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REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

on

GENERAL AND SOCIAL SECTOR for the year ended March 2016

भारतीय लेखापरीक्षा और लेखा विभाग ✦ INDIAN AUDIT AND ACCOUNTS DEPARTMENT

GOVERNMENT OF KERALA

Government of Kerala

Report No. 5 of the year 2017

Presented to the Legislatu
on 22 May 2017

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2016 has been prepared for submission to the Governor of Kerala under Article 151 of the Constitution for being laid before the State Legislature.

The report contains significant results of the performance audit and compliance audit of the Departments and Autonomous Bodies of the Government of Kerala under the General and Social Services including Departments of General Administration, Health and Family Welfare, Higher Education, Home and Vigilance and Water Resources.

The instances mentioned in this report are those, which came to notice in the course of test audit for the period 2015-16 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to period subsequent to 2015-16 have also been included, wherever found necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

INTRODUCTION

CHAPTER I
INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from performance audit of selected programmes and activities and compliance audit of Government Departments and Autonomous Bodies.

Performance audit includes examination of whether the objectives of the programme/activity/department are achieved economically, efficiently and effectively. Compliance audit, on the other hand, refers to examination of transactions relating to expenditure of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of the Report is to bring to the notice of the State Legislature important results of audit. The audit findings are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations, thus, contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies and achievements in implementation of selected schemes, significant audit observations made during performance and compliance audit and follow-up on previous Audit Reports.

1.2 Profile of units under audit jurisdiction

There were 42 Departments in the State at Secretariat level during 2015-16. The Principal Accountant General (General and Social Sector Audit), Kerala conducts audit of 23 Secretariat Departments, all Public Sector Undertakings/ Autonomous Bodies thereunder and Local Self-Government Institutions in the State. The Departments are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries, who are assisted by Directors/Commissioners and subordinate officers under them. The remaining 19 Departments are audited by Principal Accountant General (Economic and Revenue Sector Audit), Kerala.

The comparative position of expenditure incurred by the Government during the year 2015-16 and in the preceding two years is given in **Table 1.1:**

Table 1.1: Comparative position of expenditure

(₹ in crore)

Disbursements	2013-14			2014-15			2015-16		
	Plan	Non plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
Revenue Expenditure									
General Services	126.65	26478.44	26605.09	133.76	31298.99	31432.75	116.98	35967.70	36084.68
Social Services	4645.93	16333.95	20979.88	5893.10	17825.01	23718.11	7591.56	20011.73	27603.29
Economic Services	2301.08	5627.98	7929.06	4255.73	5941.84	10197.57	4369.95	6728.47	11098.42
Grants-in-aid and Contributions		4971.47	4971.47		6398.00	6398.00		3903.08	3903.08
Total	**7073.66**	**53411.84**	**60485.50**	**10282.59**	**61463.84**	**71746.43**	**12078.49**	**66610.98**	**78689.47**
Capital Expenditure									
Capital outlay	3497.62	796.71	4294.33	3880.54	374.05	4254.59	6518.48	981.56	7500.04
Loans and advances disbursed	537.53	926.64	1464.17			743.09	407.61	434.64	842.25
Repayment of public debt			3244.81			5842.77			6060.73
Contingency Fund			67.39			-			-
Public Account disbursements			120992.20			136242.59			162824.67
Total			**130062.90**			**147083.04**			**177227.69**
GRAND TOTAL			**190548.40**			**218829.47**			**255917.16**

1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C&AG's (DPC) Act). C&AG conducts audit of expenditure of the Departments of the Government of Kerala (GOK) under Section 13 of the C&AG's (DPC) Act. C&AG is the sole auditor in respect of 22 Autonomous Bodies in the General and Social Sector which are audited under Sections 19 and 20(1) of the C&AG's (DPC) Act. In addition, C&AG also conducts audit of 242 Autonomous Bodies which are substantially funded by the Government under Section 14 and 15 of the C&AG's (DPC) Act. There are also 748 educational institutions[1], 24 Public Sector Undertakings, Buildings Divisions of the Public Works Department and 1200 Local Self-Government Institutions[2] under the audit jurisdiction in the General and Social Sector. Principles and methodologies for various audits have been prescribed in the Auditing Standards and the Regulations on Audit and Accounts, 2007 issued by the C&AG.

[1] Government-aided Colleges: 158
Government-aided Higher Secondary Schools: 464
Government-aided Vocational Higher Secondary Schools: 126

[2] Grama Panchayaths: 941, Block Panchayaths: 152, District Panchayaths: 14, Municipal Corporations: 6 and Municipalities: 87

1.4 Organisational structure of the Office of the Principal Accountant General (General and Social Sector Audit)

Under the directions of the C&AG, the Office of the Principal Accountant General (General and Social Sector Audit), Kerala (PAG (G&SSA)) conducts audit of Government Departments, Offices, Autonomous Bodies and Institutions under the General and Social Sector which are spread all over the State. The PAG (G&SSA) is assisted by four Deputy Accountants General.

1.5 Planning and conduct of Audit

The audit process starts with the assessment of risks faced by various Departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

After completion of audit of each unit, Inspection Reports containing audit observations are issued to the heads of the offices and Departments. The Departments are requested to furnish replies to the audit observations within four weeks from the date of receipt of the Inspection Reports. Whenever replies are received, audit observations are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Reports of the C&AG of India, which are submitted to the Governor of the State under Article 151 of the Constitution of India for placing in the State Legislature.

During 2015-16, the Office of the PAG (G&SSA) utilised 13151 party days to carry out the audit of 1696 units (compliance, performance and financial audits) of various departments/organisations under its jurisdiction. The audit plan covered those units/entities which were vulnerable to significant risks as per risk assessment.

1.6 Significant Audit Observations

1.6.1 Performance audits of programmes/activities/departments

Chapter II includes Performance Audit of 'Functioning of Kerala Public Service Commission', Chapter III includes Performance Audit of 'Functioning of Mahatma Gandhi University' and Chapter IV includes Performance Audit of 'Implementation of Government initiatives in Judicial system'. The highlights are given in the following paragraphs.

1.6.1.1 Functioning of Kerala Public Service Commission

Article 315 of the Constitution of India lays down that, there shall be a Public Service Commission for each State. The duties and functions of the Public Service Commission are to conduct examinations for appointments to the services of the State and was required to be consulted on all matters relating to methods of recruitment to civil services/civil posts, making promotions and transfers from one service to another, disciplinary matters affecting a

Government servant, etc. The Kerala Public Service Commission (KPSC) was established on 01 November 1956. The Chairman and Members of KPSC are appointed by the Governor of the State for a period of six years or till they attain the age of 62 years, whichever is earlier. The expenses connected with the KPSC are charged on the Consolidated Fund of the State. Every year, the KPSC has to present an Annual Report on the work done to the Governor for laying before the Legislature. During the period 2011-12 to 2015-16, the KPSC had conducted 1233 examinations for notified posts and issued appointment advices to 1.51 lakh candidates.

The Performance Audit of the Functioning of Kerala Public Service Commission focussed on the performance of its mandated functions and duties. The Performance Audit revealed deficiencies in framing of Special Rules, reporting of vacancies and publishing of notifications, denial of selection for appointment to the Differently Abled and defects in rendering advice to Government. KPSC had not issued notifications in respect of at least 452 vacancies to be filled up against 128 posts in different Departments/ Institutions. Delay ranging from 11 to 77 months was noticed in publication of notifications by KPSC which delayed the selection process. KPSC had altered the eligibility criteria fixed by Government of India for the Differently Abled thereby denying appointment to persons with disabilities, which was a violation of rights and opportunities guaranteed by Persons with Disabilities Act, 1995. Data on pendency in selection to various services of the State pertaining to the years 2010 to 2015 showed that only 17 to 28 *per cent* of selections were completed within one year. Decision of KPSC to consider Not Joining Duty (NJD) vacancies as fresh vacancies resulted in loss/gain of several turns to various communities/categories including loss of 11 vacancies to Differently Abled candidates. Though the facility of scribe was to be allowed in an examination to any visually challenged person with disability of 40 *per cent* or more, if so desired by the person, KPSC permitted facility of scribe only to visually challenged candidates with disability of 75 *per cent* or more. Failure of KPSC to complete the work of computerisation of rotation process through the entrusted agency/team resulted in non-completion of computerisation process in KPSC.

(Chapter II)

1.6.1.2 Functioning of Mahatma Gandhi University

Mahatma Gandhi University (MGU), Kottayam, was established in October 1983 to provide higher education to the students belonging to the districts of Kottayam, Ernakulam, Idukki and parts of Pathanamthitta and Alappuzha. The MGU conducts Under Graduate, Post Graduate, M.Phil and Doctoral level courses through 17 University departments, seven Inter-University Centres, 10 Inter-School Centres, eight Self Financing Institutions and 250 affiliated colleges (10 Government colleges, 63 aided colleges and 177 unaided colleges). It imparts education in the conventional disciplines of Science, Social Science as well as in professional disciplines of Medicine, Nursing, Pharmacy, Engineering, etc. MGU is accredited by National Assessment and Accreditation Council at 'B' level. The Performance Audit focussed on the academic activities and the financial management of MGU.

MGU commenced a five year Integrated Interdisciplinary MS programme and Integrated Double Degree BA (Criminology)-LLB (Honours) which did not have the approval of University Grants Commission (UGC). The MGU failed to frame uniform syllabus as directed by UGC. The College Development Council envisaged by UGC was ineffective due to non-appointment of full time Director. There was a delay ranging from one to nine months in declaring examination and revaluation results. Fifty nine *per cent* of degree certificates were issued after six months from the date of application. One hundred ninety seven teachers identified as Research Guides by MGU did not possess the eligibility criteria as prescribed by UGC. MGU failed to implement Syndicate decision, made dilution to contractual terms and failed to obtain UGC/GOK assistance leading to loss of revenue of ₹3.98 crore. The Syndicate of the MGU irregularly created 10 non-plan posts of Section Officers without the approval of GOK. Irregular payment of House Rent Allowance against GOK directives resulted in undue benefit of ₹2.20 crore to the staff of MGU. Payment of inadmissible remuneration of ₹13.97 crore to regular teachers towards valuation of answer scripts was observed. Promotions made against the abolished posts in violation of orders of GOK resulted in excess payment of ₹13.36 lakh. Failure of MGU to enrol employees into EPF Scheme from the date of entry into service resulted in avoidable expenditure of ₹2.20 crore and potential liability of ₹3.78 crore towards interest and damages. There was no internal audit wing in the MGU which resulted in lack of internal control mechanism.

(Chapter III)

1.6.1.3 Implementation of Government initiatives in Judicial system

The justice delivery mechanism in the country comprises different types of courts, each with varying powers depending on the tier and jurisdiction bestowed upon them. They form a hierarchy with the Supreme Court of India at the top, followed by High Courts of respective States, District/Chief Judicial Magistrate Courts, Subordinate Courts and Munsiff/Judicial First Class Magistrate Courts at the bottom.

A Performance Audit of the Implementation of Government initiatives in Judicial system was conducted focussing mainly on the award of Thirteenth Finance Commission (ThFC) Grant to Kerala for improving Justice Delivery. The Performance Audit revealed under-utilisation of ThFC grant, foregoing of eligible share from Government of India (GOI), etc.

Evening Courts could not be set up as planned and establishment of Special Judicial First Class Magistrate Courts was delayed. Failure on the part of GOK to issue orders to include direct recruitment also as one of the modes of appointment of Court Managers resulted in delay in their appointment and restricted their services to the period 2014-15 to 2016-17. Failure to set up adequate Alternate Dispute Resolution Centres had resulted in poor utilisation of funds leading to lapse of ThFC grant to the extent of ₹13.31 crore. Clearance of cases filed in the Lok Adalats was lower than the target set by the ThFC. The request of the High Level Monitoring Committee to expand the base of beneficiaries among the marginalised sections by suitably enhancing the income limit for availing legal aid was not complied with by Kerala State

Legal Services Authority. The State did not avail GOI assistance of ₹134.91 crore under the Centrally Sponsored Scheme for Development of Infrastructure facilities for Judiciary.

(Chapter IV)

1.6.2 Compliance Audit Paragraphs

Audit identified certain key compliance issues based on risk factors and topical importance for conduct of regularity audit in addition to conduct of regular propriety audit. Significant deficiencies observed during such audits are detailed in the following paragraphs.

1.6.2.1 Enforcement of fire safety provisions in respect of buildings by the Kerala Fire and Rescue Services Department

The Kerala Fire and Rescue Services Department (Fire and Rescue Department) with five Divisional Offices, 14 District Offices and 121 fire stations is entrusted with the responsibilities of fire fighting operations/salvaging or rescue of life and property during fire accidents/hazards. The Fire and Rescue Department is governed by the Kerala Fire Force Act, 1962 (Fire Force Act). While the Home and Vigilance Department is in overall control of the Fire and Rescue Department at the Government level, the administrative powers are vested with the Director General of Fire and Rescue, Home Guard and Civil Defence (DG).

As the new Kerala Fire Force Act was not enacted as per National Disaster Management Authority guidelines, there were no enabling provisions empowering the Fire and Rescue Department to proceed legally and impose penalty on perpetrators of fire safety violations. In the absence of Rules, the activities of the Fire and Rescue Department were regulated by standing orders issued by the DG which did not possess statutory backing.

GOK did not issue appropriate notifications resulting in inability of officers of the Fire and Rescue Department to conduct inspections legally, to discharge their duties effectively and to ensure the availability of fire safety arrangements. Joint verification by us revealed deficiencies in compliance to fire safety standards, thereby exposing the buildings to grave threat of fire accidents. Failure of GOK to adopt good practices as prescribed in National Building Code led to non-inclusion of such provisions in the Kerala Municipal Building Rules, 1999, to ensure safety of life and property of people.

Fire fighters were also exposed to risk due to shortage of safety equipment like breathing apparatus, fire fighting suits and walkie talkies. In the absence of equipment like Aerial Platform Ladder and Turn Table Ladder, the Fire and Rescue Department was not capable of conducting rescue operations beyond the fourth floor of high rise buildings in the State.

The failure of GOK in ensuring the above aspects of fire protection and prevention has put the life and property of people at risk.

(Paragraph 5.1)

1.6.2.2 Failure of Oversight/Administrative Controls

The Government has an obligation to improve the quality of life of the people as it works towards fulfilment of certain goals in the area of health, education, development and upgradation of infrastructure and public service, etc. We noticed instances where funds released by the Government for creating public assets for the benefit of the community remained unutilised/blocked and/or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. The details are given below.

- Failure of supervisory authorities to exercise stipulated checks and laxity of the Drawing and Disbursing Officer in complying with the codal provisions relating to maintenance of Cash Book resulted in misappropriation of ₹17.20 lakh in Government TD Medical College, Alappuzha.

(Paragraph 5.2)

- Violation of prescribed procedure by the Finance Officer, Mahatma Gandhi University in payment of remuneration to examiners for valuation of answer scripts led to a fraudulent drawal of ₹11.26 lakh.

(Paragraph 5.3)

- A portion of Travancore House in New Delhi was leased out to State Bank of Travancore on the basis of 'carpet area' instead of 'plinth area' resulting in loss of ₹3.68 crore to GOK.

(Paragraph 5.4)

- A recording theatre constructed and fully equipped at a cost of ₹1.48 crore remained idle since August 2011 due to failure of GOK to engage technical and administrative staff.

(Paragraph 5.5)

- Contrary to the directions of Kerala Water Authority, tenders were invited for a water supply scheme without ensuring physical possession of adequate land, resulting in unproductive expenditure of ₹4.18 crore, besides denial of potable water to the targeted population.

(Paragraph 5.6)

1.7 Lack of responsiveness of Government to Audit

1.7.1 Outstanding Inspection Reports

The Handbook of Instructions for Speedy Settlement of Audit Objections/Inspection Reports/timely disposal of draft audit paragraphs and matters pertaining to the Public Accounts Committee, issued by the State Government in 2010 provides for prompt response by the Executive to the Inspection Reports (IRs) issued by the Accountant General for rectification in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses etc., noticed during audit inspection. The Heads of Offices and next higher authorities are required to comply with the audit observations contained in the IRs, rectify the defects and omissions and promptly report their compliance to the Accountant General within four weeks of receipt of Inspection Reports. Half-yearly reports of pending IRs are being sent to the Secretaries of the Departments to facilitate monitoring of audit observations.

It was noticed that, as of 30 June 2016, 913 IRs (3086 paragraphs) were outstanding in respect of Scheduled Caste Development, Rural Development, Labour and Skills and Planning and Economic Affairs Department. Even initial replies in respect of 308 Inspection Reports containing 1283 paragraphs issued up to 2015-16 were pending from the Scheduled Caste Development Department and Rural Development Department.

Year-wise details of IRs and paragraphs outstanding are given in **Appendix 1.1**.

1.7.2 Response of Departments to the paragraphs included in this Report

Performance and Compliance Audit paragraphs were forwarded to the Principal Secretaries/Secretaries of Departments concerned during July to December 2016 to send their replies within six weeks. Replies from Government for one out of three Performance Audits and all the six compliance paragraphs featured in this Report were received. These replies have been suitably incorporated in the Report.

1.7.3 Follow-up on Audit Reports

According to the Handbook of Instructions for Speedy Settlement of Audit Objections/Inspection Reports/timely disposal of draft audit paragraphs and matters pertaining to the Public Accounts Committee, issued by the State Government in 2010, the Administrative Departments should submit Statements of Action Taken Notes on audit paragraphs included in the Reports of the C&AG directly to the Legislature Secretariat, with copies to the AG within two months of their being laid on the Table of the Legislature. The Administrative Departments did not comply with the instructions and nine Departments, as detailed in **Appendix 1.2**, had not submitted Statements of Action Taken for 23 paragraphs for the period 2011-12 to 2014-15, as of September 2016.

1.7.4 Paragraphs to be discussed by the Public Accounts Committee

The details of paragraphs pending discussion by the Public Accounts Committee as of 30 September 2016 are given in **Appendix 1.3**.

PERFORMANCE AUDIT

CHAPTER II
GENERAL ADMINISTRATION DEPARTMENT

Functioning of Kerala Public Service Commission

Highlights

The Performance Audit of the Functioning of Kerala Public Service Commission focussed on the performance of its mandated functions and duties. The Performance Audit revealed deficiencies in framing of Special Rules, reporting of vacancies and publishing of notifications, denial of selection for appointment to the Differently Abled and defects in rendering advice to Government. Major findings in Audit are given below:

The Kerala Public Service Commission (KPSC) had not issued notifications in respect of at least 452 vacancies to be filled up against 128 posts in different Departments/Institutions. Delay ranging from 11 to 77 months was noticed in publication of notifications by KPSC which delayed the selection process.

(Paragraph 2.6.3.1)

KPSC had altered the eligibility criteria fixed by Government of India for the Differently Abled thereby denying appointment to persons with disabilities which was a violation of rights and opportunities guaranteed by Persons with Disabilities Act, 1995.

(Paragraph 2.6.8)

Data on pendency in selection to various services of the State pertaining to the years 2010 to 2015 showed that only 17 to 28 *per cent* of selections were completed within one year.

(Paragraph 2.6.10)

Decision of KPSC to consider Not Joining Duty (NJD) vacancies as fresh vacancies resulted in loss/gain of several turns to various communities/ categories including loss of 11 vacancies to Differently Abled candidates.

(Paragraph 2.6.7.2)

Though the facility of scribe was to be allowed in an examination to any visually challenged person with disability of 40 *per cent* or more, if so desired by the person, KPSC permitted facility of scribe only to visually challenged candidates with disability of 75 *per cent* or more.

(Paragraph 2.6.8.1)

Failure of KPSC to complete the work of computerisation of rotation process through the entrusted agency/team resulted in non-completion of computerisation process in KPSC.

(Paragraph 2.6.11.3)

2.1 Introduction

Article 315 of the Constitution of India lays down that, there shall be a Public Service Commission for each State. The duties and functions of the Public Service Commission are to conduct examinations for appointments to the services of the State and was required to be consulted[3] on all matters relating to methods of recruitment to civil services/civil posts, making promotions and transfers from one service to another, disciplinary matters affecting a Government servant, etc. The Kerala Public Service Commission (KPSC) was established on 01 November 1956. The Chairman and Members of KPSC are appointed by the Governor of the State for a period of six years or till they attain the age of 62 years, whichever is earlier. The expenses connected with the KPSC are charged on the Consolidated Fund of the State. Every year, the KPSC has to present an Annual Report on the work done to the Governor for laying before the Legislature. During the period 2011-12 to 2015-16, the KPSC had conducted 1233 examinations for notified posts and issued appointment advices to 1.51 lakh candidates.

2.2 Organisational set up

The Governor of the State may, by regulations, determine the number of members of KPSC. The present KPSC comprises the Chairman and 20 members (March 2016). The Head Office of KPSC is located at Thiruvananthapuram. The Head of office of the KPSC is the Secretary, who is appointed by the Commission with prior approval of the Governor and is in general charge of all offices of the KPSC. The KPSC has three Regional Offices at Kollam, Ernakulam and Kozhikode and a District Office in each District. The Regional and District Offices are headed by Regional Officers and District Officers respectively.

2.3 Audit Objectives

The Performance Audit was conducted to assess whether:

- the mandated function of conducting examinations and interviews for appointments to various services was carried out efficiently and effectively by KPSC;
- the advice sought by Government relating to recruitments, appointments to services/disciplinary action was rendered by the KPSC and acted upon timely by Government and;
- adequate financial and human resources were available with the KPSC to discharge its constitutional functions.

[3] The Governor of the State by virtue of proviso to Article 320 (3) of the Constitution may make regulations specifying matters in which consultation with KPSC is not necessary. The Kerala Public Service Commission (Consultation) Regulations, 1957 was framed invoking this provision.

2.4 Audit criteria

Audit findings were benchmarked against the criteria derived from the following documents.

- The Kerala Public Services Act, 1968
- Kerala Public Service Commission Rules of Procedure, 1976
- Kerala Public Service Commission (Consultation) Regulations, 1957
- Various Acts/Regulations providing additional functions to KPSC
- Kerala State and Subordinate Service Rules (KS&SSR), 1958
- Special Rules/Executive Orders/Orders of Government of Kerala/Circulars
- Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995
- KPSC Manual

2.5 Scope and methodology of Audit

The Performance Audit covered the period 2011-12 to 2015-16 and was carried out from April 2016 to October 2016, by test check of the relevant records in the Departments of General Administration (GAD) and Personnel and Administrative Reforms (P&ARD) in the Government Secretariat, the Headquarters of the KPSC, one selected Regional Office at Ernakulam and five selected District Offices *viz.* Thiruvananthapuram, Ernakulam, Malappuram, Wayanad and Kannur. We applied Stratified Random Sampling Method to initially select districts of Thiruvananthapuram, Ernakulam, Pathanamthitta, Wayanad and Malappuram for detailed audit. However, based on the suggestion of the Secretary, KPSC, it was decided to replace Pathanamthitta with Kannur district, where the recruitment rate was high.

Audit methodology included scrutiny of records and gathering of evidence by issue of Audit Enquiries. An Entry Conference with the Secretary, GAD, Secretary, KPSC and officers of the Finance Department was held on 05 May 2016 wherein the scope, objectives, criteria and methodology of the Performance Audit were discussed in detail. An Exit Conference was held with the Additional Chief Secretary, GAD and Secretary, KPSC on 21 December 2016, in which the audit findings were discussed in detail.

Audit Findings

2.6 Mandate of KPSC to conduct selection for appointments to various services[4] of the State and compliance thereof

2.6.1 Framing of Special Rules

2.6.1.1 Delay in framing/amendment of Special Rules for Government Departments

As per the constitutional mandate, selection to the posts of the State and Subordinate Services of all Departments were to be made through KPSC. Further, as per Section 2 of Kerala Public Services Act 1968 (Act), Government of Kerala (GOK) had to make Rules for regulating the recruitment and conditions of services of persons appointed to public services and posts in connection with the affairs of the State. Accordingly, various circulars were issued by GOK, detailing the procedure for framing of Special Rules according to which the Administrative Departments concerned were required to finalise the Special Rules.

We noticed that, even after 47 years of enactment of the Act, Special Rules were not framed for 12 services[5]. We scrutinised the Government files related to eight of these 12 services and observed that non-framing of Special Rules was due to delay on account of discussions with Service Associations, examination by the Subject Committee of the Legislature, etc. In the absence of Special Rules, the method of appointment, qualification, etc., for appointment to posts under these services were regulated through Executive Orders of the Government. Despite GOK issuing instructions to take expeditious action for framing of Special Rules to give statutory validity to Executive Orders, Special Rules for the above services were yet to be framed (January 2017).

We also observed that, even in the case of Departments where Special Rules were framed, the Rules needed to be amended, as they were framed prior to 1980 and major changes had since occurred in the qualifications stipulated and the method of appointment. It was seen that, despite KPSC rendering advice on the amendment proposals sought for by GOK[6] on different subjects like qualification, method of appointment, etc., amendments to Rules in respect of 15 services/posts[7] were pending with GOK.

KPSC replied (December 2016) that, its role was limited to rendering advice to GOK and that the responsibility of framing the Special Rules rests with the concerned Department in GOK. GOK while stating (December 2016) that, there could be delay/irregularities in recruitments consequent to delay in

[4] Service as defined in Rules of Procedure of KPSC

[5] Kerala Agricultural State and Subordinate Services, Kerala Health State and Subordinate Services (except for Medical Officers and Nursing in Hospital), Kerala Medical Education State and Subordinate Services (except Nursing in Hospital), Kerala Sports and Youth Affairs State and Subordinate Services, Kerala Ministerial Subordinate Service, Kerala General Subordinate Service, Kerala Soil Conservation Subordinate Service and Kerala Local Fund Subordinate Service

[6] 73 occasions during 2011-12 to 2015-16

[7] PWD Architectural wing, Scheduled Caste Development Department, Tractor Driver in Ground Water Department, Government Presses Subordinate Service, Livestock Inspector/Refrigerator Mechanic/ Chick Sexer in Animal Husbandry Department, Range Forest Officer in Forest Department, Women Protection Officer in Social Justice Department, Museum and Zoos Department, Police, Fisheries, Revenue, Legal Metrology, National Cadet Corps, Sainik Welfare, Archives Department etc.

framing/amending rules and imparting statutory validity to Executive Orders, informed that, directions had been issued (August 2016) to all Administrative Departments to finalise the process of framing Special Rules by 31 December 2016 in respect of posts for which Special Rules were yet to be framed.

Thus, the objective of giving statutory validity to appointments to the services under the State and avoiding any irregularity in recruitments through framing of Special Rules has not been fully achieved. This resulted in inability of the KPSC to discharge its mandated responsibility of making selection to various services of the State in various instances, as stated in paragraph 2.6.3.1.

2.6.1.2 Non-framing of Special Rules in Institutions brought under the purview of KPSC through enactment of Additional Functions Acts

Recruitment to posts in Kerala State Electricity Board Ltd. (KSEB), Kerala State Road Transport Corporation (KSRTC), Corporations[8] and Companies, Co-operative Societies and Local Authorities was additionally entrusted to KPSC through enactment of Additional Functions Acts[9] by the State Legislature and Rules made thereunder. These institutions were to consult the KPSC on all matters relating to the method of recruitment and principles to be followed in making appointments.

Though the Administrative Departments were to finalise the Recruitment Rules, we noticed that, Recruitment Rules were not framed in respect of 41 (**Appendix 2.1**) out of 147 Institutions and Local Authorities in the State. Though we sought records (May 2016) from KPSC relating to framing of Special Rules/Recruitment Rules in respect of 15 institutions, records relating to 12 institutions only were produced to us (June 2016) for scrutiny. It was seen that, though KPSC had rendered advice in 11 out of these 12 institutions, framing of rules was pending with GOK (**Appendix 2.2**). As evident from the Appendix, GOK was yet to submit draft Recruitment Rules despite KPSC rendering advice as early as in 1985 in respect of Kerala State Warehousing Corporation (KSWC) and in 1998, in respect of Kerala State Cashew Workers Apex Industrial Co-operative Society (CAPEX). Similarly, draft Recruitment Rules in respect of Kerala State Co-operative Marketing Federation (MARKETFED) was pending approval of GOK since 2009. In the absence of Special Rules, KPSC was not conducting selections to posts in any of the above 41 organisations.

We further conducted test check of records maintained by five of the 11 institutions which had obtained advice of KPSC for framing of Special Rules, which was pending with Government. Regular/temporary/contractual appointments to 224 persons were offered by four of these institutions bypassing the KPSC during 2011-12 to 2015-16. This included the KSWC, which offered regular appointments to 150 persons to various posts. These

[8] The KPSC (Consultation by Corporations and Companies) Rules 1971 defined 'Corporation' to mean any of the Corporations specified *viz.*, The Kerala State Financial Corporation, The Kerala State Warehousing Corporation, The Kerala Khadi and Village Industries Board, The Kerala Headload Workers' Welfare Fund Board, the Kerala Motor Transport Workers' Welfare Fund Board, The Kerala Labour Welfare Fund Board and Toddy Workers' Welfare Fund Board.

[9] As per provisions in Article 321 of the Constitution, Additional Functions Act 1963 for KSEB, Act 1970 for KSRTC, Act 1970 for certain Corporations and Companies, Act 1973 for Local Authorities and Act 1996 for certain Societies

appointments were made based on the Recruitment Rules approved by their respective Board of Directors.

We observed that, the appointments made by the institutions themselves without involving the KPSC, was against the Circular (May 2007) of GOK on framing of Special Rules which instructed that, appointments in Companies/Corporations were to be made through KPSC to avoid corruption and to ensure provisions of reservations in appointments.

KPSC confirmed (December 2016) that, framing of Special Rules for which advice has already been rendered by KPSC was pending with GOK.

Recommendation 1: We recommend GOK to ensure framing of Special Rules for all services and institutions prescribing conditions of service and qualifications and their timely implementation.

2.6.2 Reporting of vacancies to KPSC

2.6.2.1 Delay in reporting of fresh vacancies

With a view to minimise the delay in recruitment of candidates to various posts in public service, GOK in consultation with the KPSC issued (between August 1971 and August 2015) instructions to all Heads of Departments/Appointing Authorities to report the vacancies estimated for the ensuing year in each category of posts to the KPSC by 01 June of every year in the proforma prescribed (September 1992). If no vacancies were anticipated, a 'Nil' report was to be sent. The existing/arising vacancies were also to be reported on a monthly basis.

During test check of recruitment files and connected records in KPSC, we noticed delays ranging from five months to nine years in reporting of fresh vacancies by State Departments such as General Education, Agriculture and Forests and Wildlife. We also noticed delays ranging from eight months to five years in reporting vacancies by companies such as Kerala State Handloom Development Corporation Ltd. and Kerala State Drugs and Pharmaceuticals Ltd. (**Appendix 2.3**). Thus, the delays in reporting of fresh vacancies by Government Departments and Companies had a cascading effect on filling up of vacancies in time.

2.6.2.2 Delay in reporting of vacancies due to Not Joining Duty

The appointing authorities were to issue appointment orders to the candidates advised by the KPSC within three months, failing which the fact was to be reported to the KPSC. GOK fixed (August 1986) the time period of joining duty as 45 days with provision for extension beyond 45 days in specific cases to be decided by Government. As per the instructions (February 1983/April 2013), if a candidate does not join duty within the prescribed period of 45 days, the vacancy is to be reported to the KPSC as Not Joining Duty (NJD) vacancy on the expiry of the joining period.

We noticed that, there were delays of more than three years in reporting NJD vacancies by the Department of Education (**Appendix 2.4**). Delayed reporting of such vacancies would result in delayed offer of appointment to other eligible candidates from the same Ranked List and resultant impact on functioning of Departments concerned.

During Exit Conference (December 2016) GOK stated that, they have deputed teams to inspect and report upon the vacancy position in Departments.

2.6.2.3 Failure of KPSC to upload vacancy reports

As per the instructions of KPSC (July 2010), the vacancy positions were to be uploaded in the website of KPSC to ensure transparency in the functioning of the KPSC and timely dissemination of information to the candidates. The KPSC Manual stipulated that, the Section Officer in the Head Office/Regional Office/District Office shall send details of vacancies reported for a post to the e-mail account of the website. The Joint Secretary (Research and Analysis Wing) was responsible for uploading it on the website of the KPSC, immediately or on the next working day. Scrutiny of the web content of KPSC, however, revealed that the vacancy position was uploaded only in cases where the selection notifications were issued by the KPSC. The details of cases for which notifications were yet to be issued were not available in the website. Thus, the KPSC failed to ensure transparency and timely dissemination of vacancy position to the candidates.

The KPSC stated (January 2017) that, the vacancies could be uploaded in the website only after completion of procedures like issue of category number, etc., for notification of the post.

The reply was not tenable since the KPSC Manual clearly stipulated that, details of vacancies received were to be uploaded on that day or on the next working day.

Recommendation 2: GOK may issue instructions to Government Departments and institutions to promptly report yearly vacancies. KPSC may ensure timely publishing of vacancy position.

2.6.3 Publication of notification for recruitment

2.6.3.1 Vacancy requisitions pending notification

As per provisions of the KPSC Manual, defect free vacancy requisitions received in KPSC were to be acted upon immediately and if there was no Ranked List for the post, notification to the post was to be published within 30 days of reporting vacancy to the post. However, we observed that, as of 31 March 2016, the KPSC was yet to issue notifications in respect of at least[10] 452 vacancies pertaining to 128 posts in different departments/institutions. While delay in notification of 107 vacancies ranged from one to five years, there was a delay of five to ten years in issuing notifications for 103 vacancies. Delay in issue of notifications ranged between 16 to 18 years in respect of two vacancies. The reasons for non-issue of notifications included delay in framing of Special Rules/amendment to Special Rules/clarification regarding Rules, court cases, clarification from Departments, etc.

On a scrutiny of selected recruitment files, we noticed delays ranging from 11 to 77 months in publishing of notification as shown in **Table 2.1**.

[10] Four out of 22 sections in the KPSC did not furnish relevant information to us

Table 2.1: Delay in publishing notification in test checked cases

Sl. No.	Name of Post	Date of first reporting of vacancy	No. of vacancies	Date of publication of notification	Period of delay
1.	Blacksmith Grade II in Kerala State Road Transport Corporation (KSRTC)	23 May 2006	13	30 December 2009	42 months
2.	Sales Assistant in Handicrafts Development Corporation of Kerala Ltd.	03 June 2005	1	31 December 2011	77 months
3.	Assistant Engineer (Civil) in Kerala State Housing Board/KSRTC	05 July 2007	10	30 April 2009	20 months
4.	Assistant District Industries Officer in Industries Department - Special Recruitment for SC/ST	05 August 2008	1	31 December 2011	39 months
5.	Agricultural Officer – Special Recruitment for ST	20 March 2007	7	16 July 2012	62 months
6.	Agricultural Assistant	12 March 2008	8	31 March 2009	11 months

(Source: Records of KPSC)

KPSC stated (August/November 2016) that, delay in issue of notification in the case of items 1, 4 and 6 was due to amendment effected to the qualification prescribed in May 2009, the Unit handling the notifications being vacant for about two years and delay occurring in obtaining clarifications sought for in the absence of Special Rules respectively.

KPSC failed to explain why notification was not issued in respect of item 1 between May 2006 (date of reporting of vacancy) and May 2009 (amendment to qualification). The delay in issue of notifications resulted in delay in offering of appointments to candidates.

Recommendation 3: KPSC may consider evolving an action plan to ensure prompt notification of all defect free vacancy requisitions received.

2.6.3.2 Lapsing of Ranked Lists without advising even a single candidate due to non-reporting of vacancy

As per instructions of Government issued from time to time since 1971 in consultation with the KPSC, the appointing authorities were to report anticipated/existing vacancies to KPSC for making recruitment. Further, as per instructions contained in the KPSC Manual (Paragraphs 202, 204 and 307), process of issuing notifications was to start only upon receipt of vacancy requisitions from the appointing authorities and selection proposals were to be finalised by KPSC only after ascertaining the up to date vacancy position from appointing authorities.

Scrutiny of recruitment files revealed instances of KPSC conducting recruitment process and preparing Ranked Lists without ensuring vacancy requisitions from appointing authorities which resulted in cancelling/lapsing of Ranked Lists without advising even a single candidate from the Ranked List as detailed below.

Selection by KPSC without receiving vacancy reports from GOK

- ***Recruitment of Higher Secondary School Teacher (Arabic)***

  KPSC issued notification (2005) for selection of Higher Secondary School Teachers (HSST) Arabic in the Higher Secondary Education

Department. We observed that, the KPSC received 924 applications for the anticipated vacancies of HSST Arabic and a Ranked List with 13 candidates was finalised (April 2007) for the post. However, KPSC had to cancel (October 2011) the Ranked List without advising even a single candidate since the Education Department did not report any vacancy of HSST Arabic to the KPSC. Scrutiny of relevant files indicated that, the KPSC issued the notification, conducted selection process and prepared/published Ranked List of HSST Arabic without ensuring availability of vacancy. Consequently, not even a single candidate from Ranked List could be offered appointment, rendering the entire selection exercise of the KPSC meaningless.

KPSC stated (January 2017) that, as per the accepted procedure of KPSC since 1976, in the case of posts for which there is already a Ranked List and for which vacancies could be anticipated every year, notifications for the posts could be published if the Ranked List has completed a period of one year. The reply was not acceptable as we observed that, not even a single vacancy was reported for the post from 2005 to 2011, which indicated that no vacancies could be anticipated for the post. Thus, the action of KPSC to issue notification and complete the selection process without getting any vacancies reported by GOK was not in order.

Additional Chief Secretary, GAD stated during the Exit Conference (December 2016) that, GOK had been issuing circulars demanding vacancy reports from the appointing authorities and that the procedure currently followed by KPSC was not correct.

- ***Recruitment of Store Assistant, Handicrafts Development Corporation of Kerala Ltd.***

The Recruitment Rules of the Handicrafts Development Corporation of Kerala Ltd. (HDCK) provided for filling up of posts of Store Assistants by direct recruitment and five *per cent* of the vacancies were to be reserved for Last Grade employees (By Transfer appointment) of HDCK possessing qualification of SSLC[11] and two years of service.

Two vacancies of Store Assistant were reported (February 2006) by HDCK for direct recruitment. KPSC ordered to fill up these vacancies from the Ranked List of Accountant/Accounts Assistant, etc., in various Companies/Boards/Corporations and to publish notification for 'By Transfer' recruitment. Accordingly, KPSC issued a separate notification (April 2008) for 'By Transfer' recruitment of Store Assistants from eligible Last Grade employees in HDCK.

Subsequent to the notification, KPSC requested the Company (March 2011) to report vacancies for 'By Transfer' recruitment. Though HDCK clarified (August 2011) that, it had never sought filling up of the posts 'By Transfer' and that there were no such vacancies earmarked for appointments then, it was seen that KPSC conducted

[11] Secondary School Leaving Certificate

interview and published (October 2011) a Ranked List of five candidates. In the absence of vacancies, KPSC could not issue advice for appointment to any candidate from the Ranked List, which lapsed (April 2016) subsequently.

Thus, failure of the KPSC to comply with directions of GOK to issue notification for appointment only after obtaining vacancy report from the appointing authority and its insistence to continue with the selection process despite clarification offered by HDCK about lack of vacancy resulted in lapsing of selection made after conducting interviews.

Recommendation 4: KPSC may issue notifications for selections only after receipt of vacancy reports from appointing authorities.

2.6.4 Deficiencies in issuing notifications

2.6.4.1 Issue of notifications without conforming to provisions of Kerala State and Subordinate Services Rules

The Kerala State and Subordinate Services Rules (KS&SSR) stipulate that, the educational or other qualifications, if any, required for a post, shall be as specified in the Special Rules applicable to the service in which that post is included or as specified in the Executive Orders of Government in cases where Special Rules have not been issued for the post. Thus, the KPSC, while issuing notifications for selection to posts was required to ensure that the notifications to the posts prescribed only the qualifications specified in the Special Rules/Executive Orders of Government for the post. We noticed that, in the following cases, the KPSC issued notifications without conforming to the above provision due to which ineligible candidates were also considered for selection.

Recruitment of Assistant Surgeon, Health Services

As per Special Rules for the post of Assistant Surgeon (Kerala Health Services (Medical Officers) Special Rules 2010), the qualifications prescribed were (i) Degree in Modern Medicine and (ii) Permanent Registration with Travancore Cochin Medical Council (TCMC)[12]. However in the notification (November 2012) for the post, the KPSC permitted candidates possessing Registration with other State/Central Councils also to apply, with the condition that TCMC Registration has to be produced at the time of joining duty. An erratum deleting the above clause was issued (December 2012) after the last date of application without extending the last date of receipt of application. Since the candidates who were disqualified consequent to issue of erratum obtained favourable orders from the Kerala Administrative Tribunal (KAT), GOK ordered (October 2014) to relax the rules in respect of candidates who had registration with other State/Central Medical Councils as on the last date of application, and such persons if selected, advised and appointed, to grant extension of time to produce TCMC Registration upto joining of duty. A total of 45 candidates who were not fulfilling the prescribed criteria for selection were selected accordingly. Thus, the late realisation by

[12] As per section 38 of the Travancore-Cochin Medical Practitioners Act, 1953, no person other than a practitioner registered with TCMC shall practice in the State.

KPSC that the notification issued by it was not in conformity with the Special Rules forced KPSC to issue erratum, which led to the above mentioned candidates obtaining favourable orders from the KAT.

KPSC stated (September 2016) that, the Notification was prepared in conformity with existing Special Rules issued by GOK and that the clause regarding the candidates possessing registration with other State/Central Medical Council was similar to previous notifications issued for the post. We, however, found that the reply was contrary to facts. We also observed that, the reason cited by KPSC of following precedence would not sustain since it was bound to issue notifications as provided in the Special Rules.

Recruitment of Clerk Grade I, Kerala State Co-operative Bank

The Special Rules of Kerala State Co-operative Bank (KSCB) provided for filling up of vacant posts of Clerk Grade I in the ratio of 1:1 between General and Society category[13]. As 50 vacancies were reported (September 2009), the KPSC issued notification (April 2010) for making selection under General category (25 numbers) and under Society category (25 numbers). As per the Special Rules, the employees of the member societies of the respective apex society only were eligible to apply for the post under the Society category. We noticed that, the notification issued by KPSC for recruitment under Society category had erroneously indicated the method of recruitment as from "permanent employees of affiliated Member Societies/Primary Co-operative Societies", resulting in employees of Primary Co-operative Societies also applying for the post. The Managing Director, KSCB pointed out (May 2010) the error in the notification, based on which the KPSC rectified the error by issuing an erratum notification (August 2010). We observed that, certain employees of the Primary Co-operative Societies who participated in the selection process challenged the erratum order issued by the KPSC and obtained favourable orders from the High Court for considering them in the General category. The KPSC thus included three employees of the Primary Co-operative Societies in the Ranked List for the General Category.

We observed that, negligence on the part of KPSC resulted in issue of defective notification, due to which the employees of Primary Co-operative Societies who were otherwise ineligible to be considered for the post, obtained favourable orders from the Court and found place in the Ranked List in the General category. KPSC admitted (October 2016) its failure to detect the error in notification at various levels.

Recommendation 5: KPSC may ensure that notifications are issued in conformity with the provisions of KS&SSR.

2.6.5 Irregularities in acceptance of Equivalent qualification

As per provisions contained in the KS&SSR, the educational or other qualifications required for a post were to be as specified in the Special Rules for the post, or in the Executive Orders of the Government, in cases where Special Rules were not framed for the post. The qualifications recognised by Executive Orders/Standing Orders of Government as equivalent to a qualification specified for a post could also be considered. The KS&SSR also

[13] Reservation to employees of the Member Societies of Kerala State Co-operative Bank

stipulated that, where the relevant Special Rules provided for acceptance of equivalent qualifications for a post, (without explicitly specifying such equivalent qualifications), the qualifications as found acceptable by KPSC would also be sufficient for the post. We observed that, in three instances the KPSC decided to accept qualifications as 'equivalent', though the Special Rules did not provide for acceptance of equivalent qualifications as shown in **Table 2.2**. It was also noticed that, Standing Orders of Government recognising qualifications as equivalent to the qualifications prescribed were also not issued in these cases.

Table 2.2: Instances of acceptance of equivalent qualification in the absence of Executive Orders and without provision in Special Rules

Name of Post	Date of notification	Qualification prescribed in notification	Date of including equivalent qualification subsequently by KPSC	Equivalent qualification considered after publication of notification
Meter Reader-cum-Spot Biller	November 2007	National Trade Certificate (NTC)/ Kerala Government Technical Examination (KGTE)/MGTE in electrical trade etc.	June 2010	NTC Electronics and Mechanics, NTC Mechanic General Electronics, NTC Electrical and Electronic mode of specification Audio-Video Electronics, NTC Instrument Mechanic, NTC Industrial Electrician, KGCE Electronics and Communication
Blacksmith Grade II in KSRTC	December 2009	ITI Certificate in the trade of Blacksmith/Forger and Heat Treatment/Sheet metal/Fitter/ Diesel Mechanic/Mechanic Motor Vehicle and three years' experience in body building/body repair workshop of vehicles	October 2014	Certificate in Automobile Engineering[14]
Block Development Officer	February 2007	Graduation in Arts/Science/ Commerce	March 2011	B.Tech, BFSc, BCA, BBS

(Source: Records of KPSC)

KPSC replied that, in the case of the notification regarding Blacksmith, the qualification as stated in the notification was based on the proposal made by the Academic Committee of KPSC. In respect of Meter Reader, KPSC stated that, the equivalent qualifications were accepted subject to Government Orders and decisions taken by Academic Sub-Committee of KPSC. The reply was not acceptable in view of the fact that, the KPSC was not competent to decide on equivalent qualifications in the absence of relevant provision in the Special Rules and there were no Standing Orders of GOK recognising the qualifications as equivalent in both cases.

No reply was furnished by KPSC regarding acceptance of equivalent qualification in respect of Block Development Officer.

Recommendation 6: KPSC may accept equivalent qualifications as clearly specified in the Executive Orders/provisions in Special Rules.

[14] The Director of Technical Education has confirmed (January 2017) that certificate course in Automobile Engineering cannot be considered as Equivalent qualification for the prescribed qualification.

2.6.6 Annual recruitment of Sub Inspectors to the State Police Force

As per instructions of GOK issued from time to time as well as provisions in KPSC Manual, the appointing authorities were to report vacancies to KPSC for commencing selection process for recruitment. Further, the selection proposal was to be finalised by KPSC only after ascertaining the up to date vacancy position from the appointing authorities.

The KPSC, consequent to the concerns raised at a meeting of the Legislature Committee (February 2014) about the delay in recruitment to the posts of Police Constables and Drivers in the Police Department, constituted (April 2014) a Uniformed Forces Recruitment Wing for conduct of annual recruitment to the Police Department and similar Uniformed Forces like Fire Force, Excise, Jails, etc. The KPSC decided (April 2014) to take up annual recruitment to the Uniformed Forces with the target of completing the annual selection process commencing from the month of June in a year and finalising the Ranked List by the next June.

We noticed that, KPSC did not obtain details of anticipated vacancies from the State Police Chief before issuing notifications for the posts of Sub Inspector (Kerala Civil Police) and Sub Inspector (Armed Police Battalion) in 2014 and 2015 respectively. It was further noticed that, 855 out of 866 candidates who figured in the published Ranked Lists (recruitment for 2014) were yet to receive advice for appointment from the KPSC. Meanwhile, the KPSC froze the selection process for the year 2015 owing to the request from the Home Department (February 2016) not to proceed with the selection process as there were already 255 candidates awaiting posting in respect of advices made by KPSC from the earlier Ranked List published in 2013.

KPSC stated in reply (December 2016) that, since selection was to be made annually, vacancy position was not obtained from Appointing Authorities and that considering the urgency in publishing Ranked Lists, the anticipated vacancies could not be estimated for each post and included in the notification. The reply was contradictory to its own instructions which required finalisation of selection process only after ascertaining the up to date vacancy position from the appointing authorities.

2.6.7 Loss of Reservation turns

2.6.7.1 Loss of posts to backward communities due to failure to amend KS&SSR despite advice by KPSC

As per provisions in KS&SSR, if no suitable candidate from a community was available in a Ranked List for filling up a post, the turn was to be passed over to the next reservation community and if no candidate was available in any of the communities, the post could be filled from Open Competition (OC) candidates. The turn of a reservation community which was forfeited in this manner had to be filled at the earliest opportunity from the turn of the benefitted community other than OC. However, GOK while amending (March 2006) the provisions of Rule 15 of KS&SSR relating to reservation rules for the backward communities, did not provide for restoration of the forfeited turn to the reserved community.

We observed that, the amendment effected by GOK has resulted in permanent forfeiture of turns to the reserved communities. In one instance of the post of Full Time Junior Language Teacher (Arabic), we noticed that five Other Backward Castes (OBC) turns and three Viswakarma turns were filled by candidates from the Muslim community. In the absence of relevant provisions to restore the turns to the communities, the OBC and Viswakarma communities lost their turns permanently.

We observed that, despite the KPSC rendering advice (June 2009) to GOK to suitably amend the rule to provide for restoration of the turns forfeited to a reserved community from the benefitted community, the amendment was yet to be issued by GOK. GOK replied (December 2016) that, KPSC had rendered (August 2015) new suggestions/recommendations on the draft notifications and that views of the Backward Classes Development Department on these modifications were yet to be received. GOK assured that, expeditious steps would be taken to amend the Rule.

2.6.7.2 Loss of job opportunities due to failure to consider Not Joining Duty vacancies

Rules 14 to 17 of KS&SSR prescribed the rotation[15], in a cycle of 100 turns to OC and various reservation categories, for making advice for appointment.

If a candidate advised by KPSC against a turn fails to join duty, such vacancy was to be reported to KPSC as Not Joining Duty (NJD) vacancy. The KPSC, based on a direction of the High Court (January 1981), adopted a procedure whereby the NJD vacancies would be filled up by advising the candidates belonging to the same group (community), if available. In line with the orders of High Court, the GOK also issued (1983) instructions to Administrative Departments for timely reporting of NJD vacancies to KPSC.

KPSC conducted selection (2007) to the posts of Assistant Grade II/Lower Division Clerk/Junior Clerk to various Companies/Corporations from a common Ranked List. Subsequently in 2011, KPSC notified selection to the above posts by grouping the Companies/Corporations into two and separate Ranked Lists were published in September 2014 and September 2015.

We noticed that, the appointing authorities of the above Companies/Corporations had reported a total number of 829[16] NJD vacancies upto April 2013. However, KPSC erroneously considered the NJD turns reported by the companies pertaining to the previous selection[17] as fresh vacancies, while making advice from these Ranked Lists. The above procedure adopted by KPSC, though advantageous to certain communities/categories by way of excess number of 54 turns, caused permanent loss of as much turns to certain other communities/categories, including loss of 11 vacancies to Differently Abled candidates as shown in **Appendix 2.5**.

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[15] Separate Rotation Charts are prescribed for recruitment to posts in General Recruitment. The charts depict the turn of each reservation category as well as OC. In a rotation cycle of 100 turns, 50 turns are earmarked for OC and 50 turns for reservation

[16] 184 from the first group and 645 from the second group

[17] With reference to notifications issued upto 2007

KPSC while agreeing (December 2016) that the entire NJD turns were treated as fresh vacancies stated that, if NJD vacancies were reported from both existing NJD rotation and fresh rotation with similar turns, it could disrupt the whole rotation process. The reply was not tenable as the High Court order of 1981 which was adopted by the KPSC has been violated and the principles of reservation compromised, leading to loss of turns to some communities. Besides, we observed that, had the KPSC inserted a prefix against the existing NJD turns to differentiate them from fresh rotation turns, the possibility of disruption of rotation process as stated by KPSC could have been avoided.

Recommendation 7: KPSC may initiate action to restore the forfeited turns to communities and Differently Abled candidates.

2.6.8 Reservation benefits to Differently Abled Persons

The Parliament enacted the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (PwD Act) which came into force from 07 February 1996 to ensure equal participation of the Differently Abled in public services. As per Section 33 of the Act, every appropriate Government shall appoint in every establishment such percentage of vacancies not less than three *per cent* for persons or class of persons with disability, of which one *per cent* each was to be reserved for (i) blindness or low vision, (ii) hearing impairment, (iii) Locomotor Disability or Cerebral Palsy. We observed that, the provisions of the PwD Act were not complied with as discussed below.

2.6.8.1 Recruitment of Persons with Disability in Government

GOK introduced (July 1998) reservation of three *per cent* of posts to persons with disabilities for vacancies in Class III and IV, and later in August 2005 for vacancies in Class I and II. Since there was delay on the part of the District Collectors[18] in the recruitment of Differently Abled, GOK entrusted the selection to the KPSC with effect from 01 January 2004. Since the modalities of appointment and the turns of Differently Abled candidates were fixed only on 19 July 2008, the appointment of Differently Abled during 01 January 2004 to 31 December 2007 to the three *per cent* earmarked vacancies could not be made. Government identified 1188 backlog vacancies in accordance with appointments made during this period in the Class II, III and IV posts in 71 Departments for the Differently Abled and ordered (January 2011) to set apart these vacancies to conduct Special Recruitment by KPSC on urgent basis. No vacancies were identified for Class I posts since no candidates had been advised for Class I posts during the period.

Scrutiny of records related to recruitment of the Differently Abled persons revealed that, as of December 2013[19], the process of selection to 965 out of 1188 backlog vacancies in different Classes for the Differently Abled pertaining to the period 2004 to 2007 was in progress. Details of the present status of recruitment sought for from the KPSC/GOK were not produced to us

[18] District Collector was the Chairman of the Selection Committee as per the scheme for reservation of three *per cent* of vacancies

[19] Latest position from KPSC/GOK is awaited (December 2016)

(November 2016). We noticed deficiencies in implementation of the PwD Act in selection to the following posts.

Medical Officer (Ayurveda)

As per Section 36 of PwD Act, any vacancy which could not be filled up in a recruitment year, due to non-availability of a suitable person with disability or any other sufficient reason, shall be carried forward to the succeeding recruitment year and if in the succeeding recruitment year also suitable person with disability was not available, it may be filled up first by interchange among the three categories of disabled, *viz.*, blindness or low vision, hearing impairment, locomotor disability or cerebral palsy. The employer could fill up the vacancy by appointment of a person other than a person with disability, only if no disabled person was available for the post in that year. We observed violation of these guidelines by KPSC, resulting in three posts for the disabled being filled up from the General category.

KPSC notified (April 2012) the post of Medical Officer (Ayurveda) (Special Recruitment for Physically Handicapped (PH) Backlog vacancies - Orthopaedic-Lower Extremities[20]) in the Department of Indian Systems of Medicine. Of the 16 candidates who applied for seven vacancies, five candidates were included in the Ranked List. We noticed that, of the 11 candidates rejected, there were three applicants with disability of Orthopaedic-Upper Extremities. Four[21] Differently Abled vacancies were filled and three left unfilled. Meanwhile, KPSC issued (November 2014) another Ranked List for General recruitment[22] for the post of Medical Officer (Ayurveda) for which applicants with disability of Orthopaedic-Lower Extremities were eligible to apply. As there were no eligible applicants with disability of Orthopaedic-Lower Extremities, KPSC decided (December 2014) to allot the three unfilled Differently Abled vacancies to General category candidates.

No reply was furnished by KPSC regarding allotment of vacancies reserved for Differently Abled candidates to General category.

Assistant Engineer in the Local Self Government Department (Special Recruitment for Differently Abled)

As per GOK orders (October 2012) the post of Assistant Engineer was suitable for all the Differently Abled categories of Locomotor disability/Cerebral Palsy, Hearing impairment and Low vision.

The KPSC notified (May 2013) 20 backlog vacancies in the post of Assistant Engineer (Civil) pertaining to the period 2004 to 2007 in the Local Self Government Department (LSGD) reserved for Differently Abled candidates. However, KPSC issued notification reserving these posts exclusively for the category "Orthopaedic-Lower Extremities", which was not in order. The Chief Engineer, LSGD had also informed (November 2013) the fact of suitability of all categories of Differently Abled for the above post, which was not adhered to by KPSC.

[20] "Lower Extremities" means the lower limb, including the hip, thigh, leg, ankle, and foot

[21] One selected candidate was subsequently relieved

[22] Notified in August 2011

It was seen that out of the 48 Differently Abled candidates who applied, 18 presented records to KPSC for verification, of which only nine candidates, including a "Hearing Impaired" candidate were found to possess the educational qualifications specified in the notification. Contrary to directions of GOK regarding the suitability of the post to all Differently Abled categories, the candidature of five candidates, including that of the "Hearing Impaired" candidate was rejected and only four candidates were called for interview (October 2014). Based on the interview, only three candidates belonging to the category of "Orthopaedic-Lower Extremities" were selected, leaving 17 out of 20 backlog vacancies for Differently Abled candidates remaining unfilled.

The action of the KPSC in excluding candidates with Hearing Impairment, Low Vision and Locomotor disability/Cerebral Palsy and limiting selection to candidates with disability of "Orthopaedic-Lower Extremities" had resulted in deprival of chances to prospective candidates of Differently Abled category.

In the Exit Conference (December 2016), the Secretary, KPSC stated that, reply will be furnished after verification of records. However, no reply was furnished by KPSC (January 2017).

Recommendation 8: KPSC may adhere to the eligibility criteria prescribed by the PwD Act while issuing notifications to posts.

Special facilities to blind candidates

Differently Abled candidates were entitled for special facilities in examinations conducted by KPSC. As per the decisions of the KPSC (June 2011), while the visually challenged candidates with certified disability of 75 *per cent* or more and candidates suffering from cerebral palsy were eligible to seek the assistance of scribes, the Orthopaedically handicapped candidates were entitled for extra time of 15 minutes per hour for descriptive type examinations. However, GOI issued guidelines (February 2013) for conducting written examinations for PwD, which stipulated that, the facility of Scribe/Reader/Lab Assistant was to be allowed to any person who has disability of 40 *per cent* or more if so desired by the person. GOK also decided (March 2014) to provide scribes for candidates having visual disability of 40 *per cent* or more. The High Court of Kerala had also opined (May 2014) that, the KPSC should positively consider the recommendation of GOK to provide scribes to persons with visual disability of 40 *per cent* since this was also in consonance with GOI norms. However, the KPSC intimated (November 2014) its decision to continue with the practice of permitting scribes only to the candidates having 75 *per cent* visual disability.

We noticed that, there were visually impaired candidates with 40 *per cent* disability who used Braille[23] for learning at school which underscored the need for providing assistance of a scribe for KPSC examinations. It was also observed that, there were 5832 visually impaired candidates registered with the KPSC seeking employment opportunities, some of whom could have been denied the assistance of scribes on grounds of certified disability not being 75 *per cent*.

[23] A system of writing and printing for the blind in which arrangements of raised dots representing letters and numbers can be identified by touch.

The Secretary, KPSC stated during the Exit Conference (December 2016) that, it was an age old dictum and a matter of policy. We, however feel that KPSC should review its decision keeping in view the observations of High Court and GOI Guidelines.

Recommendation 9: KPSC may take steps to provide scribes to candidates with visual disability of 40 per cent or more.

2.6.9 Special Recruitment for SC/ST candidates

As per Rule 14 (a) of the KS&SSR, eight *per cent* of posts are reserved for Scheduled Castes (SC) while two *per cent* is reserved for Scheduled Tribes (ST). Rule 17 A of the KS&SSR also enables the Government to reserve specified number of posts in any service, class, category or grade to be filled by direct recruitment exclusively from among the members of SC and ST. GOK also ordered (January 1994) that, in case of fresh selections, Special Recruitment exclusively for the STs shall be made in Departments to ensure the prescribed two *per cent* representation to them in public service without exceeding the total limit.

We analysed the details of Special Recruitment for SC/ST as on 31 March 2016 and observed that selection was pending against at least 739 vacancies in respect of 136 posts. We conducted a detailed scrutiny of files relating to selections pending under Special Recruitment as on 31 March 2016 and found that the selections were pending upto 21 years due to various reasons like non-receipt of clarification regarding qualification, absence of candidates with the required qualification, delay in re-notification/re-categorisation, etc., as detailed in **Table 2.3**.

Table 2.3: Pendency in Special Recruitment for SC/ST

Name of post and Department/ Institution	No. of vacancy and category	Date of reporting of vacancy	Date of occurrence of vacancy	Observations/Reasons for delay
Part Time Junior Language Teacher (PTJLT) Arabic – Education Department – Thrissur district	One - SC/ST	03.07.1995	01.1986	KPSC notified the vacancy on 28.10.1997 and renotified on four occasions upto 02.07.2002. KPSC addressed (24.03.2006 to 03.06.2015) Government for re-categorisation, but no action was taken by Government so far. The vacancy remained unfilled for 30 years. KPSC stated that Government re-categorised (June 2016) the post as PTJLT Hindi and vacancy was reported in January 2017.
Full Time Junior Language Teacher (FTJLT) Arabic – Education Department – Kollam district	Two - SC/ST	27.09.1995	01.1989	The vacancy was notified on 22.07.1997 and renotified on two occasions upto 08.06.1999. As no qualified candidates applied, the KPSC addressed (24.03.2006 to 03.06.2015) Government for re-categorisation, but no action was taken by Government. The vacancy remained unfilled for 27 years. KPSC stated that Government re-categorised (June 2016) the post as FTJLT Hindi and vacancy was reported in January 2017.
Gardener - Department of Archaeology	One – ST	08.12.1998	05.08.1995 (date of earmarking vacancy)	The KPSC considered (22.10.2011) the selection to the post based on a remark (11.11.2010) by the Government for not effecting the selection even after 15 years of earmarking the vacancy. KPSC addressed (22.10. 2011) Government to issue Executive Orders as no Special Rules were available. But Government re-categorised (16.04.2015) the post as Night Watcher/Peon and the Department again reported the vacancy on 02.05.2015. The KPSC is yet to take action for selection. The vacancy remained unfilled for 20 years. KPSC stated that decision was taken to fill up the vacancy from the Ranked List for Last Grade Servants.

Name of post and Department/ Institution	No. of vacancy and category	Date of reporting of vacancy	Date of occurrence of vacancy	Observations/Reasons for delay
Printer Grade II (on modernisation of Presses new post of Offset Machine Operator Grade II) – Department of Printing	Four – ST	17.11.2003 (reported for the vacancy of Printer). The new post reported in October 2009	11.08.2009 (earmarked as per GO)	The vacancy of Printer Grade II was reported on 17.11.2003, but KPSC took no action for selection. The Director of Printing later requested (18.06.2008) to stop selection to the post consequent on Modernisation of Presses. New post of Offset Machine Operator Grade II created was notified on 30.12.2010 and re-notified on 15.11.2012 and 29.12.2015. Though four posts were notified in Kottayam, Kollam, Pathanamthitta and Thiruvananthapuram, no qualified candidates applied except in Thiruvananthapuram. The selection proposal for Thiruvananthapuram was approved and the remaining posts were to be re-notified (August 2016). Thus, the vacancy remained unfilled for seven years. KPSC stated that interview date was to be fixed for selection in Thiruvananthapuram.
Overseer Grade III -Irrigation Department	Three - SC/ST reported as ST later (29.08.2014)	14.08.2012	Backlog (Vacancy reported by Chief Engineer referring Government letter dated 02.03.2012)	KPSC notified (15.02.2013) the vacancies for SC/ST and OMR test was conducted on 15.07.2014, but later the Chief Engineer reported that (29.08.2014) the vacancies were actually earmarked for ST (vide GO dated 15.07.2014). As the Probability list had already been prepared the KPSC decided to prepare separate list for SC and ST categories and to advise candidates from the list of STs. The defect occurred due to non-ensuring of issue of Government Order earmarking the vacancy. KPSC stated that the Ranked list was published in November 2016.
Peon - Sainik Welfare Department	One - ST Ex-servicemen	09.07.2012	01.01.2010	The vacancy was notified on 15.10.2013 for both NCC and Sainik Welfare Departments with a clause to consider non-Ex-servicemen ST candidates in the absence of qualified Ex-servicemen ST candidates. OMR test was conducted on 13.08.2014. Later, KPSC found some mistakes in the selection that notification was made for NCC and Sainik Welfare Departments instead of Sainik Welfare Department alone and by incorporating the clause for considering non-Ex-servicemen in the absence of Ex-servicemen which was applicable only in NCC. The KPSC decided (01.03.2016) to re-notify the vacancy as there was no eligible (Ex-servicemen ST) candidate. Thus, carelessness of KPSC delayed the selection process. KPSC stated that the post was again notified in December 2016.
LDC - Sainik Welfare Department (Ex-servicemen only)	One - ST (Kollam)	21.01.2010	01.06.2009	Two vacancies[24] for LDC in Sainik Welfare Department were notified (Category 416/2010 dated 30.12.2010) along with one post in NCC Department (Kozhikode district) for selection from Ex-servicemen ST candidates and in the absence of Ex-servicemen, from Non-Ex-servicemen candidates. Since there were no Ex-servicemen candidates KPSC published Ranked List with non-Ex-servicemen candidates for Sainik Welfare Department and advised three candidates. The advice issued to Sainik Welfare Department was returned stating that posts in Sainik Welfare Department are exclusively reserved for Ex-servicemen. The matter was taken up with Government and Government clarified that non-Ex-servicemen will be considered only in NCC Department as ordered in GO dated 02.08.1986. The KPSC ordered to cancel the advices made and to retain these candidates in the Ranked List to be considered when vacancies reported by NCC Department. Thus, the error in notification resulted in advising ineligible candidates and subsequent cancellation of advice and resultant non-filling up of vacancies for the last seven years. KPSC stated that in Kollam district, interview for the selection was over and Ranked List is to be published.
	One - ST (Thiruvananthapuram)	19.07.2010	01.06.2009	
	One - ST (Kollam)	03.12.2012	17.11.2012	
Non-Vocational Teacher in Physics - Department of Vocational Higher Secondary Education	One - ST	13.08. 2009	06.11.2008	The vacancy was notified on 30.10.2010 (Category 319/10). Three eligible candidates did not turn up for the interview held on 27.10.2011. KPSC re-notified (30.11.2012) the vacancy, but the single applicant had no required qualification. KPSC decided (March 2013) to re-notify the vacancy after two months, i.e. after end of that academic year. However, further action in the selection was not taken. The vacancy remained unfilled for seven years. KPSC stated (October 2016) that the vacancy would be re-notified as and when orders relaxing qualifications were received from Government.

[24] One vacancy was reported after date of notification on 03 December 2012

Name of post and Department/ Institution	No. of vacancy and category	Date of reporting of vacancy	Date of occurrence of vacancy	Observations/Reasons for delay
Assistant Grade II- Kerala State Forest Development Corporation (KSFDC)	One - ST	31.01.2007 (defect free on 27.03.2007)	12.01.2007	The vacancy was notified only on 28.12.2011 along with the vacancy reported on 16.06.2011 pending clarification regarding the occurrence of vacancies. The probability list was published on 15.05.2014. The KPSC made correspondence with Director of Technical Education regarding equivalency of qualification for 16 months (24.11.2014 to 07.04.2016) though the information had already been obtained on 06.05.2011 in the earlier selection. The Ranked List was not published and advice not issued even after a lapse of nine years/five years from the date of reporting of the vacancies as against one year and one month required. KPSC stated that the Ranked list was brought into force in July 2016 and two candidates advised in October 2016.
	One - SC/ST	26.11.2010 (revised proforma on 16.06.2011)	03.11.2010	
Driver Grade II - Kerala State Drugs and Pharmaceuticals Ltd. (KSDP)	One - SC/ST	04.06.2012 (error free proforma on 26.03.2013)	02.08.2006	The notification was issued only on 31.08.2013 after getting an error free requisition on 26.03.2013. OMR test was conducted on 02.09.2014 for 404 applicants. The short list is yet to be prepared and practical test also to be conducted. There was delay in every stage of the process and the vacancy occurred on 02.08.2006 remained unfilled even after nine years. KPSC replied (June 2016) that the delay was owing to completion of the regular procedure for the selection. Short list was published in September 2016.
Quality Control Inspector - Kerala State Handloom Development Corporation (KSHDC)	One - ST	04.05.2009	05.09.2008	Notification was issued on 30.12.2009 and re-notified on 14.10.2011 and again on 31.07.2013 as requested by the Appointing Authority. As no candidate with the required qualification of Diploma in Handloom Technology/Textile Technology was available, the post was re-notified again on 11.04.2014. Three of the five applicants did not possess the required qualification. The remaining two candidates produced certificates of other courses (B.Sc. Costume Design, etc.). The KPSC addressed (May 2015) Government to confirm the equivalency of the qualifications. But the matter is still pending with the Government even though the KPSC submitted (March 2016) the syllabus of the courses, etc., as sought for by Government. Thus, the vacancy remained unfilled even after seven years. KPSC stated that clarification regarding equivalency was to be received from Government.

(Source: Records of KPSC)

On being asked, KPSC replied (December 2016) that, manpower in the KPSC should be increased to meet the workload. We observed that, KPSC cited shortage of manpower without conduct of a scientific work study, on which an audit comment has been incorporated under paragraph 2.8.2 of this Report.

Recommendation 10: KPSC may take appropriate action to ensure filling up of posts reserved for SC/ST candidates.

2.6.10 Selection process pending finalisation

The examination process conducted by KPSC for selection to various services of the State *inter alia* involves various stages such as notification, application scrutiny, written test, certificate verification, short listing, interview and finalisation of Ranked List. The statement of pendency in selection as on 31 March 2016 showed that the selection was pending in respect of 94,98,574 applications for 2919 posts relating to the years from 2009 to 2016 due to delay in clarifying issues related to equivalent qualifications, delay in re-categorisation of post, non-existence of Special Rules, erroneous vacancy reporting, non-availability of qualified candidates, court cases, etc.

Analysis of the data on pendency pertaining to the years 2010 to 2015 showed that only 17 to 28 *per cent* of selections were completed in a year as shown in **Table 2.4**.

Table 2.4: Analysis of the data on the selections relating to the years from 2010 to 2015

Year of notification	Selection Pending		No. of posts for which selection pending as on 31.03.2016	Cases cleared		Percentage of selections completed in each year
	As on	No. of Posts		No. of Posts	Time taken in Years	
2010	31.03.2011	807	37	770	5	19
2011	31.03.2012	773	80	693	4	22
2012	31.03.2013	1295	498	797	3	21
2013	31.03.2014	902	597	305	2	17
2014	31.03.2015	1224	885	339	1	28
2015	31.03.2016	755	755	Nil	-	-

(Source: Records of KPSC)

We reviewed 504 cases where the Ranked Lists were finalised and published during 2011 to 2015. Against the target set by the KPSC, of publishing Ranked Lists within one year from the date of notification, it was noticed that the time taken for finalisation of Ranked Lists ranged from three to four years in 156 cases (31 *per cent*), four to five years in 94 cases (19 *per cent*) and five to six years in 33 cases (seven *per cent*). Further, in seven cases, KPSC took more than six years and in two cases more than seven years to finalise the selection process. The details of time taken and reasons for delay in completing the selection process in respect of the recruitment files verified by us are given in **Appendix 2.6**.

KPSC admitted (November 2016) that there was delay in the selection process, which was attributed to delay at various stages of selection like application scrutiny, OMR test, publishing of short list, verification of certificates, conduct of interviews, receipt of clarifications regarding acceptance of equivalent qualifications as well as legal and other issues which could not be addressed through the computerised system.

Recommendation 11: KPSC may ensure completion of selection process within the targeted period of one year.

2.6.11 Application of Information Technology by KPSC

2.6.11.1 Deficiencies in One Time Registration System

One Time Registration (OTR) facility was introduced by KPSC from 01 January 2012, by which the candidates have to create a profile by submitting their personal data and details of educational qualifications. The candidates can view all active notifications in their profile and can apply for posts by logging to their profile by clicking the "Apply Now" button shown against the post. The details entered in the profile will be subjected to verification only after short listing a candidate for a post (in cases where the number of applications for a post is 500 or less the details are verified at the time of application itself). As on 30 September 2016, the total number of registrations was 34.11 lakh. It was seen that, 1.65 lakh candidates in whose case, verification had been done, were issued Permanent Candidate Number (PCN), whereby such candidates need not report for verification in subsequent selections. However, we noticed certain deficiencies in the system, which were later confirmed by KPSC, whereby candidates could register any false information especially regarding qualifications and apply for any post even if they did not possess the required qualification. We came across an instance of a single candidate applying for as many as 270 posts ranging from Electrician, Plumber, etc., to General Manager and Biomedical Engineer. The candidate had shown qualifications in ITI/ITC in Electronics/General Mechanics/ Mechanic Auto Electrical and Electronics/Diploma/Polytechnic in Electronics Engineering/Medical Engineering/Instrument Technology and Biomedical Engineering to his credit, all of which were stated as acquired in 2011-2012, which lacked authenticity.

We observed that, KPSC was allowing such bogus applicants/non-serious job seekers for screening test. This has resulted in the number of candidates actually appearing in the examination being much less than the total applicants, with the absence in certain tests ranging up to 66 *per cent* as shown in **Appendix 2.7**.

KPSC admitted (October 2016) that, the OTR system had flaws which allowed candidates to register false information and stated that corrective measures were being taken including linking of OTR profile with AADHAR, etc.

2.6.11.2 Performance of online examination centres

KPSC established four[25] online examination centres in the State, with a view to accommodate maximum number of job seekers within a limited time and convert written examination into computer aided examination as part of innovative technology. KPSC's Protocol for conduct of online examinations stipulated that, the final answer key of online examinations had to be published within a maximum of 15 days from the date of conduct of examinations. We observed that, there was delay of more than a year in generating the final Ranked List thereby defeating the objective of setting up the online centres.

As of September 2016, 105 examinations were conducted for 379 posts, of which final Ranked Lists in respect of 114 posts had been published and that of 263 posts were to be published[26].

While explaining the reasons for the delay in publication of the final Ranked Lists, KPSC stated (October 2016) that Short Lists/Probability Lists for various posts could be published by the Online Examination Wing only after the publishing of final answer key by the Controller of Examinations, the completion of scrutiny of applications and approval of selection orders.

The reply of the KPSC was silent as to why the Controller of Examinations in the KPSC failed to publish the final answer key within a maximum of 15 days from the date of conduct of examinations. Further, the delay could have been reduced by conducting scrutiny of applications before the examinations.

2.6.11.3 Delay in computerisation of rotation process

The third phase of computerisation in KPSC was implemented from 2007 onwards, which included One Time Registration of candidates, submission of

[25] Thiruvananthapuram (August 2014), Pathanamthitta (September 2014), Ernakulam (December 2014) Kozhikode (August 2016)

[26] Two posts were cancelled

applications, preparation of Ranked List, preparation of advice for appointment, etc. However, computerisation of the rotation process remains to be completed (December 2016). We observed that the work of developing the Rotation software was initially entrusted (October 2012) to C-DIT[27]. The work order was frozen and work later entrusted (October 2013) to a faculty of the College of Engineering, Thiruvananthapuram (CET). Reason for cancellation of the initial work order was not furnished to us. The KPSC stated that, 90 *per cent* of the Rotation software had been developed with the source code entrusted to KPSC and that the students who passed out from the CET were unwilling to pursue the software development process. Further KPSC informed (December 2016) that, the Technical wing of KPSC which was entrusted with the completion of software had put the work on hold, due to lack of sufficient team members as they were tasked with other important projects.

We observed that, the process of rotation was one of the most critical components and culmination point of the entire recruitment process which also had a bearing on the reservation and was to be executed every time with precision and without errors. Thus, failure of KPSC to complete the work through C-DIT resulted in abandonment of computerisation work by the faculty and resultant inability of KPSC to complete the computerisation of rotation process.

2.7 Advisory Role of the KPSC

Provisions of Article 320(3) of the Constitution required the State Public Service Commission to be consulted on all matters related to methods of recruitment to civil services and civil posts, all disciplinary matters affecting a Government servant, etc. The KPSC tendered advice to GOK on framing of Rules, amendment to Rules and recognition of qualifications.

2.7.1 Advice for framing of Special Rules for Forest Range Officer

Government of India (GOI) had published (July 2004) the Entrance and Training Rules (Revised 2004) (Rules) for Forest Range Officers, the applicability of which extended over the whole of India. As per the Rules, the selection of candidates to the posts of Forest Range Officers shall rest with the concerned Sponsoring Authority and the selection procedure adopted by the Sponsoring Authority must conform to the minimum standards laid down under the Rules.

GOK, based on the advice of KPSC, framed (October 2010) Special Rules for the Kerala Forest Service, adopting criteria different from that of the GOI rules with respect to the standards such as height/chest girth/physical test/ qualification/relaxation in height to ST candidates fixed for the post of Forest Range Officer.

We observed that while rendering advice on the draft Special Rules for the Forest State Service, the modifications advised (June 2010) by KPSC to the Rules related to this post were not in conformity with the GOI Rules which resulted in finalisation of defective Special Rules.

[27] Centre for Development of Imaging Technology

The Special Rules amended in September 2014 were also not in consonance with the GOI Rules in relation to chest measurement of male candidates, non-fixing of standards for chest measurement of female candidates, difference in the qualification and relaxation in height to ST candidates.

KPSC followed the selection process and selected 13 candidates from Ranked List. However, as brought out above, the criteria for selection was not in conformity with GOI Rules. Though the matter was pointed out to KPSC, reply was yet to be received (February 2017).

2.7.2 Advice rendered in selection to the post of Sales Assistant in Handicrafts Development Corporation of Kerala Ltd.

One vacancy for the post of Sales Assistant in Handicrafts Development Corporation of Kerala Ltd. (HDCK) was reported to KPSC on 03 June 2005. The qualifications prescribed for the post were Graduation and ability to speak and write English, Hindi and Malayalam. The consolidated salary for the post was ₹2000 per month for the first year and scale of pay from the next year. KPSC considered to make selection to the post from the Ranked List for the post of Assistant in various Companies/Corporations and advised the Company (May 2007) to inform its willingness to amend the Special Rules by prescribing pay scale instead of consolidated salary. Based on the advice of the KPSC, the Board of Directors resolved (October 2007) to amend the Special Rules by prescribing pay scale and issued orders (December 2009) amending the Special Rules. KPSC, however, later decided (January 2010) that selection to the post could not be made from the Ranked List of Assistants to Companies/Corporations, as the qualifications prescribed for the post of Assistants was any Graduate from a recognised university, which was not sufficient for the post of Sales Assistant. KPSC therefore, decided to issue separate notification for the post and notification was issued on 31 December 2011 for nine vacancies after six years from the date of reporting of the vacancy. However, the posts were yet to be filled up (February 2017).

KPSC stated (December 2016) in reply that, the selection process was delayed on account of the delay on the part of HDCK in furnishing clarification sought for by KPSC with respect to amending Special Rules in favour of pay scale instead of consolidated salary. The reply was not tenable as KPSC was responsible for tendering wrong advice to the company, without verifying the qualifications and method of appointment of posts. Had KPSC given correct advice in the matter, the need to seek amendment of Special Rules by HDCK and resultant delay could have been avoided.

2.7.3 Non-submission of Annual Reports of KPSC to the State Legislature

As per Article 323(2) of the Constitution of India, the KPSC was to present an Annual Report on the work done by KPSC to the Governor of the State. The Governor, along with a memorandum explaining the reasons for non-acceptance of/deviations from KPSC's advice, was to facilitate tabling of the Report in the State Legislature. We observed that, though the KPSC presented its Annual Reports pertaining to the years 2010-11 to 2015-16 to the Governor, none of the Reports were presented to the Legislature till date. The delay in this regard was due to failure of various Government Departments to furnish reasons for non-acceptance of/deviation from the advice rendered by KPSC. It was further noticed that, out of 14 cases of deviation, explanation in respect of five cases were yet to be furnished by the concerned Department.

We observed that, the laxity of GOK in obtaining timely explanations from various Departments resulted in non-submission of KPSC's Reports to the State Legislature on time. GOK replied (December 2016) that, the Reports would be submitted to Legislature at the earliest.

2.8 Financial and Human Resources Management in KPSC

2.8.1 Financial Management

As per Article 322 of the Constitution, the expenses of the KPSC including any salaries, allowances and pensions payable to or in respect of the members or staff of KPSC, shall be charged on the Consolidated Fund of the State. During the years 2011-12 to 2015-16, KPSC incurred a total expenditure of ₹547.50 crore as shown below:

Table 2.5: Details of Plan and Non-plan expenditure

(₹ in crore)

Financial Year	Plan	Non-Plan	Total
2011-12	1.00	76.65	77.65
2012-13	1.24	96.60	97.84
2013-14	1.99	104.58	106.57
2014-15	7.50	125.46	132.96
2015-16	2.49	129.99	132.48
TOTAL	**14.22**	**533.28**	**547.50**

(Source: Details furnished by KPSC)

Scrutiny of records relating to budget proposals and expenditure statements revealed the following deficiencies in budget control and expenditure.

2.8.1.1 Utilisation of funds for the purposes not earmarked

The allocation under 'Office Expenses 04-Other Items' is earmarked for purchase of furniture, printing charges of question papers, forms and KPSC Bulletins, purchase of stationery articles, OMR answer sheets, etc. We noticed a diversion of ₹9.24 crore from this head during the period 2013-14 to 2015-16 on Capital expenditure like setting up of online exam centre and Civil Works, which was not permissible.

No reply was furnished by KPSC.

2.8.2 Human Resources Management in KPSC

The total staff strength (March 2016) of the KPSC was 1644 (1623 permanent and 21 temporary posts). As per the Report of the Work Assessment Committee constituted (March 2013) for conducting a work assessment at the Headquarters, the work distribution among Assistants was unscientific resulting in 20 *per cent* of the Assistants without adequate work load and 10 *per cent* even without nominal work. Also, in many of the sections in the KPSC, the ratio of Assistant to Section Officer was 1:2. The KPSC, while accepting (November 2013) the Work Assessment Committee Report directed that similar work study would be undertaken at the Regional and District

Offices. We noticed that, the work study at the Regional and District Offices was yet to be done (October 2016).

We noticed that, KPSC submitted (September 2015) a proposal to GOK for sanction of 307 additional posts citing extra works to be done on introduction of appointment verification, issue of one time verification certificate, etc. The proposal was awaiting approval from GOK (October 2016). We also observed that, besides failing to conduct detailed work assessment of Regional and District Offices, the KPSC did not conduct a fresh work assessment before seeking additional posts from GOK.

2.9 Conclusion

Special Rules in respect of 12 services were not framed by GOK, thereby failing in regulating the recruitment and conditions of service of persons appointed to posts which resulted in appointments being made through Executive Orders of Government or being made by Companies/Societies direct by themselves. There was delay in reporting of fresh/NJD vacancies by various Departments to the KPSC. Instances of KPSC conducting recruitment process and preparing Ranked Lists without obtaining vacancy reports from Departments resulting in its failure to advise even a single candidate for appointment from the Ranked List were observed. The KPSC was yet to issue notifications in respect of at least 452 vacancies to be filled up against 128 posts. Delay ranging from 11 to 77 months was also seen in publishing of notifications by the KPSC and consequential delay in the selection process. Ineligible candidates got employment due to failure of KPSC to ensure that the qualifications stated in the notifications were in line with the Special Rules/Executive Orders of Government for the post. Failure of KPSC to comply with the provisions of the PwD Act, 1995 resulted in denial of Government jobs to Differently Abled candidates who were eligible for selection. Analysis of data on pendency in selection pertaining to the years 2010 to 2015 revealed that only 17 to 28 *per cent* of selections were completed in a year, though all selections were to be finalised within one year as per KPSC's own manual.

CHAPTER III
HIGHER EDUCATION DEPARTMENT

Functioning of Mahatma Gandhi University

Highlights

Mahatma Gandhi University (MGU) is an educational institution that strives to fulfil the higher educational needs of the people of Central Kerala. It imparts education in the conventional disciplines of Science, Social Science as well as in professional disciplines of Medicine, Nursing, Pharmacy, Engineering, etc. The Performance Audit focussed on the academic activities and the financial management of MGU.

MGU commenced a five year Integrated Interdisciplinary MS programme and Integrated Double Degree BA (Criminology)-LLB (Honours) which did not have the approval of University Grants Commission (UGC).

(Paragraphs 3.6.1.1 and 3.6.1.2)

The MGU failed to frame uniform syllabus as directed by UGC. The College Development Council envisaged by UGC was ineffective due to non-appointment of full time Director.

(Paragraphs 3.6.2 and 3.6.5.2)

There was a delay ranging from one to nine months in declaring examination and revaluation results. Fifty nine *per cent* of degree certificates were issued after six months from the date of application.

(Paragraphs 3.6.3.1 and 3.6.3.2)

One hundred ninety seven teachers identified as Research Guides by MGU did not possess the eligibility criteria as prescribed by UGC.

(Paragraph 3.6.4.1)

MGU failed to implement Syndicate decision, made dilution to contractual terms and failed to obtain UGC/Government of Kerala (GOK) assistance leading to loss of revenue of ₹3.98 crore.

(Paragraph 3.7.1)

The Syndicate of the MGU irregularly created 10 non-plan posts of Section Officers without the approval of GOK.

(Paragraph 3.7.1.4)

Irregular payment of House Rent Allowance against GOK directives resulted in undue benefit of ₹2.20 crore to the staff of MGU.

(Paragraph 3.7.2.1)

Payment of inadmissible remuneration of ₹13.97 crore to regular teachers towards valuation of answer scripts was observed.

(Paragraph 3.7.2.2)

Promotions made against the abolished posts in violation of orders of GOK resulted in excess payment of ₹13.36 lakh.

(Paragraph 3.7.2.3)

Failure of MGU to enrol employees into EPF Scheme from the date of entry into service resulted in avoidable expenditure of ₹2.20 crore and potential liability of ₹3.78 crore towards interest and damages.

(Paragraph 3.7.4.1)

There was no internal audit wing in the MGU which resulted in lack of internal control mechanism.

(Paragraph 3.7.4.2)

3.1 Introduction

Mahatma Gandhi University (MGU), Kottayam, was established in October 1983 to provide higher education to the students belonging to the districts of Kottayam, Ernakulam, Idukki and parts of Pathanamthitta and Alappuzha. The MGU conducts Under Graduate (UG), Post Graduate (PG), M.Phil and Doctoral level courses through 17 University departments, seven Inter-University Centres, 10 Inter-School Centres, eight Self Financing Institutions and 250 affiliated colleges (10 Government colleges, 63 aided colleges and 177 unaided colleges). It imparts education in the conventional disciplines of Science, Social Science as well as in professional disciplines of Medicine, Nursing, Pharmacy, Engineering, etc. MGU is accredited by National Assessment and Accreditation Council[28] at 'B' level.

3.2 Organisational setup

The Governor of Kerala is the Chancellor and Head of the University. The Vice Chancellor (VC) of the MGU is the principal academic and executive officer and all officers of the University are under his administrative control. The following personnel held the post of VC as detailed below:

Table 3.1: Persons holding the post of Vice Chancellor

Sl. No.	Name of the VC	Period
1.	Dr. Rajan Gurukkal	November 2008 to October 2012
2.	Dr. K M Abraham	November 2012 to December 2012
3.	Dr. A V George	January 2013 to April 2014
4.	Dr. Sheena Shukkur	May 2014 to August 2014
5.	Dr. Babu Sebastian	September 2014 to till date

The VC is assisted by a Pro-Vice Chancellor, Registrar, Controller of Examinations and Finance Officer[29].

[28] National Assessment and Accreditation Council (NAAC) is an autonomous body established by the University Grants Commission (UGC) of India to assess and accredit institutions of higher education in the country. Institutions are graded for each key aspect under four categories *viz.* A, B, C and D denoting very good, good, satisfactory and unsatisfactory levels, respectively

[29] Abraham J Puthumana – October 2000 to till date

3.3 Audit Objectives

The Performance Audit was conducted to assess whether

- the academic activities were planned and executed efficiently and effectively; and
- the financial management of the University was efficient and effective.

3.4 Audit Criteria

Audit criteria was derived from the following sources:

- University Act and Statutes, University Grants Commission Regulations, Examination Manual and Orders issued by Government of Kerala (GOK) and various regulatory authorities[30]
- Kerala Financial Code and Kerala Service Rules
- Kerala Stores Purchase Manual
- Special Rules for Self Financing Institutions

3.5 Scope and Methodology of Audit

The Performance Audit of the 'Functioning of Mahatma Gandhi University' covering the period from 2011-12 to 2015-16 was conducted from March to October 2016 focussing on the academic and financial activities including management of Self Financing Institutions.

We commenced the audit with an Entry Conference held on 17 March 2016 with the Additional Chief Secretary (Finance and Higher Education), Principal Secretary (Finance-Expenditure and Higher Education), VC and Registrar of MGU wherein the audit objectives, audit criteria and audit methodology were discussed. The audit methodology included the scrutiny of documents and verification of records related to core academic activities, role of academic bodies in the pursuit of excellence, extent of application and adherence to University Grants Commission/Career Advancement Scheme norms, prudence in financial management, etc. An Exit Conference was conducted on 05 December 2016 with the Principal Secretary, Higher Education Department and Finance Officer, MGU, during which the audit findings were discussed in detail.

[30] All India Council of Technical Education (AICTE), National Council of Teacher Education (NCTE) and Bar Council of India (BCI)

Audit findings

3.6 Academic activities

3.6.1 Courses offered without fulfilling the norms laid down by Statutory Authorities

3.6.1.1 Commencement of courses not approved by University Grants Commission

As per Section 22(3) of the University Grants Commission (UGC) Act 1956, 'degree' means any such degree as specified on this behalf by the UGC by notification in the official Gazette. There were 163 degrees notified by UGC in the official Gazette as on 23 May 2009. UGC had informed VCs of all Universities in November 2009, to ensure that the nomenclature of the degrees offered should be as specified by the UGC.

The VC accorded approval (October 2009) to the MS programme, which commenced during 2009-10 with an intake of 10 students, by exercising the powers of the Syndicate as per Section 10 (17) of the MGU Act. The Syndicate of the MGU decided (February 2010) to launch the five year Integrated Interdisciplinary Master of Science programme through Institute for Integrated programmes and Research in Basic Science (IIRBS) and declared the programme as MS. The decision of the VC was subsequently ratified by the Academic Council in January 2015.

Since the degrees notified by the UGC identified MS as Master of Surgery and the five year Integrated Interdisciplinary MS programme of the MGU was not in the approved list of UGC, the first batch of 10 students who had completed the course in 2014 were awarded M.Sc Degree. We also noticed that, nine students were awarded M.Sc Degree in Chemistry while one student was awarded M.Sc Degree in Physics.

Subsequently, the Sub-Committee constituted by the Syndicate of MGU proposed (March 2015) that, specialisation in M.Sc. would be based on the project work/subjects studied from VII to X semesters (Master level semesters) and suggested that, IIRBS may propose the syllabus for specialisation in Physics. Accordingly, the VC issued orders (May 2015) for retrospective modification of course and curriculum for the 2009 and 2011 batches and re-designed the programme as Interdisciplinary Master of Science programme, declared as M.Sc.

It is evident from above details that, Physics was not a part of the syllabus of 2009 batch and giving retrospective effect of change of programme for the students who had already passed out in 2014 was not in order.

On being asked, the VC, MGU replied (December 2016) that, in all regulations, the degree was shown as MS/M.Sc. and that different degrees including degree in Physics were awarded on the basis of curriculum structure approved by MGU in 2009.

The reply was not tenable as it was found that, in all University Orders and Regulations issued upto 2015 except initial University Order issued in 2009, the name of the programme was shown as MS and there was no separate curriculum/specialisation envisaged for awarding different degrees. It was only after the recommendation of the Sub-Committee after March 2015, that a separate syllabus for Physics in VII to X semesters was introduced in 2015, after the first batch had passed out.

3.6.1.2 Commencement of course in Law violating UGC guidelines/Bar Council of India norms

As per UGC instructions (November 2009), the VCs of all Universities are required to ensure that the nomenclature of the degrees should be as specified by the UGC. The MGU commenced a five year Integrated Double Degree BA (Criminology)-LLB (Honours) course with effect from the academic year 2011-12. Five Colleges[31] together admitted 970 students to the course during the years 2011-12 to 2015-16. While the Government Law College, Ernakulam and SN Law College, Poothotta made admissions to the course from 2011-12 and 2012-13 onwards respectively, the other three colleges commenced the course only with effect from 2013-14.

We observed that, the five year Integrated Double Degree BA (Criminology)-LLB (Honours) course offered by the MGU was not part of the list of courses notified by the UGC. Therefore, it was not a recognised course.

Even though the Regulations issued by the MGU specified that the course was in compliance to the Bar Council of India Rules of Legal Education 2008, it was silent on the fact that the course did not possess approval of the UGC which was essential for its recognition. Since the Advocates Act, 1961 also stipulated that, the State Bar Council shall enrol as Advocates only such candidates who have passed law from a University/approved affiliated Centre of Legal Education/Departments of the MGU as recognised by Bar Council of India (BCI), we observed that, all the 970 students who were enrolled in the five year Integrated Double Degree BA (Criminology)-LLB (Honours) course are ineligible to practice Law. The BCI also confirmed (February 2016) that, as the UGC has not recognised degree in BA (Criminology)-LLB (Honours) course, persons possessing the degree are not entitled to be enrolled as Advocates. Thus, the action of MGU in admitting students to the Integrated Double Degree BA (Criminology)-LLB (Honours) course without UGC approval violated Bar Council of India regulations also and this action has put the legal career of these students as Advocates at risk.

The Joint Registrar of MGU stated during the Exit Conference (December 2016) that, the MGU has discontinued the course from 2016-17 and BCI has agreed to regularise the course as a one-time measure for students already admitted, on payment of a fine of ₹10 lakh (Rupees two lakh per year for five years). We observed that the reply of the MGU was silent on the University offering such courses to the students, which were not recognised by the UGC.

In the circumstances, we recommend that, responsibility needs to be fixed for the lapse on the part of MGU in offering a course which did not have UGC's and BCI's approval and for getting retrospective ratification by making payment of fine of ₹10 lakh, which is not a healthy precedence in the field of education.

[31] Government Law College, Ernakulam, SN Law College Poothotta, Al Azhar Law College, Thodupuzha, Bharata Mata School of Legal Studies, Angamaly and CSI College for Legal Studies, Kanakkary

Recommendation 1: The VC should ensure that only courses recognised by the UGC are offered by MGU.

3.6.1.3 Master of Business Administration courses through off-campus centres

The All India Council of Technical Education (AICTE) is the statutory authority for ensuring coordinated and integrated development of technical and management education and maintenance of standards. With the approval of AICTE (July 1994), the School of Management and Business Studies of MGU offered two year full time Master of Business Administration (MBA) course with 30 seats with effect from 1994. MGU accorded approval to five aided Arts and Science Colleges to conduct MBA programme after obtaining assurance that these colleges had obtained AICTE's approval. The School of Distance Education (SDE) of MGU also conducted a similar MBA programme through 72 off-campus centres[32] from 2001-02 to 2014-15 for which the approval of AICTE was not obtained. Based on High Court judgement (February 2015), these off-campus centres were closed with effect from 2015-16 as the MGU did not have powers to conduct off-campus centres outside its jurisdiction.

We observed that, out of 6303 MBA degrees[33] awarded by MGU during 2011-12 to 2015-16, 4735 MBA degrees (75 *per cent*) were awarded to the students who had undertaken the course through off-campus centres. MGU awarded same degree certificates to the students who attended off-campus centres and the students who studied the course in University department and affiliated colleges concealing the fact that degrees obtained through off-campus centres were not recognised by AICTE.

On being asked, MGU replied that, the University started the course as per its Syndicate resolution, since, as per the judgement of Supreme Court of India dated 24 September 2001 (Bharathidasan University case), Universities could start any new department/course/programme in technical education without obtaining approval of AICTE.

The reply was not tenable as the said judgement pertains to the courses directly run by the University. It is also significant to note that despite the Hon'ble Supreme Court of India clarifying (May 2014) that prior approval of the AICTE was compulsory and mandatory for conduct of a technical course including MBA/Management course for the academic year 2014-15, MGU permitted the off-campus centres under its jurisdiction to admit students to MBA courses in 2014-15 also without obtaining approval of AICTE.

During the Exit Conference (December 2016) the Principal Secretary observed that, this was a serious lapse on the part of MGU and amounted to contempt of the Supreme Court of India. As such we recommend that, appropriate action may be taken for the lapses against the defaulting authorities/persons.

[32] Off-campus centres are private educational entities run by institutions/individuals/trusts within or outside the territorial jurisdiction of the University

[33] Include degrees offered by five aided colleges affiliated to MGU having AICTE approval

3.6.2 Failure to revise syllabus and comply with UGC guidelines

As part of the measures to enhance efficiency and excellence in the higher education system and to ensure seamless mobility of students across the higher educational institutions in the country and abroad, the UGC directed (November 2014) that, the Choice Based Credit System (CBCS)[34] proposed by it should be adopted by all the Universities from 2015-16. The UGC also issued guidelines to Universities to frame uniform syllabi. As the MGU was following a Choice Based Course Credit and Semester System, it was resolved (August 2015) to implement the guidelines for the adoption of uniform CBCS from the Academic Year 2016-17 onwards. Accordingly, Regulations for implementation of Revised Scheme and Syllabi for UG courses with effect from academic year 2016-17 were approved by MGU (February 2016) and the revised scheme and syllabi of 108 UG programmes were drafted and subsequently approved by MGU in May 2016.

We observed that, even though MGU approved the Regulations, Revised Scheme and Syllabi for UG courses with effect from academic year 2016-17, the newly constituted Syndicate, citing delay in ratification by the earlier Syndicate and complaints received from stakeholders, did not implement the Regulations. The syllabi for the UG courses were yet to be revised (September 2016) which resulted in disadvantage to the students of MGU compared to students from other Universities which adopted the new syllabi.

The VC, MGU stated (December 2016) that, new syllabi would be implemented with effect from the academic year 2017-18 after detailed discussions with experts and other stakeholders. The reply was not acceptable as the MGU has failed to comply with the UGC Regulations to frame uniform syllabi which hampered seamless migration of students across Universities within the country and abroad.

3.6.3 Conduct of examinations and publication of results

3.6.3.1 Delay in publication of results and consequent hardships to students

MGU publishes examination calendar for every academic year which includes dates of examination and dates of publication of results of Under Graduate (UG) and Post Graduate (PG) courses. We observed delay of one to three months in publishing of results of final semester of UG/PG courses and delay between one to nine months in the case of other semesters. Failure of MGU to publish results on time leads to course lagging and deprival of timely admission of students to other institutions.

As per the Examination Manual of the MGU, candidates who have taken examinations conducted by MGU can apply to the Controller of Examinations for revaluation of their answer book. The results of revaluation are to be published within 60 days from the last date for receipt of applications. We noticed delay in publishing results of revaluation conducted by MGU. During 2012-13 to 2015-16, the results of revaluation could be declared within the stipulated time of 60 days in 20 *per cent* of cases only. In 49 *per cent* cases,

[34] Choice Based Credit System provides choice for students to select from the prescribed courses (core, elective or minor or soft skill courses)

results were declared after the last date of submitting application for the next examination and in another 10 *per cent* cases, results were announced after the completion of next examination causing hardship to the students. The delayed publishing of revaluation results forced students to reappear for the next examination without knowing their previous result.

The VC, MGU, while accepting the audit observation (December 2016) attributed the delay in publishing results to the numerous diverse courses offered by MGU and shortage of teachers for valuation. The reply was not tenable as it was the duty of MGU to ensure timely action in the interest of the students' educational needs. Besides, it was MGU's own decision to run so many courses.

3.6.3.2 Delay in issuing degree certificates

As per Examination Manual of MGU, degree certificates would be issued within 10 days (later raised to 20 days (September 2013)) if applied along with additional fee of ₹900 (fast track). However, we noticed that, 37 *per cent* of degree certificates were issued after the stipulated time of 20 days.

MGU has also not prescribed any time limit for the issue of degree certificates in the normal course. We noticed that, 59 *per cent* of certificates during the audit period were issued after six months from the date of application.

The VC, MGU stated (December 2016) that, consequent to the audit observation, a proposal for fixing a timeframe for issue of certificates in normal course was under its consideration.

3.6.3.3 Lack of action for improper valuation

As per the provisions in the Examination Manual of the MGU, if the revalued marks vary from the original marks by 25 *per cent* or above, the fact shall be reported to the Standing Committee of Examinations. The examiner, if found guilty of improper valuation, shall be debarred from the examinership of MGU for a minimum period of three years. A fine of ₹500 shall also be imposed on the examiner. However, we observed that, MGU was not invoking the provisions of the Manual against teachers guilty of improper valuation. Of the 433 cases under UG courses where marks on revaluation were found to be in excess of 25 *per cent* of the original marks, action was initiated only in seven cases by seeking explanation. Reasons for not initiating action in remaining 426 cases were sought for (October 2016) from the MGU. But MGU did not give any reply (January 2017).

As per the Examination Manual, a fine of ₹500 shall be imposed upon teachers found guilty of improper valuation/revaluation which was enhanced (February 2014) upto a maximum of ₹10,000. During February 2014, all the 95 students who appeared for the Indian English Literature paper in MA I semester examination in six[35] affiliated colleges were given fail marks by the examiners. Based on the media report on the mass failure, an enquiry commission was formed (March 2015) and the subsequent revaluation revealed that, out of the 95 students, 82 students were declared as passed.

[35] Illahia College, Maharajas College, St. Dominic College, St. Alosius College, Al Azhar College and St. Berchmans College

Considering the enquiry report, the MGU debarred two examiners responsible for this failure from future examination duties and reported (October 2015) the same to the Director of Collegiate Education for further action.

Though the enquiry commission had found two examiners guilty, action was yet to be initiated by the Director of Collegiate Education against them (December 2016). Thus, MGU failed to impose penalty upon the delinquent examiners, to avoid such instances in future.

The VC, MGU stated (December 2016) that, based on audit observation, directions have been issued to authorities concerned for imposing fine on the errant examiners.

Recommendation 2: MGU may ensure that examiners proved guilty of improper valuation are penalised to guard against such lapses in future.

3.6.4 Research and Development Activities

3.6.4.1 Research Supervisors without qualification as per UGC norms

The Revised Regulations for PhD Registration and Award of Degree of Doctor of Philosophy, 2010 (PhD Regulations) of the MGU requires a research student to work under a recognised supervising teacher (Research Guide) who should invariably be permanently employed in the colleges/institutions to which the Research Centre is attached. While teachers of the University Department/schools of teaching and research in MGU do not require any formal recognition as Research Guides in order to supervise research, teachers working in Government and aided colleges affiliated to MGU and scientists in reputed research organisations run by Government need to possess a minimum of two years post doctoral research experience. Besides, these teachers must have at least three post doctoral publications in their subjects published in the referred journals of national/international standing.

We observed that, 197 teachers working in Government and aided colleges affiliated to MGU were identified as Research Guides by the Syndicate despite their not fulfilling the eligibility criteria as prescribed in the Regulations *viz.*, two years post doctoral research experience evidenced by research output of three post doctoral publications in their subject published in the referred journals of national/international standing. It was observed that, 49 of the 197 ineligible Research Guides were supervising 211 Research Scholars as on date (September 2016). It was also noticed that, a teacher in the School of Gandhian Studies with a PhD in Social Science was a Research Guide to a student pursuing PhD in Homoeopathy who was subsequently awarded the degree. The supervision of research scholars by Research Guides with nil/inadequate post doctoral publications would seriously impact the quality of research output and credibility of MGU.

The UGC had also clarified (September 2015) and reiterated in July 2016 that only regular faculty of the host University can be appointed as Supervisors and that circumventing the provisions of the UGC (Minimum Standards and Procedure for Award of M.Phil/PhD) Regulations 2009 would not be permitted. Thus, the appointment of unqualified faculty as Research Supervisors was a serious lapse on the part of the MGU as it adversely impacts the quality of research.

The VC, MGU replied (December 2016) that, it was due to dearth of qualified research supervisors that teachers of aided colleges with PhD qualification were appointed as Research Supervisors and steps were being taken to close down Research Centre in aided colleges on the basis of audit observation. The reasons offered by the VC do not justify violation of UGC Regulations and resultant dilution of research processes and output which calls for fixing of responsibility by GOK for blatant violations of the instructions of UGC and playing with the career of students.

Recommendation 3: MGU must ensure that only qualified teachers are appointed as Research Guides.

3.6.5 Status of statutory bodies

Statutory bodies under the MGU like the Academic Council and the College Development Council were rendered superfluous as brought out below.

3.6.5.1 Functioning of Academic Council

The Mahatma Gandhi University Act, 1985 defines the Academic Council as the academic body of MGU which, subject to the provisions of the Act and Statutes, controls, regulates and is responsible for the maintenance of standards of instructions, education and examinations within MGU and shall exercise such other powers and perform such other duties as may be conferred or imposed upon it by the Statutes. The Academic Council, comprising 143 members including VC, Registrar, Pro-Vice Chancellor, Deans, Members of Board of Studies, Syndicate Members, etc., was to ordinarily meet twice a year on dates fixed by the VC, as and when the occasion demanded and was required by the VC. Section 10 (17) of the MGU Act, 1985 also stipulated that, if at any time, except when the Syndicate or the Academic Council was in session, if the VC was satisfied that, an emergency has arisen requiring him to take immediate action involving the exercise of any power vested in the Syndicate or the Academic Council by or under this Act, he may take such action as he deems fit and shall, at the next session of the Syndicate or the Academic Council, as the case may be, report the action taken by him to that authority for such action as it may consider necessary.

We observed that, only two meetings of the Academic Council were conducted during 2011-12 to 2012-13 against four meetings to be held during the period. No meetings were conducted during 2013-14. We further observed that, of the 1179 decisions taken by the Academic Council during 2011-12 to 2015-16, 799 decisions (68 *per cent*) were in fact taken unilaterally by the VC by invoking provisions under Section 10 (17) of the MGU Act which were submitted before Academic Council for ratification. Thus, major decisions like Course and Curriculum structure of five year Integrated Interdisciplinary MS Programme and M.Phil (Physics) course-curriculum and syllabus for affiliated colleges among others were taken by the VC unilaterally, by invoking the provisions of Section 10 (17) of the MGU Act. In the instances cited, it was observed that, even though the decisions of the VC were taken in February 2013 and September 2013, they were later accepted by the Academic Council, only in its meeting held in January 2015. We observed that, while the five year Integrated Interdisciplinary MS programme was approved by the VC on 02 March 2013 and implemented from the Academic Year 2013-14, the decision of the VC was ratified by the Academic Council only on 17 January 2015. Similarly, though M.Phil (Physics) course-curriculum and syllabus for affiliated colleges was approved by the VC on 04 January 2013 and implemented with effect from the academic year 2013-14, the decision of the VC was ratified by the Academic Council only on 17 January 2015. The above unilateral decisions taken by the VC, treating them as of emergent nature were not justified.

The Academic Council was thus rendered ineffective since the orders of the VC leading to commencement of courses, revision of syllabus, etc., were submitted to them for ratification long after commencement of the courses. Failure of the VC to convene the Academic Council enabled him to bypass the consultative mechanism and take unilateral decisions by invoking the provisions of Rule 10 (17) of the MGU Act.

The VC, MGU replied (December 2016) that, out of the five meetings scheduled during 2011-12 to 2013-14, only two could be held, two were dissolved due to lack of quorum and one was postponed. It was also stated that, all the decisions taken under Section 10 (17) were ratified by the Academic Council. The reply was not acceptable in view of the fact that, the MGU Act had provided that the VC was to ordinarily convene the Academic Council twice a year on dates to be fixed by the VC and as and when occasion demanded. There was thus no bar on the VC to convene additional sessions of the Academic Council to discuss and pass orders on significant academic matters. It is pertinent to mention that the decisions taken by the VC under Section 10 (17) were ratified by the Academic Council long after they were implemented, indicating that there was no collective thought behind the decisions taken by the VC.

Recommendation 4: The practice of the VC taking major decisions without holding consultations with the Academic Council should be avoided.

3.6.5.2 College Development Council

The UGC envisaged setting up of College Development Council (CDC) as an appropriate body at the University Headquarters for ensuring proper planning and integrated development of affiliated colleges and to provide the colleges with necessary help and guidance. The CDC in the MGU comprises Syndicate Members, Principals of certain Government and Aided colleges and Teachers of University Departments, Government and Aided colleges, besides Ex-Officio members like the VC, Secretary to Government, Director of Collegiate Education, etc. The Director would be selected by a committee consisting of the VC, a nominee of the UGC and a nominee of the Syndicate of the University and the salary would be reimbursed by UGC. It was envisaged that, the CDC shall meet at regular intervals at least twice in an academic year to review the implementation of various programmes and activities. The Director was expected to visit the colleges at least twice a year and to hold meetings of Principals of Colleges to apprise them of the ways in which CDC could function effectively for the development of colleges.

We observed that, CDC met only once (October 2011) during 2011-12 to 2015-16. The Director had not visited any of the 250 colleges during this period. On being asked, it was replied (October 2016) that, there was no full time Director appointed for CDC and a Professor, School of Computer Science was temporarily entrusted with the charge of the Director.

Thus, it is evident from the reply that the part time appointment of the Director failed to serve as an interface (bridge) between the University departments and teachers in the affiliated colleges for the effective development of colleges. The failure of the MGU to appoint a full time Director to the CDC was inexplicable in view of the fact that the entire salary and allowances payable to the Director would have been reimbursed to the MGU by the UGC.

The VC, MGU replied (December 2016) that the matter had been taken up with Kerala Public Service Commission for filling up the vacancy of Director, CDC. The reply fails to explain why action has not been taken as per UGC guidelines on CDC according to which appointment of the Director can be done by a selection committee consisting of the VC, a nominee of the UGC and a nominee of the Syndicate of the University.

3.7 Financial management

MGU is financed mainly by grants from GOK and the UGC. It also receives funds for sponsored research projects and for fellowship to students from various funding agencies. Besides, it generates its own receipts by way of fee from students, interest on investments, etc. Details of financial assistance received by MGU and utilisation thereof are given in the table shown below.

Table 3.2: Receipt and utilisation of financial assistance

(₹ in crore)

Year	GOK Grant (NP)	GOK Grant (P)	Other Grant from GOK (P)	Plan Grant from UGC	Examination Fees, General Receipts	Fees from Self Financing Institutions	Total Receipts	Expenditure - Non-Plan	Expenditure -Plan	Total Expenditure
2011-12	37.18	10.00	2.44	6.28	44.14	40.83	**140.87**	129.57	25.56	**155.13**
2012-13	45.28	14.00	5.00	2.17	49.99	40.26	**156.70**	151.78	25.76	**177.54**
2013-14	39.90	16.00	2.50	3.53	66.46	42.09	**170.48**	164.90	19.84	**184.74**
2014-15	74.77	21.50	1.00	0.00	71.92	42.19	**211.38**	180.56	29.94	**210.50**
2015-16	86.18	22.00	1.00	0.00	69.45	36.02	**214.65**	198.19	28.31	**226.50**

(Source: Figures provided by MGU)

As evident from the table, the expenditure incurred by the MGU exceeded the grants received and internal revenue generated. MGU needs to manage its finances efficiently by increasing the internal receipts and reducing expenditure to the extent possible. Instances of MGU failing to tap potential resources and irregular expenditure noticed during the course of the review are brought out below.

3.7.1 Failure to tap resources

3.7.1.1 Failure to levy fee for extension of provisional affiliation of courses

Consequent on the transfer of affiliation of all the Medical and Allied Colleges to the Kerala University of Health Sciences and the substantial loss of revenue incurred by MGU, the Syndicate of the MGU decided (October 2012) to collect fee for the extension of provisional affiliation of courses at the rate of ₹2000 per course. We noticed that, the decision of the Syndicate to collect the fee was not complied with while extending the provisional affiliation of 1965 courses resulting in loss of revenue of ₹39.30 lakh during 2013-14 to 2015-16.

The Joint Registrar admitted (July 2016) that, the lapse was noticed only when it was pointed out during audit and that notices would be issued to the colleges demanding payment of the fees.

The VC, MGU replied (December 2016) that, an amount of ₹22.70 lakh has since been collected (December 2016) and all efforts were being made to recover the balance amount. The failure of the Registrar, MGU in implementing the decision of the Syndicate is indicative of a systemic deficiency which needs to be corrected to avoid similar instances in future, and also calls for fixing of responsibility.

3.7.1.2 Dilution of contractual terms by MGU and resultant loss

The School of Distance Education was a statutory department[36] of MGU which offered courses through off-campus centres within and outside the jurisdiction[37] of MGU. There were 72 off-campus centres including seven overseas centres under the School of Distance Education of MGU. As per the terms of agreement (October 2001) MGU had with the respective centres, the centres should remit 50 *per cent* of the fee collected for each course every year by means of Demand Draft (DD) in favour of the Finance Officer of MGU.

We observed that, MGU, on orders (May 2011) from the Joint Registrar, accepted a cheque for ₹25 lakh in lieu of a DD from M/s. Universal Empire Institute of Technology, Dubai[38] (UEIT, Dubai), which was contrary to the conditions stipulated in the contract entered into between the two parties. Though the cheque was dishonoured (May 2011) by the Bank due to insufficient balance in the account, no action was initiated by MGU to recover its dues.

The VC, MGU stated (December 2016) that, the mark lists/certificates/ Transfer Certificates of the students who studied in UEIT, Dubai would be released only after collecting the requisite fees from the students. We observed that, the MGU, while not proceeding legally against UEIT, Dubai has instead resorted to impose unjustified penalty on students who had already paid the fees to UEIT, Dubai. Further, responsibility needs to be fixed for accepting cheque instead of DD and not taking legal action in time.

3.7.1.3 UGC/GOK assistance foregone by MGU

Failure to avail Special Jubilee Grant of the UGC

The UGC guidelines provided for release of a Special Jubilee Grant of ₹25 lakh, ₹50 lakh, ₹60 lakh, ₹75 lakh and ₹100 lakh to Universities which completed 25, 50, 60, 75 and 100 years respectively during the XIth plan period (2007-08 to 2011-12), which was further extended upto March 2015. We observed that, the MGU which had completed 25 years of service during 2010 forwarded a proposal to the UGC (September 2015) only after the expiry of the XIth Plan. Failure of the MGU to submit the proposal in time resulted in MGU foregoing the eligible Silver Jubilee Grant of ₹25 lakh from the UGC.

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[36] Departments mentioned in Chapter 42 of the MG University statutes are known as Statutory Departments

[37] Jurisdiction is the geographical area within which the University can operate

[38] An off-campus centre of the University

The VC, MGU stated (December 2016) that, a special request (September 2015) had been made to the UGC to condone the delay and release the funds. We observed that, since the XI^{th} plan period expired in March 2015 and as the UGC Guidelines clearly stipulated that no grants would be given retrospectively, the possibility of the University obtaining the Special Jubilee Grant was remote.

Failure to avail UGC assistance of ₹3.09 crore during XI^{th} plan

Based on the proposal of MGU, the UGC allotted an amount of ₹8.68 crore under General Development Assistance (GDA) and ₹5.19 crore for Merged Schemes[39] during the XI^{th} plan. The time limit for completing the projects under XI^{th} plan was up to March 2012, which was further extended by UGC upto March 2015. Each instalment was released on the condition that further assistance would be released on furnishing Utilisation Certificate (UC) for the assistance already received.

We observed that, while in the case of GDA, the MGU utilised ₹6.94 crore against the UGC allotment of ₹8.68 crore, in the case of Merged Schemes, the utilisation was ₹3.83 crore against the UGC allotment of ₹5.19 crore. However, the MGU failed to submit the UCs on time and consequently could not avail UGC assistance of ₹1.73 crore under GDA and ₹1.36 crore under Merged Schemes.

The VC, MGU replied (December 2016) that, a special request has been made to the UGC to release this grant condoning the lapse on the part of the MGU. The reply was not tenable as the extended plan period to which the grant pertains had expired in March 2015 and hence the possibility of MGU getting the grant is remote.

3.7.1.4 Irregular creation of non-plan posts

The non-plan expenditure (establishment expenditure) of the MGU was met mainly from non-plan grant of GOK, released on monthly basis. Section 23(ix) of Mahatma Gandhi University Act, 1985 empowers the Syndicate to create administrative, ministerial and other necessary posts provided that no post shall be created by the Syndicate without the approval of the Government, if the creation of such post involves expenditure in excess of budgetary provision. Contrary to the stipulation, MGU Syndicate in its meeting (August 2013) created 56 posts under various categories without GOK's approval. As its directions to cancel the irregular posts were not complied with, GOK withheld monthly non-plan assistance of ₹4.99 crore for four months from December 2013 to March 2014, amounting to ₹19.95 crore.

We further observed that, 10 posts of Section Officers were created during the period 2002-03 to 2011-12 resulting in the MGU operating 263 posts of Section Officers against the sanctioned strength of 253.

In the Exit Conference (December 2016), Principal Secretary, Higher Education Department stated that, the MGU was not given assistance of ₹4.99 crore as they failed to adhere to the extant rules and regulations.

[39] Merged Schemes under UGC assistance include various schemes like Faculty Improvement Programme (FIP) assistance, purchase of books, financial assistance to SC/ST students, various scholarships, travel grant, etc.

Thus, the MGU created the above posts without the approval of GOK by exceeding its authority and put unavoidable burden on the MGU's resources for which responsibility may be fixed by GOK.

3.7.2 Lapses in incurring expenditure

3.7.2.1 Irregular payment of House Rent Allowance to staff against GOK directives

The GOK had revised scales of pay and allowances of employees and teachers of the State from 01 July 2004. The benefit of this revision was extended to employees of the Universities of the State in June 2006. Employees of Calicut, Kannur and MG Universities which are situated in unclassified places were paid House Rent Allowance (HRA) ranging from ₹250 to ₹1200 (applicable to those employees working in B/C class cities) against the admissible rate of ₹150. When this was pointed out in earlier audit, GOK directed (January 2008) the Universities to pay HRA strictly as per Government rules and to recover HRA, if any, paid in excess. While the Calicut and Kannur Universities stopped payment of HRA at higher rate, the MGU failed to adhere to the directions of GOK.

Irregular payment of HRA to the employees of three universities during the period March 2006 to March 2010 amounting to ₹2.70 crore including ₹1.45 crore paid in MGU was commented upon in the Report of C&AG for the year ended 31 March 2011. The Public Accounts Committee (PAC) in its 43rd report while concluding that HRA permitted at higher rate was not tenable under any circumstances had recommended (August 2012) to the Higher Education Department that the amount paid in excess towards HRA to the employees of Calicut, Kannur and Mahatma Gandhi Universities should be ratified at the earliest, since the majority of employees who enjoyed the benefit had either retired from service or were deceased.

We observed that, despite recommendations of the PAC to issue ratification orders at the earliest, the Higher Education Department issued orders only in January 2015. Inspite of orders from Higher Education Department, the employees of the MGU continued to draw HRA at higher rates until the implementation of the Xth Pay Commission in February 2016. Thus, the delayed issue of Government Order and further delay on the part of the MGU to adhere to the Government Order resulted in employees of the University obtaining undue benefit of ₹2.20 crore during April 2013 to February 2016.

Recommendation 5: We recommend the MGU to recover the excess HRA paid to its staff.

3.7.2.2 Unintended benefits given to teaching staff

While issuing orders for the implementation of UGC Scheme[40] in December 1999, GOK stipulated that, the examination work be reckoned as part of official duty. GOK also ordered (January 2001) that, in accordance with the recommendations of the UGC scheme, teachers shall value answer scripts of regular students as part of their duty and no separate remuneration shall be

[40] The revision of pay scales, minimum qualification for appointment of teachers of Universities, colleges and other measures for maintenance of standards in higher education

paid for the same. However, remuneration could be paid to serving as well as retired teachers in respect of valuation of answer sheets of private candidates. We observed that, during 2011-12 to 2014-15[41], percentage of regular students in the MGU ranged from 27.74 *per cent* in 2011-12 to 43.14 *per cent* in 2014-15. The MGU failed to segregate answer scripts of 516353 regular candidates during 2011-12 to 2014-15 for which no payment was admissible for valuation, resulting in inadmissible payment of remuneration of ₹13.97 crore to regular teachers for four years from 2011-12 to 2014-15, which calls for fixing of responsibility.

While the VC, MGU stated (December 2016) that, decision has been taken to stop payment of remuneration to teachers for valuation of answer scripts, the Principal Secretary, Higher Education Department stated during the Exit Conference (December 2016) that, the amount paid would be recovered from the fourth instalment of UGC pay revision arrears due to teachers.

Recommendation 6: We recommend the MGU to implement the decision to stop payment of remuneration in respect of valuation of answer scripts of regular students and ensure recovery of over payment.

3.7.2.3 Promotion against the abolished posts

While accepting the Report of the Pay Revision Commission, GOK ordered (February 2011) abolition of posts of Pool Officer, Section Officer (FC&D) Higher Grade, Section Officer (FC&D), Conductor Higher Grade and Assistant Librarian Grade I (non-UGC) of the MGU with effect from 26 February 2011. It was also specified in the order that, only those existing incumbents holding the posts then could continue to hold the posts after implementation of pay revision order. However, it was observed that, even though the existing incumbents had retired, 29 promotions (**Appendix 3.1**) were made subsequently in violation of the order which were invalid. This resulted in excess payment of ₹13.36 lakh upto March 2016 which calls for fixing of responsibility against approving authority for granting unwarranted promotions.

The VC, MGU stated (December 2016) that, the promotions were made against these posts on the basis of interim Court orders and Syndicate decision. The reply of the VC was factually incorrect as the Court orders referred to by the VC actually relates to the Kerala University and was not applicable to MGU.

3.7.3 Non-compliance to UGC/Career Advancement Scheme norms for appointment and promotion

3.7.3.1 Irregular Promotion to the post of Director, Physical Education

The UGC issued (2010) regulations on minimum qualification for appointment of teachers and other academic staff in universities/colleges which required that the post of Director, School of Physical Education shall be filled through direct recruitment. Accordingly, MGU issued orders in September 2011 for the implementation of the regulation in MGU as recommended by the Academic Council. MGU also issued notification for

[41] 2015-16 not furnished

recruitment of Director stipulating qualifications as per UGC norms and prepared Ranked List for the selection. Consequent to a stay in respect of the above notification obtained by an Assistant Director[42], Physical Education of the MGU (January 2013) from the High Court of Kerala, MGU appointed the Assistant Director as Director, School of Physical Education with effect from 06 December 2014.

We observed that, while appointing the incumbent as Director, drawing remuneration in the pay scale notified by UGC, the MGU had diluted the minimum qualifications stipulated by the UGC for the post of Director of Physical Education and Sports. It was noticed that, the incumbent was appointed as Director, even though he did not possess minimum 10 years experience as Deputy Director of Physical Education or 15 years experience as Assistant Director of Physical Education which were stipulated as necessary qualifications for appointment by UGC. The appointment of the official as Director and payment of salary and allowances based on UGC scales was irregular.

The VC, MGU replied (December 2016) that on the basis of audit observation, the matter was re-examined by the Syndicate and enquiry commission was constituted. Based on the enquiry report it was decided to issue show cause notice to the incumbent Director.

3.7.3.2 Allowing promotion by counting inadmissible previous service

The UGC Regulation, 2010 stipulated that, previous regular service, whether national or international, as Assistant Professor, Associate Professor or Professor or equivalent in a University, College, National Laboratories or other scientific/professional organisations such as the CSIR, ICAR, DRDO, UGC, ICSSR, ICHR, ICMR, DBT, etc., should be counted for promotion under Career Advancement Scheme (CAS). A scrutiny of service records of teaching staff, given in **Table 3.3**, revealed that, promotions were given by counting inadmissible previous private service in four cases in violation of CAS.

[42] Shri. Binu George Varghese

Table 3.3: List of officials who were given CAS promotion in violation of UGC norms

Name of the teacher	Stage to which promotion was given	Period and nature of ineligible service	Excess payment made up to March 2016
Dr. G Anilkumar Assistant Professor, School of Chemical Science	Associate Professor	Eight years 10 months of Post Doctoral Fellow in private firms	₹12.34 lakh + DA
Dr. Harikumaran Nair, Assistant Professor, School of Bio Science	Assistant Professor Stage II	Contract service in School of Bio Science for a period of two years and six months	₹1.06 lakh + DA
Smt. Rincymol Mathew, Assistant Professor, School of Behavioral Science	Associate Professor	12 years three months at School of Medical Education, Kottayam.	Pay not fixed
Dr. S Antony Assistant Professor, School of Pure and Applied Physics	Assistant Professor Stage III	Two years seven months at Sherubtse College, Kanglung, Bhutan (Contract) Nine months at Lourdes Matha College of Science and Technology, Thiruvananthapuram One year 11 months at PSG College of Technology, Coimbatore	Pay not fixed

(Source: Details collected from promotion files of respective individuals)

The irregular promotions made by MGU resulted in excess payment of basic pay of at least ₹13.40 lakh in two cases while in the other two instances, the revised pay was yet to be fixed.

The VC, MGU replied (December 2016) that, in respect of Dr. G. Anil Kumar, as per clause 10 (g) of UGC Regulation, 2010, no distinction should be made with reference to the nature of the management of the institution where previous service rendered (private/local body/Government) was considered for counting past service.

The reply was not tenable as the said clause is applicable only to the regular prior service and since clarified by GOK (May 2016) that prior service rendered in unaided/self financing colleges cannot be reckoned as Qualifying Service for placement under CAS.

We were also informed that, while clarification has been sought for from the UGC on the grant of promotion to Dr. Harikumaran Nair, in the case of Smt. Rincymol Mathew, no fixation of pay/hike in pay has been effected till date. Regarding Dr. S Antony, it was informed that, the issuance of order for promotion to the post of Reader has been kept in abeyance.

3.7.3.3 Irregular grant of advance increment

Dr. Sibi Zacharias was a faculty in School of Management and Business Studies (SMBS) which functions under AICTE regulations and his promotions were to be regulated under AICTE Regulations. Dr. Sibi Zacharias was appointed as Lecturer in SMBS with effect from 05 August 2008. Considering his past service in St. Berchmans College, he was promoted as Lecturer Senior Scale with effect from 11 July 2003 and Lecturer Selection Grade with effect from 11 July 2008. Under CAS, he was promoted as Associate Professor with effect from 11 July 2011 in the pay band ₹37400-67000 with Academic Grade Pay (AGP) of ₹9000. He was granted three compounded advance increments for acquiring PhD while in service i.e. on 29 November 2011 in the scale of ₹37400-67000.

AICTE issued a clarification in January 2016 according to which three non-compounded increments for those who acquired PhD degree shall be granted only in Pay Band-3 (₹15600-39100) and no advance increment could be allowed in Pay Band-4 (₹37400-67000). We noticed that, GOK had also issued orders (May 2016) to recover the irregular payments made on this account. The irregular grant of advance increments resulted in excess payment of ₹2.32 lakh + DA which was yet to be recovered from him.

The VC, MGU stated (December 2016) that, the matter would be placed before the Syndicate for a decision.

Reply was not tenable as the MGU has to revise the pay and recover the excess payment made to Dr. Sibi Zacharias. GOK may ensure refixation of pay and recovery of excess payment.

Recommendation 7: MGU must ensure that UGC rules/regulations regarding promotion/grant of additional increment are strictly adhered to.

3.7.3.4 Provisional advances pending adjustment

GOK ordered (July 2000) that failure to adjust temporary advances within time would entail recovery in lump sum along with penal interest at current bank rates. GOK, subsequently prescribed (October 2011) a period of three months for presentation of final bills and the penal interest was fixed at 18 *per cent* per annum on the unutilised portion of advance. We noticed that, 414 numbers of provisional advances amounting to ₹6.10 crore given by MGU to staff of various Departments during April 2001 to March 2016 were yet to be adjusted (October 2016).

We observed that, consequent to the failure of the Finance wing to ensure prompt settlement, the possibility of the temporary advances being partially utilised/non-utilised and consequent retention of funds outside the University accounts cannot be ruled out.

The VC, MGU replied (December 2016) that, the Deputy Registrars have been authorised to issue notices to employees who have not regularised the provisional advances within the prescribed time limit, failing which their salary would be withheld.

Recommendation 8: The outstanding advances should be recovered/adjusted and Finance Officer, MGU must ensure action as per relevant rules against officials who do not settle the advances availed.

3.7.3.5 Improper contract management

Article 51 of the Kerala Financial Code (KFC) Vol. I requires that, contracts for the supply of stores or execution of work should be made only after inviting and receiving tenders from all who wish to tender. The terms of the contract should also be definite and there should be no room for ambiguity or misconstruction of any of its provisions. Terms of contract once entered into should not be materially varied without the previous consent of Government or the authority competent to enter into the contract.

The MGU invited (July 2008) quotations for printing and supplying customised text books for Bachelor of Computer Applications (BCA) and

Master of Computer Applications (MCA). A contract was entered into (August 2008) between the Registrar of MGU and M/s. Vikas Publishing House Private Ltd. (printer) for printing and supplying customised text books for BCA and MCA, which was valid for three years from the date of first print order with provision to extend the validity based on mutual consent. The contract provided for the printer to print and deliver books at the following rates.

Table 3.4: Rates for printing and delivery of books

Print Run	Rate per page
500	39 paise/page
1000	34 paise/page
1500	33 paise/page

(Source: Agreement between MGU and M/s. Vikas Publishing House Pvt. Ltd)

The contract also stipulated that, in case the print run exceeded 1500 copies, there would be a marginal decrease in the quoted price.

We noticed that, MGU, after initially awarding the work to the printer in 2008, continued (2016) to award fresh printing jobs to the same printer without resorting to fresh tenders as required in KFC. It was seen that, a renewed agreement with the printer (August 2011) stipulated printing charges of 37 paise, 31 paise and 30 paise for 500 pages, 1000 pages and 1500 pages respectively. On the expiry of the period of the agreement, the firm demanded an enhancement of rates by 10 paise per page. The Syndicate of MGU accepted the revised rates demanded by the printer and executed a fresh agreement (April 2015) and paid enhanced rate as shown in **Table 3.5**.

Table 3.5: Amount paid in excess due to revision of rates

Minimum Print Copies	Original rate	Revised rate	Amount as per original rate (in ₹)	Amount paid as per revised rate (in ₹)	Excess amount paid (in ₹)
500	37 paise per page	47 paise per page	27,13,728	34,47,168	7,33,440
1500	30 paise per page	40 paise per page	47,44,080	63,25,440	15,81,360
TOTAL				**97,72,608**	**23,14,800**

(Source: Payment invoices of MGU)

We observed that, the MGU, instead of resorting to open tender and seeking competitive rates, acceded to the demand of the printer for enhancement of cost which had resulted in excess payment of ₹23.15 lakh.

Thus, the MGU's action to increase the rates without calling for fresh tender was irregular, which calls for fixing of responsibility.

The VC, MGU stated (December 2016) that, the agreement for printing was renewed without fresh tender due to the urgency of printing new study materials. The reply was not acceptable as MGU was aware of the period of agreement and should have invited fresh tenders before the period of earlier agreement expired.

3.7.3.6 Extra expenditure due to printing of bar coded answer books

In order to avoid false numbering in the valuation where answer scripts are evaluated, the MGU introduced bar coded answer books from the academic year 2009-10. However, false numbering system was re-introduced in Choice Based Credit and Semester System (CBCSS) UG examinations with effect from October/November 2015 due to problems relating to scanning of bar code, transmission of marks from the centralised valuation camps, network connectivity, difficulty in retrieval of answer books, threat to the secrecy of bar code due to the availability of mobile application to read bar code, etc.

As MGU had withdrawn the bar coded answer books, we noticed that, these answer books which were already printed were being used as ordinary answer books with manual false numbering being done, except in the case of supplementary examination of UG students admitted prior to 2013. However, even after finding the futility of bar coded system and switching over to the manual false numbering system, orders were again placed (December 2015 and July 2016) for printing 40 lakh bar coded answer books at the rate of ₹5.35 per book. We observed that, the action of MGU to print bar coded answer books which were not required, resulted in avoidable excess expenditure of ₹55 lakh, which calls for fixing of responsibility.

The VC, MGU stated (December 2016) that, M/s. Kerala Books and Publishing Society, a GOK enterprise erroneously printed decoded value in the four lakh number of answer books supplied against supply order dated 16 December 2015 and it was to utilise this quantity, that urgent decision was taken for reintroducing manual false numbering. The reply was not tenable as decision to reintroduce false numbering was taken in October 2015 for speedy declaration of results.

3.7.4 Functioning of Self Financing Institutions

3.7.4.1 Failure to comply with statutory provisions on time and resultant extra expenditure

The Syndicate of the MGU, accepting (October 2011) the recommendations of an Expert Committee resolved to enrol all eligible employees of Self Financing Institutions (SFI) to Employees Provident Fund (EPF) Scheme with effect from 01 January 2012. However, consequent to the directions of the Assistant Provident Fund Commissioner, EPF that the employees were to be enrolled under the Scheme from the date of entry in service, the Syndicate resolved (21 July 2012) to admit eligible employees of four[43] SFIs to the EPF from the date of entry in service. However, the Regional Provident Fund Commissioner (February 2013) directed MGU to remit arrears of both employer and employee contribution from the date of joining of each employee. Accordingly, arrears amounting to ₹4.35 crore (₹2.15 crore as Employers contribution and ₹2.20 crore as Employees contribution) payable in respect of the employees of SFIs from the date of inception was paid to EPF during the period April 2013 to October 2013.

[43] School of Medical Education, Kottayam, University College of Engineering, Thodupuzha, School of Technology and Applied Science, Kottayam and School of Pedagogical Science, Kottayam

We observed that, as per paragraph 32 of the EPF Scheme, no deduction can be made from any wages other than that which was paid in respect of the period or part of the period in respect of which the contribution was payable. As such, MGU cannot recover the arrear amount paid by it in respect of the employee share.

The failure of the MGU to enrol the employees under EPF from the date of their entry into service, forced MGU to pay the employee share also, resulting in an avoidable expenditure of ₹2.20 crore. Besides, MGU was also liable to pay interest and damages demanded by the EPF under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 amounting to ₹3.78 crore.

The VC, MGU while concurring with the audit observations, stated (December 2016) that, the employees contribution was to be recovered from the existing employees of the institutions. The reply was not acceptable as MGU has not recovered the amount from its employees even after a lapse of three years. Further, MGU needs to fix responsibility for the failure to enrol the employees to EPF Scheme on time.

3.7.4.2 Deficiencies in the internal control mechanism

Internal control provides reasonable assurance to the Management about compliance of applicable rules and regulations. It was noticed that, the internal control in MGU was inadequate in view of the following:

- There was no internal audit wing in MGU.
- Demand Collection Balance statements were not being prepared and recovery of dues not watched effectively.
- There was no cross checking of claims relating to the payment of remuneration for valuation of answer scripts with reference to the data available in the examination wing.
- MGU had not maintained any Asset Register. Physical verification of assets has not been conducted during the period of review.
- MGU had no independent Manual of Office Procedure and was adopting Secretariat Office Manual which was not suitable in a University set up.

The VC, MGU while accepting the audit observations stated (December 2016) that, necessary action would be taken to strengthen the internal control mechanism.

3.8 Conclusion

The performance of the MGU, academically and financially, was far from satisfactory. MGU offered courses which were not recognised by the UGC. It offered MBA courses through its off-campus centres which were not recognised by the AICTE. However, the degree certificates offered by MGU were similar to those awarded to students who were pursuing regular, full time MBA courses approved by the AICTE. A five year Integrated Double Degree BA (Criminology)-LLB (Honours) course offered by MGU was neither recognised by the UGC nor complied with the norms laid down by the BCI. The career of 970 students who had enrolled for the course is at risk since the BCI has made it clear that they would not be eligible to enrol as Advocates and practice Law as a profession.

The directions of the UGC to frame uniform syllabus to ensure seamless mobility of students across the higher educational institutions in the country and abroad is yet to be complied with by MGU. There was delay in publishing of results of the UG/PG courses offered by MGU. Results of revaluation of answer books were released very late and in some instances, after the completion of the next examination, thus causing hardship to the students.

We noticed that, 197 of the 314 Research Guides appointed by MGU were ineligible to hold the post.

Instances of MGU failing to tap potential revenue streams and incurring irregular expenditure were seen. MGU had to forego UGC/GOK assistance due to its failure to comply with stipulated guidelines. The staff of MGU continues to be paid HRA at ineligible higher rates despite directives from GOK to the contrary. Excess payment on this account was ₹2.20 crore during 2011-12 to 2015-16. Even though examination work was part of official duty, the teachers were irregularly paid remuneration of ₹13.97 crore during 2011-12 to 2014-15. Failure of MGU to enrol employees into EPF Scheme from the date of entry into service resulted in avoidable expenditure of ₹2.20 crore and potential liability of ₹3.78 crore towards interest and damages.

Irregular promotions, grant of advance increments, defective contract management, avoidable expenditure, etc., were noticed. Besides, irregularities were noticed in the functioning of SFIs leading to loss to MGU.

Major decisions were taken by the VC without holding consultations with the Academic Council. This resulted in the MGU taking wrong decisions in various instances, which could have been avoided, had the Statutory Bodies like the Academic Council and CDC been truly functional. The CDC, tasked with the responsibility to review the implementation of various programmes and activities, met only once during 2011-12 to 2015-16. These statutory bodies were thus rendered defunct.

There was no internal audit wing in the MGU which resulted in lack of internal control mechanism.

CHAPTER IV
HOME AND VIGILANCE DEPARTMENT

Implementation of Government initiatives in Judicial system

Highlights

A Performance Audit of the Implementation of Government initiatives in Judicial system in Kerala was conducted focussing mainly on the award of Thirteenth Finance Commission (ThFC) Grant to Kerala. The Performance Audit revealed under-utilisation of ThFC grant, foregoing of eligible share from Government of India, etc.

Evening Courts could not be set up as planned and establishment of Special Judicial First Class Magistrate Courts was delayed.

(Paragraph 4.6.2.1)

Failure on the part of Government of Kerala to issue orders to include direct recruitment also as one of the modes of appointment of Court Managers resulted in delay in their appointment and restricted their services to the period 2014-15 to 2016-17.

(Paragraph 4.6.2.2)

Failure to set up adequate Alternate Dispute Resolution Centres had resulted in poor utilisation of funds leading to lapse of ThFC grant to the extent of ₹13.31 crore.

(Paragraph 4.6.2.6)

Clearance of cases filed in the Lok Adalats was lower than the target set by the ThFC.

(Paragraph 4.6.2.7)

The request of the High Level Monitoring Committee to expand the base of beneficiaries among the marginalised sections by suitably enhancing the income limit for availing legal aid was not complied with by Kerala State Legal Services Authority.

(Paragraph 4.6.2.8)

The State did not avail GOI assistance of ₹134.91 crore under the Centrally Sponsored Scheme for Development of Infrastructure facilities for Judiciary.

(Paragraph 4.6.3.3)

4.1 Introduction

The Justice Delivery Mechanism in the country comprises different types of courts, each with varying powers depending on the tier and jurisdiction bestowed upon them. They form a hierarchy with the Supreme Court of India at the top, followed by High Courts of respective States, District/Chief Judicial Magistrate Courts, Subordinate Courts and Munsiff/Judicial First Class Magistrate Courts at the bottom. There were 1.67 lakh court cases pending in the High Court and 14.83 lakh pending in the Subordinate Courts as on 31 December 2016 in Kerala.

To improve the Justice Delivery Mechanism, the Thirteenth Finance Commission (ThFC) allocated ₹140.05 crore (2010-11 to 2014-15) on nine initiatives as mentioned below:

1. Operation of Morning/Evening Courts.
2. Establishment of Alternate Dispute Resolution Centres and training of mediators/conciliators.
3. Enhancing support to Lok Adalats
4. Legal Aid to the marginalised people
5. Training of Judicial Officers
6. Setting up of State Judicial Academy
7. Training of Public Prosecutors
8. Creation of posts of Court Managers
9. Maintenance of Heritage court buildings.

Government of India (GOI) additionally released ₹26.68 crore for development of infrastructure facilities and ₹6.41 crore under the e-Courts project to provide designated services to litigants, lawyers and the judiciary by computerisation of district and subordinate courts. Initiatives such as providing free legal aid to the poor, weak and marginalised sections of the society, conducting Lok Adalats, etc., were implemented by Kerala State Legal Services Authority (KELSA).

4.2 Organisational set up

The Registrar General is the Chief Administrative Officer of the High Court. He occupies in the office of the High Court, a position analogous to that of Chief Secretary to Government in the State. The Law Department oversees the activities of the KELSA. The Director General of Prosecution (DGP), who reports to the Home Department, streamlines the conduct of prosecution work before the Magistrate Courts for and on behalf of the State and monitors the performance of the prosecution working in various Magistrate Courts. Besides, there are 89 District/Additional District Courts, 18 Chief Judicial Magistrate Courts, 98 Munsiff Courts, 155 Judicial/Special Judicial First Class Magistrate Courts and 118 Special Courts[44] whose judicial and administrative activities are monitored by the High Court.

4.3 Audit Objectives

The Performance Audit was conducted to see whether:

- the initiatives funded by ThFC/GOI/GOK were undertaken and implemented effectively;

[44] Special Courts include Family Courts, Motor Accident Claims Tribunal (MACT), Sub Courts, Special Courts for SC/ST, Honorary Special Magistrate of Second Class Courts, Evening/Morning/ Temporary/Special Courts, etc.

- the grants received from ThFC/GOI/GOK were fully utilised to improve judicial infrastructure; and
- adequate infrastructure and manpower was made available to facilitate delivery of Justice.

4.4 Audit Criteria

The audit findings were benchmarked against the criteria derived from the following:

- Guidelines laid down by the ThFC as well as by GOI and GOK including Perspective/Yearly Action plan of implementing agencies
- Norms laid down by the Supreme Court of India and the National Legal Services Authority
- GOK Orders, Circulars and proceedings of various Committees to review the progress of utilisation of the ThFC/GOI/GOK funds

4.5 Scope and methodology of Audit

We conducted Performance Audit of the "Implementation of Government initiatives in Judicial system" in Kerala covering the period from 2010-11 to 2015-16 from May to August 2016 focussing mainly on the award of ThFC to Kerala for 'Improving Justice Delivery'. Besides, we assessed the effectiveness of utilisation of grants received from Government of India (GOI) for setting up of e-Courts and grants received from GOI/Government of Kerala (GOK) on development of Infrastructural facilities for the judiciary as these supplemented the objectives of the ThFC allocation.

Four out of 14 districts in the State were selected for audit. While Ernakulam district was selected directly since the High Court and Headquarters of other implementing agencies like the KELSA and DGP were situated there, the districts of Thiruvananthapuram, Thrissur and Malappuram were selected by using Probability Proportionate to Size Without Replacement sampling method with number of pending cases (**Appendix 4.1**) in the district as on 31 March 2016[45] as the criteria.

Relevant records in the offices of the Registrar General of the High Court, KELSA, District Legal Services Authority (DLSA), DGP and lower courts in the test checked districts were scrutinised during audit. Audit methodology included gathering of evidence by scrutiny of files/records, issue of Audit Enquiries/Questionnaires, physical verification to test check the accuracy of replies to questionnaires, etc. An Entry Conference was held on 20 May 2016 with the Additional Chief Secretary (Home and Vigilance Department), Registrar General of High Court and other officers from the Home and Law Departments. An Exit Conference was held on 14 December 2016 with the Additional Chief Secretary (Home and Vigilance Department), Registrar General of High Court and other officers from the Home and Law Departments, during which the audit findings were discussed in detail and responses were also recorded.

[45] Details of pending cases obtained from the National Judicial Data Grid

4.6 Audit findings

Financial assistance of ₹140.05 crore allocated to the State by the ThFC for the period 2010-11 to 2014-15 was spread over three Offices *viz.* Office of the Registrar General of High Court, KELSA and DGP.

The component wise release and utilisation of the ThFC assistance is given in the table below. Details of other assistance obtained from GOI/GOK which supplemented the grant received from the ThFC are exhibited in relevant paragraphs.

Table 4.1: Component wise release/utilisation of ThFC grant during 2010-11 to 2015-16

(₹in crore)

Sl. No.	Name of Component	Implementing Agency	ThFC allocation	GOI Release	Utilisation
1.	Morning/Evening Courts	High Court	67.42	20.23	12.95
2.	Training to Judicial Officers		6.74	2.69	6.24*
3.	State Judicial Academy		15.00	4.50	14.55*
4.	Court Managers		7.61	2.28	3.60*
5.	Heritage Court Buildings		12.13	3.64	2.94
6.	Alternate Dispute Resolution Centres	KELSA	19.02	5.71	7.21*
7.	Lok Adalat		1.80	0.81	1.98*
8.	Legal Aid		6.29	1.62	1.65*
9.	Training to Public Prosecutors	DGP	4.04	1.61	3.73*
TOTAL			**140.05**	**43.09**	**54.85**

* Excess fund utilised was met by GOK from its own funds

(Source: ThFC recommendation, GOI Release orders and Utilisation Certificates)

4.6.1 GOK could not avail ThFC assistance of ₹96.96 crore

As seen from the table, GOK availed only ₹43.09 crore against an allocation of ₹140.05 crore by the ThFC on improvement in Justice Delivery Mechanism. The ThFC guidelines envisaged the release of ₹140.05 crore allocated to GOK, in five equal instalments in two tranches every year during 2010-11 to 2014-15. The first instalment (2010-11) of ₹28.01 crore was fully released by GOI. In order to obtain the second instalment, ThFC guidelines required that, the State should formulate State Litigation Policy (SLP)[46] and utilise 50 *per cent* of the first instalment. The SLP, which was to be formulated by March 2011, was formulated only in December 2011. Due to the delay of nine months in formulation of SLP and failure to utilise 50 *per cent* of the first instalment, first tranche of the second instalment amounting to ₹14.01 crore receivable in June 2011 was released in January 2012. We noticed that, out of the second tranche of ₹14 crore due for 2011-12, the State received only ₹1.07 crore belatedly in 2013-14 for two components *viz.* Training of Judicial Officers and Training of Public Prosecutors. Since the desired level of utilisation of the grants already released could not be achieved in time by the implementing agencies, GOI did not release further instalments. The State had to forego ThFC assistance of ₹96.96 crore as shown below.

[46] The State Litigation Policy was intended to ensure the conduct of responsible litigation with a view to reduce Government litigation in courts, reduce average pendency time from 15 years to three years and to manage and conduct litigation in a cohesive, coordinated and time bound manner and ensure that good cases are won and bad cases are not needlessly persevered with.

Table 4.2: ThFC - Allocation, Release and Utilisation

(₹in crore)

Year	GOI Allocation	GOI release	Utilisation	Progressive Utilisation	Non-released amount
2010-11	28.01	28.01	0.00	0.00	0.00
2011-12	28.01	14.01	2.11	2.11	14.00
2012-13	28.01	0.00	6.32	8.43	28.01
2013-14	28.01	1.07	13.81	22.24	26.94
2014-15	28.01	0.00	16.35	38.59	28.01
2015-16	0.00	0.00	16.26	54.85	0.00
TOTAL	**140.05**	**43.09**	**54.85**		**96.96**

(Source: Data from ThFC recommendations, GOI release order and implementing agencies)

- GOK could not avail ThFC assistance of ₹96.96 crore against the allocation of ₹140.05 crore.
- At the close of the ThFC period (March 2015), the utilisation was only ₹38.59 crore against ₹43.09 crore received.
- Utilisation in the extended period of 2015-16 was ₹16.26 crore including the unspent balance of ₹4.50 crore of ThFC release.
- GOK additionally spent ₹11.76 crore from its own funds, which GOI confirmed (July 2015) as not eligible for reimbursement as the ThFC award period had expired (March 2015).

We observed that, a High Level Monitoring Committee (HLMC) comprising the Secretaries of Finance, Home, Law, Public Works Department (PWD), DGP, Registrar General of High Court, Member Secretary of the State Legal Services Authority and the Director of the State Judicial Academy was tasked with regular monitoring of the progress made in implementation of Perspective and Annual Plan. Though HLMC pointed out (February, July and September 2012) the slow pace of utilisation of funds and directed to accelerate the pace of utilisation, the same was not adhered to by the implementing agencies. Consequently, GOK could not avail ThFC grant of ₹96.96 crore.

4.6.2 Implementation of Thirteenth Finance Commission initiatives

The audit observations on the quality of expenditure incurred on the various initiatives of the ThFC award *vis-à-vis* the objectives are given in the following paragraphs.

4.6.2.1 Operation of Morning/Evening/Special Courts

The ThFC provided for setting up Morning/Evening/Shift/Weekend/Mobile/ Special Magistrate Courts in order to clear the backlog of petty cases and to relieve pressure on Judicial system. This was envisaged as a temporary measure to be implemented with a clear target for disposal of cases. These courts were to utilise the services of regular judicial officers on payment of additional compensation or retired officers. The High Court of Kerala had also framed the "Evening Courts (Kerala) Rules, 2011" for the constitution and regulation of functioning of the Evening Courts in the State. Against an allocation of ₹67.42 crore by the ThFC for operation of Morning/Evening Courts during 2010-11 to 2015-16, GOK could avail only ₹20.23 crore, out of which only ₹12.95 crore was utilised.

As per the revised Perspective Plan 2010-11 to 2014-15 and Annual Action Plan of the High Court 2010-11 and 2011-12, 116 Evening Courts were targeted to be set up in the State to dispose of 12,93,600[47] cases during the ThFC award period. GOK initially sanctioned (February 2010) five[48] out of 74 proposed Evening Courts which functioned during 2011-12 to 2015-16. Even though it accorded sanction (February 2012) for the creation of the remaining 69 courts, these were not made functional since the High Court considered that the Evening Courts were not successful in the State. Consequent on GOI permitting State Governments (January 2012) to set up Temporary/Special Courts with the funds earmarked for setting up of Evening Courts with the objective of clearing the backlog of cases, the HLMC recommended to GOK (September 2012) to accord sanction for the establishment of 27[49] Special Judicial First Class Magistrate (JFCM) courts for three years subject to the condition that all appointments were temporary and building for the purpose should be taken on temporary basis. Accordingly, GOK accorded (November 2012) Administrative Sanction (AS) for establishment of 27 Special JFCM Courts in the State on temporary basis utilising the funds under the component 'Evening Court'. However, the 27 Special JFCM Courts started functioning only during the last months of the ThFC award period (June 2014 to March 2015).

On seeking the reasons for the delay in setting up the Special JFCM Courts, the High Court stated (May 2016) that, GOK accorded AS (November 2012) for establishing 27 Special JFCM Courts in the State without specifying the locations of the courts or the staff pattern required. It was not possible to commence the courts on the basis of a Government Order alone till the locations and staff pattern for the courts were specifically sanctioned by the Government. Based on the locations specified by the High Court (July 2013) along with the necessary staff pattern, GOK accorded sanction for establishing 27 Special JFCM Courts in May 2014 only.

The inability of GOK to utilise the grants already released by GOI resulted in the State foregoing ThFC assistance of ₹47.19 crore during 2010-11 to 2014-15.

GOK stated (September 2016) that, the delay caused was not wilful and was due to administrative issues. The reply was not tenable as better coordination would have enabled early setting up of these Courts facilitating more disposal of cases.

Recommendation 1: GOK and High Court may consider setting up Evening Courts to the extent possible for disposal of petty cases.

[47] As per the Perspective Plan of the High Court each Evening Court was to dispose of 280 cases in a month and 3360 cases annually. Thus, the total cases to be disposed of was calculated as 12,93,600.

[48] Thiruvananthapuram, Kollam, Ernakulam, Thrissur and Kozhikode

[49] Ernakulam (16), Kollam (5), Kozhikode (1), Thiruvananthapuram (4) and Thrissur (1)

4.6.2.2 Creation of post of Court Managers

The ThFC provided for appointment of Court Managers (CM) to assist judges for performing their administrative duties which would allow them more time for their judicial functions. The State was also allocated ₹7.61 crore for appointment of a professionally qualified CM in each judicial district and two for the High Court. Against the allocation, GOK received ₹2.28 crore during 2010-11 to 2011-12. GOK sanctioned (November 2011) 16 posts of CMs (one in each of the 14 judicial districts and two in the High Court), subject to the condition that the posts would be filled by deployment from Government offices or on deputation. This was contrary to clarification issued by GOI (March 2011) that the courts, besides resorting to direct recruitment could also fill up posts of CMs through deputation from employees of Government/ PSUs/Government and semi-Government Autonomous Bodies/Government Law Universities and Government Colleges. Thus, GOK excluded direct recruitment as a mode of appointment to these posts.

Consequent on its inability to make appointments to the posts of CMs on deputation basis, the High Court requested (June 2012) GOK to issue revised orders providing for their appointment through direct recruitment also. GOK then issued fresh order (March 2013) incorporating 'direct recruitment' as the mode of appointment of CMs if suitable candidates were not available through deployment/deputation.

Thus, posts of CMs were filled up through direct recruitment only in August 2014 though these posts were sanctioned by GOK as early as in 2011. Out of the 16 posts sanctioned, only 11 persons joined duty (August 2014) (nine in Judicial districts[50] and two in High Court). Though the ThFC award period had expired (March 2015), GOK accorded sanction (January 2015) for the continuance of CM for a further period of one year limiting the expenditure to the already released ThFC amount. GOK further extended (March 2016) the tenure of CMs till March 2017.

We observed that, failure on the part of GOK to issue orders to consider direct recruitment also as one of the modes of appointment of CMs resulted in delay in their appointment and restricted their services to the period 2014-15 to 2016-17. The delay in appointment of CMs also resulted in GOK foregoing ThFC assistance of ₹5.33 crore.

Recommendation 2: GOK may consider appointment of Court Managers on permanent basis in all Judicial districts and High Court to assist Judges to effectively perform their administrative duties.

4.6.2.3 Conservation of Heritage Court Buildings

The ThFC earmarked ₹12.13 crore to GOK for the restoration and conservation of Heritage Court Buildings in the State. Ten pre-independence buildings identified by the High Court were approved (May 2011) by the HLMC for conservation and maintenance under the scheme. While the Directorate of Archaeology was engaged for the restoration and maintenance

[50] Ernakulam, Kollam, Kottayam, Kozhikode, Manjeri (Malappuram), Palakkad, Pathanamthitta, Thiruvananthapuram and Thrissur

work of four court buildings (March 2012[51] and September 2013[52]) at an estimated cost of ₹5.89 crore, the HLMC decided (July 2013) to entrust six[53] works to M/s. Hindustan Prefab Ltd., a GOI enterprise, under the guidance of the Directorate of Archaeology. This was done since Directorate of Archaeology intimated GOK (July 2013) that they could carry out the conservation work of four court buildings only, due to the large number of protected monuments under their care, combined with the limited number of technical staff in the structural conservation wing. Even though HLMC decided to entrust the remaining six works to M/s. Hindustan Prefab Ltd. in July 2013, GOK accorded AS only in September 2014 after obtaining proposals from the High Court in May 2014. Consequent to the request of the HLMC (December 2014) not to take up any work which could not be completed within the ThFC period 2010-11 to 2014-15, the High Court deferred (January 2015) the six works proposed to be entrusted to M/s. Hindustan Prefab Ltd.

All the four conservation works entrusted to Directorate of Archaeology were under various stages of implementation (December 2016). On seeking reasons from the Directorate of Archaeology about the slow progress in completion of work, we were informed (May 2016) that, the court buildings were never handed over to them completely for executing the work and instead they were allowed to work for stipulated time only. It was further observed that, GOI did not release ₹8.49 crore to GOK out of ₹12.13 crore earmarked for the scheme, due to delay in execution of work and delayed submission of UC. The advance of ₹2.94 crore (50 *per cent* of the AS amount) released to the Directorate of Archaeology for taking up the work on four court buildings was fully utilised and the Directorate of Archaeology submitted a claim (March 2016) for release of the balance estimated amount of ₹2.50 crore. As the period of the ThFC has already expired in March 2015, the possibility of obtaining further GOI assistance to meet the remaining 50 *per cent* of the payment (₹2.50 crore) due to the Directorate of Archaeology was remote.

Thus, even after lapse of more than four years from taking up the work, the renovation work of four court buildings was yet to be completed and the work on remaining six court buildings was not taken up, which resulted in lapse of ThFC assistance of ₹8.49 crore.

4.6.2.4 Training of Judicial Officers

The ThFC identified capacity building as a critical need and recognised that induction training as well as in-service training of judicial officers needed to be accelerated. We observed that, during 2010-11 to 2015-16, 93 training programmes were conducted in the State to train 3610 judicial officers at an expenditure of ₹6.24 crore. This included induction training offered to all the186 Munsiff Magistrates appointed during the period 2010-11 to 2015-16 apart from training 17 newly appointed District Judges.

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[51] Ram Mohan Palace, Ernakulam

[52] District Courts at Thiruvananthapuram and Alappuzha and the Chief Judicial Magistrate Court at Alappuzha

[53] District Court Ernakulam, Additional District Court North Paravur, Chief Judicial Magistrate Court Manjeri, Chief Judicial Magistrate Court Kozhikode, Additional District Court Thalassery and Chief Judicial Magistrate Court Thalassery

Table 4.3: Training of Judicial Officers - Allocation, Receipt and Utilisation

(₹ in crore)

Year	ThFC Allocation	GOI Receipt	Utilisation
2010-11	1.348	1.35	0.00
2011-12	1.348	0.67	1.16
2012-13	1.348	0.00	0.77
2013-14	1.348	0.67*	0.99
2014-15	1.348	0.00	1.81
2015-16	0.000	0.00	1.51
TOTAL	**6.740**	**2.69**	**6.24**

* Second tranche of 2011-12 received in 2013-14

(Source: ThFC recommendation, GOI release order and UCs)

We observed that, GOK failed to obtain the third and subsequent instalments of ₹1.35 crore each, due for the period from 2012-13 to 2014-15 from GOI despite the expenditure exceeding the stipulated 100 *per cent* of the first instalment of 2010-11 and 60 *per cent* of the second instalment of 2011-12. It was also seen that, GOK additionally spent ₹3.55 crore on the component from its own funds during 2011-12 to 2015-16 which would not be reimbursable by GOI, as the ThFC award period had lapsed.

4.6.2.5 Setting up of State Judicial Academy

The State Judicial Academy is the principal training institution in the State which offers training to Judges. Based on the allocation of the ThFC, GOK provided ₹15 crore during 2010-11 to 2014-15 for the construction of a building to establish the State Judicial Academy.

Land for the construction of the State Judicial Academy was handed over by GOK to the Director of the State Judicial Academy in September 2011. GOK accorded Administrative Sanction (March 2012) for the construction of the building and the work was awarded to M/s. Hindustan Prefab Ltd. at a total cost of ₹15 crore for completion by July 2014.

We noticed that, the ThFC had released only ₹4.50 crore during 2010-11 to 2011-12 with no further release of funds during 2012-13 to 2014-15. It was observed that, expenditure was incurred on the component from 2012-13 onwards. GOK was required to spend at least ₹3.90 crore out of the total GOI release of ₹4.50 crore to become eligible for second tranche of second instalment for the year 2011-12. We noticed that, despite GOK spending ₹6.93 crore (March 2014) and becoming eligible to obtain the grant, it failed to receive further instalments of grant from GOI. It was seen that, apart from seeking GOI assistance while forwarding UC for the period April 2013 to September 2014 (November 2014) and for the period April 2014 to March 2015 (March 2015), it was only in June 2015 that GOK requested for release of further grant from GOI. The request of GOK was turned down by GOI citing that the UC for the year 2014-2015 was belatedly submitted on 31 March 2015 and the ThFC award period had lapsed by then. As of March 2016, the expenditure was ₹14.55 crore. Due to belated submission of claims by GOK, the expenditure of ₹10.05 crore incurred against the allocation of ₹15 crore could not be got reimbursed from GOI.

We further observed that, even though the newly completed building was inaugurated in January 2016 and taken over by the Kerala Judicial Academy as per the directions of the High Court in June 2016, failure to obtain sufficient staff and adequate infrastructure resulted in the building remaining idle (September 2016).

The Kerala Judicial Academy stated (August 2016) that, shifting of the campus to the new building would be done on getting sufficient staff and required infrastructure like furniture, data servers, smart classrooms, digital library, etc., and after obtaining orders from the Hon'ble High Court of Kerala. It was also informed that, request for providing staff was pending with the Government.

4.6.2.6 Establishment of Alternate Dispute Resolution Centres and training of Mediators/Conciliators

In order to reduce the pressure on the court system, ThFC allocated ₹19.02 crore for establishing Alternate Dispute Resolution (ADR) Centres and training of mediators/conciliators in the State. The responsibility for setting up of ADR Centres and training of mediators was assigned (March 2011) to KELSA by the GOI. Administrative Sanction was accorded (March 2011) by GOK for the establishment of ADR Centres during 2010-11 to 2014-15 at a cost of ₹19.02 crore. Against the ThFC release (2010-11 to 2014-15) of ₹5.71 crore, the expenditure on construction of buildings for ADR Centres and training to mediators during the period 2010-11 to 2015-16 was ₹7.21 crore[54].

Even though KELSA decided to set up 17[55] ADR Centres in the State, only seven[56] ADR Centres were taken up for construction of which, six were completed and one at Kottayam was progressing (May 2016).

The Law Secretary, GOK cited (December 2016) reasons such as non-availability of land, identified land not getting transferred from Government, abnormally high estimate amount and delayed receipt of sanction from Archaeological Survey of India, for not taking up the work on remaining 10 ADR Centres. In the test checked districts, while one ADR Centre each was set up in Thiruvananthapuram, Ernakulam and Thrissur, there was no ADR Centre in Malappuram district.

Thus the failure to set up ADR Centres led to foregoing ThFC grant of ₹13.31 crore (March 2015) besides failing in attaining the objective of reducing the pressure on the court system.

Recommendation 3: GOK/High Court may set up adequate number of ADR Centres to reduce pressure on court system.

[54] ₹6.48 crore on setting up of ADR Centres and ₹0.73 crore on training of mediators

[55] One ADR in each district (14), one additional ADR Centre each in Mavelikkara, North Paravur and KELSA Headquarters at Ernakulam

[56] Thiruvananthapuram, Ernakulam, Alappuzha, Kannur, Mavelikkara, Thrissur and Kottayam

4.6.2.7 *Performance of Lok Adalats*

The disposal of legal disputes at pre-litigative stage by the Lok Adalats[57] provides expense-free justice to the citizens of the country. It also saves courts from additional and avoidable burden of petty cases, enabling them to devote their court-time to more contentious and old cases. As per the Perspective Action Plan of KELSA for the implementation of ThFC recommendations, 62 court centres in Kerala were to conduct 310 Lok Adalats per year (five Adalats in each court centre per year). These Lok Adalats were to dispose of an average of at least 62000 cases every year at the rate of 200 cases[58] per Adalat, per year. Thus, during the period 2010-11 to 2014-15, 1550 Lok Adalats were to be held in the State to dispose 3.10 lakh cases. Besides, the Perspective Plan also provided for conduct of 10 Mega Adalats[59] per year at the High Court level. An amount of ₹0.81 crore was released by GOI for Lok Adalat, against which GOK budget provision of ₹1.98 crore was fully utilised by the implementing agency.

Year wise details of Mega Adalats/Lok Adalats held in the State utilising the ThFC grant during the years 2010-11 to 2015-16 are given in **Table 4.4**.

Table 4.4: Details of cases disposed through Mega/Lok Adalats

Year	Target set by KELSA for conducting Mega/Lok Adalats	Actual no. of Mega/Lok Adalats held	Target set for disposal of cases (derived from ThFC recommendation)	Target set by KELSA for disposal of cases	Actual no. of cases referred	Actual no. of cases disposed	Percentage of disposal with respect to cases referred	Amount incurred (₹ in lakh)
2010-11	320*	Nil	62000	36000*	Nil	Nil	Nil	Nil
2011-12	640	2324	62000	72000	74292	16856	22.69	24.87
2012-13	320	2769	62000	36000	91253	19450	21.31	37.00
2013-14	320	3554	62000	36000	148507	63150	42.52	58.89
2014-15	630	3188	62000	49500	358620	150097	41.85	66.39
2015-16	630	350	0	49500	41653	14561	34.96	10.53
TOTAL	**2540**	**12185**	**310000**	**243000**	**714325**	**264114**	**36.97**	**197.68**

* Not included in total figure as figures of 2011-12 include unachieved target of 2010-11
(Source: Data obtained from KELSA)

We observed that, against the target set by ThFC for disposal of 3.10 lakh cases by 1550 Lok Adalats, KELSA conducted 12185 Lok Adalats which could dispose only 2.64 lakh cases against 7.14 lakh cases referred. The performance of these Lok Adalats was not satisfactory when seen against the fact that the percentage of disposal of cases referred to it was only 36.97 *per cent* as shown in the table. Thus, each Lok Adalat could dispose of an average of only 22 cases[60] against the target of 200 cases recommended by the ThFC.

GOK confirmed (December 2016) that, 264114 cases were successfully settled against the target of 243000 cases set by KELSA. The reply was not tenable in

[57] Lok Adalat is a forum where disputes/cases pending in the court of law or at pre-litigation stage are settled/compromised amicably. It is one of the Alternative Dispute Resolution mechanisms and has been given statutory status under the Legal Services Authorities Act, 1987.

[58] The ThFC provided ₹100 crore for conducting Lok Adalats targeting an annual disposal of 15 lakh cases in India during 2010-15. This allocation was for 1500 court locations all over India with five Adalats in each location per year. Thus, we calculated the number of cases to be disposed of per Lok Adalat as 200 cases per year. (i.e. 15 lakh cases / 1500 Court locations / 5 Adalats per Court Location per year = 200 cases per Adalat per year)

[59] In Mega Adalat large number of cases in different categories are settled/compromised amicably by constituting more number of Adalat benches when compared to ordinary Lok Adalat.

[60] Actual cases disposed/Adalats conducted i.e. 264114 / 12185 = 21.67 rounded to 22 cases per Adalat

view of the fact that, against the target of 200 cases set for disposal in each Lok Adalat by the ThFC, the target set by KELSA worked out to an average of only 96 cases per Lok Adalat. Even against the lower target of 96 cases set by KELSA, each Lok Adalat, on an average disposed only 22 cases. GOK also stated that, the lower target was fixed considering the manpower available in the District Legal Services Authorities and Taluk Legal Services Centres. Thus, the action plan set forth by KELSA was not designed to achieve the ThFC target of clearing 3.10 lakh cases.

4.6.2.8 Legal Aid to weaker sections

Parliament enacted the Legal Services Authorities Act, 1987 to enable establishment of Legal Services Authorities for providing free and competent legal services to weaker sections of the society to ensure that opportunities for securing justice were not denied to any citizen by reason of economic or other disabilities. The National Legal Services Authority and Kerala State Legal Services Authority have the responsibility to provide legal services to eligible persons. Provision of Legal Aid was an important measure provided under the ThFC to assist the marginalised sections to access the justice system and also to reduce the number of undertrials in prisons. During 2010-11 to 2015-16, KELSA was allocated with an amount of ₹6.29 crore by ThFC for this purpose. Legal assistance was provided to 59755 persons against the target of 25000 set by KELSA during 2011-12 to 2015-16, including 12521 undertrials in the State at an expenditure of ₹1.65 crore from the ThFC grant.

It was noticed that, the HLMC in its meeting (July 2012) requested KELSA to expand the base of beneficiaries[61] by suitably enhancing the income limit for availing legal aid and directed to send proposal to Law Department to enhance the income ceiling for availing legal aid. We observed that, the request of the HLMC was not complied with by KELSA.

KELSA admitted (November 2016) that, no proposals were sent to the Law Department to enhance the income limit. It was also stated that, income limit was ₹25,000 for 11 years which was increased in two short intervals i.e. to ₹50,000 in 2009 and then Rupees one lakh in 2011 and that legal aid was given to more than the targeted people even with the current income limit. The reply (December 2016) of KELSA was not tenable in view of the fact that the HLMC had desired to expand the base of beneficiaries by suitably enhancing the income limit and it was not for KELSA to override the suggestion of the HLMC. GOK stated (December 2016) that, a proposal to expand the base of beneficiaries by suitably enhancing the income limit for availing legal aid will be placed in the next meeting of KELSA.

4.6.3 GOI grants other than ThFC grants

4.6.3.1 Setting up of Gram Nyayalayas

The Parliament enacted Gram Nyayalayas Act, 2008 to provide to the citizens access to justice at their doorsteps and to ensure that opportunities for securing justice were not denied to any citizen. It was envisaged that, a Judicial Officer

[61] The income limit of Rupees one lakh fixed by KELSA determines the eligibility to obtain free legal aid.

not less than the rank of a First Class Judicial Magistrate would be appointed as the Judge, who would travel from place to place to provide speedy, affordable and substantial justice to the people of rural areas.

Administrative Sanction was accorded (March 2011) for the establishment of Gram Nyayalayas in 30 Blocks in the State with the required staff pattern. GOK, in exercise of the powers conferred under the Act, notified (April 2012) the Gram Nyayalayas (Kerala) Rules, 2012.

We noticed that, after five years of the sanction, only three[62] out of 30 Gram Nyayalayas had been established as on 31 March 2016.

The High Court attributed (September 2016) the delay in establishing Gram Nyayalayas to inability to identify suitable accommodation for their functioning. However, High Court stated (December 2016) that, 29 of the 30 Gram Nyayalayas had since started functioning in the State.

4.6.3.2 Uploading of data in e-Courts portal and National Judicial Data Grid (NJDG)

As part of National e-Governance Plan (NeGP), e-Courts Project was implemented (July 2007) to provide speedy, qualitative and cost-effective justice by meaningful and effective use of Information and Communication Technology (ICT). The action plan of e-Courts project provided for creating a National Judicial Data Grid (NJDG) for warehousing all the critical data concerning the functioning of the Indian courts. It was envisaged that, web technology operating through intranet in a fully secured digital environment with authorised user facilities would facilitate user connectivity between courts, Judges and court staff. The Data Centre would be used for feeding the pendencies, filings, stages, disposals and nature and age of cases for devising policies pertinent for carrying out the delay reduction programs of the system.

It was observed that, 45 courts (9.3 *per cent*) out of the 484 courts (November 2016) in the State were not uploading any data into the e-Courts portal and NJDG due to absence of requisite hardware and software. Certain Magistrate Courts were not uploading pending case data on petty cases into e-Courts portal and NJDG, despite possessing e-Courts hardware, software and other requisite facilities. This had resulted in variation between e-Courts portal data and actual data available with the courts. The details of pending cases in courts in the four test checked districts *vis-à-vis* data available in NJDG are given below:

[62] Parassala (Thiruvananthapuram), Chadayamangalam (Kollam) and Nedumkandam (Idukki)

Table 4.5: Details of pending cases in test checked districts against data available in NJDG

Name of District	Total number of courts	Number of pending cases as on 31.03.2016 as per NJDG#	Number of cases actually pending in courts as on 31.03.2016#
Thiruvananthapuram	56	138573	220463
Ernakulam	72	65608	256809
Thrissur	36	85979	124364
Malappuram	26	53811	53651
TOTAL	**190**	**343971**	**655287**

Excluding cases pending in Family Courts

(Source: Data obtained from NJDG, District Courts, CJM Courts and Motor Accident Claims Tribunal)

The above table indicates the difference in figures between NJDG data and actual pending figures in selected districts. In Thiruvananthapuram district, a variation of 81890 cases was noticed while in Ernakulam and Thrissur districts, the difference was 191201 and 38385 respectively. However, in Malappuram district, the data uploaded to the NJDG portal was 53811 against the actual 53651. The failure to populate the NJDG portal with accurate data and reconcile the same would adversely affect the planning process and the interests of the various stakeholders. While agreeing with audit observations, the GOK stated (January 2017) that, delay in entries/omission occurred with respect to data entry of petty cases and that deficiency of court staff in the Magistrate Courts affected the data entry of pending cases and caused replication of data on NJDG.

4.6.3.3 Loss of GOI assistance on Development of Infrastructure Facilities for the Judiciary

To address the inadequacy of infrastructure in Subordinate Courts which was identified as an obstacle for speedy delivery of justice, the Department of Justice has been implementing a Centrally Sponsored Scheme (CSS) for 'Development of Infrastructure Facilities for the Judiciary' since 1993-94 with Central/State funding pattern of 50:50. A modified CSS was introduced by GOI (July 2011), whereby it increased its share of assistance to 75:25 from 2011-12 onwards. During 2015-16, GOI reduced its share of funding to 60:40 between the Centre and the State.

Accordingly, construction of 35 court buildings and eight residential accommodations for judicial officers during 2011-12 to 2015-16 was proposed by GOK under this scheme at a projected cost of ₹215.45 crore (GOI - ₹161.59 crore, GOK - ₹53.86 crore).

As of March 2016, works to the tune of ₹88.24 crore were executed by GOK, for which it was eligible for reimbursement of ₹61.53 crore from GOI. We observed that the GOK was able to obtain only ₹26.68 crore from GOI, thereby foregoing the balance eligible amount of ₹34.85 crore.

We examined the reason for non-receipt of eligible balance fund from GOI. It was seen that, GOK had received ₹14.99 crore from GOI during the year 2012-13 but a defective UC was submitted (June 2014) to GOI stating that

₹10.08 crore was utilised and the balance was 'Nil'. GOI directed (August 2014) GOK to provide UC for the unspent balance of ₹4.91 crore. Despite GOK requesting (September 2014 and March 2015) PWD to furnish UC for the balance amount of ₹4.91 crore, the UC was submitted to GOK only on 21 March 2016 after a lapse of two years, which was forwarded to GOI on 31 March 2016, even though the amount was spent in 2013-14 itself. We observed that, the initial defective submission of the UC and delay in submission of rectified UC by PWD had resulted in non-reimbursement of ₹34.85 crore from GOI.

We further examined the physical status of works undertaken under the scheme. It was seen that, out of 35 court buildings and eight residential accommodations undertaken under this scheme, 21 court buildings remained incomplete (August 2016). In the test checked districts, out of 16 works undertaken, only four works were found to have been completed.

Thus, laxity of PWD/GOK in timely submission of UC resulted in non-reimbursement of ₹34.85 crore from GOI. Moreover, the opportunity of setting up infrastructure facilities for 21 courts was also lost, as only 14 courts were covered till now, which led to foregoing of GOI assistance of ₹134.91 crore[63].

Recommendation 4: Government should ensure timely utilisation of grant released and submission of UCs to GOI to avoid lapse of Finance Commission awards and other central assistance.

4.7 Conclusion

GOK could not avail ThFC assistance of ₹96.96 crore from the grants released by GOI due to delay in utilisation of funds, submission of UCs to GOI, setting up of Evening/Special JFCM Courts, non-completion of civil works, etc. Clearance of cases filed in the Lok Adalats was lower than the target recommended by the ThFC. The request of the High Level Monitoring Committee to expand the base of beneficiaries among the marginalised sections by suitably enhancing the income limit for availing legal aid was not implemented by KELSA. Laxity of GOK in timely submission of valid UCs for grants obtained from GOI on 'Development of Infrastructure Facilities for the Judiciary' had resulted in the State failing to obtain reimbursement of ₹34.85 crore from GOI, besides foregoing GOI assistance of ₹134.91 crore.

[63] ₹161.59 crore - ₹26.68 crore = ₹134.91 crore

COMPLIANCE AUDIT

CHAPTER V
COMPLIANCE AUDIT

AUDIT OF SELECTED TOPICS

HOME AND VIGILANCE DEPARTMENT

5.1 Enforcement of fire safety provisions in respect of buildings by the Kerala Fire and Rescue Services Department

5.1.1 Introduction

The Kerala Fire and Rescue Services Department (Fire and Rescue Department) with five Divisional Offices[64], 14 District Offices and 121 fire stations is entrusted with the responsibilities of fire fighting operations/ salvaging or rescue of life and property during fire accidents/hazards. While a Motor Transport wing under the Fire and Rescue Department is responsible for the maintenance of the vehicles of the Department, the Kerala Fire and Rescue Services Academy caters to the training of personnel. The Fire and Rescue Department is governed by the Kerala Fire Force Act, 1962 (Fire Force Act). While the Home and Vigilance Department is in overall control of the Fire and Rescue Department at the Government level, the administrative powers are vested with the Director General of Fire and Rescue, Home Guard and Civil Defence (DG).

5.1.2 Scope and coverage of Audit

We had conducted the Performance Audit of Prevention and Control of Fire which had appeared in the Audit Report of Comptroller and Auditor General of India for the year ended March 2003. The Report was discussed by the Public Accounts Committee (PAC) of Kerala Legislature and recommendations were made (March 2008) to Government of Kerala (GOK). PAC discussed (December 2011) the Action Taken Report furnished by GOK on these recommendations and called for additional details on some of the recommendations. The recommendations included establishment of adequate number of fire stations, framing of Rules pending from 1962, periodic inspection of high rise buildings[65], ensuring availability of vehicles for fire fighting in high rise buildings, etc. During the present audit, we examined the compliance to the provisions of the Fire Force Act, Rules and Regulations issued by the Fire and Rescue Department and assessed how far these Rules/Regulations were able to fulfil the objectives of the Department.

Audit methodology included scrutiny of records pertaining to the period 2011-12 to 2015-16 at Government Secretariat (Home and Vigilance Department), Office of the DG and three Divisional[66] offices out of five and five District offices out of 14 *viz.*, Thiruvananthapuram, Ernakulam, Kollam, Thrissur and

[64] Ernakulam, Kottayam, Kozhikode, Palakkad and Thiruvananthapuram
[65] Buildings with four or more floors or with a height of 15 metres or more from ground level
[66] Thiruvananthapuram, Ernakulam and Kozhikode

Kozhikode. Fifteen[67] fire stations located in the selected districts were also covered. Relevant records of one of the Local Self Government Institutions[68] (LSGI) coming under the jurisdiction of each selected fire station were also scrutinised as a part of audit. We conducted joint verification of 105 buildings in the selected districts along with officials of the Fire and Rescue Department to assess the status of fire fighting infrastructure in these buildings. Entry Conference was held on 16 June 2016 with the DG in charge of the Fire and Rescue Department, during which the audit objectives and audit criteria were explained to the Department. An Exit conference was conducted on 01 November 2016 with the Additional Chief Secretary, Home and Vigilance Department and Director General, Fire and Rescue Department, during which the audit findings were discussed in detail.

Audit Observations

5.1.3 Formulation of Act and Rules

5.1.3.1 Failure to enact the Kerala Fire Force Act

The National Disaster Management Authority (NDMA) established under the provisions of the Disaster Management Act 2005, issued Guidelines (April 2012), which recommended all States to enact Fire Force Act for providing fire safety norms in respect of all high rise buildings, residential clusters, colonies, business centres, malls, etc. The Guidelines also required that the Fire Force Act should provide for legal and penal action against fire safety defaulters, if they fail to fulfil the fire safety requirements like proper fire safety equipment, escape/evacuation routes, parking locations, etc. All State Governments and local bodies were required to comply with these Guidelines in a planned and focussed manner.

In order to frame a central legislation on Fire safety in the country, Government of India (GOI) forwarded (July 2014) a draft Fire Safety Bill to GOK for getting its views. GOK advised (August 2014) Director General (DG) to submit a draft Fire Safety Bill by September 2014 incorporating the provisions of the draft Fire Safety Bill of GOI. The DG submitted (April 2015) the draft Kerala Fire Prevention and Life Safety Measures Bill to GOK, which he later withdrew (December 2015) stating deficiencies in the draft Bill. Subsequently, a committee was constituted (April 2016) by the then DG which submitted (May 2016) both the Act and Rules to the DG which was yet to be submitted to GOK (December 2016).

Non-enactment of new Fire Force Act in line with the NDMA Guidelines (April 2012), lowered the operational efficiency of the Fire and Rescue Department in ensuring adequacy of fire safety norms in the high risk/vulnerable buildings as discussed in the subsequent paragraphs.

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[67] Thiruvananthapuram, Chacka, Chamakkada, Kadappakkada, Gandhi Nagar, Club Road, Thrikkakara, Eloor, Thrissur, Pudukkad, Guruvayur, Kozhikode Beach, Meenchantha, Vellimadukunnu and Mukkam

[68] Thiruvananthapuram Corporation, Kollam Corporation, Kochi Corporation, Thrikkakara Municipality, Thrissur Corporation, Pudukkad Grama Panchayath, Guruvayur Municipality, Kozhikode Corporation, Mukkam Municipality, Olavanna Grama Panchayath

5.1.3.2 Failure to frame Rules

As per Section 35 of the Fire Force Act 1962, the Government may frame Rules for implementation of provisions of the Act. Non-framing of Rules for implementing the Act was pointed out in the Audit Report of C&AG for the year ended March 2003. PAC while discussing the Report recommended (March 2008) that Rules under the Act should be framed without further delay. We noticed that though the Subject Committee of the State Legislature had initially approved (03 January 2012) the Kerala Fire and Rescue Services Rules 2011, it was later decided (24 January 2012) by the Committee not to proceed with Rules approved by them, as they proposed to formulate a new Fire Force Act in lieu of the Act of 1962. Thus, as of January 2017, the Department could not frame and approve Rules to supplement the Fire Force Act, 1962 which also required suitable amendment. In the absence of Rules, the activities of the Department were regulated by Standing Orders issued by the DG which did not have statutory backing. We noticed instances of Orders issued by the DG being challenged in Courts as pointed out in succeeding paragraphs. Thus, absence of Rules has adversely impacted the efficient functioning of the Fire and Rescue Department.

5.1.3.3 Non-issue of notification by Government

As part of preventive measures, Section 13 of the Fire Force Act 1962 provided that GOK could, by issue of notification, require owner/occupiers of buildings to take such preventive measures as may be specified. Where such notifications were issued, the Fire Force Act empowered (Section 30) the DG to enter these places for the purpose of determining whether precautions against fire, required to be taken in such places had actually been taken care of.

Officers of the Fire and Rescue Department could not inspect any premises for ensuring fire safety standards unless such premises were specifically notified by Government. We observed that GOK failed to issue notifications and consequently the officers of the Fire and Rescue Department could not conduct inspections legally and discharge their duties effectively. We observed instances in which owners of two buildings in Kollam and Malappuram challenged inspections conducted by Departmental officers. The owners of the buildings pointed out that guidelines issued by Fire and Rescue Department and directions to install fire safety mechanisms envisaged by National Building Code were not enforceable due to the absence of Government Order or statutory backing. Thus, failure to provide legal backing to orders resulted in directions of Fire Force officers being challenged and sometimes not adhered to by owners of building premises.

GOK stated (November 2016) that notifications would be issued at the earliest to enable the Department to proceed legally against violators.

5.1.4 Maintenance of database and issue of No Objection Certificate

To ensure compliance to standards of fire prevention and fire protection in buildings, the Kerala Municipal Building Rules, 1999 (KMBR) and the Kerala Panchayath Building Rules, 2011 (KPBR) required building permits to be issued to multi-storeyed buildings and special buildings[69], only after obtaining a No Objection Certificate (NOC) on fire protection measures from the Fire and Rescue Department. The Fire and Rescue Department had issued Standing Orders (1997) for issue of NOC at two different stages *viz.*, "Site for construction" after site inspection and scrutiny of plans by the Department and later, a final NOC for "Occupation of Building" after inspecting the building on completion of construction. The authority to issue NOC was delegated (July 2009) to the Assistant Divisional Officers (ADO) (District level), Divisional Officers (DO) (Division level) and DG (State level) of the Fire and Rescue Department, based on the height[70] of the buildings.

The DG ordered (July 2009) that in order to facilitate monitoring of the compliance to fire safety standards, an NOC issue register in the prescribed form was to be maintained by the Fire and Rescue Department at the Station, ADO, DO and Headquarters level. Standing Orders (August 2013) of the DG also required that the NOC Registers maintained by the fire stations were to contain details of all the buildings for which NOC was issued by the Department at different levels.

Test check of the registers for the period 2011-12 to 2015-16 at 15 fire stations in the selected five districts revealed that contrary to the Standing Orders, details of 543 out of 805 final NOCs issued by higher authorities were not recorded in the registers at fire stations. The failure of the Fire and Rescue Department in maintaining a proper database and deficiencies in recording the details of NOCs in the registers at fire stations resulted in their inability to monitor and ensure continued compliance of buildings to fire safety standards.

GOK in reply stated (January 2017) that necessary directions have been issued to officers of Fire and Rescue Department to maintain a comprehensive database in connection with the issue of NOC to various types of buildings according to their occupancy and height and that attempts to digitalise the data and online processing of NOCs were underway.

5.1.5 Non-renewal of No Objection Certificates

Government directed (April 2013) that NOCs issued for buildings were to be renewed every year for an annual fee of ₹2000/- to vouch the fire fighting preparedness of high rise buildings. Accordingly, the DG issued (August 2013) Standing Orders prescribing the procedure for renewal of NOCs and also constituted Scrutiny Committees for inspection of buildings, according to the height of the building. The renewal of NOCs for buildings was to be approved by Station Officer (up to 24 metres of height), ADO (above 24 metres up to 60 metres) and the DO (above 60 metres of height). We analysed the recordings made in the NOC Issue Registers/Renewal Registers

[69] Educational, Medical or Hospital and Office or business occupancies exceeding three floors, assembly occupancy irrespective of their number of floors, Mercantile or commercial occupancy buildings other than parking buildings exceeding two floors from ground level, industrial occupancy buildings, irrespective of their number of floors, storage or warehousing occupancy buildings irrespective of their number of floors and buildings under hazardous occupancy

[70] From July 2009 to August 2012 NOCs for single-storeyed buildings upto 10 metres, multi-storeyed buildings upto 15 metres and multi-storeyed buildings above 15 metres to be issued by ADO (District level), DO (Division level) and DG (State level) respectively. From September 2012, multi-storeyed buildings upto 24 metres and multi-storeyed buildings above 24 metres to be issued by DO (Division level) and DG (State level) respectively.

maintained at 15 selected fire stations and observed that 11 to 92 *per cent* of NOCs issued during 2012-13 to 2013-14 were not seen renewed during 2013-14 to 2014-15 as shown in the following table.

Table 5.1: Non-renewal of NOC

Sl. No.	Name of Fire Station	Number of NOCs issued as per the register	Number of NOCs renewed by Fire Station	Number of NOCs renewed by ADO	Number of NOCs renewed DO	Number of NOCs not renewed	Percentage of non-renewal
1	Chacka	37	6	0	0	31	84
2	Thiruvananthapuram	203	7	11	0	185	91
3	Kadappakkada, Kollam	NOC register and Renewal register not maintained					
4	Chamakkada	70	14	2	0	54	77
5	Eloor	29	7	2	0	20	69
6	Gandhi Nagar	579	38	16	0	525	91
7	Thrikkakara	288	25	21	1	241	84
8	Club Road, Ernakulam	62	40	15	0	7	11
9	Thrissur	473	51	3	--	419	89
10	Pudukkad	10*	7	0	--	3	30
11	Guruvayur	85	7	0	--	78	92
12	Kozhikode Beach	269	28	13	0	228	85
13	Vellimadukunnu	65	4	1	0	60	92
14	Meenchantha	65	12	11	0	42	65
15	Mukkam	40	4	0	0	36	90

* NOCs issued prior to formation of the station (January 2011) not recorded in the register
(Source: Details collected from selected fire stations)

As the NOCs were not renewed in the cases ranging from 11 to 92 *per cent,* the Department was not able to claim fire safety preparedness of the buildings. On being asked, GOK replied (January 2017) that the suggestion of DG to incorporate the provisions for annual renewal of fire safety approval of buildings in the KMBR/KPBR, and disconnection of essential services like water, electricity, etc., in the event of non-renewal would be considered in consultation with Local Self Government Department. The fact, however, remains that in the absence of renewal of NOCs at regular intervals, the buildings in question were not free from fire hazards.

5.1.6 Non-adoption of best practices in line with National Building Code

The National Building Code of India, revised in 2005, is a comprehensive Building Code, providing guidelines for regulating the building construction activities across the country. Part IV of the Code covers the requirements of fire prevention and life safety in respect of fire and fire protection of buildings. It specifies construction, occupancy and protection features that are necessary to minimise danger to life and property from fire. In Kerala, provisions of the KMBR govern the design and construction of buildings. It was seen that most of the provisions contained in the Code were not adopted in the KMBR. While all provisions regarding the fire protection activities mentioned in the Code[71] were specifically adopted and included as Rule 44 in the KMBR, we observed

[71] National Building Code 1983 and Amendment No. 3 under fire protection in Annexure II

that detailed specifications laid down in the National Building Code regarding prevention and fire safety were not incorporated.

Considering that there were several high rise buildings with height ranging between 60 and 100 metres in Kerala and the limited infrastructure capability (road width, traffic density, road gradient, reach of equipment, availability of sufficient water, etc.) of the State in Fire and Rescue operations, the DG ordered (June 2015) that more emphasis should be placed on preventive aspects and in situ capability development such as full compliance to National Building Code, adoption of best practices in assuring life safety in building design, etc. The members of the Building Approval Committee were directed to inspect the sites/buildings in the State with a view to ensure that all the provisions of the Code like access to fire appliances/vehicles, width of main and alternate staircases, location and size of fire lifts, vehicular parking spaces, refuge area, details of fire alarm system network, built in fire protection arrangements, static water storage tank and pump, etc., were complied with before issuing NOC.

However, GOK modified (December 2015) the conditions for grant of approval adopted by the DG and ordered that provisions of National Building Code were applicable only if corresponding enabling provisions existed in the KMBR and stated that National Building Code was only a guideline. Further, Government also clarified (February 2016) that adherence to National Building Code was not mandatory except in so far as it was incorporated in the KMBR. In the case of rescue and fire safety, Government stated that the provisions contained in Rule 39 to 43 of KMBR in respect of staircases, ramps, corridors, verandahs and passage ways, fire escape staircases, travel distance to emergency staircase, etc., shall apply and that the Code would not apply. As the provisions contained in the Code were more comprehensive and necessary to minimise casualty, GOK may initiate steps to strengthen the KMBR by addition of these provisions.

GOK, during the Exit Conference (November 2016) agreed that the KMBR needed to be strengthened since it catered to single and two-storeyed buildings only and that with the increasing number of high rise buildings in the State, utmost importance was to be given to fire prevention activities. GOK stated in reply (January 2017) that the DG had recommended that it was very necessary to include more fire safety measures as per National Building Code 2005 in the existing KMBR/KPBR and that this aspect would be looked into in detail by GOK.

5.1.7 Absence of minimum fire safety standards in buildings

The DG had issued Minimum Fire Safety Guidelines for residential buildings, educational buildings, institutional/hospital buildings, business occupancies, mercantile buildings and storage buildings. These Guidelines prescribed minimum fire safety standards, like adequate number of fire extinguishers, hydrant valves and delivery hoses, hose reel hose and nozzle, manually operated fire alarm systems, sprinklers, fire detectors, fire pumps, water tanks, emergency lighting systems, suitable exits, width of access, open spaces around the area of the building, etc., according to the occupancy and height of the buildings.

A joint verification (June-July 2016) of fire safety standards available in 105 buildings[72] with respect to checklists issued for its officers by the Fire and Rescue Department revealed that 32 of these buildings suffered from major deficiencies like 'Nil' fire extinguishers/fire pumps/alternate source of power, blockage of fire escape staircase, etc., as shown in **Appendix 5.1**. The Fire and Rescue Department failed in ensuring minimum fire safety standards prescribed, thereby exposing the buildings to grave threat of fire accidents. GOK stated (January 2017) that action would be taken to amend the Fire Force Act by introducing a new legislation for ensuring the installation of minimum fire safety standards in buildings.

5.1.7.1 Inability of Fire and Rescue Department to enforce minimum fire safety standards

The DG issued Orders (January 2016) to all DOs to verify minimum fire safety standards in buildings inhabited or visited by people in large numbers like theatres, marriage halls, hospitals, educational institutions, large public offices, large corporate offices, malls, multiplexes, etc. The NDMA guidelines required that the Fire Force Act should provide for legal and penal action against fire safety defaulters if they did not fulfil the fire safety requirements like proper fire safety equipment, escape/evacuation routes, parking locations, etc. The Fire and Rescue Department identified 1589 functional buildings of various occupancies[73] in the State without having minimum fire safety standards and issued notices (January-February 2016) to the owners of these buildings. With regard to the status of compliance to minimum fire safety standards in buildings as stipulated by the DG, GOK stated (January 2017) that though Departmental orders existed for ensuring fire safety standards in buildings, lack of support of law hindered enforcement of these standards.

Joint verification (June-July 2016) of four of the 16 buildings in Ernakulam district[74], in which, Fire Safety Audit was conducted (January-February 2016) by DO, revealed that none of the deficiencies identified earlier had been rectified. Thus, the buildings continued to operate without functional fire safety installations. Failure to amend the Fire Force Act in line with NDMA guidelines resulted in inability of the Fire and Rescue Department to initiate follow up action by enforcing legal and penal provisions to ensure minimum safety standards in buildings.

GOK replied (January 2017) that action was being taken to ensure support of law in enforcing minimum fire safety standards by amending the Fire Force Act.

5.1.7.2 Licensing of agencies

To prevent and protect people from fire accidents in buildings, engaging of qualified persons/agencies in ensuring installation of fire fighting equipment is a good practice as is insisted by the State of Maharashtra. The DG had

[72] 16 Hospital, 34 Residential, 23 Commercial, Nine Educational, Nine Assembly, 11 Office and Three Storage

[73] Residential, Educational, Institutional, Assembly, Business, Mercantile, Industrial, Storage, Hazardous

[74] No records in support of conduct of Fire Safety Audit were available with DOs in Kozhikode and Thiruvananthapuram

requested (September 2014) GOK to implement categorisation of contractors based on their experience, competency and qualification in installation of fire fighting equipment in buildings for issue of NOC. But the proposal was not accepted by GOK citing absence of provision for licensing agencies in the Fire Force Act and opined that introduction of licensing system would lead to litigation by affected parties. As such, the present system did not ensure competency and qualification of the agencies/contractors installing fire fighting system in the buildings. Thus, GOK failed in ensuring quality in installation of fire fighting equipment in buildings, thereby putting the life of people at risk.

GOK replied (January 2017) that the aspect of making sufficient provision for licensing of agencies would be examined while formulating the new Fire Force Act.

5.1.8 Status of manpower and equipment to effectively contain fire in buildings

Adequacy of manpower and availability of adequate vehicles and equipment are a pre-requisite to effectively contain fire occurring in buildings with minimal loss to life and property. We assessed the status of these components and the findings are brought out below.

5.1.8.1 Adequacy of manpower

A One-man Commission (Commission) appointed by GOK (March 2013) to study the modernisation of the Fire and Rescue Department identified lack of adequate staff in the Fire and Rescue Headquarters and officers at the level of DOs and ADOs as reasons for failure to ensure the adequacy of fire fighting arrangements in the high rise buildings, cinema houses, schools, hospitals, shopping complexes (malls) and small scale industrial units.

We noticed that the recommendation of the Commission (January 2014) for the creation of posts of one DO, one ADO, one Station Officer, one Leading Fireman (LF) and two Fireman Driver cum Pump Operator (FDCPO) in the Fire and Rescue Headquarters in the fire prevention wing on priority basis was not implemented by GOK (June 2016). While admitting the shortage of manpower GOK stated (January 2017) that financial constraint was the major hindrance in addressing the shortfall in manpower.

Further, as per recommendations of the Standing Fire Advisory Committee/Council (SFAC[75]), ADO was to be responsible for command of two to three fire stations. Accordingly, at least 40 ADOs were required for the existing 121 fire stations in the state. However, there were only 15 sanctioned posts of ADOs which were all filled as of August 2016.

We also noticed an overall shortage of 15 *per cent* across all categories of operational staff with reference to the sanctioned strength (July 2016). There

[75] Government of India in 1955 formed a Standing Fire Advisory Committee (SFAC) under the Ministry of Home Affairs (MHA). This committee was renamed as Standing Fire Advisory Council (SFAC) in 1980. This committee/council has representation from each State/UT fire service, as well as representation from MHA, Ministry of Defence (MoD), Ministry of Road Transport and Highways, Ministry of Communication and Information Technology and Bureau of Indian Standards (BIS)

was significant shortfall in posts of Assistant Station Officer, Fireman and FDCPO as shown below.

Table 5.2: Shortfall in men in position as against sanctioned strength

Name of post	Sanctioned Strength	Men in Position
Station Officer	115	112
Assistant Station Officer	136	102
Fire Man	2728	2230
Leading Fire Man	479	455
FDCPO	891	770
Driver Mechanic	123	113

(Source: Records furnished by Fire and Rescue Headquarters)

GOK needs to address the shortfall in manpower and even revise the sanctioned strength on merits keeping in view the mushrooming of big buildings to enhance the effectiveness of the Department in fire safety and prevention. It was stated (January 2017) by GOK that action was being taken on priority basis to sanction more posts.

5.1.8.2 Status of Vehicles and equipment

One of the key components for combating fire incidents effectively is adequacy and preparedness of fire fighting equipment. To assess the requirements of fire stations in the State, the DG appointed a Committee (December 2015) which submitted a report. We examined the availability of vehicles and equipment in 15 fire stations (eight urban, six semi-urban and one rural) with that of the requirement assessed by the Committee. The audit findings on the availability of equipment and vehicles are given below.

Adequacy of Vehicles

We noticed shortfall across all nine categories[76] of vehicles in the urban/semi-urban/rural fire stations as against the requirement assessed by the Committee, which is shown in **Table 5.3**:

[76] Mini Emergency Vehicle, Water Tender, Mini Water Tender, Ambulance, Recovery Vehicles, Water Bowser, Water Mist Bike, Multi Utility Vehicle and Mini Bus

Table 5.3: Shortage of vehicles

Sl. No.	Item	Required	Available	Shortage	Percentage of shortage
(a) Urban/Semi-urban fire stations					
1	Mini Water Tender[77]	28	12	16	57
2	Ambulance	14	7	7	50
3	Recovery Vehicles	14	4	10	71
4	Water Bowser[78]	14	0	14	100
5	Water Mist Bike	22	8	14	64
6	Multi Utility Vehicle	15	3	12	80
7	Mini Bus	8	0	8	100
8	Water Tender	16	15	1	6
(b) Rural fire station					
1	Mini Emergency Vehicle	1	0	1	100
2	Water Bowser	1	0	1	100
3	Water Mist Bike	1	0	1	100

(Source: Details furnished by test checked fire stations)

Shortfall of vehicles in urban/semi-urban fire stations ranged from six *per cent* (Water Tenders) to 100 *per cent* (mini bus/water bowser). The lone[79] test checked rural fire station was not provided with water bowser, water mist bike and mini emergency vehicle though it was eligible for the same.

GOK replied (January 2017) that Administrative Sanction has since been accorded for ₹38.56 crore in 2016-17 for procurement of vehicles and equipment and that tender procedures for purchase of water bowser had already commenced.

Over-aged vehicles

The Fire and Rescue Department was saddled with fire tenders and other vehicles which had outlived their utility. As per SFAC guidelines, the maximum life span of a fire fighting vehicle is 5000 hours of operation or 10 years whichever is earlier. Out of 655 vehicles in the Department as of March 2016, as many as 286 vehicles (43.66 *per cent*) were more than 10 years old, which included 122 Mobile Tank Units (MTU), 29 Mini MTU, 11 Emergency Tenders[80], four Crash Tenders and 21 Water Lorries. Sixty one of these 286 vehicles were more than 20 years old.

GOK stated (January 2017) that condemnation process of over-aged and inefficient vehicles was being done by the Fire and Rescue Department regularly. It was also informed that since the purchase procedure of vehicles takes too much time, condemnation of old vehicles by considering the age of the vehicle alone was not practical. The purchase procedure of vehicles may be expedited to ensure quick procurement of vehicles and resultant enhancement of operational efficiency of Fire and Rescue Department.

[77] Mini Water Tenders are primary fire fighting vehicles which can easily ply through narrow roads and reach remote areas of the State.
[78] Vehicle fitted with a pump at the rear is capable of carrying up to 16000 litres of water and is suitable for fighting large fires.
[79] Mukkom fire station
[80] Emergency tenders are used to attend rescue operations. It consists of different types of rescue equipment like Hydraulic tools, Oxy acetylene cutters, small gears, generators, ladders, rubber dinghies without onboard engine, ropes, chain saws, air lifting bags, breathing apparatus sets, lighting system, etc.

Response time of vehicles

We test checked 2362 fire reports of 14 test checked urban/semi-urban fire stations for the year 2015-16. It was seen that while 1880 (80 *per cent*) calls were attended to within the stipulated seven minutes as fixed by the One-man Commission, 400 calls (17 *per cent*) were attended to within eight to 15 minutes of reporting of the incidence of fire. While the large percentage of calls were timely attended to by the Department, we observed that efficiency could be increased further, if the recommendation of RMSI[81] to increase the number of fire stations from 121 to 228, which was also accepted by the One-man Commission, was implemented by GOK. GOK stated (January 2017) that it was necessary to increase the number of fire stations to decrease the response time and that action was being taken to identify the locations in which new fire stations were to be set up on priority basis.

Insufficient Safety equipment for fire fighters

Equipment like breathing apparatus, fire fighting suits and walkie talkie are essential life-saving equipment for fire fighters. We test checked the status of availability of these equipment in 15 Fire Stations *vis-à-vis* the norms fixed by the Committee constituted by the DG, Fire and Rescue Department. Significant shortfall of these essential equipment was noticed in test checked fire stations. While in urban and semi-urban fire stations, breathing apparatus was short by 82 *per cent*, there was shortfall in respect of fire fighting suits and walkie talkie by 91 and 83 *per cent* respectively. In the rural fire station, the situation was still grave as there was 100 *per cent* shortfall of fire fighting suits and walkie talkie and 60 *per cent* shortfall of breathing apparatus. Subsequent to a major fire that occurred in Joy Alukkas showroom[82] at Ernakulam in March 2011, the Fire and Rescue Department had admitted that loss could have been minimised if they were equipped with sky lift, sufficient number of modern breathing apparatus sets and sufficient fire jackets. The Fire and Rescue Department continuing (August 2016) to function without adequate safety equipment exposed the fire fighters to risk to life and also impacted the effectiveness of fire fighting activities.

Laxity of the Fire and Rescue Department in making good the shortfall in equipment is serious when viewed against the fact that out of ₹22.50 crore received (October 2010) as one time grant from GOI for purchase of fire fighting equipment, the Department had spent only ₹13.26 crore as of March 2016. We observed that the under utilisation of funds by the Fire and Rescue Department was due to administrative delay in procurement/tender finalisation. GOK stated (January 2017) that a detailed proposal for procurement of safety equipment with a total project cost of ₹65 crore has been submitted by the Department and that action was being taken to allot Budget provision for the same in the current year itself.

Inability to fight fires in high rise buildings

The Fire and Rescue Department recognised in April 2010 that it did not possess the capability to gain access to fire and do fire fighting and rescue

[81] Risk Management Solutions Inc. appointed by the Director General, National Disaster Response Force and Civil Defence (Fire), Ministry of Home Affairs, Government of India

[82] Now occupied by 'Athira Gold and Silks'

operations occurring above the fourth floor in high rise buildings. It was, therefore, proposed to procure Sky Lifts (Aerial Platform Ladder) to gain access to fires occurring in high rise buildings where conventional ladders were not able to reach. The RMSI had also recommended one Hydraulic Platform/Aerial Platform Ladder (APL)/Turn Table Ladder (TTL) per district depending upon the presence of high rise buildings (more than 15 metre high).

We noticed that though Administrative Sanction (AS) was issued by GOK in October 2010 and Rupees six crore released specifically for procurement of a Sky Lift, the DG could finalise the technical specifications and issue e-tender only after more than four years in December 2014. However, there was no response to the e-tender. In December 2015, the DG requested GOK to accord sanction to procure a TTL instead of an APL. Despite GOK according (January 2016) revised AS (₹9.24 crore) to purchase a TTL, the DG was yet to initiate procurement procedure. Meanwhile, the DG submitted a fresh proposal (May 2016) to GOK for purchase of five TTL having height of 60 metres for five districts (Ernakulam, Kollam, Kozhikode, Thiruvananthapuram and Thrissur) and two APL having height of 45 metres.

Due to failure of the DG to make timely assessment of requirements and specifications, the Sky Lift/TTL was yet to be procured and the Fire and Rescue Department lacked equipment capable of fighting fires in high rise buildings. We observed that Fire and Rescue Department recognised that the loss of material worth ₹60 crore stocked in a building[83] during a fire incident in 2011 could have been minimised, had it been equipped with Sky Lift. Thus, failure of the Fire and Rescue Department to procure the equipment despite availability of funds has adversely affected its capability to fight fires in high rise buildings.

5.1.9 Monitoring and Inspection

5.1.9.1 Short fall in periodical inspections

Systematic and periodical inspection of fire fighting systems in high rise buildings, educational institutions and assembly buildings is essential to ensure continued proper maintenance of fire safety installations and fire safety standards in the buildings as envisaged in National Building Code/KMBR/ KPBR. As per orders of DG (June 2012), the DO and the ADO should inspect four and six buildings respectively in a month (preferably commercial, educational and assembly buildings) and the Station Officers should inspect at least 10 buildings in a month and advise the custodian of the building to get the defects rectified and report to Headquarters with a compliance report.

In the absence of proper records connected with inspection in the test checked units, we issued enquiries to three DOs, five ADOs and 15 fire stations. The details furnished by the officers revealed that inspections as prescribed were not carried out at any level except by Station Officer, Thrissur for two months (August 2012 and September 2012) and by Station Officer, Chamakkada for three months (August, September and October 2012). We also noticed that no monitoring was done at the DG's level in this regard. The short fall in

[83] Joy Alukkas showroom in Ernakulam

conducting inspection was in the range of 93 *per cent* to 100 *per cent* in the test checked DOs/ADOs/Fire Stations.

During joint physical verification in six buildings in which major fire accidents occurred during July 2010 to April 2016, we observed that there was no documentary evidence of periodical inspections carried out by the Fire and Rescue Department prior to such incidents. No reports/returns based on periodical inspections were found available at 21 test checked units[84]. The joint verification conducted by us revealed that fire fighting installations in buildings continued to be either absent or defective as detailed in the **Table 5.4**.

Table 5.4: Buildings affected by major fire - Defective fire fighting installations

Sl. No.	Name of building/ fire station	Date of occurrence of fire	Loss (₹ in crore)	Major deficiencies noticed during joint verification
1	Joy Alukkas Showroom (Presently occupied by Athira Gold and Silks)/Club Road, Ernakulam	26.03.2011	60.00	• Fire Extinguishers were time expired • No water in the line pipe • Ducts and shafts not easily visible being fixed inside the 'trial room' and 'toilets' • Electric connection to fire pumps disconnected and alternate source of power not connected to fire pumps • No electric connection for Control panel • Fire escape staircase ended at the first floor and was blocked by dumping old articles. Refuge area at the top floor was closed and used as dining hall by the staff
2	KRS Godown/ Thiruvananthapuram	21.11.2011	1.45	• Fixed or portable installations including fire extinguishers were not available
3	Kotak Mahindra Bank, Althara/ Thiruvananthapuram	23.04.2011	0.15	• No provisions other than portable extinguishers were available
4	Big Bazaar/ Thiruvananthapuram	13.11.2015	5.22	• Fire lifts were not available • Emergency escape lightings were not available • Access to fire ducts and escape staircase blocked
5	KRS Godown/ Thrissur	25.07.2010	3.35	• No fixed or portable installations including fire extinguishers
6	Lulu Gold/ Kozhikode Beach	24.04.2016	1.68	• Escape staircase was locked • Emergency lightings, smoke detector and fire alarm panel not installed

(Source: Joint verification reports)

In respect of three buildings, there were either no NOCs or NOCs were not renewed. Thus, even buildings in which major fire accidents occurred continued to function without proper fire safety installations.

GOK replied (January 2017) that the absence of provision for periodic inspections in KMBR/KPBR, inadequacy of manpower in officer cadre and

[84] 21 out of 23 test checked, except Thrissur and Chamakkada Fire Stations

absence of Fire Prevention wing in the Department had delayed implementation of instructions issued during inspections.

5.1.10 Conclusion

As the new Kerala Fire Force Act was not enacted as per NDMA guidelines, there were no enabling provisions empowering the Fire and Rescue Department to proceed legally and impose penalty on perpetrators of fire safety violations. In the absence of Rules, the activities of the Fire and Rescue Department were regulated by standing orders issued by the DG which did not possess statutory backing.

GOK did not issue appropriate notifications resulting in inability of officers of the Fire and Rescue Department to conduct inspections legally, to discharge their duties effectively and to ensure the availability of fire safety arrangements. Joint verification by us revealed deficiencies in compliance to fire safety standards, thereby exposing the buildings to grave threat of fire accidents. Failure of GOK to adopt good practices as prescribed in National Building Code led to non-inclusion of such provisions in the KMBR, to ensure safety of life and property of people.

Fire fighters were also exposed to risk due to shortage of safety equipment like breathing apparatus, fire fighting suits and walkie talkies. In the absence of equipment like APL and TTL, the Fire and Rescue Department was not capable of conducting rescue operations beyond the fourth floor of high rise buildings in the State.

The failure of GOK in ensuring the above aspects of fire protection and prevention has put the life and property of people at risk.

FAILURE OF OVERSIGHT/ADMINISTRATIVE CONTROLS

HEALTH AND FAMILY WELFARE DEPARTMENT

5.2 Misappropriation of funds in Government TD Medical College, Alappuzha

Failure of supervisory authorities to exercise stipulated checks and laxity of the Drawing and Disbursing Officer in complying with the codal provisions relating to maintenance of Cash Book resulted in misappropriation of ₹17.20 lakh in Government TD Medical College, Alappuzha.

Rule 92 (a) (ii) of Kerala Treasury Code (KTC) Volume I stipulates that all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the Head of the Office in token of check. While Rule 92 (a) (iv) of the KTC requires the Head of the Office to verify the Cash Book at the end of each month and record a signed and dated certificate to that effect, Rule 131 (a) also stipulates that the contents of cash chest shall be counted by the Head of the Office or under his orders by the subordinate Gazetted Officer at the close of business on each working day and verified with book balance. A memorandum of

verification shall be signed and dated by the Government servant who counted the cash and abstracts of cash balances with denominations recorded. The Director of Medical Education (DME) being the Head of the Department, was bound to follow the directions (June 2005) issued by the Government of Kerala (GOK) for ensuring that the internal audit wing functioned systematically, effectively and promptly.

In the Government Tirumala Devaswom Medical College, Alappuzha (TD Medical College), while the Principal was the Head of the Office, the Senior Administrative Officer was the Drawing and Disbursing Officer (DDO). Besides other responsibilities, the DDO was also entrusted with the responsibility to verify and attest the entries in the Cash Book, subsidiary registers, acquittance rolls, contingent registers, vouchers, etc., including verification of cash.

During the course of audit (November 2015), it was noticed that the total of the entries in the payments side of the Cash Book was overstated on 10 June 2015 by ₹1000 and the cash balance was short accounted to that extent and carried forward. It was also noticed that the Senior Clerk, Junior Superintendent and the DDO had certified in the Cash Book that the balance in the cash chest as on the day, agreed with the balance as per the Cash Book, leaving no excess cash. A detailed examination of the entries made in the Cash Book for the period April 2014 to October 2015, revealed the following lapses.

- entries in the Cash Book were erased/scored off and rewritten entries were not attested by the DDO with dated initials;
- entries were originally made and daily totals and cash balance recorded and subsequently, entries were scored off thereby causing mismatch between recorded daily totals and actual totals;
- cash balances were certified by the DDO without ensuring correctness of individual daily entries with supporting original vouchers, which resulted in failure to detect the misappropriation;
- variations in receipt and payment totals ranging from ₹200 to ₹56,049 were noticed during the period from April 2014 to October 2015;
- though individual transactions were entered correctly, the receipt and payment totals respectively were understated or overstated and the deficit amount was not available in the cash chest in order to tally with the incorrect cash balance as recorded in the cash book. While the total figures on the receipts side were understated on six occasions, expenditure totals were overstated on 16 occasions thereby reducing the progressive cash balance by ₹1.79 lakh (Appendix 5.2);
- a joint physical verification of cash conducted on 23 November 2015 confirmed no surplus cash in the cash chest, establishing the misappropriation of ₹1.79 lakh;

- **Internal Audit of DME conducted in May 2015 failed to notice the misappropriation.**

After the matter was pointed out during audit, the Principal of the TD Medical College suspended (November 2015) the Junior Superintendent and Senior Clerk dealing with cash. Besides, the DME ordered (December 2015) a departmental inquiry into the alleged misappropriation of Government money. The inquiry, covering the period from March 2012 to November 2015, revealed misappropriation of ₹17.20 lakh. We, however, observed that no action was initiated against the DDO despite his failure to discharge his mandated supervisory responsibilities.

Thus, non-observance of codal provisions and supervisory lapses in ensuring periodical checks and controls resulted in misappropriation of ₹17.20 lakh in TD Medical College. Had the DDO ensured the correctness of individual entries by cross verifying them with the vouchers of daily receipts and payments and checked arithmetical accuracy of cash balance by totalling of daily entries, the misappropriation could have been avoided.

GOK, while responding (November 2016) to the audit observations stated that it had directed DME to reassess the loss sustained by the Department on account of the misappropriation and that further action would be taken on receipt of the report of DME. GOK also informed that the suspended officers had admitted to inadvertent omission in entering certain amounts in the cash book.

The response of the GOK was not tenable as the misappropriation of Government funds has taken place due to systematic and intentional efforts of the officials at fault which cannot be termed as inadvertent. Moreover, the GOK's reply has also failed to explain the delay of more than one year in taking appropriate action against the delinquent officials. As such, we recommend the GOK to take disciplinary action against all the defaulting officials including the DDO, as per relevant conduct rules governing their service, for their failure to perform their assigned duties. Further, the GOK may also ensure that the system and procedures are followed strictly to guard against the occurrence of such happenings in future.

HIGHER EDUCATION DEPARTMENT

5.3 Fraudulent drawal of remuneration for valuation

Violation of prescribed procedure by the Finance Officer, Mahatma Gandhi University in payment of remuneration to examiners for valuation of answer scripts led to a fraudulent drawal of ₹11.26 lakh.

Examiners of the Mahatma Gandhi University (MGU) were paid remuneration for valuation of answer scripts done by them. As per MGU Circular (July 2013), the Camp Officers of valuation camps had to submit claims of examiners along with their State Bank of Travancore (SBT)

account numbers for effecting direct payment of remuneration to the examiners.

We observed from the scrutiny of records that, the Camp Officer of School of Technology and Applied Science (STAS), Pathanamthitta, requested (October 2015) the Finance Officer of the MGU to issue him a cheque for payment of remuneration to the examiners, on the plea that most of the examiners did not have bank accounts with the SBT. The Finance Officer agreed (October 2015) to the request of the Camp Officer and issued cheque for ₹22.17 lakh in favour of the Camp Officer for further disbursement to the examiners.

After disbursement, the Camp Officer submitted Contingent bills claiming that 1,54,323 answer scripts were examined at the camp and a payment of ₹22.17 lakh was made to the examiners.

As a result of cross check of the claim contained in the Contingent bills with the stock/bundle register[85] maintained at the camp, we observed that only 1,01,974 answer scripts and not 1,54,323 answer scripts were evaluated at the camp.

We observed that the Camp Officer had inflated the number of answer scripts by 52,349 numbers in the Contingent bills submitted by him and made an additional claim of ₹11.26 lakh which was not disbursed to the examiners.

Consequent to our audit finding (June 2016), the MGU placed the Camp Officer and a Section Officer (currently Assistant Registrar (Exams)) under suspension (July 2016) who were responsible for submission and passing of the claim respectively. The Vice Chancellor, MGU stated (December 2016) that in addition to the Departmental inquiry being conducted by MGU, the matter had been reported to the State Vigilance and Anti-Corruption Bureau which had registered a case in this regard.

We, however, observed that no action had been initiated against the Finance Officer, who was primarily responsible for violating the orders of the MGU, by agreeing to the request of the Camp Officer for payment through cheque, which enabled the Camp Officer to defraud ₹11.26 lakh.

[85] Bundle register is a register containing number of answer scripts in each answer book bundle with question paper code

GENERAL ADMINISTRATION DEPARTMENT

5.4 Loss of rent due to defective lease agreement

A portion of Travancore House in New Delhi was leased out to State Bank of Travancore on the basis of 'carpet area' instead of 'plinth area' resulting in loss of ₹3.68 crore to GOK.

As per the instructions[86] issued by Public Works and Transport Department, Government of Kerala (GOK), the plinth area of a building is to be taken into account while calculating the rent.

The Travancore House, New Delhi, is a property of GOK. GOK accorded sanction (August 1994) to let out a portion of the Travancore House to the State Bank of Travancore (SBT) for setting up its Branch. Subsequently, in February 1995, GOK, through its Special Representative entered into an agreement with the SBT to let out an area of 3370 Sq.ft 'carpet area[87]' for a period of three years from 01 September 1994 at a mutually agreed rate of ₹50 per Sq.ft per month.

We noticed that during the period between 1994 (first year of lease) and 2015 (year of termination of lease), the Resident Commissioner, Kerala House, New Delhi (RC), who was in charge of the Travancore House, had executed agreement with SBT only twice, in February 1995 (covering the period from 01 September 1994 to 30 September 1997) and June 2008 (covering the period from 01 October 2005 to 30 September 2011) specifying carpet area as the basis for calculation of rent. As there was no agreement in place during the intervening period, rates of rent[88] were fixed vide Government Orders on the basis of mutual consensus between GOK and SBT. There were disputes between GOK and SBT on the extent of area actually occupied by SBT and the rate of rent to be levied. However, SBT continued to operate from the premises of Travancore House till its vacation on 31 October 2015, as negotiations with GOK were going on for determining the extent of area occupied and rate of rent payable by them.

With a view to confirm the area in actual possession of SBT, a joint measurement was conducted (August 2013) by a team comprising the technical staff of Kerala House, New Delhi and SBT which determined that the plinth area occupied by SBT was 4808.47 Sq.ft. Consequently GOK refixed (September 2014) the area occupied by SBT as 4808.47 Sq.ft and

[86] GO (Ms) No. 16/95/PW&T dated 09 March 1995

[87] The lease agreement between GOK and SBT specified 'floor area' of 3370 Sq.ft as the basis for reckoning of rent which corresponded to 'carpet area' as per joint measurement undertaken (September 1994) by the Assistant Engineer, Kerala House and the Deputy Manager (Engineering), SBT

[88] Rent rates mutually agreed upon between GOK and SBT from time to time: ₹62.50 per Sq.ft from 01/10/1997 to 30/09/2000; ₹75 per Sq.ft from 01/10/2000 to 30/09/2005; ₹93.75 per Sq.ft for 3562 Sq.ft of carpet area from 01/10/2005 to 30/09/2008; ₹117.18 per Sq.ft for 4074.26 Sq.ft area from 01/10/2008 to 30/09/2011; Rate of ₹150 per Sq.ft on plinth area of 4808.47 Sq.ft claimed by GOK from 1/10/2011 till date of vacation was not accepted by SBT

calculated rent on the basis of plinth area at the revised rate of ₹150 per Sq.ft[89] (₹7,21,330[90] per month) from 01 October 2011[91].

It was further noticed that the GOK requested SBT (November 2015) to remit the short payment of rent on the basis of plinth area, for the entire period of occupation from 01 September 1994 till the date of vacation of the premises by the SBT i.e. upto 31 October 2015. The SBT informed RC (April 2016) that payment of lease rent was made by the bank in compliance with the terms specified in the agreements executed with GOK and that it had already paid the entire rent in accordance with the agreements. Further, the SBT contested the Government Order (September 2014) which reckoned the plinth area as 4808.47 Sq.ft instead of earlier carpet area for fixing of rent. The decision of GOK to fix the rent based on carpet area instead of plinth area resulted in a loss of ₹3.68 crore as shown in **Table 5.5**.

Table 5.5: Loss of rent

Period	Carpet area reckoned for assessing rent (in Sq.ft)	Rent calculated by reckoning carpet area (in ₹)	Plinth area to be reckoned for assessing rent (in Sq.ft)	Rent calculated by reckoning plinth area (in ₹)	Amount of loss (in ₹)
September 1994 to March 1995	3370.00	11,79,500	4808.47	16,82,964	5,03,464
April 1995 to September 1997	3370.00	50,55,000	4808.47	72,12,705	21,57,705
October 1997 to September 2000	3370.00	75,82,500	4808.47	1,08,19,057	32,36,557
October 2000 to September 2005	3370.00	1,51,65,000	4808.47	2,16,38,115	64,73,115
October 2005 to September 2008	3562.00	1,20,21,750	4808.47	1,62,28,586	42,06,836
October 2008 to September 2011	4074.26	1,71,87,184	4808.47	2,02,84,435	30,97,251
October 2011 to October 2015	4074.26	1,81,60,800	4808.47	3,53,42,254	1,71,81,454
Loss to GOK					**3,68,56,382**

(Source: Lease agreements/letters of correspondence between SBT and GOK)

We observed as under from the scrutiny of records:

- though the rent was to be fixed based on plinth area as per PWD instruction (March 1995), the measurement was made based on the wrong advice of the Assistant Engineer, Kerala House to reckon 'carpet area' during the first joint measurement (February 1994);
- the General Administration Department (GAD), while referring the original draft agreement to the Law and Finance Departments, failed to seek the opinion of the Public Works Department (PWD) which was the authority to determine the plinth area and fix rent.

Thus, GOK had sustained a loss of ₹3.68 crore due to faulty execution of the agreement with SBT on the basis of the carpet area instead of plinth area, in violation of stipulated PWD norms.

[89] The then existing rate of New Delhi Municipal Corporation (NDMC)

[90] RC arrived at the figure by wrongly reckoning plinth area as 4808.87 Sq.ft instead of 4808.47 Sq.ft (4808.87 x 150 = 721330.50)

[91] Date from which a new lease period was to commence on the expiry of the earlier lease period on 30 September 2011

The GOK replied (December 2016) that a meeting was held with the SBT and RC on 21 December 2016, which failed to resolve the issue. We observed that wrong action taken at various levels had resulted in loss of ₹3.68 crore to GOK which needs fixing of responsibility.

HIGHER EDUCATION DEPARTMENT

5.5 Unfruitful expenditure on a recording theatre

A recording theatre constructed and fully equipped at a cost of ₹1.48 crore remained idle since August 2011 due to failure of Government of Kerala to engage technical and administrative staff.

The Government of Kerala (GOK), as a part of revamping of music colleges of Kerala, accorded Administrative Sanction (March 2009) for setting up of a recording theatre in Sri Swathi Thirunal College of Music, Thiruvananthapuram (SSTMC) under the Directorate of Collegiate Education, at a cost of Rupees one crore which was revised to ₹1.31 crore (August 2009). It was envisaged that students of performing arts could learn the techniques of eminent artists and record the programmes for their future reference. The work was executed through the Public Works Department (PWD) and completed (August 2011) at a total cost of ₹1.48 crore.

We observed that though the recording theatre was fully equipped with video-audio recording facilities and editing machines, the theatre could not be put to use due to failure of the Higher Education Department to engage skilled personnel like sound engineer, engineering assistant and cameraman besides office and administrative staff. We also noticed that even though the theatre work was completed in August 2011, proposal for manpower was submitted to GOK by the Principal, SSTMC only after a lapse of more than one year (December 2012). Though the Principal, SSTMC reminded (January 2015 and January 2016) the GOK to provide manpower, the GOK was yet to respond (January 2017). In the meantime, the warranty period of one year of the electronic equipment had expired and the Principal, SSTMC reported (January 2016) to the Director, Collegiate Education that the costly electronic equipment was getting damaged in the absence of trained personnel to operate it.

Thus, the failure of GOK to engage technical and administrative personnel led to the recording studio costing ₹1.48 crore remaining idle for a period of four years besides denial of facility to the students of the college. SSTMC also incurred an expenditure of ₹1.64 lakh on the non-functional studio towards minimum fixed electricity charges payable to the Kerala State Electricity Board during the period May 2015 to June 2016.

While accepting audit observation, GOK stated (September 2016) that the proposal to create posts to manage the equipment was under its consideration.

WATER RESOURCES DEPARTMENT

5.6 Unproductive expenditure on work due to non-availability of adequate land

Contrary to the directions of Kerala Water Authority, tenders were invited for a water supply scheme without ensuring physical possession of adequate land, resulting in unproductive expenditure of ₹4.18 crore, besides denial of potable water to the targeted population.

The Kerala Water Authority (Powers of Employees) Regulations, 1999 provided unlimited powers to the Superintending Engineer (SE) who is responsible for inviting tenders and execution of agreements. The Kerala Water Authority (KWA) directed its officers (July 2001 and reiterated in September 2008) not to tender any work unless the entire land required for completion of the scheme was in complete physical possession of KWA. Land for Water Supply Schemes was to be made available to KWA by the respective Grama Panchayaths (GP) free of cost.

Government of Kerala (GOK) accorded Administrative Sanction (December 1995) for 'Accelerated Rural Water Supply Scheme (ARWSS) to Veliyannoor and adjoining villages – Phase-II' for ₹6.50 crore which was subsequently revised to ₹9.50 crore in April 2003. The project was intended to supply water to Njeezhoor, Kuravilangad and parts of Kaduthuruthy villages. Package-I included laying of pipelines for supply of water to the Sump and connectivity from the Sump to Overhead Service Reservoir (OHSR) at Oleekkamala while Package-II work included construction of 74,000 litre capacity Sump cum Pump house at Thottuva and construction of five lakh litre capacity OHSR at Oleekkamala.

Tenders for Package-I and Package-II were invited by SE in January and March 2009 respectively. Package-I work was awarded (July 2009) for ₹4.06 crore and the work was completed (except for some gap bridging work) at a cost of ₹4.18 crore (April 2013). The work on Package-II was awarded (July 2009) for ₹4.11 crore for completion within nine months from the date of work order.

We, however, observed that the Package-II work was yet to be completed due to failure of KWA to ensure physical possession of adequate suitable land as shown below:

- Against a minimum 400 m^2 land required for construction of a five lakh litre capacity OHSR, the Kuravilangad GP handed over to KWA only 304 m^2 of land atop a hill with no approach.
- Land measuring 20 m^2 handed over to the KWA by the Kuravilangad GP for construction of Sump cum Pump house at Thottuva, was occupied by its own pump house for another scheme which needed to be relocated.

As the required land could not be handed over to the contractor even after 33 months of completion of pipe laying works, the SE ordered (March 2013) to terminate the contract exempting the contractor from carrying out construction of OHSR and Sump.

The action of the SE in executing the work of laying pipelines at a cost of ₹4.18 crore under Package-I and his failure in not taking up work on the construction of the Sump and OHSR under Package-II due to inadequacy of land resulted in non-completion of the water supply scheme and depriving the beneficiaries of potable water.

GOK confirmed (September 2016) that after taking possession of 304 m^2 land for overhead tank, rubber plantation was grown in adjoining lands which resulted in lack of motorable access to the land. Also, an existing pump house in the 20 m^2 land handed over to KWA was not relocated by the GP resulting in inability to proceed with the construction of the sump. GOK further stated that based on the proposal of KWA, a project for undertaking the incomplete work has since been approved (February 2016) for ₹5.13 crore by the State Level Scheme Sanctioning Council.

Reply of GOK was not acceptable in view of the fact that KWA, instead of learning from past mistakes, continued to seek and obtain approval from GOK and proposed work without ensuring physical possession of adequate suitable land.

(C. GOPINATHAN)
Principal Accountant General
(General and Social Sector Audit), Kerala

Thiruvananthapuram,
The 9 MAY 2017

Countersigned

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

New Delhi,
The 12 MAY 2017

APPENDICES

Appendix 1.1

Year-wise break up of outstanding Inspection Reports (IRs) as on 30 June 2016

(Reference: Paragraph 1.7.1; Page: 8)

Year	Up to 2011-12	2012-13	2013-14	2014-15	2015-16	Total
SCHEDULED CASTES DEVELOPMENT DEPARTMENT						
No. of IRs	42	40	91	131	136	**440**
No. of paragraphs	117	65	230	393	641	**1446**
No. of IRs for which initial reply has not been received (no. of paragraphs)	12 (53)	5 (17)	17 (61)	40 (173)	97 (387)	**171 (691)**
RURAL DEVELOPMENT DEPARTMENT						
No. of IRs	133	22	83	87	91	**416**
No. of paragraphs	414	39	236	323	363	**1375**
No. of IRs for which initial reply has not been received (no. of paragraphs)	17 (62)	2 (15)	19 (83)	30 (144)	69 (288)	**137 (592)**
LABOUR AND REHABILITATION DEPARTMENT						
No. of IRs	23	5	8	10	4	**50**
No. of paragraphs	64	21	46	67	38	**236**
No. of IRs for which initial reply has not been received (no. of paragraphs)	-	-	-	-	-	**-**
PLANNING AND ECONOMIC AFFAIRS DEPARTMENT						
No. of IRs	5	-	1	1	-	**7**
No. of paragraphs	14	-	6	9	-	**29**
No. of IRs for which initial reply has not been received (no. of paragraphs)	-	-	-	-	-	**-**

Appendix 1.2

Details of Statements of Action Taken pending as of September 2016

(Reference: Paragraph 1.7.3; Page: 8)

Sl. No.	Department	2011-12	2012-13	2013-14	2014-15	Total
1	General Education	-	-	1	1	2
2	Health and Family Welfare	-	-	4	1	5
3	Health and Family Welfare, Higher Education	-	-	1	-	1
4	Higher Education	-	-	-	2	2
5	Home	-	1	-	-	1
6	Housing	-	-	1	-	1
7	Local Self Government	-	-	-	1	1
8	Scheduled Castes/Scheduled Tribes Development	1	-	-	1	2
9	Social Justice	-	-	-	1	1
10	Water Resources	-	3	1	3	7
	TOTAL	**1**	**4**	**8**	**10**	**23**

Appendix 1.3

Statement showing the details of paragraphs pending discussion by the Public Accounts Committee as of September 2016

(Reference: Paragraph 1.7.4; Page: 8)

Sl. No.	Department	2011-12	2012-13	2013-14	2014-15	Total
1	Cultural Affairs	-	-	1	-	1
2	General Education	-	2	1	1	4
3	Health and Family Welfare	-	-	5	1	6
4	Higher Education	-	-	-	2	2
5	Home	-	1	-	-	1
6	Housing	-	-	1	-	1
7	Information Technology	-	-	1	-	1
8	Labour and Rehabilitation	-	-	1	-	1
9	Local Self Government	-	-	-	1	1
10	Revenue	-	4	-	3	7
11	Social Justice	-	-	-	1	1
12	Sports and Youth Affairs	-	1	-	-	1
13	Scheduled Castes/Scheduled Tribes Development	1	-	1	1	3
14	Water Resources	-	4	1	3	8
	TOTAL	**1**	**12**	**12**	**13**	**38**

Appendix 2.1

List of Corporations and Companies, Societies and Local Authorities in respect of which Recruitment Rules do not exist

(Reference: Paragraph 2.6.1.2; Page: 13)

1. Kerala Automobiles Limited
2. Kerala Hi-Tech Industries Limited
3. Kerala State Ex-servicemen Development and Rehabilitation Corporation (KEXCON)
4. Kerala State Maritime Development Corporation
5. Kerala State Pollution Control Board
6. Kerala State Textiles Corporation Limited
7. Kerala State Warehousing Corporation
8. Kerala State Wood Industries Limited
9. Kerala Transport Development Finance Corporation Limited (KTDFC)
10. Sitaram Textiles Limited
11. Travancore Cements Limited
12. The Kerala State Co-operative Marketing Federation Limited
13. The Kerala Co-operative Textile Federation
14. The Kerala Kera Karshaka Sahakarana Federation Limited
15. The Kerala State Federation of SC/ST Development Co-operative Society
16. State Institute of Encyclopaedic Publications (Kerala) Society
17. State Institute of Languages (Kerala) Society
18. The Kerala State Cashew Workers Apex Industrial Co-operative Society Limited
19. Kerala Fishermen Welfare Fund Board
20. State Institute of Children's Literature (Kerala) Society
21. Kerala Clay and Ceramics Products Limited
22. Kerala Feeds Limited
23. Kerala State Bamboo Corporation Limited
24. Kerala State Development Corporation for Christian Converts from SC and other recommended communities
25. Meat Products of India Limited
26. Metal Industries Limited
27. Oil Palm India Limited
28. The Kerala State Co-operative Agricultural and Rural Development Bank Limited
29. The Kerala State Co-operative Coir Marketing Federation Limited
30. Kerala State Poultry Development Corporation Limited
31. Kerala State Backward Classes Development Corporation Limited
32. Kerala State Co-operative Rubber Marketing Federation Limited
33. Kerala Asbestos Cement Pipe Factory Limited
34. Kerala School Teachers and Non-Teaching Staff Welfare Corporation Limited
35. Kerala State Handicapped Persons Welfare Corporation Limited
36. Kerala State Salicylates and Chemicals Limited
37. Metropolitan Engineering Company Limited
38. Sidkel Television Limited
39. The Chalakudy Potteries Limited
40. Kerala Coir Workers Welfare Fund Board
41. Trivandrum Development Authority

Appendix 2.2

Status of framing of Recruitment Rules in selected Corporations and Companies, Co-operative Societies

(Reference: Paragraph 2.6.1.2; Page: 13)

Sl. No.	Name of Institution	Administrative Department	Date of bringing under the purview of KPSC	Details of advice by KPSC/status of framing of Recruitment Rules
1	Kerala State Warehousing Corporation	Agriculture Department	GO (MS) 129/71/PD dated 11.05.1971	KPSC rendered advice for framing of rules as early as in November 1985. However, framing of Special Rules is pending with the Government.
2	Kerala State Bamboo Corporation Ltd.	Industries Department	GO (MS) 13/93/ P&ARD dated 03.02.1993	The Institution sought advice of KPSC for drafting of Recruitment Rules in January 1997. KPSC rendered advice in March 1997 to prepare and submit the draft rules. However, the matter is pending with the Administrative Department. 31 vacancies were reported in February 2013, but the selection was not conducted due to non-framing of Special Rules.
3	Kerala State Co-operative Coir Marketing Federation (Coirfed)	Industries Department	GO (P) 41/98/Co-op dated 09.03.1998	The MD, Coirfed submitted the draft rules to KPSC for advice in December 1999. KPSC agreed to the draft rules with some modifications in February 2010. However, the Rules are yet to be finalised by the Government.
4	Kerala Transport Development Finance Corporation	Transport Department	GO (MS) 13/2010/ P&ARD dated 05.04.2010	The KPSC addressed the Government (Transport Department) for framing of Special Rules in October 2012. KPSC issued reminder to Government in April 2013 and addressed the Company on 19 October 2015. The Company informed (31 October 2015) KPSC that it had submitted the draft rules to the Government in March 2014. However, Government is yet to submit the draft Rules to KPSC.
5	Oil Palm India Ltd.	Agriculture Department	GO (MS) 13/93/ P&ARD dated 03.02.1993	KPSC rendered (March 1996) advice to the Company to submit the draft Rules and also to the Government in July 2000. KPSC suggested some modifications in March 2016 and advised to forward the Rules approved by the Government. However, the Rules are yet to be finalised by Government.
6	Kerala State Poultry Development Corporation	Animal Husbandry Department	GO (P) 43/2010/ P&ARD dated 28.12.2010	Government submitted the draft Rules in May 2011 to KPSC for advice. KPSC sought (March 2012) some clarifications and Government resubmitted the Rules. KPSC agreed to the Rules with some modifications in June 2014. However, Government is yet to finalise the Special Rules.
7	Kerala State Cashew Workers Apex Industrial Co-operative Society (CAPEX)	Industries Department	GO (P) 41/98/Co-op dated 09.03.1998	KPSC rendered advice for framing of Rules for all categories in September 1998 to the MD and addressed the Government in June 2004 regarding the status of the draft Rules. KPSC again rendered advice in May 2010 to submit the draft Rules. Government in July 2014 constituted a committee for the purpose. However, Government is yet to submit the draft Rules/finalise the Rules.

Sl. No.	Name of Institution	Administrative Department	Date of bringing under the purview of KPSC	Details of advice by KPSC/status of framing of Recruitment Rules
8	Kerala State Co-operative Marketing Federation (MARKETFED)	Co-operation Department	GO (P) 41/98/Co-op dated 09.03.1998	The KPSC rendered advice to MD, for framing of Rules in May 1998 and to the Government in May 2005. Government submitted the draft Rules to KPSC in March 2009. The KPSC agreed (November 2009) to the draft Rules with some modifications. However, Government is yet to finalise the Rules.
9	State Institute of Children's Literature (Kerala) Society	Cultural Affairs Department	GO (P) 35/99/CAD dated 18.08.1999	KPSC rendered advice to the Director in September 2003 for framing of Recruitment Rules. However, Government is yet to submit the draft Rules/finalise the Rules.
10	State Institute of Encyclopaedic Publications (Kerala) Society	Cultural Affairs Department	GO (P) 35/99/CAD dated 18.08.1999	The KPSC rendered advice to the Director in March 2004 and to the Government in February 2006 for framing of Rules. Government informed (November 2011) KPSC that the draft Special Rules submitted to the Subject Committee had been returned for resubmission in the prescribed format and Government assured that the same would be forwarded to KPSC soon. However Government is yet to submit the approved draft Rules/finalise the Rules.
11	State Institute of Languages (Kerala) Society	Cultural Affairs Department	GO (P) 35/99/CAD dated 18.08.1999	KPSC rendered advice to the Director for framing of Rules in June 2000 and also to the Government in January 2008. However, Government is yet to submit the draft Rules/finalise the Rules.

Appendix 2.3

Selected cases of delay in reporting of fresh vacancies by Government Departments and Companies

(Reference: Paragraph 2.6.2.1; Page: 14)

Sl. No.	Department/ Institution	Name of Post	No. of vacancies	Date of occurrence of vacancies	Date of reporting of vacancies	Time taken for reporting
1	Director of Public Instruction	Part Time Junior Language Teacher (Arabic) reserved for SC/ST	1	01.1986	03.07.1995	> 9 years
2	Director of Public Instruction	Full Time Junior Language Teacher (Arabic) for SC/ST	2	01.1989	27.09.1995	> 6 years
3	Kerala State Drugs and Pharmaceuticals Ltd.	Driver Grade II	1	02.08.2006	04.06.2012/ 06.11.2012 (revised)	> 5 years
4	Principal Chief Conservator of Forests and Chief Wildlife Warden	Range Forest Officers reserved for SC/ST	3	26.08.2011 (1) 13.10.2011 (2)	13.03.2012 (3)	> 6 months 5 months
5	Kerala State Handloom Development Corporation Ltd.	Quality Control Inspector reserved for ST	1	05.09.2008	04.05.2009	8 months
6	Education Department Wayanad District	Lower Primary School Assistant	6	31.10.2011, 11.11.2011 and 09.11.2011	10.2012	1 year
			10	01.2012 and 09.2012	08.01.2013	Upto 1 year
7.	Agriculture Department	Agriculture Assistant	88	01.11.2008 to 31.03.2009	29.09.2009	Upto 11 months
			252	01.04.2010 to 31.03.2011	31.05.2011	Upto 1 year
			122	01.02.2007 to 31.07.2007	22.09.2012	> 5 years

Appendix 2.4

Details of delay in reporting of Not Joining Duty (NJD) vacancies in selected Departments

(Reference: Paragraph 2.6.2.2; Page: 14)

Sl. No.	Department/ Institution	Name of Post	No. of vacancies	Date of Advice	Date of reporting of vacancies	Time taken for reporting vacancies
1.	Education – Malappuram District	Lower Primary School Assistant	6	11.03.2014	19.08.2016	> 2 years
			1	31.12.2012	20.06.2016	> 3 years
			2	05.02.2013	20.06.2016	> 3 years
			1	26.03.2013	20.06.2016	> 3 years
2.	Education – Malappuram District	Upper Primary School Assistant	1	02.02.2013	20.06.2016	> 3 years
			1	07.02.2014	20.06.2016	> 2 years
3.	Education – Wayanad District	Upper Primary School Assistant	4	17.11.2012	17.05.2013	6 months
			1	31.01.2014	01.10.2014	8 months
			1	08.10.2014	28.06.2016	> 1 year
			1	15.05.2015	28.06.2016	> 1 year
4.	Education – Wayanad District	Lower Primary School Assistant	1	31.01.2014	12.09.2014	7 months
			2	15.11.2012	17.05.2013	6 months
5	Agriculture Department	Agricultural Assistant	6	06.08.2012	23.08.2013	> 1 year
			7	10.12.2012	23.08.2013	8 months
			2	05.03.2013	30.10.2013	7 months
			1	05.03.2013	23.12.2013	9 months

Appendix 2.5

Loss of turns due to non-considering of pending NJD turns

(Reference: Paragraph 2.6.7.2; Page: 22)

Category		Category No. 489/11		Category No. 490/11		Net loss of turns	Net gain of turns
		Pending NJD turns	Turns filled up as fresh vacancy	Pending NJD turns	Turns filled up as fresh vacancy		
Open Competition (OC)		92	90	319	313	8	-
Communal reservation turn	Ezhava	19	25	80	87	-	13
	Muslim	28	21	76	75	8	-
	SC	8	15	30	51	-	28
	ST	4	3	8	12	-	3
	SIUC	3	2	6	6	1	-
	OX	3	2	3	6	-	2
	LC	5	7	34	26	6	-
	OBC	9	5	31	19	16	-
	Viswakarma	5	5	21	19	2	-
	Dheevara	3	2	7	6	2	-
	Hindu Nadar	0	2	0	6	-	8
	Total	**87**	**89**	**296**	**313**	**-**	**-**
Turns for Differently Abled		5	5	30	19	11	-
TOTAL		**184**	**184**	**645**	**645**	**54**	**54**

Appendix 2.6

Details of delayed completion (from Notification to Ranked List) in respect of selected cases

(Reference: Paragraph 2.6.10; Page: 29)

Name of Post and Department	Category Number	Date of Notification	Last date of application	Date of finalisation of Ranked List	Time taken for completion of the selection process (from Notification to publication of Ranked List)	Remarks/Reasons for delay
Blacksmith Grade II – KSRTC	470/09	30.12.2009	03.02.2010	23.10.2014	4 years 9 months	OMR test was held only in April 2012. Reply of KPSC is silent about the reasons for delay in conducting examination and publication of result.
Draftsman Grade II in KWA	384/10	15.12.2010	19.01.2011	30.03.2015	4 years 3 months	OMR test was held only in June 2012. KPSC replied that too much time was taken to conduct detailed scrutiny of applications and further processes were also delayed to a certain extent.
Maintenance Engineer (Electrical) in Kerala State Film Development Corporation	460/10	31.12.2010	16.02.2011	11.05.2015	4 years 4 months	OMR test was held only in July 2012. Interview held in March 2014 was cancelled by KPSC on realising that the candidates interviewed were not from main list (prepared on merit basis) but from supplementary list (prepared for communal reservation). Hence, revised shortlist was published with 10 candidates in the main list by reducing cut off marks and interview was again conducted in March 2015. KPSC stated that usually such mistakes would not occur during the selection process and delay occurred only in this post. Actions were taken against the concerned officers by KPSC.
Assistant Engineer (Civil) in Kerala State Housing Board (KSHB) and KSRTC	105/09	30.04.2009	03.06.2009	01.03.2013	3 years 10 months	OMR test was held in June 2010. Reply of KPSC is silent about the reasons for delay in conducting examination and publication of result.
Engineering Assistant Grade III in Kerala State Construction Corporation	291/12	15.06.2012	19.07.2012	12.11.2015	3 years 4 months	OMR test was held in June 2013. KPSC stated that delay was owing to time taken for getting clarification regarding qualification from the company.
Block Development Officer in Rural Development Department	62/07	26.02.2007	28.03.2007	18.04.2011	4 years 1 month	OMR test was held in May 2008.

Name of Post and Department	Category Number	Date of Notification	Last date of application	Date of finalisation of Ranked List	Time taken for completion of the selection process (from Notification to publication of Ranked List)	Remarks/Reasons for delay
Training Instructor (Plumber) in SC Development Department	57/10	31.03.2010	05.05.2010	17.03.2015	4 years 11 months	OMR test was conducted only in March 2013 and interview in January 2015. KPSC stated that there were issues which computerisation could not resolve.
Agriculture Assistant Grade II	57/09	31.03.2009	06.05.2009	18.05.2012	3 years 1 month	OMR test was held in October 2010. KPSC stated that there were legal issues which computerisation could not resolve.
Electrician in KWA	236/10	31.08.2010	06.10.2010	31.12.2013	3 years 4 months	OMR test was conducted in August 2011. KPSC stated that delay in publication of Ranked List was due to lack of clarity in regard to acceptability of qualification of candidates.
Binder Grade II in Greater Cochin Development Authority	321/08	10.09.2008	15.10.2008	10.10.2014	6 years	OMR test was held in April 2012. Regional Officer, Ernakulam stated (October 2016) that each stage of selection process was carried out based on the orders of KPSC issued from time to time.
Dredger Cleaner in Irrigation Department	61/10	31.03.2010	05.05.2010	29.04.2014	4 years	OMR test was held in July 2012. Regional Officer, Ernakulam stated (October 2016) that the process upto finalisation of Ranked List has been carried out at the Head Office.
Draftsman Grade II (Architecture) in Public Works Department	215/07	26.06.2007	01.08.2007	08.10.2012	5 years 3 months	OMR test held in November 2008. Regional Officer, Ernakulam stated (October 2016) that the processes upto finalisation of Ranked List were carried out based on the orders of KPSC. Litigation, if any, in the matter of recruitment impedes the schedule of selection process.

Appendix 2.7

Statement showing attendance of candidates in selected examinations

(Reference: Paragraph 2.6.11.1; Page: 30)

Name of Post	Category No.	No. of candidates admitted	No. of candidates appeared	Percentage of absence
Assistant/Auditor	436/12	379219	279510	26
Assistant Surgeon in Health Services	192/10	3940	2145	46
Catalog Assistant in Legislature Secretariat	311/08	1617	908	44
Draftsman cum Surveyor in Mining and Geology	191/07	1993	1042	48
Refrigeration Mechanic in Medical Education Department	55/09	1000	525	48
Draftsman Grade II/Overseer Grade II (Electrical) in Higher Education Department	284/07	1316	571	57
Mortuary Technician Grade II Medical Education Department	372/08	1272	713	44
Draftsman Grade II/Overseer Grade II (Civil) Harbour Engineering Department	53/07	7699	3059	60
Electrician in Medical Education Department	71/08	2409	1098	54
Municipal Secretary Grade III (Urban Affairs Department)	102/09	3879	2293	41
Typist Grade II Government Secretariat/KPSC/Local Fund Audit Department etc.	349/08	14231	4888	66
Security Guard Government Secretariat/KPSC	58/09	11405	6248	45
Scientific Assistant (Chemistry) Police (Forensic Science Lab)	171/09	2227	1029	54
Block Development Officer – Rural Development Department	62/07	217023	127582	41

Appendix 3.1

List of officials promoted in violation of Pay Revision Orders

(Reference: Paragraph 3.7.2.3; Page: 50)

Sl. No.	Name of posts	Name of Employee	Date of Promotion	Hike in Basic pay (in ₹) From	Hike in Basic pay (in ₹) To	Difference (in ₹)	No. of months	Amount (Difference x No. of months) (in ₹)
1.	Pool Officer	Beevikunju O	31.03.2011	35320	37040	1720	60	103200
2.		Molly M C	19.01.2013	36960	37940+900	1880	38	71440
3.		Ananthasankaran K	01.11.2014	38600	37940+2380	1720	17	29240
4.		Indira K K	01.06.2015	38600	37940+3200	2540	10	25400
5.	Section Officer (Fair Copy and Despatch) Higher Grade	Saphiya Beevi K M	31.03.2011	32860	35320	2460	60	147600
6.		Santhi C P	01.04.2011	32860	35320	2460	60	147600
7.		Omana V P	19.01.2013	34500	36140+820	2460	38	93480
8.		Murali K K	23.01.2013	34500	36140	1640	38	62320
9.		Lalu P	23.01.2013	34500	36140	1640	38	62320
10.		Priya V N	23.01.2013	33680	36140	2460	38	93480
11.		Mohanan P M	01.11.2014	34500	36140+820	2460	17	41820
12.		Rukkiya Beevi A	01.12.2014	35320	36140+820	1640	16	26240
13.		Surendran S	01.05.2015	33680	35320	1640	11	18040
14.		Madhumathy A S	01.06.2015	36140	36140+1640	1640	10	16400
15.	Section Officer (Fair Copy and Despatch)	Purushothaman P S	31.03.2011	29860	30610	750	60	45000
16.		Sailaja Devi N	01.04.2011	30610	31360	750	60	45000
17.		Rajeena P A	19.01.2013	33680	34500	820	38	31160
18.		Annamma V I	19.01.2013	30610	31360	750	38	28500
19.		Chandramma P P	23.01.2013	30610	31360	750	38	28500
20.		Annamma K	23.01.2013	30610	31360	750	38	28500
21.		Sulochana V R	31.10.2014	31360	32110	750	17	12750
22.		Geetha T U	01.12.2014	32110	32860	750	16	12000
23.		Pradeep Kumar L G	01.05.2015	32110	32860	750	11	8250
24.		Anzari M J	01.06.2015	32110	32860	750	10	7500
25.		Geethamma K N	01.09.2015	32110	32860	750	7	5250
26.	Conductor Higher Grade	Tomy Varghese	20.01.2014	14980	16180	1200	26	31200
27.	Pass Examiner	P V Jacob	20.01.2014			1200	26	31200
28.	Assistant Librarian	G Geetha Bai	25.03.2013			1720	36	61920
29.		Joy Joseph	19.03.2015			1720	12	20640
	TOTAL							**1335950**

Appendix 4.1

District wise pendency of cases as on 31 March 2016

(Reference: Paragraph 4.5; Page: 60)

Sl. No.	Districts	Total cases pending as on 31 March 2016		
		Civil	Criminal	Total
1	Thiruvananthapuram	48876	89697	138573
2	Kollam	23510	83432	106942
3	Pathanamthitta	11576	40367	51943
4	Kottayam	15683	35145	50828
5	Alappuzha	26730	45480	72210
6	Idukki	4937	7767	12704
7	Ernakulam	30945	34663	65608
8	Thrissur	57822	28157	85979
9	Palakkad	19611	33090	52701
10	Kozhikode	15571	32979	48550
11	Malappuram	15294	38517	53811
12	Kannur	17726	21466	39192
13	Wayanad	3652	10900	14552
14	Kasaragod	3980	13713	17693
	GRAND TOTAL	**295913**	**515373**	**811286**
Note 1	Ernakulam District was selected directly as the High Court and Headquarters of Kerala State Legal Services Authority and Director General of Prosecution is located.			
Note 2	Other three districts *viz.* Thiruvananthapuram, Thrissur and Malappuram were selected based on Probability Proportionate to Size Without Replacement sampling method.			

Appendix 5.1

Absence of minimum fire safety standards in buildings

(Reference: Paragraph 5.1.7; Page: 79)

(X = Not available, ✓= Available)

Sl. No.	Name and address of building	Name of Fire Station	Adequate fire extinguishers	Fire pumps	Alternate source of power	Width access to building	Open space	Emergency lighting	Fire escape stair (Min 75 cm)	Hindrance free access to fire escape stair	Service duct and shaft	Static water storage tank
1	2	3	4	5	6	7	8	9	10	11	12	13
1	District Co-operative Hospital, Thrissur	Thrissur	X	X	X	X	X	X	X	X	X	X
2	KMCT Medical College Hospital, Mukkam, Kozhikode	Mukkam	✓	X	X	✓	✓	X	✓	✓	X	X
3	KMCT Dental College, Mukkam, Kozhikode	Mukkam	✓	X	X	✓	✓	X	✓	✓	X	X
4	Super Speciality Block, Medical College, Kozhikode	Vellimadukunnu	X	X	X	✓	✓	X	✓	X	X	X
5	Asten Ortho Hospital, Kozhikode	Meenchantha	X	X	X	✓	✓	X	✓	X	X	X
6	Ahalya Hospital, Ulloor, Thiruvananthapuram	Thiruvananthapuram	X	✓	✓	✓	X	X	X	✓	✓	X
7	Bishop Benzigar Hospital, Kollam	Chamakkada	✓	X	X	✓	X	X	✓	X	✓	✓
8	ESIC Model and Super Speciality Hospital, Kollam	Kadappakkada	✓	X	X	✓	✓	X	✓	✓	X	X
9	Sunrise Hospital, Kakkanad, Ernakulam	Thrikkakara	X	X	X	✓	X	X	✓	X	✓	✓
10	Sacred Heart CMI Public School, Ernakulam	Club Road	✓	X	X	✓	✓	X	X	X	X	X
11	Central Excise and Customs, Assistant Commissioner's Office	Thrissur	✓	X	X	✓	✓	X	X	X	X	X
12	Mini Civil Station, Chavakkad, Thrissur	Guruvayur	X	X	X	✓	✓	X	X	X	X	X
13	Tax Complex, Kollam	Kadappakkada	✓	X	X	✓	✓	X	✓	X	X	X
14	EPF Regional Office, Ernakulam	Gandhi Nagar	✓	X	X	✓	✓	X	X	X	X	X
15	Office of Superintendent, Customs and Central Excise, Guruvayur	Guruvayur	X	✓	X	✓	✓	X	X	✓	X	✓
16	Kowdiar Heaven, Thiruvananthapuram	Thiruvananthapuram	X	✓	✓	✓	X	X	X	X	✓	✓
17	Glendale Manor, Chalakkuzhy	Thiruvananthapuram	X	X	X	✓	✓	X	X	✓	X	X
18	Seven Seas Apartments, Ernakulam	Club Road	✓	X	X	✓	X	X	✓	✓	X	✓
19	Athira Gold and Silks, Ernakulam	Club Road	X	X	X	✓	✓	X	X	X	X	✓
20	I-Mall, Anchalumoodu, Kollam	Chamakkada	✓	X	X	✓	✓	X	✓	✓	X	X

(X = Not available, ✓= Available)												
Sl. No.	**Name and address of building**	**Name of Fire Station**	**Adequate fire extinguishers**	**Fire pumps**	**Alternate source of power**	**Width access to building**	**Open space**	**Emergency lighting**	**Fire escape stair (Min 75 cm)**	**Hindrance free access to fire escape stair**	**Service duct and shaft**	**Static water storage tank**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
21	Stories Global Home Concepts, Kozhikode	Kozhikode Beach	X	X	✓	X	✓	X	X	X	X	X
22	Chirakkekkaran Glass House, Thrissur	Thrissur	X	X	X	✓	✓	X	✓	X	X	X
23	Centre Plaza, Vazhuthacaud, Thiruvananthapuram	Thiruvananthapuram	X	X	X	X	X	X	X	X	X	X
24	Legrande Auditorium, Thrissur	Thrissur	X	X	X	✓	✓	X	✓	✓	X	✓
25	Sreekrishna Residency, Guruvayur	Guruvayur	X	X	X	X	X	X	X	✓	X	X
26	Tagore Theatre, Thiruvananthapuram	Thiruvananthapuram	X	X	X	✓	✓	X	X	✓	✓	X
27	C Kesavan Memorial Town Hall, Kollam	Kadappakkada	X	X	X	✓	✓	X	X	✓	X	X
28	A J Hall, Ernakulam	Gandhi Nagar	X	X	X	✓	✓	X	X	✓	X	X
29	Municipal Corporation Town Hall, Ernakulam	Club Road	X	X	X	✓	✓	X	X	✓	X	X
30	Intel Automotives, Thrissur	Thrissur	X	X	X	X	X	X	X	X	X	X
31	KRS Godown, Thrissur	Thrissur	X	X	X	X	X	X	X	X	X	X
32	KRS Godown, Thiruvananthapuram	Thiruvananthapuram	X	X	X	X	X	X	X	X	X	X

Appendix 5.2

Details of understating and overstating of entries in cashbook

(Reference: Paragraph 5.2; Page: 87)

(in ₹)

Receipts					Payments				
Date	**OB and Total Receipts**	**Amount as per cash book**	**Amount to be as per transactions**	**Difference**	**Date**	**Total Payments and CB**	**Amount as per cash book**	**Amount to be as per transactions**	**Difference/ Shortage in cash**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
	OB	1267067				Payments	1027775	1022375	(5400)
28.04.14	Receipt	936541			28.04.14	CB	1175833	1181233	**5400**
	Total	**2203608**				**Total**	**2203608**	**2203608**	
	OB	598252				Payments	633288	577239	(56049)
23.09.14	Receipt	1322053			23.09.14	CB	1287017	1343066	**56049**
	Total	**1920305**				**Total**	**1920305**	**1920305**	
	OB	1013675			25.09.14	Payments	2465211	2442211	(23000)
25.09.14	Receipt	2332414				CB	880878	903878	**23000**
	Total	**3346089**				**Total**	**3346089**	**3346089**	
	OB	1447947				Payments	2943965	2942965	(1000)
21.10.14	Receipt	3594073			21.10.14	CB	2098055	2099055	**1000**
	Total	**5042020**				**Total**	**5042020**	**5042020**	
	OB	1016619				Payments	314082	313882	(200)
30.10.14	Receipt	91496			30.10.14	CB	794033	794233	**200**
	Total	**1108115**				**Total**	**1108115**	**1108115**	
	OB	794033				Payments	7462986	7461986	(1000)
31.10.14	Receipt	8265483			31.10.14	CB	1596530	1597530	**1000**
	Total	**9059516**				**Total**	**9059516**	**9059516**	
	OB	1442493				Payments	7823709	7823709	
11.11.14	Receipt	12424595			11.11.14	CB	6028379	6043379	15000
	Total	**13852088**	**13867088**	**15000**		**Total**	**13852088**	**13867088**	**(15000)**
	OB	6028379				Payments	1276297	1274297	(2000)
12.11.14	Receipt	311390			12.11.14	CB	5063472	5065472	**2000**
	Total	**6339769**				**Total**	**6339769**	**6339769**	
	OB	1387652				Payments	2584181	2574181	(10000)
24.12.14	Receipt	3101037			24.12.14	CB	1904508	1914508	**10000**
	Total	**4488689**				**Total**	**4488689**	**4488689**	
	OB	1710384				Payments	1487272	1487272	
19.01.15	Receipt	2468805			19.01.15	CB	2671917	2691917	20000
	Total	**4159189**	**4179189**	**20000**		**Total**	**4159189**	**4179189**	**(20000)**
	OB	2504942				Payments	5748451	5746451	(2000)
03.02.15	Receipt	5772470			03.02.15	CB	2528961	2530961	**2000**
	Total	**8277412**				**Total**	**8277412**	**8277412**	
	OB	2385246				Payments	3113909	3106671	(7238)
19.02.15	Receipt	3343587			19.02.15	CB	2614924	2622162	**7238**
	Total	**5728833**				**Total**	**5728833**	**5728833**	
	OB	2017745				Payments	379447	378447	(1000)
26.02.15	Receipt	148145			26.02.15	CB	1786443	1787443	**1000**
	Total	**2165890**				**Total**	**2165890**	**2165890**	

Receipts					Payments				
Date	**OB and Total Receipts**	**Amount as per cash book**	**Amount to be as per transactions**	**Difference**	**Date**	**Total Payments and CB**	**Amount as per cash book**	**Amount to be as per transactions**	**Difference/ Shortage in cash**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
06.03.15	OB	1544723			06.03.15	Payments	295916	294916	(1000)
	Receipt	486513				CB	1735320	1736320	**1000**
	Total	**2031236**				**Total**	**2031236**	**2031236**	
10.03.15	OB	1539968			10.03.15	Payments	385852	384852	(1000)
	Receipt	4394372				CB	5548488	5549488	**1000**
	Total	**5934340**				**Total**	**5934340**	**5934340**	
10.06.15	OB	4351177			10.06.15	Payments	1275088	1274088	(1000)
	Receipt	415726				CB	3491815	3492815	**1000**
	Total	**4766903**				**Total**	**4766903**	**4766903**	
15.06.15	OB	2634903			15.06.15	Payments	972886	969886	(3000)
	Receipt	1619867				CB	3276884	3284884	8000
	Total	**4249770**	**4254770**	**5000**		**Total**	**4249770**	**4254770**	**(5000)**
19.06.15	OB	3213593			19.06.15	Payments	1261795	1260795	(1000)
	Receipt	23421				CB	1975219	1976219	**1000**
	Total	**3237014**				**Total**	**3237014**	**3237014**	
23.06.15	OB	1507721			23.06.15	Payments	481365	480365	(1000)
	Receipt	681025				CB	1707381	1708381	**1000**
	Total	**2188746**				**Total**	**2188746**	**2188746**	
26.06.15	OB	1170881			26.06.15	Payments	149812	149812	
	Receipt	700211				CB	1720280	1721280	1000
	Total	**1870092**	**1871092**	**1000**		**Total**	**1870092**	**1871092**	**(1000)**
15.07.15	OB	3899911			15.07.15	Payments	2237819	2237819	
	Receipt	4296859				CB	5957951	5958951	**1000**
	Total	**8195770**	**8196770**	**1000**		**Total**	**8195770**	**8196770**	**(1000)**
29.07.15	OB	2253393			29.07.15	Payments	1539419	1539419	
	Receipt	1512192				CB	2206166	2226166	20000
	Total	**3745585**	**3765585**	**20000**		**Total**	**3745585**	**3765585**	**(20000)**
	Total difference in totalling			**62,000**		**Total difference in payments**			**1,16,887**
						Total difference in totalling			**62,000**
Total difference to be reflected in Cash balance									**1,78,887**

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