

**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2021-23)**

**EIGHTEENTH REPORT  
(Presented on 7<sup>th</sup> July, 2022)**



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM**

**2022**

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ON  
PUBLIC ACCOUNTS  
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**EIGHTEENTH REPORT**

**on**

**Action Taken by Government on the Recommendations  
contained in the Fifty Seventh Report of the Committee on  
Public Accounts (2001-2004)**

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## **COMMITTEE ON PUBLIC ACCOUNTS (2021-2023)**

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Shri. Reji B., Additional Secretary

Shri. P. S. Selvarajan, Deputy Secretary

Smt. Shamy J., Under Secretary.

## **INTRODUCTION**

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Eighteenth Report on Action Taken by Government on the Recommendations contained in the Fifty Seventh Report of the Committee on Public Accounts (2001-2004).

The Committee considered and finalised this Report at the meeting held on 8<sup>th</sup> June 2022.

Thiruvananthapuram  
7<sup>th</sup> July, 2022.

**SUNNY JOSEPH,**  
*Chairman,*  
*Committee on Public Accounts.*

## REPORT

**This Report deals with the action Taken by the Government on the recommendations contained in the 57<sup>th</sup> report of the Committee on Public Accounts (2001-04).**

The 57<sup>th</sup> Report of the Committee on Public Accounts (2001-04) was presented in the House on 12<sup>th</sup> August 2003. The Report contained Eleven recommendations relating to Forest and Wildlife Department. The report was forwarded to Government on 05.11.2003 seeking the Statements of Action on the recommendations contained in the Report and the final reply was received on 26.09.2018.

The Committee examined the statements of Action Taken received from the Government at its meeting held on 10.01.2007, 14.05.2008, 10.04.2012, 15.05.2013 and 8.6.2022. The Committee was not satisfied with the Action Taken by the Department on the recommendations contained in Paragraphs 14 and 15. These recommendations, reply furnished thereon and further recommendations of the Committee are included in Chapter I of this Report. The Committee decided not to pursue action on the remaining recommendations, in the light of the replies furnished by the Government. Such recommendations/comments and their replies are incorporated in the Chapter II of this Report.

against the officers responsible for serious lapses in collecting the revenue due to Government and decided to reiterate its recommendation as to the action against officers concerned.

**Recommendation**

**(Sl. No. 5, Para No. 15)**

1.4 The Committee also recommends that the auditing wing be brought under a senior Chief Conservator of Forest so as to strengthen and improve its functioning and to realise the demands/claims due to the department/Government.

**Action Taken**

1.5 This is being examined by Government in consultation with Addl. Principal Chief Conservator of Forest who has also been requested to furnish proposals for rationalising the work of the Chief Conservator of Forests.

**Further Recommendation**

1.6 The Committee opined that the reply received from the Department is not to the point and hence not satisfactory. The committee should be informed whether the Government had examined the recommendation and took actions on it. If the Department did not take any action, the reasons there of should be furnished. The committee should also be informed of the steps taken by the Department in this matter.

CHAPTER II

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

**FOREST AND WILDLIFE DEPARTMENT**

**Recommendation**

**(Sl. No. 1 Para No. 3)**

2.1 Considering the magnitude of short levy of forest revenue, loss in auction and other irregularities which revealed short realisation of revenue relating to Forest & Wildlife Department, as pointed out in Audit, the Committee observes that if the result of test audit could be taken as an indicator, the actual loss would have been much higher and that the present set up of the internal audit system is not effective. There is also no follow up action on the reports and findings of this wing. The committee therefore recommends that the staff deployed for conducting Internal Audit should concentrate more on their intended purpose and urges the department to ensure effective monitoring and follow up action. The committee also recommends that the Internal Audit should always precede Accountant General's Audit to ensure the very purpose of administrative vigilance.

#### **Action Taken**

2.2 The Chief Conservator of Forest (D) is the designated officer in charge of internal audit in Forest Department. For the effective conduct of internal audit in Forest Department, a second unit of internal audit wing has been set up w.e.f 01.01.2006 by sparing the services of one Junior Superintendent and two clerks additionally. Eventhough two units of internal audit wing are now functioning there are limitations to carry out internal audit in all Forest Offices just before Accountant General's inspection. Internal Audit is being conducted in Ranges as well as in Forest Divisions. There are 80 Divisions and 159 Ranges in the Forest Department under various wing which include Territorial Forest Divisions, Wilde Life Divisions, Social Forestry Divisions, Flying Squad Divisions, Research Wing, Timber Sales Divisions and Forest Schools.

2.3 The Chief Conservator of Forests (D) has further reported that now, programmes' are being charted out for conducting internal audit in two Divisions and Ranges coming there under in a month for each team. It may be very difficult to cover entire offices, every year by the two teams now



available preceding A.G's audit. At the same time efforts are made to cover all the wings with maximum speed.

**Recommendation**

**(Sl. No. 2, Para No. 4)**

2.4 The Committee desires to be furnished with the details of internal audit conducted in the territorial ranges and the major findings.

**Action Taken**

2.5 The total number of officers audited by the Internal audit wing from 2001 to 2005 is as follows:

1. 2001-2002-35 offices
2. 2002-2003-36 offices
3. 2003-2004-42 offices
4. 2004-2005-68 offices

2.6 The total number of territorial Ranges due to be audited by the internal audit wing during the years 2001-02 to 2004-05 are as follows:

2001-02-38

2002-03-37

2003-04-31

2004-05-5

The details regarding the major findings of the internal audit wing during 2004-2005 in connection with the progress of action taken on the basis of para 4 of the recommendation is as follows:

Period	Name of Office	Particulars/Details of finding	Loss Sustained to Govt.(in ₹)
2004-05	Divisional Forest Officer, Munnar.	1.Sanctioning high rates in the work digging pits against G.O.(Rt)101/90	173278
		2. Illicit collection and removal of 6752 sandal wood tree (01.04.2002 to 03/2005) in Marayoor Range.	40764700
2004-05	Wildlife Warden, Idukki	1.Irregular drawal of NRA without obtaining Authorisation from AG.	150000
		2. Purchase of stores without observing Stores Purchase Rules	319536
2004-05	Divisional Forest Officer, Nilambur (N)	1.Expenditure made without sanction from Competent Authority (Planting work -items like manure etc.)	479587
2004-05	Divisional Forest Officer, Ranni	Revision of Estimate and Rate after execution of agreement.	118947
2004-05	Wildlife Warden, Tvpm	Sanctioning of high rate in the work of diggings pits against G.O.(Rt)101/90	49193
2004-05	SF Division, Kannur	Sanctioning of high rate in the work of diggings pits against G.O.(Rt)101/90	213324
2004-05	Wildlife Division, Silent Valley	Excess rate in the maintenance of forest roads.	95619
		Purchase of stores without observing Stores Purchase Rules	105800
2004-05	Wildlife Warden, Peechi	1st year 1st weeding before completing planting work.	-

2004-05	Divisional Forest Officer, Munnar Adimali(A8-12485/05)	150 bags of Cement caked and destroyed due to non-use in time.	25000
2004-05	Divisional Forest Officer, Tvpm	Sanctioning of high rate in the work of Gully plugging against allowable rate	3692
2004-2005	Punalur Division	1st year 1st weeding before completing planting work.	-

2.7 It is also reported by the Chief conservator of Forests (D) that necessary follow up action has been taken on the observations made by the Internal Audit wing. Drastic action has also been taken viz suspension of Sri. M.G. Abraham, then Wild Life Warden, Idukki for the misappropriation of money ( as per G.O.(Rt) No.426/05/ F&WLD dated 30.07.2005). Out of irregular expenditure made for ₹4,79,581/- in Nilambur North Division, an amount of ₹2,24,419/-has been recovered from the responsible persons.

### **Recommendation**

#### **(Sl. No. 3, Para No. 6)**

2.8 The Committee understands that clarification regarding Kerala Grants and Leases (Modification of Rights) Amendment Bill 1999 has been forwarded to the Union Home Ministry. The Committee recommends that urgent steps be taken to expedite the process and to frame Rules incorporating the provisions contained in the Act which confers power to revise the lease rent form time to time.

### **Action Taken**

2.9 The Kerala Grants and Leases (Modification of Rights) Amendment Bill 1999 passed by the Kerala Legislative Assembly was forwarded to the President of India for his assent. Subsequently, the Government of India, Ministry of Home Affairs had informed that the purpose for which can be achieved by making rules under the Act by State Government and as such an

amendment to the Act is not necessary. Accordingly, the State Government have amended the Kerala Grants & Leases (Modification of Rights) Rules, 1990 as per G.O (P) No. 50/09/F&WLD dated 28.11.2009 so as to enable the District collectors to revise the lease rent or assessment. In obedience to this order, necessary directions have been given to the Revenue Department and District Collectors to take steps to implement the Kerala Grants and Leases (Modification of Rights) Rules, 1990. The revision of lease rent is in progress. Now steps are being taken to withdraw the Kerala Grants and Leases (Modification of Rights) Amendment Bill 1999.

### **Recommendation**

#### **(Sl. No. 6, Para No. 19)**

**2.10** The Committee suggests that the Department ought to show more sincerity in giving timely replies to audit objections. The Committee recommends that earnest efforts should be made to convene Audit Committees in time and that the Finance Department, in particular, should take the lead in the clearance of Audit objections.

### **Action Taken**

**2.11** Earnest efforts are taken for giving timely replies to Audit objections. Audit objections. Audit Committees shall be convened on receipt of pending list of LAR cases from Accountant General (Audit) Thiruvananthapuram.

### **Recommendation**

#### **(Sl. No. 7, Para No. 21)**

**2.12** The Committee understands that Government have deferred the collection of arrears for one year due to the weak financial position of the Plantation Corporation of Kerala Limited. The Committee urge the Forest Department to furnish the details of collection of lease rent arrears after the expiry of moratorium granted by Government.

**Action Taken**

2.13 Government vide GO(MS)No.128/08/AD dated 07.08.2008 had accorded sanction for remitting Rs.7 crore provisionally towards arrears of lease rent of plantation area till the disputes regarding the rate of lease is finally decided by Government. As per the orders contained in GO(MS)No.128/08/AD dated 07.08.2008, M/s. Plantation Corporation of Kerala has remitted 7 crore rupees against the lease rent arrears due to Forest Department. In the meeting held on 17.09.2010, it was decided to place the issue of reduction of lease rent or the estates leased out to M/s. Plantation Corporation of Kerala before the Council of Ministers as ordered by Hon'ble Chief Minister. Final decision in the matter has not been taken yet.

**Recommendation**

**(Sl. No. 8, Para No. 23)**

2.14 The Committee desires to be furnished with the details of collection of lease rent arrears in respect of Kerala Forest Development Corporation after the issuance of Government orders on 05.01.2002.

**Action Taken**

2.15 The Kerala Forest Development Corporation is regularly remitting the lease rent for the forest land leased out to them with effect from 01.04.2002 onwards. The arrears of lease rent up to 31.03.2002 amounting Rs.120.40 lakhs excluding penal interest has been requested to adjust against the subsidy due to KFDC. A meeting was held on 27.12.2011 at Government level to settle the dues of Kerala Forest Development Corporation. Final decision in the matter has not been taken yet.

**Remarks on para no. 21 & 23**

2.16 The Committee recommended the Government to take a final decision in this regard by giving remission if necessary and settle the case at the earliest.

**Recommendation**

**(Sl. No. 9, Para No. 36)**

2.17 The Committee finds no justification in the action of the Government in regularizing the supply of teakwood to the institutions at seigniorage rate at a later date after effecting the supplies once the audit objected such supplies. The Committee is distressed to note that no formal concurrence were obtained from the Finance Department before effecting the supply. Out of the four files related to the supply of timber, only two files were submitted to the Committee, as a result of which the Committee could not study and examine the cases in its totality. The Committee was informed that the other files were destroyed after they were transferred to GA (Records) Section. The Committee cannot accept the explanation offered in this regard as the Committee found out that the files were destroyed even before the completion of audit. The Committee feels that if files are destroyed in such a manner, it would cause incomplete audit and let the matter slip away from examination by PAC, resulting in non-compliance with a constitutional obligation. The Committee urges the department not to repeat such lapses and to maintain all related files intact till the completion on audit and clearance of objection raised by Audit.

**Action Taken**

2.18 A circular instruction was issued vide no. 925/B2/04F&WLD dated, 27-05-2006 to all sections of Forest & Wildlife Department for maintaining all files intact relating to Audit till the completion and clearance of Audit objection.

**Further Recommendation**

2.19 The Committee is not satisfied with the reply furnished by the Department. The Committee viewed it seriously the fact that the Department destroyed two files before the completion of audit. Therefore, the Committee wanted to know whether the files were destroyed in accordance with the procedures in the Secretariat Manual. As per the rule Administrative

Department has no power to give concession without concurrence of the Finance Department. Even if the Finance Department agrees, the matter should be brought to the notice of the Cabinet, considering the Economy Order and the Volume of Amount. Hence, the Committee firmly believes that the matter is done against the Rules of Procedures. Therefore, the Committee wanted to know whether any disciplinary action is taken against the delinquent officers. If not, the reasons for not taking the disciplinary action against such officers.

### **Action Taken Report**

2.20 The files deals with the subject were destroyed. Hence it is not known whether disciplinary action has been taken against the delinquent officers. The details of officers responsible for destroying two disposals could not be traced out in the Section. Hence General Administration (Services A), General Administration (SR) and General Administration (Special B) departments have been requested to provide the details of officers working in the period. No details were available in that department also. Since the lapse occurred during the period 1994-2000 it is very difficult to collect the details of responsible officers. The files are now digitised. Hence such lapses will not be occurred in future. Committee may be requested to consider the above facts and further proceedings in the para may kindly be dropped.

### **Recommendation**

(Sl. No. 10, Para No. 37)

2.21 The Committee desires to know whether the balance amount was realized from the College Authorities. The Committee also recommends to take disciplinary action against the officers responsible for non-realization of centage charges which caused a loss of Rs. 2.49 lakhs in connection with the supply of teak wood to St. Peters College, Kolencherry.

### **Action Taken Report**

2.22 St. Peters College authorities had filed WP No. 24503/2004 before the Hon'ble High Court against the Revenue Recovery Proceedings and the same was dismissed on 07.07.2005. Later on RP no. 781/2005 was filed by them and that was also dismissed by the Hon'ble High Court on 20.10.2005, giving freedom to the petitioner to file fresh WP if there is any case for it. Later the Chief Conservator of Forests (Protection) has informed that the college authorities have remitted the entire due amount of Rs. 2,49,305/- vide chalan No. 1431 dated, 16.09.2005 of Kunnathunadu Sub Treasury in the SBT, Perumbavoor.

### **Further Recommendation**

2.23 The Committee recommended to take disciplinary action against the officers responsible for non-realisation of Centage Charges. But the reply received from the Department has not mentioned anything about this. Therefore, the Committee wanted to know whether any disciplinary action had been taken against the officers who failed to taken action. If not, the reasons for not taking the action. The Committee also recommends that stringent disciplinary action be taken against such officers without any delay.

### **Action Taken**

2.24 The disciplinary action against the Officers responsible for non-realisation of Centage charge was finalized by serving a memo. (The Computer copy of the letter of the DFO, Thrissur to the CCF is enclosed) As the centage charge was realized from the St. Peter's College authorities and the responsible officers retired from Service, the disciplinary action against them were dropped.



**Recommendation**

(Sl. No. 11, Para No. 38)

2.25 The Committee also desires to be furnished with the details of the two files destroyed and to fix responsibility for destroying the files which were to be maintained till the audit process was completed.

**Action Taken**

2.26 The following are files destroyed by General Administration (SR) Department.

i) 386/D1/94/F&WLD

ii) 8184/D1/94/F&WLD

A Circular instruction was issued vide No. 925/B2/04/F&WLD dated, 27.05.2006 to all Sections of Forest & Wildlife Department for maintaining all files intact relating to Audit till the completion and clearance of Audit objection.

**Further Recommendation**

2.27 The Committee opined that the reply is not satisfactory. The Committee expressed it as quite unfortunate that the department couldn't fix responsibility on the delinquent officers. Therefore, the Committee recommends that responsibility be fixed on the Officers who destroyed in the files and stringent disciplinary action be taken against them.

**Action Taken**

2.28 A Circular instruction was issued to all section of Forest and Wildlife department for maintaining all files intact relating to Audit till the completion and clearance of Audit Objection. The details of Officers responsible for destroying the disposals leading to the file mentioned in the para could not be found from the General Administration (Services A) Department, General Administration, General Administration (SR) Department and General Administration (Special B) Department. Therefore disciplinary action could

not be taken against the officers concerned. As it was very old case and it was happened during 1994 to 2000, there is no way to collect the details of responsible officers. The files are now digitized and such lapses will not be occurred in future. As it is an old case the Committee may be requested to accept the reply and to drop the para.

Thiruvananthapuram,  
7<sup>th</sup> July, 2022.

SUNNY JOSEPH,  
Chairman,  
Committee on Public Accounts.

## APPENDICES

## Summary of Main Conclusion/Recommendation

Sl No.	Para No.	Department Concerned	Conclusion/Recommendation
1	1.3	Forest & Wildlife	The Committee expressed its displeasure over the laxity in taking action against the officers responsible for serious lapses in collecting the revenue due to Government and decided to reiterate its recommendation as to the action against officers concerned.
2	1.6	”	The Committee opined that the reply received from the Department is not to the point and hence not satisfactory. The committee should be informed whether the Government had examined the recommendation and took actions on it. If the Department did not take any action, the reasons there of should be furnished. The committee should also be informed of the steps taken by the Department in this matter.

CIRCULAR NO.206 DATED, 23-2-2006

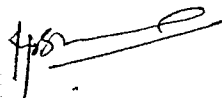
Sub:- Internal Audit -- Prompt Reply furnishing - reg.

The Internal Audit of the various offices under Forest Department are conducted by the Internal Audit Unit functioning under the Chief Conservator of Forests (Development) of the Department. The Internal Audit is to ensure proper enforcement of laws, rules, procedures and departmental instructions that govern the Forest Department Administration. The Internal Audit also helps in the creation of reliable financial management information system for prompt and efficient services and for adequate safeguards against evasion of revenue.

In the Government Circular No.59/93/Fin. Dated, 24/8/93 it was ordered that the rectification reports on the Internal Audit Report should be obtained from the sub offices and the same critically scrutinized by the Heads of the Department without fail and the irregularities of serious nature should be reported to Government.

Even though the Internal Audit Unit attached to be Chief Conservator of Forests (Development) is making department audit periodically and is forwarding its report to various sub offices, they in turn are not prompt in furnishing replies. Consequent to this, delinquent Officers often escape from the punishment. Instances have come to notice that no action is taken on the Audit/Inspection Reports for years together and later the requests are made for dropping the objection on the ground of time factor involved in the cases. This is not a healthy practice.

Hence, all the Divisional Forest Officers/Conservator of Forests are here by informed that the reply to the Internal Audit Report should be submitted within 30 days on receipt of the report. Any consequent loss to be Government on account of the delayed replies will be made the personal liability of the staff Officer who have member and caused delay in submission of replies.



PRINCIPAL CHIEF CONSERVATOR OF FORESTS

To

All Chief Conservator of Forests/Additional Principal Chief Conservator of Forests.

All Conservator of Forests/Divisional Forest Officers.

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