over two years. Further in the context of the remedial measures considered essential in 1986-87, additional investments may be necessary should the removal of the submerged rocks by blasting-which in any case, could have been ensured earlier-prove to be inadequate, thereby, vitiating the economics and cost-effectiveness of the scheme.

Government stated (September 1991) that there was no intention to make the Landing Centre operational throughout the year, that the immediate necessity at the Landing Centre was to provide landing and out fitting facilities for the existing fleet of mechanised fishing boats and country canoes and that

*. Low broad wall or timber framework to check drifting of the beach so as to prevent encroachment of the sea by the shifting sands. whatever had been conceived in the project report had been implemented. The reply was, however, not tenable in view of the following:

(a) Contrary to the stipulation in the project report that the Landing Centre would be operational for 150 days in a year, it had not been made operational even for a single day even after two years of its inauguration.

(b) Against the objective envisaged in the project report of providing landing and outfitting facilities to about 40 to 50 mechanised fishing boats and more than 100 country canoes, only two or three boats were occasionally using the jetty for sheltering alone. No mooring charges could be collected from these vessels, as they brought no catches.

RURAL DEVELOPMENT DEPARTMENT

4.11. Avoidable additional expenditure on transportation and conveyance

The construction of a 1.6 km. road from Thaikkavumukku to Koikalmukku under the National Rural Employment Programme was entrusted to the convenor of a beneficiary committee by the Block Development Officer, Chavara, in November 1985. The work was completed in March 1986 at a cost of Rs. 3.55 lakhs.

The instructions contained in the schedule of rates provided that materials necessary for the work should be transported by cart (which was more expensive) only if transportation by lorry was not feasible. Accordingly, materials such as gravel, rubble, sand, cement, M.S. Rods, etc., were transported to the work site by lorry. However, 5,696 cubic metres of ordinary earth required for raising and forming the road was shown as having been transported by cart for a distance of 4 kilometres. All other materials having been transported only by lorry, the same mode of transportation could have been adopted in respect of ordinary earth as well. Failure to do so resulted in an extra expenditure of Rs. 0.89 lakh. Further, the rates for transportation and earth work taken together included a provision for head load conveyance up to 100 metres, at the work site. This was adequate for the spreading of the earth transported by lorries along the alignment of the road having regard to the nature of the work and the leads actually involved. Notwithstanding this fact, provision for an additional head load for 300 metres was also included in the estimate without adequate justification, for conveyance of earth to be spread at the work site, entailing an avoidable extra expenditure of Rs. 0.76 lakh.

The total avoidable expenditure due to the adoption of the costlier mode of transportation and provision of additional head load conveyance at the work site amounted to Rs. 1.65 lakhs. On this being pointed out by Audit, the Superintending Engineer attached to the Project Cell of the Commissionerate for Rural Development accepted the audit observations.

Government stated (March 1991) that it had been decided to recover the excess payments from the technical officers responsible.

FOREST AND WILD LIFE DEPARTMENT

4.12. Infructuous expenditure on land acquisition

In May 1987, Government sanctioned the acquisition of one hectare of land in Panakkad village within the municipal area of Malappuram for the construction of buildings for the Divisional and Range Offices of the Department and four quarters under the World Bank assisted Social Forestry Scheme. The land had been inspected earlier during October-November 1986 by the Conservator of Forests, Social Forestry, Northern Region, Kozhikode, who had found it suitable for the intended purpose. Possession of the land was taken in September 1987 and its cost (Rs. 5.93 lakhs) was also paid in April 1988. Additional compensation amounting to Rs. 1.03 lakhs was paid subsequently in July 1991. Following complaints that the site was unsuitable for offices because it was situated in a hilly area six kilometres away from Malappuram town and was not easily accessible except on foot, Government ordered an enquiry by the District Collector, Malappuram, in April 1988. In his report submitted in May 1988, the Collector had held that, though the land was in a hilly area, one had to travel over difficult terrain only for a distance of one kilometre and the land was suitable for the construction of offices and quarters because of the availability of water and electricity in the near vicinity. He had also opined that the possibility of obtaining sufficient land with greater conveniences within Malappuram town itself was doubtful.

Construction of the quarters on the acquired land was taken up in June 1988. It was, however, suspended immediately thereafter on the ground that, following drought during 1988, even drinking water was scarce in the area and that the large quantities of water necessary for construction of the quarters would not consequently be available.

Following a joint inspection of the site, at the instance of Government, by a team of senior officials of the Agriculture and Forest Departments and after further consideration of the entire question, Government decided in September 1989 to construct only the Range Office on the acquired land. Having regard to the fact that this would require only about 50 square metres of land, it was also decided to protect the remaining land by raising plantations. The quarters and the building for the Divisional Office were to be constructed instead at Nilambur, where suitable forest land was available.

The construction of the Range Office on the land had not, however, commenced as of March 1991 and even the revised estimate for the purpose had not been sanctioned; nor had the plantations envisaged in September 1989 been raised, resulting in the non-utilisation of the land acquired in September 1987 for over three years and in an idle investment of Rs. 6.96 lakhs. Further, the Divisional and Range Offices were functioning in a rented building till July 1990. While the former was shifted to he Civil Station, Malappuram, in July 1990, the Range Office continued to function in the rented building, involving recurring expenditure on rent, which amounted to Rs. 0.14 lakh from September 1989 to March 1991.

The Assistant Conservator of Forests, Malappuram, stated January 1992) that the delay in the construction of the Range Office was attributable solely to the scarcity of water in the area and the bad condition of the road leading to the site. As regards the non-raising of the plantations, he added that the land was unsuitable for the purpose and that about 500 saplings had, however, been planted in the crevices wherever soil was available in between the laterite sheet rocks.

The reasons advanced for the delay in construction of he Range Office, were, however, contrary to the information urnished to Audit by the Department earlier in August .991 that water had become available in the area and sanction for the drawal of water would be sought. hat In any event, in the context of the decision to re-locate he Divisional Office and the quarters at Nilambur and to itilise only a very small portion of the land for the construction of the Range Office, and of the fact that the land had also been considered unsuitable for the raising of plantations, it would ppear that the land in question had been acquired in haste vithout conclusively establishing its suitability in all respects. in the circumstances, most of the land, with the exception of bout 50 square metres, had become surplus to requirements and a major portion of the expenditure of Rs. 6.96 lakhs incurred n its acquisition would consequently be rendered infructuous.

The matter was reported to Government in April 1991; heir reply had not been received (February 1992).

CHAPTER V

STORES AND STOCK

IRRIGATION DEPARTMENT

5.1. Stores and stock of Kallada Irrigation Project

The stores and stock of Kallada Irrigation Project are held by eight Divisions. They largely handled cement, steel, PVC pipes and specials. Details of the receipts, issues and closing stock of these materials during the four year period from 1987-88 to 1990-91 were as follows:

Name of material	Unit of measure- ment	Opening Balance on 1st April 19 8 7	<i>Receipts</i> <i>during</i> 1987 -88 to 1990-91	<i>Issues</i> <i>during</i> 1987-88 to 1990-91	Closing stock as on 31st March 1991
Cement	Tonnes	4,188.95	87,853.90	84,259.80	7,783.05
Steel	Tonnes	1,405.93	6,558.05	7,347.76	616.22
PVC pipes	lakhs of metres	2.58	29.23	25.20	6.61

Test-check of the stores and stock accounts of these Divisions conducted in May 1991 revealed the following:

(a) Stock accounts

(i) The stock accounts at the end of March 1991 showed minus balances in certain Divisions as detailed below:

Head	Closing balance of stock (Rupees in lakhs)	No.of Divisions involved	Reasons for minus balance
Purchases	(—) 3 88. 39	7	Non-adjustment of debit advices received in respect of supplies by Director General of Supplies and Disposals (DGS&D), fixation of issue rates at rates higher than the cost price and non-adjustment of invoices.
Storage & carriage	(—) 8.79	5	Non-payment of godown rent and non-adjustment of the remaining minus balance to the revenue head at the time of annual adjustment of profit/losses on stock.
Other sub heads	() 64.96	3	Reasons awaited from the Divisions.

(ii) The value of stores held at end of March 1991 in four of the Divisions exceeded the reserve limits prescribed by Government as indicated below:

Year	Exces	s over sance	tioned reserve limit		anctioned reserve er cent or more
	No. of	Divisions	Amount (Rupees in lakhs)	No. of Divisions	Amount (Rupees in lakhs)
1987-88	۲. I	3	389.51	2	219.16
1988-89)	3	504.01	2	268.02
1989-90)	3	603.62	3	159.83
1990-91		4	1055.75	4	494.58

The main reasons attributed for the retention of excess stock over the reserve limit were increase in cost of materials and non-revision of the stock limits, which were fixed a long time ago.

(iii) In the case of items covered by DGS & D rate contracts, the Irrigation Department was required to operate on such contracts for meeting its requirements. In such cases, the Accountant General (Accounts&Entitlements) sends advices to the Divisions for incorporating the debits in the divisional accounts by charging the expenditure to stock or the concerned work. The necessary adjustments had not, however, been carried out by three Divisions in a large number of cases. Debit advices amounting to Rs. 145.48 lakhs relating to the period from 1976-77 to 1990-91 were pending adjustment owing to inadequacy of funds.

(iv) Valuation of stores at the end of the financial year with reference to the market rates and adjustment of profit/ losses as prescribed in the rules had not been done in seven Divisions since their inception. Reasons for non-valuation of stores were also not furnished.

(v) At the end of March 1991, the accounts of eight Divisions disclosed a balance of Rs. 177.79 lakhs under "Stock-Other sub heads". The closing balance based on the receipts and issues of stores during the four years ending 1990-91 was, however, only Rs. 138.67 lakhs. The difference had not been reconciled.

(b) Cash Settlement Suspense Account

Cost of services rendered or supplies made by one Division to another is accounted for under a suspense head called 'Cash Settlement Suspense Account' by the originating Division, pending settlement of the claims by the receiving Division. The rules require that the transactions of a month should be communicated by the originating Division to the receiving Division at the time of closing the accounts for the month and the latter Division should, within 10 days of receipt of the claim. settle the transactions. Claims amounting to Rs. 308.77 lakhs raised against various Divisions towards the cost of stores supplied were pending settlement in the eight Divisions as at the end of March 1991. The earliest years to which such transactions related were 1978-79 in the case of one Division and 1982-83 in the case of another Division. Delays on the part of the responding Divisions to pay the amounts attributable to paucity of funds or non-availability of letters of credit were mainly responsible for the non-settlement of the outstanding claims.

(c) Extra expenditure due to short supply of levy cement

Against 93,210 tonnes of levy cement authorised for supply y the factories between January 1985 and March 1989, the ctual supply was only 68,339 tonnes. The short supply of 4,871 tonnes necessitated local purchase of an equivalent uantity at higher prices, involving extra expenditure of Rs. 92.02 akhs. Apart from the issue of routine reminders to the suppliers, nere was no evidence of any effective follow-up action having cen taken to obtain supplies of the quantities ordered from the actories so as to avoid local purchases and consequential extra xpenditure.

(d) Surplus stock of pipes

The closing stock of pipes (6.61 lakh metres) included 5.42 akh metres of 90 mm and 110 mm diameter pipes (cost: Rs.94.37 akhs) purchased between October 1988 and March 1989 and ying unused in five Divisions. This included 0.49 lakh metres of 90 mm and 0.15 lakh metres of 110mm diameter pipes (cost: Rs. 13.48 lakhs) held in stock in excess of actual requirements. Though the requirements were found to be lower on a subsequent ussessment following the issue of the purchase order, this was not amended and the entire quantities ordered were accepted on the plea that the suppliers had already manufactured them according to the original purchase order. The surplus stock was retained notwithstanding the fact that the Department had promised to utilise the entire quantity during 1990-91.

These points were reported to Government in August 1991; their reply had not been received (February 1992).

FOREST AND WILD LIFE DEPARTMENT

5.2. Purchase of transreceiver sets

The Government of India released a grant of Rs. 24.83 lakhs to the State Government in March 1987 towards their share of expenditure for the purchase of vehicles and the establishment of a State-wide wireless communication system under the scheme for the development of infrastructure for the protection c forests from biotic interference. In March 1987, the Chief Conser vator of Forests placed an order with a firm of Bombay for th supply of 120 VHF transreceiver sets against the rate contract c the Directorate General of Supplies and Disposals, and als paid Rs. 10.64 lakhs representing 90 *per cent* of the cost. Th order was based on a report obtained from the Police Departmen about the satisfactory performance of the equipment of the firr purchased earlier by them The frequencies to be used in th communication system were, however, not finalised by the based on a field survey necessary for determining the location c the stations on the network.

The firm supplied 25 sets (cost: Rs. 2.17 lakhs) in July 1988 The delivery of the remaining sets was not taken from the firm due to non-finalisation of the frequencies to be used. Action to undertake the necessary field survey was initiated by th Department only in July 1989, and an offer made by the supplie firm in September 1989 to conduct the survey was recommended to Government in April 1990. Though final orders of Govern ment were received in December 1990, the field survey was further delayed following the upward revision of survey charge by the firm in March 1991. Consequently, the 25 sets supplied by the firm were not installed and commissioned for the intended purpose even after three years and the remaining sets wer yet to be delivered as of June 1991.

Failure of the Department to finalise the frequencies prio to the issue of the purchase order resulted in the investment o Rs. 10.64 lakhs on the purchase of the transreceiver set remaining unfruitful for over four years and in the non-realisation of the objective of improving the infrastructure for the protection of forests from biotic interference.

Government stated(October 1991)that additional frequencie were considered necessary to make the network more efficien and that further correspondence and negotiations became necessary for finalising the field survey. They added that the firm had since agreed to undertake the survey at the cost initially agreed upon and had been requested to commence the work

CHAPTER VI

COMMERCIAL ACTIVITIES

.1. General

This chapter deals with the results of audit of departientally managed Government commercial and quasiommercial undertakings.

(a) On 31st March 1991, there were three departiental commercial undertakings in the State as indicated below:

(i) Text Books Office, Thiruvananthapuram.

- (ii) State Water Transport Department, Alappuzha.
- (iii) Kerala State Insurance Department, Thiruvananthapuram.

The extent of arrears as of March 1991 in the preparation of *ro forma* accounts by these undertakings is indicated in the ollowing table:

Sl. No.	Name of undertaking	Periods for which preparation of pro forma accounts is in arrears	a v A	Remarks	

(i) Text Books Office, 1978-79 to Thiruvananthapuram 1990-91 In the absence of the basic records, the proforma accounts for the period 1975-76 to 1977-78 were also not accepted in audit. Main reasons attributed for the delay in finalisation of the accounts were:

(i) non-availability of trained staff,

Periods for which preparation of pro forma accounts is in arrears

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(ii) non-reconciliation of figures,

(iii) non-receipt of pro forma accounts from sub-depots and

(iv) non-maintenance of journals, ledgers, etc.

The Director, State Water Transport Department, had (October 1991) stated that the ledger postings were in progress and that the pro forma accounts would be finalised soon. No reasons for the delay in finalisation of accounts were furnished.

Kerala State Insurance April 1967 to (iii)Department, Thiruvananthapuram

December 1967, 1968 to 1982 and 1985 to 1990

Government stated (May 1989) that it would be difficult to prepare the pro forma accounts for the periods up to 1982 at this distance of time in the absence of proper records.

(b) Besides the undertakings mentioned above, pro forma accounts were due from the Bleaching and Calendering Plant, Pappanamcode, for the years 1974-75 to 1980-81*.

(c) Pro forma accounts of the following trading schemes/ activities had also not been received from the departmental officers for the years shown against each:

*The Bleaching and Calendering Plant, Pappanamcode, was transferred to the Kerala State Textile Corporation Limited (a Government Company) with effect from 1st April 1981.

State Water Transport 1985-86 to (ii)Department, 1990-91 Alappuzha

Name of scheme

Agriculture (Animal Husbandry) Department

Intensive Poultry Development Blocks at Muvattupuzha and Pettah

Poultry Feed Manufacturing and Distribution Scheme, Chengannur

Egg Collection and Marketing Scheme, Chengannur

Live Stock and Poultry Feed Compounding Factory, Malampuzha**

Iome Department

Lubber Plantation of the Open Prison, Jettukaltheri Period (s) for which due

1970-71 to 1990-91 except for 1983-84 in respect of Pettah Block

1970-71 to 1972-73 and 1975-76 to 1990-91

1970-71 to 1990-91

1965-66 to 1975-76 and and April 1976

1990-91

**Transferred to Kerala Livestock Development Board with effect from 1st May, 1976.
102/9102/92/MC.

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1. General

Autonomous bodies are authorities set up to discharg generally non-commercial functions of public service. The execute by and large the programmes of the State with sub stantial financial assistance from Government. Governmer also pays substantial financial assistance to other institutions suc as those registered under the Kerala Co-operative Societie Act, 1969, Travancore Cochin Literary, Scientific and Charin able Societies Registration Act, 1955, Companies Act, 1956 etc., to implement certain programmes of the State. Th salary of the teaching and non-teaching staff of a large numbe of the private educational institutions in the State is also directl paid by Government.

The accounts of autonomous bodies and other institution which are receiving financial assistance from Government and being audited by the Comptroller and Auditor General of Indi under various provisions of the Comptroller and Audito General's (Duties, Powers and Conditions of Service) Act, 1971

During the year 1990-91, a total financial assistance c Rs. 781.46 crores was paid to autonomous and other bodie broadly grouped as follows:

Name of institution/group	Assistance paid (Rupees in crores)
Municipalities, Corporations, Panchayats, Development Authorities, etc.	32.74
Educational Institutions (Aided schools, Private Colleges, Universities, etc.)	450.54
Co-operative societies and Institutions	9.42
District Rural Development Agencies	64 .2 6
Command Area Development Authority	16.05
Kerala Water Authority	85.53
Other Institutions	122.92
Total	781.4 <mark>6</mark>

In order to identify the institutions which attract audit inder Section 14/15 of the Act, Government/Heads of Departnents are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance and the total expenditure of the institutions. Information for 1990-91 requested in May 1991 was still awaited (February 1992) from 6 departments of Government and 6 Heads of Departments. Besides, copies of accounts of institutions which received financial assistance of Rs. 25 lakhs or more are to be furnished to Audit to examine whether the institutions attracted audit under Section 14. Such accounts and details had not been received from 27 nstitutions.

Copies of annual accounts of bodies which are audited under Section 19/20 should be made available to Audit on 30th June following the year of account. Owing to non-receipt of accounts, the audit could be completed only to the extent shown below:

Name of body.	Year upto which audited	Year upto whic audit reports of the bodies have been placed before legislatur	finalisation of audit report
Kerala Khadi and Village Industries Board	1988-89	1985-86	Audit of accounts for 1989-90 in progress. Reasons for the delay in finalisation of accounts for 1990-91 had not been received.
Kerala Water Authority	1989-90	1984-85	Reasons for non-finali- sation of accounts for 1990-91 had not been received.
Command Area Development Authority	1989-90	Nil	Reasons for the delay in finalisation of accounts for 1990-91 had not been received.

7.3. Delay in furnishing utilisation certificates

The financial rules of Government require that where grants are given for specific purposes, certificates of proper utilisation should be obtained by the departmental officers from the recipients and after verification, they should be forwarded to the Accountant General (Accounts and Entitlements) within twelve months from the date of sanction of assistance on such lines as may be specified in each case. On 31st March 1992, 78 certificates for Rs. 295 lakhs paid as grants up to 31st March 1991 were to be received in the office of the Accountant General (Accounts and Entitlements). The year-wise details were as follows:

Year	Certi	Certificates due							
	Number	Amount (Rs. in lakhs)							
1985-86	1	0.17							
1986-87	4	15.18							
1987-88	3	5.64							
1988-89	5	8.22							
1989-90	27	54.48							
1990-91	38	211.51							
Total	78	295.20							

IRRIGATION DEPARTMENT

7.4. Command Area Development Programme

7.4.1. Introduction

The Command Area Development Programme (CADP) was launched in the State in 1974-75 as a Central Sector Plan scheme with Central assistance in the form of grants and loans on a matching basis. Its objective was to bridge the gap between the creation of irrigation potential and its utilisation and to increase the area irrigated. The Programme envisaged topographic surveys, construction of field channels and drains with related structures, introduction of the *warabandi*¹ system, organisation of associations of beneficiary farmers in the *ayacut* area, etc.

As part of the Programme, the State Government were to constitute a Command Area Development Authority (CADA) and enact necessary legislation to vest it with adequate powers. The CADA was established in the State in June 1979 and the necessary legislative backing was provided much later in April 1985 following the promulgation of the Command Area Development Authority Ordinance, 1985, which was replaced by the Command Area Development Authority Act, 1986, in December 1986. The CADA, having jurisdiction over the command areas of 10 completed projects having a total Culturable Command Area(CCA) of 95,743 hectares started functioning from September 1985. Relevant details of these 10 projects have been indicated in *Appendix* 9.

In December 1990, four more new projects² with a total CCA of 84,205 hectares were also notified to be brought under the CADA. The Authority decided in January 1991 to take up the command area development activities in the four projects only from April 1991.

The abbreviations used in this Review have been listed in the Glossary n Appendix 10 (Page 209).

- 1. Equitable distribution of water, by rotation, according to a pre-determined schedule to beneficiaries.
- 2. Chitturpuzha, Kuttiadi, Pamba and Periyar Valley.

7.4.2. Organisational set-up

The Authority consisted of the Secretary to Government (Irrigation), who functioned as its ex-officio Chairman, an Administrator and Secretary and 27 other official and non-official members. Apart from its Headquarters located at Thrissur, the Authority comprised of three Divisions at Neyyattinkara, Palakkad and Thrissur, six Sub-divisions and 18 Sections.

7.4.3. Audit coverage

Mention was made in paragraph 3.3 of the Report of the Comptroller and Auditor General of India for the year 1982-83 (Civil) of some aspects of the Command Area Development Programme prior to the constitution of a separate Authority. A further review covering the period 1985-86 to 1990-91 was conducted between December 1990 to May 1991 based on a test-check of the records at the Project Headquarters, three CAD Divisions, three Sub-divisions and three Sections and four Irrigation Divisions.³

7.4.4. Highlights

-While grants released by the Government of India during 1986-91 were not utilised at all or underutilised in certain cases, assistance sanctioned as loans which was recoverable from beneficiaries were not utilised for the intended purposes and were instead diverted unauthorisedly to meet expenditure on activities financed by grants. Consequently, the entire liability for the repayment of these loans and interest thereon had to be borne by the State Government and the additional burden borne on this account till March 1991 was Rs. 98.22 lakhs.

(Paragraph 7.4.5)

^{3.} CAD Divisions, Neyyattinkara, Palakkad and Thrissur. CAD Sub-Divisions, Neyyattinkara, Palakkad and Thrissur. CAD Sections, Nemmara, Neyyattinkara and Thrissur. Irrigation Divisions, Chittur, Malampuzha, Thiruvananthapuram and Thrissur.

-Unspent cash balances retained by the Authority at the end of the years from 1986-87 to 1990-91 ranged between Rs. 83 lakhs and Rs. 763 lakhs. Warabandi was to keep pace with the construction of field channels. However, whereas warabandi was reported to have been introduced in an area of 38.359 hectares as of March 1991, field channels from the designated outlets to 5-8 hectare blocks had been constructed by then in 59,695 hectares and within such blocks only in 8,799 hectares. Failure to synchronise these activities resulted in the irrigation potential not being utilised to the optimum extent. The utilisation of the irrigation potential in the command areas of the 10 projects also ranged between 5 per cent and 87 per cent only.

(Paragraph 7.4.6)

-Delays in repairs to defective spouts resulted in unregulated flow and wastage of water. Incurrence of expenditure on warabandi works in excess of the norm prescribed by the Government of India resulted in additional expenditure of Rs. 318 lakhs.

(Paragraph 7.4.7)

-The irrigation potential created in 4 of the 10 completed projects subsequent to the formation of the Command Area Development Authority had not been taken up for verification by the revenue staff of the Authority, as a result of which the correctness of the water cess assessed could not be ensured.

(Paragraph 7.4.8)

-The shortfall in enrolment of members in 292 farmers' associations formed in three divisions ranged between 40 per cent and 67 per cent of the potential. A systematic programme of training to the members of such associations to enable them to undertake water management functions had also not been evolved.

(Paragraph 7.4.9)

7.4.5. Funding of the Programme

According to the Government, a total expenditure of Rs. 5,281.02 lakhs (grants: Rs. 5,038.87 lakhs; loans: Rs. 242.15 lakhs) was incurred on the Programme during the 17-year period from 1974-75 to 1990-91. Central assistance totalling Rs. 2,547 lakhs (grants: Rs. 2,233.70 lakhs; loans: Rs. 313.30 lakhs) was received during this period. Audit scrutiny revealed that grants released for specific purposes during the period from 1985-86 to 1990-91 were either not utilised or underutilised in certain cases as indicated below:

Purpose of grant	Total grant released during 1 9 85-86 to 1990-91	Actual expenditure (Rupees in t	Amount of eligible Central assistance lakhs)	Amount of unutilised Central assistance	Percentage oj unutilised Gentral assi- stance with reference to grant releasea
CAD establishment including CAD cell survey and design and topographical survey		500.99	250.50	55.64	18
Field channels	1509.58	2818.56	1409.28	100.30	7
Warabandi	96.32	452.50	226.25	••	· • •
Subsidy to farmers	75.24	••	••	75.24	100
Evaluation and monitoring	7,82	979		7.82	100
Adaptive trials	16.96	20.74	10.37	6.59	39
Training	10.19	17.51	8.75	1.44	14

The grant of Rs. 75.24 lakhs released for 'Subsidy to farmers' was not at all utilised and the grant of Rs. 16.96 lakhs released for 'Adaptive trials' was utilised only to the extent of Rs. 10.37 lakhs. The grant of Rs. 7.82 lakhs released for 'Evalution and monitoring' also remained unutilised. According to the pattern of assistance prescribed by the overnment of India, the loans sanctioned were to be utilised r the construction of field channels within 5-8 hectare blocks id field drains, for providing equity support to Land evelopment Corporation and Farmers' Service Societies, etc. hese loans were to be passed on to the beneficiaries along with atching contribution by the State Government.

The loans released by the Government of India during the riod 1985-86 to 1987-88 (no loans were released thereafter) nounted to Rs. 192.23 lakhs as shown below:

	1985-86	1986-87	1987-88	Total
		(Rupees in la	akhs)	
Instruction of field channels thin 5-8 hectare blocks	3.50	75.70	98.03	177.23
uity participation in State nd Development proration	7.50	7.50		15.00
nporation	1.50	1.50	••	13.00

The loan amount was repayable in 15 annual instalments gether with interest and penal interest in cases of default. he loans sanctioned were not utilised for the intended purposes of the entire amount was diverted and utilised to meet expenture on items qualifying for grants without the prior approval the Government of India, on the plea that the grants released ere less than the amounts due. The loans not having been ssed on, in the process, to the beneficiaries, no recoveries were the from them on this account. Consequently, the entire bility for the repayment of the loans and interest thereon d to be borne by the State Government. The additional irden borne by Government on this account up to March 91 was Rs. 98.22 lakhs (principal: Rs. 45.46 lakhs; interest: 5. 52.76 lakhs).

In April 1987 and April 1988, the Government of India is approached for the conversion of the loans into grants. hey held that the grant already released not having been 102/9102/92/MC. fully utilised, the proposed conversion would only add to the unutilised balance. The request was, therefore, not agreed t

Rules for the grant of loans to the beneficiaries had als not been finalised as of December 1991, and this question we taken up with Government by the Authority only in March 199

7.4.6. Targets and achievements

Of the 10 projects brought under the CADA, project repor in respect of seven projects had not been prepared even as July 1991 to facilitate the proper planning and implementatic of the Programme, though instructions to this effect were issue by the Government of India in October 1986. Even in respeof the remaining three projects for which project reports wer prepared in 1977, updated project reports were not available.

Government stated (January 1992) that detailed projereports could not be prepared for all the projects separately a the staff strength of the CADA was meagre and that the Authorit had collected and compiled basic information on the 10 project The basic information cannot obviously be a substitute for th detailed project reports envisaged by the Government India. Their preparation would have enabled the propplanning and systematic implementation of the Programme.

The financial targets and achievements thereagainst durin the period from 1985-86 to 1990-91 were as follows:

	2350 GR		1985	-86	1986	5-87	1987-	88	1988-	89	1989	9-90	199()-91
			Target	Achieve- ment	Target	Achieve- ment	Target	Achieve- ment	Target A	chieve- ment	Target .	Achieve- ment	Target	Achieve- ment
									(Rupees i	n lakhs)				
(2	s	Construction of field channels from the de- signated outlets to blocks 5 to 8 hectares												
		in extent	••	70.51	265.00	278.70	700.00	331.14	1,011.50	663.47	1,216.00	845.27	985.10	629.47
(1		Construction of field channels within the												
		5-8 hectare blocks*	•==	-	•••	••	••	••	••,	••	•••	••	59.53	22.37
(0	c)	Warabandi	••	0.03	0.20		20.00	0.09	60.00	••	76.00	49.68	275.46	402.70
(0	d) 5	Soil surveys	0100	0.01	0.25		0.25	••	8.50	•••	•3•		• ••	
(6		Training camps for farmers	0 10	••			10.00	1.50	1.40	1.23	15.86	8.22	• •	6.56
(f	:) _	Adaptive trials			2.29	0.18	3.00		8.80	4.79	18.33	5.99	••	9.78
(8	g) .	Field drains	••	0.09	1.00		2.00	•••	24.00		••		50.00	10.05
(1	h) .	Ayacut roads	••	••		••	••	••	••	••			35.00	2.28
(i		CAD establishment including CAD cell		58.38	93.92	59.33	95.00	76.07	109.40	80.17	122.94	97.04	165.49	130.00

* Classified along with (a) up to the year 1989-90.

Note:-The activities of CADA with separate funds having commenced only from September 1985, no targets were prescribed for the year 1985-86.

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The achievements reported were nil or negligible unde warabandi (upto 1988-89), soil surveys and field drains. Th reasons for the shortfall in utilisation of funds had not been furnish ed by the Authority.

The Authority received a sizeable portion of funds only towards the fag end of the financial year resulting in retention of heavy cash balances at the end of each year. Unspent cash balances retained by the Authority at the end of the years 1986-87 1987-88, 1988-89, 1989-90 and 1990-91 were of the order of Rs. 83 lakhs, Rs. 177 lakhs, Rs. 233 lakhs, Rs. 349 lakhs and Rs. 763 lakhs respectively.

The delay in the release of grants to the Authority was attributed (January 1992) by Government to the absence of grant-in-aid rules. It was, however, seen that the draft grant-inaid rules framed only as late as in February 1991 were pending approval of Government (January 1992).

The physical performance of the Authority vis-a-vis targets fixed during the six years ending 1990-91 was as shown below:

		85-86 Achie- vement		36-87 Achieve- ment	198 Target	7-88 Achieve- ment	198 Target	8-89 Achieve- ment	1989 Target	9-90 Achieve- ment		0-91 Achieve- ment	Tot: Target	al Achieve- ment	
							(in	hectares))						
Topographic survey	nil Nil	6,114	10,000	13,204	8,000	11,793	17,000	14,242	32,250	5,409	20,900	3,826	88,150	54,588	-
Construction field channed from the de nated outle to blocks 5 the bectares in	els esig- ts to 8		ž 1												
extent	Nil	2,678	11,756	7,615	13,500	8,665	16,100	9,819	32,250 •	16,179	26,000	14,739	99,606	5 9, 695	165
Construction field chann within the hectare block	els 5-8	Nil	Nil	Nil	Nil	450	17,000	2,532	32,250	2,616	26,000	3,201	75,250	8,799	
Warabandi introduced	Nil	Nil	9,412	8,021	12,375	9,411	20,000	17,052	34,000	2,275	2 5,5 00	1,600	1,01,287	38,359	
Soil Surveys conducted	Nil	1,427	10,000	181	10,000	3,145	6,000	Nil	Nil	631	Nil	Nil	26,000	5,384	
Adaptive tria conducted	uls 	λ' " • • •	••	••			• ••		1,800	3,202	2,420	1,939	4,220	5,141	

Note: The activities of CADA with separate funds having commenced only from September 1985, no targets were prescribed for the year 1985-86.

In addition, the achievements also included large scale demonstrations organised in 2,772 hectares, bench mark and evaluation surveys conducted in 6,736 hectares and training of 45,465 farmers. The proposal for conducting adaptive trials in the command areas was approved by the Government of India in June 1988; however, it was only in March 1989 that the Authority issued orders for its implementation. While the physical achievement under 'Ayacut roads' was negligible, that under 'Field drains' had not been intimated by the Authority.

Government stated (January 1992) that delays in the release of grants to the Authority, absence of a duly constituted Authority from December 1986 to October 1989 due to its belated reconstitution, and delays in entrusting *warabandi* works to the Irrigation Department, which was done only in December 1988, had adversely affected the implementation of the Programme.

Introduction of *warabandi* was to keep pace with the construction of field channels. However, whereas *warabandi* was reported to have been introduced in an area of 38,359 hectares as of March 1991, field channels from the designated outlets to 5-8 hectare blocks had been constructed by then in 59,695 hectares and field channels within such blocks only in 8,799 hectares. In order to ensure the optimum utilisation of the irrigation potential created these three activities should have been synchronised and properly co-ordinated.

Of the total CCA of 95,743 hectares in all the 10 completed projects brought under CADA in September 1985, the irrigation potential created and utilised upto December 1990 were of the order of 73,851 hectares and 53,647 hectares respectively. However, as the *warabandi* programme had not kept pace with the programme for the construction of field channels, equitable distribution of water by rotation could not be ensured. According to the Authority, the percentage of utilisation of irrigation potential ranged between 5 and 87 only of the potential created as shown below:

Name of the project	Ultimate irrigation potential (CCA)	Potential created	Potential utilised	Percentage of utilisation
Malampuzha	20,553	18,137	14,623	81
Walayar	3,844	3,291	171	5
Mangalam	3,639	3,147	2,386	76
Gayathri	5,466	4,726	2,982	63
Pothundy	5,466	4,726	4,127	87
Peechi	18,623	8,425	6,882	82
Chalakudy	19,696	16,418	11,651	71
Vazhani	5,182	4,309	2,639	61
Cheerakuzhi	1,619	989	571	58
Neyyar	11,655	9,683	7,615	79
Total	95,743	73,851	53,647	* 1

7.4.7. Construction activities

Repairs to and maintenance of spouts⁴ and other canal structures and construction of field channels were not concurrently planned or executed in any of the Divisions. No Division was having a ready list of the number of spouts requiring repairs, with the result that the field channels were constructed without ascertaining the soundness of the related spouts. Repairs to defective spouts were also undertaken only years after the construction of the field channels, resulting in unregulated flow and wastage of water.

It was only in December 1988 that the responsibility for the maintenance and repairs of spouts was entrusted to the Irrigation Department, the expenditure thereon being met out of the funds provided for the CADP.

^{4.} Openings or contrivances constructed in an irrigation system through which water is delivered at the periphery of a block of land, the extent of which does not ordinarily exceed 40 hectares.

Government stated (January 1992) that the field officers had inspected and ascertained the soundness of the spouts before preparing the estimates for the construction of field channels. It was, however, seen that repairs to spouts were undertaken only after a time lag of two to four years after construction of the field channels in 9 cases in two projects.

In December 1988, the Authority decided to entrust the *warabandi* works to the concerned Irrigation Divisions in charge of the CAD project for execution utilising CADP funds. However, components like repairs to existing spouts and shutter arrangements, closure of leakages and formation of bunds, which were outside the scope of *warabandi* works in terms of the Government of India guidelines were also entrusted to the Irrigation Divisions. Approval of the Government of India for the deviation was not obtained.

In November 1985, the Government of India had prescribed that the expenditure on *warabandi* works should not exceed Rs.350 per hectare. A comparison of the total expenditure incurred and the physical achievements during 1985-91, however, revealed that the expenditure incurred on such works was far in excess of the norm fixed by the Government of India as shown below:

Area covered by *warabandi* works during 1985-86 38, 359 hectares to 1990-91

Amount required for completing the works based Rs. 134.26 lakhs on the prescribed norms

Expenditure actually incurred by the Authority Rs. 452.50 lakhs

Excess expenditure

Government stated (January 1992) that some additional works were executed for the smooth functioning of the canals and proper distribution of water resulting in excess expenditure and that steps were being taken to get it ratified by the Government of India.

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Rs. 318.24 lakhs

7.4.8. Collection of water cess

The State Revenue Department had been collecting cess on water based on the irrigation potential created at the time of commissioning the projects. The water cess demanded by the Department in the three Districts during the period from 1986-87 to 1990-91 was Rs. 266.28 lakhs, of which demands for Rs.29.98 lakhs were disputed by the beneficiaries and their collection was stayed by the Department/Government and Courts, and Rs.15.69 lakhs were yet to be realised as of March 1991.

The irrigation potential created subsequent to the formation of the Authority had not been completely verified by the revenue staff of the Authority and intimated to the State Revenue Department. Such a verification had been taken up only in 6 of the 10 completed projects. This was attributed (April 1991) by the Authority to paucity of revenue staff. In the absence of verification of the irrigation potential created, the correctness of the assessments of water cess could not be ensured.

7.4.9. Formation of farmers' associations

The Authority was to equip the beneficiary farmers of the Programme to undertake future water management functions in the *ayacut* on closure of the official CAD activities. The CADA was also to undertake formation of Beneficiary Farmers' Associations (BFA), periodical inspection of the BFAs, training to farmers, etc.

Up to March 1991, 2,031 BFAs had been formed in the command areas of the 10 projects covering an *ayacut* area of 75,109 hectares. Nevertheless, the Authority had not covered the potential number of farmers to be enrolled in all the BFAs. In the three Divisions, against the potential strength of 21,358 farmers in 292 BFAs test-checked, the number of beneficiaries enrolled was only 9,111 and the shortfall in enrolment of members ranged between 40 *per cent* and 67 *per cent* of the potential strength. 102/9102/92/MC.

The Authority stated (April 1991) that the identification of potential strength would be completed only when the *ayacut* registers of all the BFAs were prepared.

There was also no systematic programme for imparting training to all the members of the BFAs. This was attributed (April 1991) to inadequacy of staff and vehicles.

7.4.10. Other topics of interest

(a) Project Committees of completed projects were to be constituted with a view to monitoring the progress of activities at various levels. While such committees were constituted after delays of more than three years in five projects and of more than five years in three projects, such committees had not been constituted in the remaining two projects. The delay in constitution of the committees was attributed (April 1991) to the delay in formation of beneficiary farmers' associations and consequent delay in the constitution of canal committees.

Government stated (January 1992) that the project committee in respect of one more project had since been constituted and in the other project (Walayar), even the beneficiary farmers' associations had not been completely formed due to paucity of water.

(b) An evaluation of the Programme by an independent external agency, as required by the Government of India in March 1987 had not been conducted as of September 1991.

Government stated (January 1992) that the Authorithad decided in October 1991 to entrust the evaluation of the Programme to the Centre for Water Resources Developmen and Management, Kozhikode.

HIGHER EDUCATION DEPARTMENT

7.5. University of Calicut

The University of Calicut was established in 1968. The income of the University comprised of grants received from the State Government, the Government of India, University Grants Commission and other agencies such as the Council of Scientific and Industrial Research, etc.

A test-check of the accounts of the University for the years 1983-84 to 1986-87 conducted during 1989-90 under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 revealed the following:

(a) Loss of interest on investment of accretions to Provident Fund

The deductions on account of subscriptions to the General Provident Fund made from the salaries of the employees for a month were to be remitted into the treasury before the 10th of the succeeding month. Such amounts were, however, remitted into the treasury from November 1982 onwards only belatedly, after delays ranging from one month to nine months. The interest forgone by the University on such delayed remittances up to September 1990 amounted to Rs. 31.31 lakhs. The belated remittances were attributed (June 1991) by the University to the diversion of Provident Fund subscriptions of the employees for other purposes, because of the non-receipt in time of the grants due from the State Government.

Further, based on a Syndicate decision of October 1978, and in accordance with the investment pattern of the Government of India, the University had been depositing surplus funds in the Provident Fund in time deposits in post offices and scheduled banks. It was beneficial to invest the funds in such manner upto 1985-86, as such investments fetched higher rates of interest than those payable to the subscribers. However, from 1986-87 onwards, when the interest on Provident Fund accumulations was enhanced to 12 per cent per annum, the rate of interest allowed on investments in post office time deposits and in scheduled banks was comparatively lower and ranged from 10.5 per cent to 11 per cent. At the same time, the fixed deposits in the treasury savings account fetched interest at 12 per cent from 1986-87 onwards. It was, therefore, not judicious to invest the surplus funds in post office time deposits and banks after 1985-86. Consequently, on deposits totalling Rs. 30.64 lakhs so made between May 1986 and December 1987, the University suffered an avoidable loss of interest of Rs. 2.76 lakhs.

The University stated (February 1990) that the Provident Fund accumulations were being deposited in the treasury fixed deposits since 1988 and that the time deposits invested earlier were also being withdrawn and credited to the treasury fixed deposits, as and when they matured.

(b) Idle equipment

A microfiche camera (cost: Rs. 0.41 lakh) received in May 1986 and installed in December 1986 for micro filming the reading materials to be preserved and film and other photographic materials (cost: Rs. 0.09 lakh) purchased in June 1988 could not be put to use even as of November 1991 because the necessary dark room facility had not been provided. The request for provision of the facility was made by the Librarian only in January 1987, more than eight months after the receipt of the camera. The investment of Rs. 0.50 lakh on the procurement of the camera and consumables had consequently remained unfruitful.

The University stated (November 1991) that the dark room facility could not be provided due to administrative reasons and that further action was being taken in this regard.

(c) Non-adjustment of temporary advances

Temporary advances amounting to Rs. 2.95 crores paid to officials of 43 departments in the University on 1,552 occasions luring the period from 1975-76 to 1989-90 towards purchase of consumables, tour advances, etc., were pending adjustment as of February 1991 in the absence of final bills. The year-wise letails of the advances were as follows:

	Year	Amount pending adjustment
		(Rupees in lakhs)
Jp to	1984-85	81.94
2013 	1985-86	24.12
	1986-87	15.09
	1987-88	18.85
	1 9 88-89	65.33
	1989 -9 0	89.76
		295.09
		and the second s

The University stated (June 1990) that due to inadequate staff, settlement of advances was being delayed and that proposals for taking disciplinary action for non-adjustment of advances were under consideration.

(d) Unfruitful expenditure on raising of rubber plantation

With a view to augmenting its income, the University lecided in 1975 to raise a rubber plantation on 2.02 hectares of land in its campus. Another plot of 5 hectares was also leveloped in 1976. No project report was, however, prepared for the scheme. Further, though the Head of the Botany Department had opined in July 1975 that the plantation should have at least 30,000 trees so as to be viable, only 3,000 seedlings were planted in 1975 and 1976.

It was only in July 1980 that the University approached the Rubber Board to ascertain the viability of the plantation and the scope for its further development. The Rubber Board pointed out that the soil had steadily deteriorated over the year due to the failure to control erosion and the absence of a thicl leguminous cover crop, and suggested that, while the 2.05 hectare plot could be improved by appropriate protective maintenance, the 5 hectare plot had to be planted afresh Having regard to the fact that this would involve large invest ments, the University decided in October 1981 to explore the possibility of leasing out the plantation for a period of five year in the first instance. This did not, however, materialise because of the University's inability to finalise the terms and conditions of leasing. While no income was derived from the plantation since it was raised, the expenditure of Rs. 1.18 lakhs incurred by the University on the raising of the plan tation without adequate planning and examination of its econo mics had remained unfruitful.

(e) Unsold publications

During 1985-86, the University printed 500 copies eact of two books ('The theatre of the earth is never dead' and 'A calendar of Kerala cultural events') for sale. Of these, only 25 copies of both the publications were sold and 352 copies were distributed as complimentary copies. The remaining 623 copies of the two books valued at Rs. 0.53 lakh were held in stock as of September 1991.

(f) Defalcation of money

With a view to instituting an endowment in the name of a Trust, the Chairman of the Trust forwarded a demand draft for Rs. 23,000 to the University in March 1980 for constitution of the corpus of the Trust. The demand draft drawn in favour of the Registrar[®] was initially credited by him to the staff welfare fund in September 1980 and a self cheque was issued the next day to obtain a demand draft in favour of the Finance Officer to enable him to credit the amount in the University Fund for nstituting the endowment pending approval of the relevant ules. However, the proceeds of the cheque were not brought to the University accounts and the amount was misappropriated. A case was registered with the Vigilance authorities in September 1981 against the then Registrar of the University. Following a case filed by them in a court of law, he was exonerated of all charges levelled against him in March 1988. The court, however, suggested departmental enquiry against three other employees of the University who were actually involved in the misappropriation. The enquiry, however, initiated after three years in April 1991 was pending finalisation (February 1992).

These points were reported to Government in August 1991; their reply had not been received (February 1992).

GENERAL EDUCATION DEPARTMENT

7.6 Second National Games 1987

The Second National Games were conducted in Kerala in December 1987. As the National Games were to be organised according to Olympic standards, various infrastructura facilities like stadia, swimming pool, cycle velodrome, etc. were to be constructed in various parts of the State before commencement of the Games. Certain points relating to the construction of an indoor stadium at Thiruvananthapuram were mentioned in paragraph 2.2.16 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1988 (Civil), No.5 of 1989. A further review conducted in Audit revealed the following:

(i) The Director of Sports and Youth Affairs was responsible for the operation of the funds allotted by the Government for the conduct of the Games, subject to the latter's approval In April 1988, the accounts of the Games were also ordered to be audited by a Chartered Accountant. Between October 1986 and December 1987, an amount of Rs. 480 lakhs was provided by the State and Central Governments as grant for provision of infrastructural facilities. The accounts of the infrastructural facilities had not been consolidated and audited even three years after the conclusion of the Games, and unutilised grants totalling Rs. 34.44 lakhs were deposited in the treasury savings bank account (Rs. 32 lakhs) and in a nationalised bank (Rs. 2.44 lakhs).

The Director of Sports and Youth Affairs attributed (January 1991) the delay to non-availability of experienced personnel.

(ii) Grant amounting to Rs. 102.50 lakhs was released between February and October 1987 for an indoor stadium then under construction at Ernakulam, to enable the holding of propertitions in two disciplines. The stadium was, however, ot completed in time and the games in these two disciplines ere held at other locations with such facilities as were avaible. The grant sanctioned thus did not serve the intended urpose.

(iii) More than 23 lakh name slip stickers costing one pee each, were entrusted to the Assistant/District Educational fficers for sale to the students. While 2.14 lakh stickers were turned unsold, an amount of Rs. 5.46 lakhs out of the sale roceeds totalling Rs. 17.41 lakhs in respect of 21.76 lakh stickers mained to be realised from various officials as of June 1991.

(iv) Government sanctioned in September 1987 the pply of 200 cubic metres of teak wood costing Rs. 29.47 khs to the Regional Sports Centre Ernakulam, initially on edit subject to subsequent settlement of the terms of payment. Thile the terms of payment had not been finalised even as of me 1991, the Centre, however, contended that the question of ny payment did not arise because the wood was received as grant from Government. The dispute was yet to be resolved.

(v) Outstandings totalling Rs. 1.19 lakhs, representing nounts due from a contractor towards the cost of 39,950 inny bags (Rs. 0.67 lakh) supplied to him at the Aquatic omplex, Thrissur, and only partially paid for by him, and from trious firms and Government Departments on account of lvertisements published in the Games Souvenir (R. 0. 37 lakh) id sale proceeds of sports baniyans (Rs. 0.15 lakh) had not en realised as of June 1991.

The facts mentioned above were confirmed by Government July 1991.

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SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT

7.7. Construction of a Teak Museum and Research Centre at Nilambur

In February 1978, Government accorded administrativ sanction for the establishment of a Teak Museum and Researc Centre at Nilambur at an estimated cost of Rs. 5.70 lakhs wit the objective of educating the Forest personnel and the publi on the uses of teak and undertaking research. The constructio of the Museum and Research Centre and their future mange ment were entrusted to the Kerala Forest Research Institute a scientific society engaged in research and advance studie in forestry, wood science and technology and forest environmen Government initially released a grant of Rs. 2 lakhs for th construction of a building and thereafter Government ordere that the construction be undertaken as part of the Institute activities utilising the regular grant-in-aid received from tim to time.

The Institute awarded the construction work to the Keral State Construction Corporation Limited in December 1983 fc completion within 24 months. The progress of work was slo and by September 1987, only the outer shell of the buildin was completed at a cost of Rs. 17.50 lakhs, the increase in th cost being attributed to escalation in prices of constructio materials. There was little progress of work thereafter and th wood work, flooring, panelling and electrification remaine to be completed as of November 1991.

According to a rough estimate prepared in January 199 a further sum of Rs. 32 lakhs would be required to comple the remaining works of the building (Rs. 5 lakhs) and for the acquisition and display of exhibits, construction of sta guarters/compound wall, etc. (Rs. 27 lakhs). In the circumstances, the expenditure of Rs. 17.50 lakhs already incurred on the museum had remained unfruitful since September 1987 and the objectives of establishing the museum and research centre had also not been fulfilled.

Government stated (August 1991 and December 1991) that lack of effort on the part of the Kerala State Construction Corporation Limited and paucity of funds mainly contributed to the delay in construction, which was further accentuated by the compulsory retirement of the Executive Engineer of the Institute in 1987 and the absence of a full-time Director since 1988, and that the Executive Committee of the Institute had decided to terminate the agreement with the Corporation and to retender the balance work based on the detailed plans prepared in consultation with the National Museum of Natural History.

7.8. Avoidable expenditure

The laboratories and departments of the Tropical Botanic Garden and Research Institute were shifted in stages between July 1985 and July 1986 from Thiruvananthapuram to the garden site at Palode. The Institute's administrative office was also shifted to the new site in February 1987. However, an office continued to be maintained at Thiruvananthapuram in a rented building with a skeleton staff of one stenographer, two drivers, one helper, one watchman and a part-time sweeper. The office in the city was intended to facilitate liaison with various departments and serve as a venue for meetings of the Technical Committees, the Advisory Committee, the Selection Committees, etc. Research materials, seedlings, etc., were also to be distributed from this office. No records were, however, available to indicate that the office was, in fact, being utilised for these activities.

On this being pointed out by Audit, the Institute admitted that there was no justification to maintain the city office and for the expenditure on vehicles, telephone and idle staff. The city office was, therefore, closed down from December 1990 and its functions entrusted to the office at Palode. The expenditure of Rs.5.12 lakhs incurred by the Institute o the continued maintenance of the city office from February 198 to November 1990 could have been avoided, had the necessit and justification for a city office been examined in detail even ab initio.

Government stated (August 1991) that the city office wa continued to be maintained because the Institute at Palode had no Subscriber Trunk Dialling facility for maintaining liaison with departments at Thiruvananthapuram and that the car stationed in the city office was used for the transportation of certain foreign experts.

LOCAL ADMINISTRATION DEPARTMENT

Kerala Water Authority

7.9. Excess payment for additional item of work

The civil works relating to the Accelerated Rural Water Supply Scheme for Eraviperoor were entrusted to a contractor in November 1981 at a cost of Rs.10.99 lakhs, excluding the cost of pipes. Several additional items not envisaged initially were also executed by the contractor. These included, inter alia, the formation of a bund with sand filled gunny bags outside the well on the river side to prevent the entry of silt and slush into the well. A supplementary agreement was executed for this work in March 1990 by the Superintending Engineer, Public Health Circle, Kottayam, providing for a rate of Rs.543.78 per cubic metre on the basis of observed data, without the approval of the Chief Engineer. In computing the rate, the requirements of gunny bags for the formation of one cubic metre of the bund were estimated to be 53. This was based on the assumption that the capacity of each sand filled gunny bag would be 0.01875 cubic netre. A scrutiny of the observed data for extra items involving the use of sand filled gunny bags in certain other works executed in he same Division, however, revealed that the capacity of sand illed gunny bags had been adopted as 0.0417 cubic metre in these cases, and only 24 bags would consequently be required for he formation of a cubic metre of bund as against 53 bags adopted or the water supply scheme, involving payment for the extra item it the rate of Rs.246.24 per cubic metre only. The adoption of lesser volume of sand per gunny bag and the consequential payment at the rate of Rs.543.78 per cubic metre resulted in an excess payment of Rs.2.60 lakhs to the contractor.

The matter was reported to Government in April 1991; heir reply had not been received (February 1992).

.10. Irregular payment to contractors

According to the special conditions of contracts for pipe aying works, the road metal in metalled roads along the alignnent of the pipes was to be removed by the contractors and acked separately from the excavated earth, and such metal relaid after refilling the trenches with binding material and the road surface restored at the contractors' own cost.

A test-check of the records relating to the execution of pipeline works in two Public Health Divisions¹ revealed that, contrary to these conditions, contractors entrusted with the execution of eight rural water supply schemes between 1982-83 and 1985-86 were paid Rs.4.71 lakhs separately for picking paved rubble from the alignment of the pipelines and replacing them after laying the pipes.

The matter was reported to Government in June 1991; their final reply had not been received (February 1992).

7.11. Extra expenditure on purchase of PVC pipes

The Kerala Water Authority placed orders with a firm of Pune in August 1987 for the supply of PVC pipes of different classes and sizes to five Public Health Divisions at a total cost of Rs.34.12 lakhs. According to the terms and conditions of the supply order, full payment towards the cost of the pipes was to be made to the supplier on receipt of the supplies and their verification by the consignees. After effecting part supplies of pipes costing Rs. 19.47 lakhs, the firm discontinued further supplies from May 1988 as payments against their supplies to Irinjalakuda Division in February 1988 were delayed and sought confirmation that full payment would be made for the outstanding supplies. Instead of clarifying the position in this regard, the Department merely informed the firm in July 1988 that action would be taken against them in terms of the agreement for their failure to supply the balance quantity. Subsequently in April 1989, the Authority decided to terminate the contract without any financial implications and to relieve the firm from the responsibility of supplying the balance quantity of pipes (cost:Rs.14.65 lakhs) on the basis of an opinion furnished by their legal consultant that there was a breach of promise on their part in regard to the terms of payment agreed upon. The balance quantities of all classes of pipes were subsequently purchased in December 1989 from another firm at enhanced rates.

1. Palakkad and Shoranur

A payment of Rs.3.43 lakhs due to the Pune firm in respect of the supplies made in February 1988 was made by the Irinjalakuda Division in May 1988. The delay was attributed (September 1990) by the Division to paucity of funds under the Mala scheme, for which the pipes were intended. Nevertheless, the Executive Engineer of the Division had requested the Chief Engineer in March 1988 to allot Rs.0.60 lakh only as additional funds for the scheme. An analysis of the cash balance of the Division during March 1988 revealed that, while credit balances ranging from Rs.12.30 lakhs to Rs.7.84 lakhs were available during the month, credit balances totalling Rs.11.78 lakhs were also available in banks and treasuries, apart from a cash balance of Rs.1.32 lakhs as at the end of March 1988. This would show that adequate funds were available with the Division in March 1988 to discharge the liability to the firm. Failure of the Authority to comply with the terms of payment agreed upon necessitated purchase of pipes at higher prices from another firm, leading to an avoidable extra expenditure of Rs.2.16 lakhs.

The matter was reported to Government in May 1991; their reply had not been received (February 1992).

7.12. Infructuous expenditure on a water supply scheme

In April 1983, Government directed that new schemes may be taken up under the Special Component Plan benefiting scheduled castes. In November 1983, the District Collector, Kollam, accordingly sanctioned a water supply scheme for the Dharmapuri Harijan colony at an estimated cost of Rs. 9.91 lakhs.

The scheme, initially implemented by the Public Health Engineering Department, was taken over by the Kerala Water Authority from April 1984. The scope of the scheme was, however, changed in November 1985 at the instance of the Panchayat, without obtaining the formal sanction of the Collector, to extend the distribution system by four kilometres outside the Harijan colony for providing water supply using HDPE pipes to Kunnikode situated at a higher level. The technical feasibility thereof was also not established based on a survey.

The pipes were laid at a cost of Rs.6.90 lakhs and the scheme was partially commissioned in June 1988 for supply of water through taps to the Harijan colony as proposed in the original scheme. Water supply to Kunnikode through the extended pipelines had not, however, been provided even as of August 1990 due to frequent bursting of the HDPE pipes and inadequate pressure at the tail end of the system to enable the flow of water to the elevated area. This was attributed by the Executive Engineer to the defective manufacture of the pipes. A fresh survey undertaken in October 1988 to assess the hydraulic particulars of the pipelines revealed that, in order to ensure the free flow of water to the area beyond the Harijan colony, construction of an additional ground level tank and pump house would be necessary, treating this area as a separate zone, apart from the replacement of the substandard HDPE pipes already laid. An estimate for Rs. 7.15 lakhs prepared for the purpose, which included a provision of Rs. 3.18 lakhs for replacement of the defective HDPE pipes was awaiting sanction in October 1991.

Extension of the distribution system without establishing its technical feasibility based on proper investigations, combined with the laying of sub-standard pipes, resulted in the expenditure of Rs. 6.90 lakhs incurred thereon being rendered infructuous, and in an estimated additional expenditure of Rs. 3.18 lakhs on the replacement of the defective pipes.

The matter was reported to Government in May 1991; their reply had not been received (February 1992).

7.13. Infructuous expenditure on unauthorised works

Works relating to the provision of water supply to Erattupettah, Zone I, comprising the construction of a ground level tank and a pump house and the laying of the distribution system, were entrusted to a contractor in December 1983 for Rs. 4.38 lakhs, excluding the cost of pipes, without any administrative or technical sanction and even in the absence of a sanctioned estimate. The contractor took up the laying of the distribution system only which was completed in February 1987, utilising pipes costing Rs. 3.03 lakhs. He did not undertake the construction of ground level tank and pump house in the absence of the sanctioned estimate and design of the tank. On completion of the distribution system, the Executive Engineer ordered the closure of the contract and the dropping of the remaining items of work on the ground that such estimate as was prepared initially was not based on a proper scheme, indicating the location, capacity and design of the tank and that further commitments on such an uncertain scheme were not desirable. Consequently, the distribution system laid at a cost of Rs. 5.07 lakhs was not utilised for the intended purpose, and the entire expenditure was rendered infructuous.

While settling accounts of the contractor, unused departmental materials (cement, pipes, specials, etc.) costing Rs. 11.30 lakhs issued for the works were not taken back but were transferred to another work (Water supply scheme to Erattupettah, Zone II) entrusted to the same contractor in December 1983. This scheme was also taken up for implementation without proper administrative or technical sanction, but the contract was terminated later in February 1987 after the contractor had completed the foundation of the ground level tank up to the basement level, and materials valued at Rs. 10.60 lakhs issued for this work were also retained by the contractor in addition to the materials transferred from Zone I. The Executive Engineer had held in January1987 that another water supply scheme separately sanctioned would cater to the entire area of Erattupettah, Zone II. Following the termination of both the contracts, materials totally valued at Rs. 21.90 lakhs had not been returned by the contractor even as of October 1991, against which Rs. 0.43 lakh only, representing the security deposit and retention money was available with the Department.

The matter was reported to Government in April 1991; their reply had not been received (February 1992).

7.14. Unfruitful expenditure on a water supply scheme

The Thenmala Water Supply Scheme in Kollam District, to benefit a population of 9,600, was sanctioned by the Government in February 1980 at an estimated cost of Rs. 27.82 lakhs. The civil works pertaining to the scheme were entrusted to a contractor in April 1984 at a cost of Rs. 9.89 lakhs for completion in one year.

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Though the estimate envisaged the laying of distribution lines of a total length of 10 kilometres only, pipes were laid fo a length of 48.44 kilometres up to November 1987 reported based on public demand. Further, more expensive PVC/HDPI pipes were laid notwithstanding the fact that the estimate provided for the use of AC pipes only. The work came to standstill from November 1987, pending receipt of sanction to revised estimate amounting to Rs. 127 lakhs submitted by th Executive Engineer in May 1988 and acquisition of 0.35 hectar of forest land for construction of the water tank and for laying c the pumping main. The estimate, accommodating the estimate tended distribution system, was further enhanced to Rs. 129.4 lakhs and was sanctioned by the Kerala Water Authority i December 1989. The increase in the cost from Rs. 27.8 lakhs to Rs. 129.48 lakhs was mainly attributable to th extension of the distribution system from 10 kilometres to 48.4 kilometres, changes made in the design and scope of the wel cum-pumphouse and to the inclusion of certain additional previsions. The contractor thereafter resumed the work in the non-forest area in October 1990. Though Government acco ded sanction in April 1990 to the transfer of 0.26 hectare forest land for the scheme, possession of the land had not bee taken as of October 1991, pending selection of an equivaler area of land for compensatory afforestation.

On Inspection of the works, the Superintending Enginee World Bank Project, Kollam, reported in November 1987 th the pipes laid were not of the required rated capacity (13 to kg/m^2) and that they were also not tested. He, therefor suggested that the pipes might be replaced with pipes of appr priate pressure rating or three more sumps and pumping statio be constructed instead. In order to utilise the lines alread laid, the Department decided to construct additional sumps as pumping stations, for which provision of Rs. 3 lakhs was includ in the revised estimate.

The scheme taken up for construction as early as in Ap 1984 continued to remain incomplete even after seven yea and the expenditure of Rs.75.14 lakhs incurred on the scheme h onsequently remained unfruitful. Further, failure to ensure hat the pipes laid were of the required rated capacity necessitated idditional investments on the construction of additional umps and pumping stations, involving an estimated liability of Rs. 3 lakhs. Two pump sets costing Rs. 3.62 lakhs purchased n September 1987 were also lying idle for over four years owing o non-completion of the pump house and water tank.

The matter was reported to Government in September 1991; heir reply had not been received (February 1992).

7.15. Idle outlay on a water supply scheme

A water supply scheme for the Channampoika Harijan colony n Kollam District was sanctioned by the District Collector in February 1986 at an estimated cost of Rs. 5.04 lakhs. The scheme envisaged the construction of a pump house and ground level tank with pumping main and the laying of 3,700 metres of distribution pipelines. Water for the scheme was to be obtained from a borewell in the colony.

The civil works were entrusted to a contractor in January 1986 stipulating the date of completion as May 1986. Subsequently in March 1986, based on representations received from the local people and elected representatives that the scheme may be extended to Muthupurathumukal Harijan colony, its scope was revised to extend the distribution system to a total distance of 11,045 metres. In view of the fact that the original source was inadequate to meet the water requirements of both the colonies and that the iron content of the water from the borewell was also excessive, the construction of a six-metre diameter open-well instead of the borewell was also proposed. Though the revised scheme (estimated cost: Rs. 9.96 lakhs) was technically approved by the Executive Engineer in September 1986, the administrative sanction had not been accorded by the District Collector, Kollam as of May 1991.

By September 1986, 7,863 metres of pipes (cost: Rs. 5.90 lakhs) were laid by the contractor at a cost of Rs. 1.23 lakhs. No further work on the scheme was executed thereafter due to

non-availability of land for construction of the pumphouse, the ground level tank and the open-well. While a proposal to acquire 10 cents of land identified for the purpose in February 1988 was not pursued because it was located in a neighbouring district, the technical feasibility of construction of the proposed open-well had also not been established in the absence of yield tests.

Thus, enlargement of the scope of the scheme without ensuring the availability of land and determining a proper source which was indicative of defective planning-resulted in an idle outlay of Rs. 7.13 lakhs on the laying of the distribution system, apart from depriving the residents of the two Harijan colonies of the intended benefits. Besides, the delay of five years in the completion of the scheme would also have an inevitable impact on costs and the estimate prepared for the purpose in September 1986 might no longer be realistic.

The Executive Engineer, Public Health Division, Kollam, stated (September 1991) that the Ground Water Department had been requested to undertake a survey for drilling a new borewell in a different locality in the colony area.

The matter was reported to Government in June 1991; their reply had not been received (February 1992).

7.16. Delay in execution of a water supply scheme

A water supply scheme to benefit hundred Harijan families in Kadakkamon in Pathanapuram Taluk was sanctioned by the District Collector, Kollam, in August 1983 at an estimated cost of Rs. 7.48 lakhs. The scheme involved the construction of (i) a well-cum-pump house and an infiltration gallery, (ii) a ground level reservoir of 30,000 litres capacity and (iii) pumping main of 850 metres and distribution system.

The civil works costing Rs. 3.09 lakhs were awarded to a contractor in November 1983 at 31 per cent below the estimate,

ipulating the date of completion as November 1984. The ontractor completed the pumping main and 85 *per cent* of the ork on the distribution system by January 1985, for which he as paid Rs. 2.05 lakhs. Work on the construction of wellum-pump-house and infiltration gallery could not, however, be secuted because the availability of water from a small *thodu*,¹ thich was to serve as the source, was found to be inadequate. Io alternative source could be located till January 1989, when he Kerala Water Authority decided to use an exploratory borerell constructed by the Central Ground Water Board in the djacent forest as a temporary source. A revised estimate for s. 9.75 lakhs proposed by the Authority in March 1989 was waiting the administrative approval of the District Collector s of May 1991.

As the use of forest area for non-forest purposes required learance from the Government of India, the work on the pumpouse was further delayed. The Government of India accorded anction in February 1990 for transferring the forest land to the authority on a ten-year lease. However, the Authority could secute an agreement for taking possession of the land nly in January 1991. As the new source in the forest was cross the river from the original source, construction of a footridge and laying of the pumping main for a further length of .2 km were necessitated. However, construction of the footridge was not included in the revised estimate. In February 991, the construction work was resumed by the original conactor. The total expenditure incurred on the scheme up to farch 1991 amounted to Rs. 5.62 lakhs.

Failure of the Authority to ensure the availability of a roper source of water before the work was taken up resulted in in non-completion of a water supply scheme intended for the enefit of Harijan families even after eight years of its commenceient, and in an unproductive expenditure of Rs. 5.62 lakhs.

The matter was reported to Government in August 1991; neir reply had not been received (February 1992).

¹ a small stream.

7.17. Theft of Departmental stores

Mention was made in paragraph 5.1 of the Report of the Comptroller and Auditor General of India for the year 1985-86 (Civil) about the indiscriminate purchase of gun metal (GM) valves by the erstwhile Public Health Engineering Department and the Kerala Water Authority during 1982-84. While most of these valves had not been utilised, the Chief Engineer/Superintending Engineers were directed by the Chairman, Kerala Water Authority, in October 1987 to assess the unutilised stocks of GM valves in each Division and to furnish these details to the head office to facilitate their redistribution. These directions were. however, not adhered to and large scale thefts of GM valves costing Rs. 9.32 lakhs were subsequently reported by seven Divisions¹ between August 1988 and September 1989, the thefts being attributable to inadequate security arrangements. These included (a) theft of valves costing Rs. 2.49 lakhs in a single incident in the World Bank Project Division, Aluva, during September 1989, where adequate measures to strengthen the security arrangements did not appear to have been taken even after the detection of as many as five cases of theft/attempted theft of stores items between December 1987 and April 1989, and (b) another theft of valves costing Rs. 2.42 lakhs in the Public Health Division, Kochi, in August 1988 kept in one of the staff quarters at Vedimara without a watchman. Apart from the GM valves, thefts of pipes, MS rods, pig lead, CID joints, water meters, etc., costing Rs. 3.52 lakhs were also reported by seven Divisions².

- Public Health Divisions, Irinjalakuda, Kochi (Vedimara), Palakkad, Perumbavoor and Thrissur; Public Health Central Store, Ernakulam and World Bank Project Division, Aluva.
- Public Health Divisions, Irinjalakuda, Kochi (Vedimara), Palakkad and Perumbavoor; Water Supply Division, Thiruvananthapuram; Public Health Central Store, Ernakulam and World Bank Project Division, Aluva.

While the thefts had been reported to the police for investigation and their reports were awaited, enquiries into the departmental lapses leading to the thefts had not been initiated as of September 1990.

The matter was reported to Government in May 1991; their reply had not been received (February 1992).

7.18. Delay in execution of a work owing to nonavailability of land

Under the Kerala Public Works Department Manual, tenders for carrying out a work should, in no case, be invited before making sure that land would be ready for being handed over to the contractor. Such land should either have been already acquired or be otherwise available or land acquistion proceedings should have reached a stage where there was reasonable prospect of its becoming available before the contractor started the work.

The Rural Water Supply Scheme to Vilangara Harijan Colony to benefit a population of 6,000 (estimated cost: Rs. 7.26 lakhs) was awarded on contract in February 1984 at a cost of Rs. 3.14 lakhs (excluding cost of pipes and specials) for completion by August 1984. The contractor executed the work relating to the distribution system only and laid 4,872 metres of pipes up to February 1985 against 6,100 metres envisaged in the estimate. While no payments were made to the contractor on this account, the other components of the work were not taken up, and the work was at a standstill from February 1985 onwards due to non-availability of the required land. As the owner of the site proposed for the installation of the pumphouse and tubewell was not willing to surrender the land, the matter was taken up with the District Collector in 1985. Acquisition proceedings were initiated thereafter only in 1987 and the land in question had not been acquired even as of July 1991.

Further, though the laying of AC and PVC pipes only was envisaged in the estimates and the tender schedule, more expensive HDPE pipes were used for the distribution system, entailing an additional expenditure of over Rs. 1 lakh. Failure to ensure availability of land prior to the invitatio of tenders resulted in the expenditure of Rs. 3.01 lakl incurred on the scheme up to February 1985, representing th cost of the pipes issued to the contractor, being rendered un fruitful for over six years and in the non-realisation of the objective of providing protected water supply to the less-privileged section of society. Besides, the delay in the commissioning of the schem would also have an inevitable impact on costs. Further, the co of pipes and specials and cement issued to the contractor durin November 1989 to July 1990 when no work was done amounted to Rs. 2.05 lakhs.

The matter was reported to Government in September 1991 their reply had not been received (February 1992).

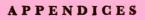
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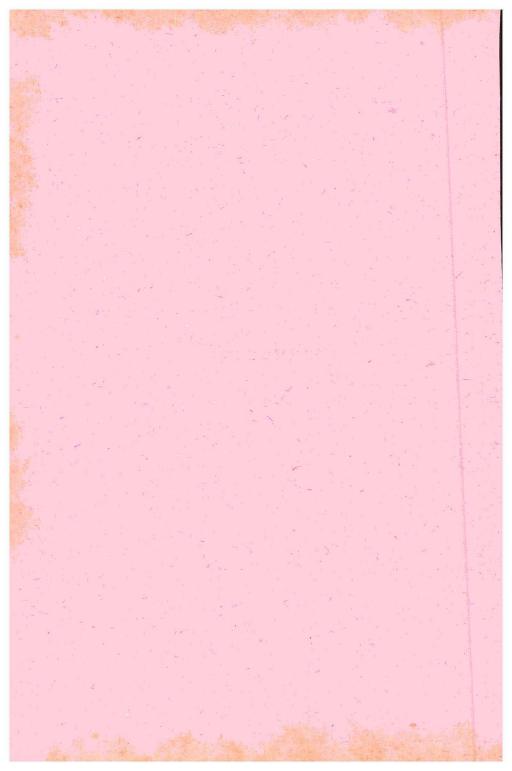
Thiruvananthapuram, (K. KRISHNA DAS) The **15** APR 199**Principal** Accountant General (Audit), Keral.

Countersigned

(C. G. SOMIAH) Comptroller and Auditor General of India

New Delhi, The 7MAY 1993





APPENDIX I

	Voted grants/charged appropriations where excess requires regularisation					
		(Reference:	Paragraph 2	.2.2)		
	Sl. No.	Number and name of grant	Total grant appropriation	Actual expenditure	Excess	
		REVENUE SECTION (Voted gran	(Rs.) nt)	(Rs.)	(Rs.)	
	1.	I-State Legislature	3,18,24,000	3,20,95,157	2,71,157	
ł	2.	III—Administration of Justice	20,88,12,200	21,04,91,840	16,79,640	
	3.	VI—Land Revenue	38,16,08,500	38,34,25,052	18,16,552	
	4.	VII—Stamps and Registration	9,91,65,600	10,85,62,288	93,96,688	
	5.	IX-Taxes on Vehicles	3,38,54,300	3,62,45,503	23,91,203	
	6.	X—Treasury and Accounts	11,14,01,300	11,39,54,249	25,52,949	
	7.	XII—Police	1,05,96,54,100	1,06,74,36,475	77,82,375	
	8.	XIII—Jails	6,56,89,800	6,68,07,966	11,18,166	
	9.	XVII—Education, Sports, Art and Culture	7,07,40,28,500	7,81,29,13,480	73,88,84,980	
	10.	XIX—Family Welfare	28,32,32,200	35,78,72,557	7,46,40,357	
	11.	XXI—Housing	10,64,28,800	11,00,09,829	35,81,029	
	12.	XXVIII—Miscellaneous Economic Services	14,18,97,600	18,52,21,574	4,33,23,974(a)	
	13.	XXX-Food	11,81,35,500	11,83,15,220	1,79,720	
	14.	XXXI—Animal Husbandry	23,30,94,600	23,60,85,050	29,90,450	
	15.	XLIII—Compensation and Assignments	32,00,00,000	32,29,85,616	29,85,616	
		CAPITAL SECTION (Voted gran	t)			
	16.	XXXIX—Power	59,48,00,000	59,66,38,000	18,38,000	
		Total			89,54,32,856(b)	

⁽a) Out of this, excess expenditure of only Rs. 36,58,715 requires regularisation and the balance (Rs. 3,96,65,259) which occurred as a result of reclassification and misclassification, does not require regularisation.

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⁽b) The total amount to be regularised is Rs. 85,57,67,597 only, vide note (a) above.

	A	PPENDIX I-Concld.		
Śl. No.	Number and name of grant	Total grant appropriation (Rs.)	Actual expenditure (Rs.)	Ēxcess (Rs.)
	REVENUE SECTION (Charged	ap propriation)		
17.	II—Heads of States, Minister and Headquarters Staff	s, 5,06,85,300	5,21,89,370	15,04,070
18.	III—Administration of Justice	2,91,57,000	3,01,37,213	9,80,213
19.	XXXIV—Forest	3,36,400	3,38,123	1,723
÷.,	CAPITAL SECTION (Charged a	ppropriation)		
20.	XXI—Housing	9,15,900	9,45,419	29,519
21.	XLI—Transport	3,25,100	3,43,543	18,443
22.	Public Debt Repayment	11,78,44,74,600 12,	82,45,02,040	1,04,00,27,440

Total

1 The Albert

1,04,25,61,408

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Appendix 2

Injudicious re-appropriation of funds

(Reference: Paragraph 2.2.11)

	Provision	Re-appropria-	Final	4	
pi	Original lus supple-	tion	grant e.	Actual E xpenditure S	Excess (+) Saving ()
		(10)	pees in innis		
XVII—Education, Sports, Art and Culture	.5				
2203-105-08 Strengthening of Technician education with World Bank assistance		() 417.30	92.70	135.23	(+) 42.53
2202-02-800-14 Introdu- ction of Vocational Cour- ses in selected secondary schools and upgrading them as Higher Secondary	. *		Ŧ		
Schools	49 4.60	()267.25	227.35	259.04	(+)31.69
XVIII—Medical and Pub Health	olic				
2210–03–103–05 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres Special Com-		4			
ponent Plan for Schedul- ed Castes/Scheduled Tribes	50.00	(0.48	27.31	(+)26.83
2210-03-103-04 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres (District	**				
Plan Programme)	80.00	()54.25	25.75	127.18	(+)101.43
XIX—Family Welfare		97. T. 11			
2211–108–02 India Population Project III— DHS Cell	530.30	()379.96	150.34	213.19	(+)62.85
XXIV—Labour and Labour Welfare					
2230-02-101-02 Unem-					
	 (a) Surplus withdrawal XVII—Education, Sports, Art and Culture 2203-105-08 Strengthening of Technician education with World Bank assistance 2202-02-800-14 Introdu- ction of Vocational Cour- ses in selected secondary schools and upgrading them as Higher Secondary Schools XVIII—Medical and Put Health 2210-03-103-05 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres Special Com- ponent Plan for Schedul- ed Castes/Scheduled Tribes 2210-03-103-04 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres (District Plan Programme) XIX—Family Welfare 2211-108-02 India Population Project III— DHS Cell XXIV—Labour and 	XVII—Education, Sports, Art and Culture 2203–105–08 Strengthening of Technician education with World Bank assistance 510.00 2202–02–800–14 Introdu- ction of Vocational Cour- ses in selected secondary schools and upgrading them as Higher Secondary Schools 494.60 XVIII—Medical and Public Health 2210–03–103–05 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres Special Com- ponent Plan for Schedul- ed Castes/Scheduled Tribes 50.00 2210–03–103–04 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres (District Plan Programme) 80.00 XIX—Family Welfare 2211–108–02 India Population Project III— DHS Cell 530.30 XXIV—Labour and	 (a) Surplus withdrawals XVII—Education, Sports, Art and Culture 2203-105-08 Strengthening of Technician education with World Bank assistance 510.00 () 417.30 2202-02-800-14 Introdu- ction of Vocational Cour- ses in selected secondary schools and upgrading them as Higher Secondary Schools 494.60 ()267.25 XVIII—Medical and Public Health 2210-03-103-05 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres Special Com- ponent Plan for Schedul- ed Castes/Scheduled Tribes 50.00 ()49.52 2210-03-103-04 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres (District Plan Programme) 80.00 ()54.25 XIX—Family Welfare 2211-108-02 India Population Project III— DHS Cell 530.30 ()379.96 XXIV—Labour and 	 (a) Surplus withdrawals XVII—Education, Sports, Art and Culture 2203-105-08 Strengthening of Technician education with World Bank assistance 510.00 () 417.30 92.70 2202-02-800-14 Introdu- ction of Vocational Cour- ses in selected secondary schools and upgrading them as Higher Secondary Schools 494.60 ()267.25 227.35 XVIII—Medical and Public Health 2210-03-103-05 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres Special Com- ponent Plan for Schedul- ed Castes/Scheduled Tribes 50.00 ()49.52 0.48 2210-03-103-04 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres (District Plan Programme) 80.00 ()54.25 25.75 XIX—Family Welfare 2211-108-02 India Population Project III— DHS Cell 530.30 ()379.96 150.34 	 (a) Surplus withdrawals XVII—Education, Sports, Art and Culture 2203-105-08 Strengthening of Technician education with World Bank assistance 510.00 () 417.30 92.70 135.23 2202-02-800-14 Introdu- ction of Vocational Cour- ses in selected secondary schools and upgrading them as Higher Secondary Schools 494.60 ()267.25 227.35 259.04 XVIII—Medical and Public Health 2210-03-103-05 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres Special Com- ponent Plan for Schedul- ed Castes/Scheduled Tribes 50.00 ()49.52 0.48 27.31 2210-03-103-04 Streng- thening of Primary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres and opening of new Pri- mary Health Centres and Sub-Centres 20.00 ()54.25 25.75 127.18 XIX—Family Welfare 2211-108-02 India Population Project III— DHS Cell 530.30 ()379.96 150.34 213.19 XXIV—Labour and

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APPENDIX 2-Concld. Sl. Number and Provision Final Re-abbro-Actual Excess (+) No. name of grant Saving (---) (Original priation grant expenditure plus supplementary) (Rupees in lakhs) XXV-Social Welfare including Harijan Welfare 7. 2225-80-800-01 Monetary concessions and full freeship to students of other communities scholar-310.00 (--)118.02191.98 251.96 (+)59.9ships XXXVI-Community Development 8. 2505-60-103-01 Scheme for small and marginal farmers for increasing agricultural production XXXVII-Industries 759.50 (-)377.50382.00 502.65 (+)120.69. 6860-30-190-10 Loans to Kerala State Cashew **Development** Corporation 150.00 (-)150.00100.00 (+)100.0. . (b) Surplus additions XII-Police 10. 2055-001-01 Superinten-512.94 (+)30.80543.74 495.87 (-)47.8dence XVII-Education, Sports, Art and Culture 11. 2203-112-14 Development of Government 10.00 52.65 11.17 (-)41.4Engineering Colleges (+)42.65XIX-Family Welfare 12. 2211-105-02 Tubectomy 113.31 (+)278.00391.31 278.53 (-)112.7XXV-Social Welfare including Harijan Welfare 13. 2225-01-277-01 Prematriculation studies-548.64 344.46 (-)204.1Scholarships and stipends 505.00 (+)43.64XXXIV-Forest 14. 4406-01-102-01 Land acquisition and buildings for Social Forestry (World 100.00 (+)40.00140.00 104.46 (-)35.5Bank aided) XXXVI-Community Development 15. 2501-01-101-01 Subsidy to IRDP beneficiaries through District Rural 800.00 (+)99.28899.28 868.50 (-)30.7**Development Agencies**

APPENDIX 3

Statement of calculation of excess payments made for trenches with embankments during 1985-86 to January 1989

(Reference: Paragraph 3.1.7)

	Period	Rates at which			Excess rate		Excess
		payments were made	rates (for	variations in the admitted		executed (RM) (RM)	payment
		for $100RM$	100 RM		(Jor 100 1	(nm)	
		Rs.	Rs.		Rs.		Rs.
	Mully Sub Division						
	April 1985 to						
	February 1986	422.72		A&B	185.19	1,54,193	2,85,550
	March 1986	422.72	316.71	A&C	106.01	11,900	12,615
	1986-87	485.58	316.71	A, C & E	168.87	2,25,443	3,80,706
	1987-88	512.32	316.71	A, D & E	195.61	2,13,846	4,18,304
	April 1988 to	510.00	010 51		10- 01	0.00.000	1 0 1 0 0 0
	January 1989	512.32	316.71	A, D & E	195.61	2,22,299	4,34,839
						Total	15,32,014
	Kottathara Sub Division						
	April 1985 to	105 50	005 50		0.40 05	1.00.000	4 60 000
	February 1986	485.58	237.53	A, B & E	248.05	1,86,369	4,62,288
	March 1986	485.58	316.71	A, C&E	168.87	4,370	7,380
	1986-87	485.58	316.71	A, C & E	168.87	2,64,379	4,46,457
	1987-88	520.08	316.71	D & E	203.37	2,09,651	4,26,367
	April 1988 to January 1989	520.08	316.71	D & E	203.37	1,91,861	3,90,188
1	January 1909	520.08	510.71	Dan	203.37	Total	
	TI 1 . CI D					1 otal	17,32,680
	Thalayani Sub Division						
	April 1985 to February 1986	540.60	292.53	A, B & E	248.07	17,538	43,507
	March 1986			A, D & L		17,550	10,007
	1986-87	 540.60	 371.71	 A, C & E		1,12,740	1,90,407
	1987-88	575.00	371.71	A,C&E D&E	203.29	58,849	1,19,634
	April 1988 to	575.00	3/1./1	D&E	203.29	50,049	1,19,031
	January 1989	575.00	371.71	D & E	203.29	27,435	55,773
	9 m	and a factorial				Total	4,09,321
	(Rates paid and admitt		s. 55 towa	rds agrostolog			.,,
	and agronomical measured	ures)				Grand Total	15 90 014
							15,32,014

15,32,014 17,32,680 4,09,321

36,74,015

i. e., Rs. 36.74 lakhs

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Reasons for variations

- A. Adoption of description item No. 52 (4 mazdoors and 3 boys for every 10 cubic metres of earthwork excavation) against item No. 57 admissible (3.6 men mazdoors and 2.5 boys).
- B. Adoption of wage rate of Rs. 15 for man mazdoor and Rs. 10 for boy instead of the admissible rate of Rs. 9 for man mazdoor and Rs. 6 for boy.
- C. Adoption of wage rate of Rs. 15 for man mazdoor and Rs. 10 for boy instead of the admissible rates of Rs. 12 and Rs. 8 respectively.
- D. Adoption of wage rate of Rs. 18 for man mazdoor and Rs. 12 for boy instead of the admissible rates of Rs. 12 and Rs. 8 respectively.
- E. Quantity of earthwork excavation and trimming adopted was 41.25 cubic metres and 170 sq. metres respectively, against 37.5 cubic metres and 160 sq. metres respectively provided for in the standard type design.

Appendix 4

Excess payment due to adoption of higher rates for the construction of trenches with embankment from February 1989 to 1990-91

(Reference : Paragraph 3.1.7)

Name of Sub Division	Period	Rate fixed by the Department (per 100 RM)	(per 100 R	ved Excess rate M)allowed (per 100 RM	executed	Excess payment
		Rs.	Rs.	Rs.	, (,	Rs.
Mully	2/89 & 3/89	474.95*	512.32	37.37	7,443	2,781
	1989-90	474.95	520.08	45.13	2,04,274	92,189
	4/90 to 11/90	474.95	520.00	45.05	47,808	21,538
	12/90 to 3/91	712.60**	780.00	67.40	1,27,087	85,657
Kottathara	2/89 & 3/89	474.95*	520.08	45.13	40,570	18,309
	1989-90	474.95	520.08	45.13	50,706	22,884
	4/90 to 11/90			• • •	Nil	• ••
	12/90 to 3/91	712.60**	780.00	67.40	12,617	8,504
					Total	2,51,862
					i.e. Rs.	2.52 lakhs

*Rate fixed by the Additional Director of Soil Conservation in January 1989. **Rate revised due to enhancement of wage rates from December 1\$90.

APPENDIX 5

Scheme for Cadastral Survey in the State

Details of Audit Coverage (Reference: Paragraph 3.3.3)

1. Assistant Director of Survey and Land Records (Re-survey)

- (i) Kollam
- Kozhikode (ii)
- (iii) Neyyattinkara
- (iv) Thiruvananthapuram
- (v) Thrissur
- 2. Assistant Director of Survey and Land Records (Range)
 - Kozhikode (i)
 - (ii) Thrissur
- Assistant Director of Survey and Land Records (Mapping), Thrissur 3.
- Assistant Director of Survey and Land Records, Central Survey Office, Thiruvananthapuram. 4.
- Superintendent of Survey and Land Records 5.
 - Anchal (i)
 - (ii) Attingal
 - Ayyanthole (iii)
 - Cherpu (iv)
 - (v) Kalpetta
 - Karunagappally (vi)
 - (vii) Kazhakootam
 - (viii) Mananthavady
 - Nedumangad (ix)
 - Punalur (x)
 - Quilandy (xi)
 - Vadakara (xii)
 - Vanchiyoor (xiii)

6. Special Tahsildar, Preparation of Land Records

- Athiyanoor (i)
- Kattakkada (ii)
- Kollam (iii)
- (iv) Kottarakkara-I Kottarakkara-II
- (v) Kundara (vi)
- (vii) Neyyattinkara-I Neyyattinkara-II (viii)
- Perumkulam (ix)
- Pooyappally (x)
- Vadakkancherry (xi)

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Appendix 6

Technology Mission on Immunisation Details of Audit Coverage

(Reference: Paragraph 3.4.3)

Directorate of Health Services, Thiruvananthapuram

District Medical Offices at:

- (i) Ernakulam
- (ii) Kottayam
- (iii) Kozhikode
- (iv) Palakkad
- (v) Pathanamthitta
 - (vi) Thiruvananthapuram

Medical College Hospitals at:

- (i) Alappuzha
- (ii) Kottayam
- (iii) Kozhikode
- (iv) Thrissur

Regional Stores at:

- (i) Ernakulam
- (ii) Kozhikode
- (iii) Thiruvananthapuram

Primary Health Centres at:

- (i) Ankamali
- (ii) Balusseri
- (iii) Chavara
- (iv) Elanthur
- (v) Enadimangalam
- (vi) Ezhumattoor
- (vii) Kalaikode
- (viii) Kanjattumkara
- (ix) Kanyakulangara
- (x) Keechery
- (xi) Kongod
- (xii) Konni

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- (xiii) Koodal
- (xiv) Kozhalmannam
- (xv) Kundara
- (xvi) Malipuram
- (xvii) Neendakara
- (xviii) Nilamel
- (xix) Palathara
- (xx) Parali
- (xxi) Poonthura
- (xxii) Poovar
- (xxiii) Thrikkadavoor
- (xxiv) Thumpamon
- (xxv) Vadakkancherry
- (xxvi) Vakkom
- (xxvii) Vallana
- (xxviii) Vamanapuram
- (xxix) Vizhinjam
- 6. Post Partum Units attached to:
 - (i) District Hospital, Ernakulam
 - (ii) Taluk Headquarters Hospital, North Parur
 - (iii) Women's and Children's Hospital, Mattancherry.

APPENDIX 7

Department-wise details of cases of misappropriations, losses, etc.

(Reference: Paragraph 3.10)

Sl.

!. /o.	Name of Department	No. of cases	Amount (Rupees in lakhs)
1	Agriculture Department		
	(i) Agriculture	7	0.86
	(ii) Animal Husbandry	4	0.75
2.	Cultural Affairs Department Archives	1	0.20
3.	Finance Department		
	(i) Lotteries	1 1	0.90
	(ii) State Insurance	. 1	0.94
	(iii) Treasuries	10	0.22
4.	Forest and Wild Life Department	5	1.91
5.	General Administration Department Tourism Department	1	0.26
6.	General Education Department	25	9.25
7.	Health and Family Welfare Department		
	(i) Health Services	16*	4.60
	(ii) Medical Education	4	3.77
	(iii) Homeopathy	1	0.05
8.	Higher Education Department		
	(i) Collegiate Education	2	1.67
	(ii) Printing and Stationery	1	0.14
	(iii) Technical Education	3	0.96
9.	Home Department		
	(i) Police	5	2.94
	(ii) Administration of Justice	3**	0.03

*Included one case where monetary value was not assessed.

**Included two cases where monetary value was not assessed.

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Sl. No.	Name of Department	No of cases (Ru	Amount pees in lakhs)
10.	Irrigation Department	19	18.22
11.	Labour and Rehabilitation Department	. 2	1.30
12.	Local Administration Department Panchayats	1	0.01
13.	Mining and Geology Department	1*	
14.	Public Works and Transport Department		
	(i) Motor Vehicles	1	0.08
	(ii) Buildings	3	0.40
	(iii) Roads and Bridges	12	5.41
15.	Revenue Department		
	(i) Land Revenue	30	10.98
	(ii) Land Board	5**	1.01
	(iii) Survey and Land Records	2	5.83
16.	Rural Development Department	19*	1.52
17.	Scheduled Caste and Scheduled Tribe Development Department	1	0.05
18.	Social Welfare Department	5*	0.69
19.	Taxes Department		
	(i) Agricultural Income Tax and Sales Tax	2	0.02
	(ii) Registration	-1	0.02
		194	77.99

*Included one case where monetary value was not assessed.

**Included two cases where monetary value was not assessed.

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Appendix 8

Department-wise details of writes off and waivers

(Reference : Paragraph 3.11)

Sl. No.	Name of Department	Writ	es off	Wa	ivers
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		No. of cases	Amount (Rs. in lakhs)	No. of cases	Amount (Rs. in lakhs)
1.	Agriculture Department				
	(i) Agriculture	4	0.10	1	60.12
	(ii) Animal Husbandry	21	1.02		
2.	Co-operation Department	5	0.12		
3.	Fisheries and Ports Department				
	(i) Fisheries Department	1	0.23		
	(ii) Harbour Engineering Department	1	0.01		
4.	Food and Civil Supplies Department	32	0.31	1	0.02
5.			0.40		
6.	General Education Department	26	0.45		
7.	Health Department				
	(i) Controller of Drugs	3	0.01		0.10
	(ii) Health Services	17	1.91	1	0.10
	(iiii) Homeopathy	25	0.10		
8.	(iv) Indian Systems of Medicine	4	0.02		
0.	Higher Education	47	0 61		
	(i) Technical Education	47	0.61		
9.	(ii) Printing & Stationery Department	3	0.01		
9.	Home Department Police	0	1.90	0	0.07
10.		3	1.36	2	0.27
11.	Housing Department Industries Department	1	0.05		
11.12.		$1 \\ 6$	0.08	1	0.03
12.	Irrigation Department			1.	0.03
13.	Labour & Rehabilitation Department Local Administration Department	5	0.07	••	••
14.	Panchayats	1	0.08		
15.	Planning and Economics Affairs Department	1	0.08	••	•••
15.	State Planning Board	3	0.05	1	0.04
16.	Public Works & Transport Department	5	0.05	1	0.04
10.	Public Works Department—	13	1.38		
	Roads and Bridges	15	1.30		
17.	Revenue Department				
17.	(i) Land Revenue	2	0.03		
	(ii) Survey & Land Records	1	0.03	· · ·	••
18.	Rural Development Department	4	1.53	•••	••
19.	Scheduled Caste & Scheduled Tribe	т	1.55	••	
15.	Development Department	10	0.16		
20.	Taxes Department	10	0.10		••
20.	Sales Tax	2	0.12		
	Jails Lax	4	0.12	••	••
	Total:	214	11.72	7	60.58
	I Otal:	417	11.74	,	50.00

Information for 1990-91, requested in July 1991 was still awaited (February 1992) from 30 Heads of Departments.

APPENDIX 9

Details of the Projects under the jurisdiction of CADA

(Reference: Paragraph 7.4.1)

Name of Project	Project cost (Rupees in lakhs)	Year of completion	CCA (in hectares)
Malampuzha	580	1955	20,553
Walayar	132	1956	3,844
Pothundi	234	1968	5,466
Gayathri	220	1979	5,466
Mangalam	106	1957	3,639
Peechi	235	1957	18,623
Chalakudy	188	1957	19,696
Vazhani	108	1959	5,182
Cheerakuzhy	91	1972	1,619
Neyyar	461	1964	11,655

Total:

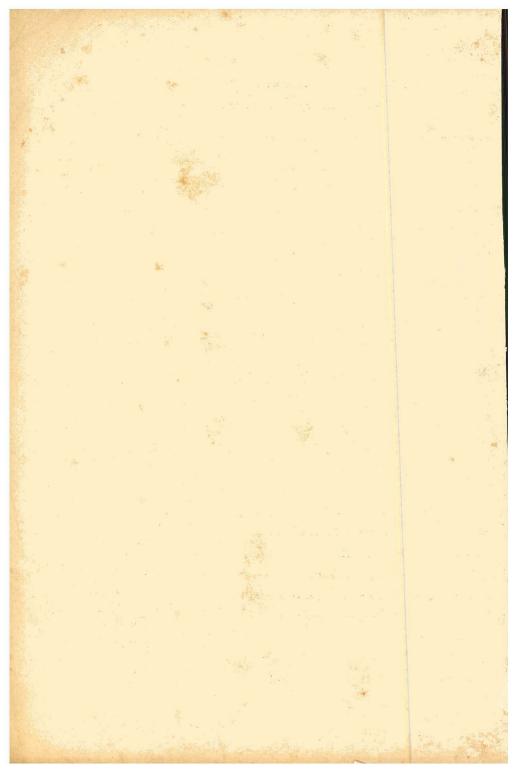
95,743

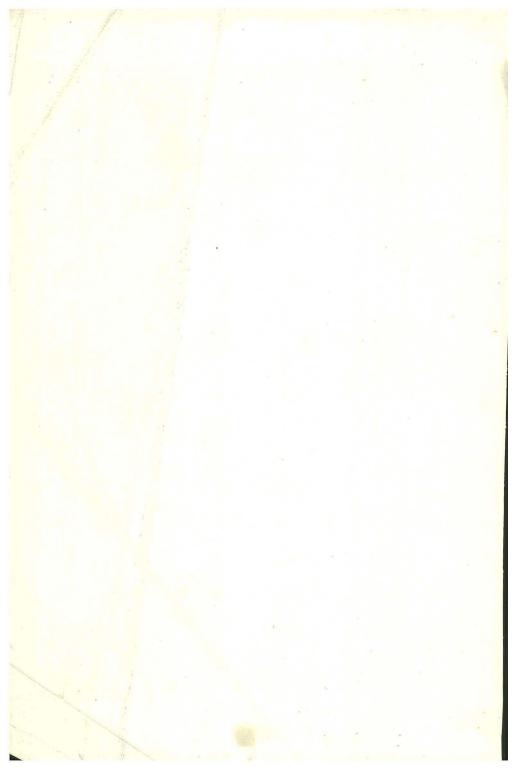
Appendix 10

Glossary of Abbreviations

Abbreviations	Expansion of Abbreviations
BCG	Bacillus of Calmette and Guerin
BFA	Beneficiary Farmers Associations
GADA	Command Area Development Authority
CADP	Command Area Development Programme
CCA	Culturable Command Area
C	Celsius
DGS&D	Director General of Supplies and Disposals
DHS	Director of Health Services
DPT	Diphtheria, Pertussis, Tetanus
DT	Diphtheria, Tetanus
EPI	Expanded Programme on Immunisation
ILR	Ice Lined Refrigerator
MHC	Monthly Health Condition
OPV	Oral Polio Vaccine.
PHC	Primary Health Centre
PLR	Preparation of Land Records
R.M.	Running Metre
RRL	Record of Rights and Liabilities
Sq.Km.	Square Kilometre
TT	Tetanus Toxoid
UIP	Universal Immunisation Programme
VHSE	Vocational Higher Secondary Education

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PRINTED BY THE S.G. P. AT THE GOVERNMENT PRESS, THIRUVANANTHAPURAM, 1993