Chapter – II

LEGISLATIVE CONTROL: THE ROLE OF THE PUBLIC ACCOUNTS COMMITTEE

Popular Control over finance is the cardinal principle of parliamentary democracy. "The power of the purse", as it is told, is thus the chief acknowledged method through which the executive is made accountable to the popular will. This is known as executive accountability in the matter of finance. Accountability connotes "government's obligation to reveal, explain and justify its policies and actions to the Legislature"1. Moreover, economy in public expenditure is the duty of all popular governments: it is especially the sacred duty of a government constituted on West Minister model. This philosophy is hardened beneath the constitution of the Public Accounts Committee (PAC) in Kerala as elsewhere.

Legislative control over finance comes in two stages – 'the proposals stage' and 'the results stage'. In the first stage, the government seeks the financial sanction of the legislature to give effect to its policies and programmes. The second stage relates to the control of the money spent and the manner of its spending. This is the stage where the PAC comes in to prominence.
Importance of the PAC is discernible from the demand of the people to have it in the course of our freedom struggle\(^2\). Therefore, without a peep in to the history of India any attempt in this regard will be futile. Need for a PAC at all India level was first laid down by the Welby Commission\(^3\) in the year 1896. But little attention was paid to its report. The Government of India Act, 1919 did not provide for any such committee. In 1919 the Government of India in a despatch to the Secretary of State for India pointed out the necessity of having such committees for the provinces. Subsequently, the Indian Legislative Rules, 1920 were framed incorporating provisions for the constitution of such committees. The first Committee on Public Accounts was thus constituted in 1924\(^4\).

The notion of financial committees was not unfamiliar to Keralites. Way back in 1923 itself, there was a Standing Finance Committee in the erstwhile State of Travancore\(^5\). The year 1932 heralded a new era of executive accountability in the state of Travancore with the establishment a Public Accounts Committee\(^6\). Though late, the Cochin Legislature too was fortunate to have a PAC in 1946\(^7\). After the birth of Kerala, the first PAC was constituted in 1957 with Sri. M. Narayana Kurup as Chairman\(^8\). The prominent role that Kerala PAC has played is visible from the number of reports it presented to the assembly over the years. In the first Kerala Legislative Assembly (KLA), the PAC presented four reports where as at the time of the X KLA, the number reports increased to 131\(^9\). However, credit goes to the PAC of VII KLA for submitting the highest number of reports\(^10\)(See Fig.2.1).
Rule 242\textsuperscript{11} provided for a PAC consisting of eleven members. They are elected by the Assembly from among its members for a period of 30 months\textsuperscript{13} in accordance with the principle of proportional representation by means of single transferable vote\textsuperscript{13}. A minister is not qualified to be elected as member of the Committee and a committee member cannot be a minister\textsuperscript{14}.

The PAC is one among the three committees elected by the House. Wise were those men who drafted the Rules of Procedure for they made it exactly a replica of the House by sticking on to proportional representation. The Chairman is appointed by the speaker from among the members of the Committee\textsuperscript{15}. By convention,
right from the beginning, chairmanship goes to the opposition in Kerala\textsuperscript{16}. During the tenure of the X KLA, Sri. Oommen Chandi (1996-98) and Sri. Aryadan Mohammed (1998-2001) were the chairmen respectively.

The aim and purpose of the legislative audit is to bring to the notice of the legislature any irregular expenditure, any expenditure beyond the scope of legislative authorisation and loss of public money. The report of the Comptroller and Auditor General (C and AG) includes all these matters. Art. 151(2) mandates that the audit report is to be submitted to the Governor who shall cause them to be laid before the legislature\textsuperscript{17}. The legislature then refers the matter to the PAC. The PAC examines the accounts of the appropriation of sums granted by the Assembly to the government, the annual finance accounts of the government and such other accounts laid before the Assembly as the Committee may think fit. The audit reports of the C and AG form the basic matter for scrutiny by the PAC.

Scrutiny by the PAC should ensure that the moneys voted by the legislature are spent for the purpose for which they are voted. It is the Committee which ensures that the expenditure conforms to the authority concerned and lastly the Committee should make sure that every reappropriation conforms to the provision made in this behalf by competent authority. Accounts of state corporations, trading and manufacturing schemes, concerns and projects, autonomous and semi autonomous bodies and the report of the C and AG in relation to stocks
and shares come with in the scope of scrutiny by the PAC. However, public undertakings specified in the Fourth Schedule and as may be notified by the government from time to time, are exempted from the purview of the PAC.

As already pointed out, the reports of the C and AG mainly form the subject matter of deliberations by the PAC. His report is built upon audit paras, the preparation of which involves various stages. Firstly, an enquiry or scrutiny is made to obtain clarity and accuracy with respect to a particular item of expenditure. If there is no reply or the reply if found unsatisfactory, objection slips are issued. To this the department concerned is to tender an explanation. Either on the absence of a reply or if the reply is unsatisfactory, audit queries are made. Failure to reply to audit queries or an unsatisfactory reply shall lead to formulation of audit paras.

Every year the Committee makes a selection of audit paras contained in the various reports of the C and AG laid on the Table of the House for examination. After holding deliberations and with due regard to time at its disposal, the Committee selects a few paragraphs on the basis of their relative importance. In an interview, Mr. K.C. Joseph, a Member of the Hon’ble Assembly at present, who happened to serve the PAC on many occasions, told that in Kerala the selection is rather random and back dated. Of late, the Committee has also started the practice of examining recently available audited reports disregarding sequence in view of the importance of the matter. Till now, unlike the central PAC, the Committee in Kerala has not evolved the practice of demanding notes showing what remedial and corrective action has been taken on all the reports of the C and AG.
Once the subject for indepth examination is selected, the Committee calls for detailed information from the ministry concerned. On receipt of relevant information, the Committee takes oral evidence. The Secretary / Heads of the Department appear before the Committee to adduce evidence and answer questions when called upon to do so. Finally, the Committee frames its recommendations in the form of a report and present it to the House.

The scope of Committee’s work extended to the whole range of governmental activities\textsuperscript{19}. A review of PAC Reports during the last five years unequivocally reveal the vast magnitude of business that it was called upon to transact. During the last five years, its main thrust areas constituted almost all the departments of the government\textsuperscript{20}.

After scrutiny of the Taxes Department, the Committee found certain grave irregularities during the last five years, all of which cumulatively contributed a loss to exchequer to the tune of Rs. 10842.62 lakhs in 2095 cases. The chief causes unearthed by the Committee were under assessment, irregular assessment, incorrect renewal of registration, omissions committed by the assessing officers, incorrect computation of income, non-levy of penalty, non-levy of duty, non-levy of interest on delayed payments and short levy of compounding fee. Audit report for the year 1986-87, after being examined by the Committee was presented to the House on April 1998\textsuperscript{21}. The Committee in their report pointed out under assessment of tax to the tune of Rs. 184 lakhs in 544 cases and 201 instances of income escaping assessment amounting to an erosion of
Rs. 44.80 lakhs. At one time, as if alarmed at the way in which things moved in the Taxes Department, the Committee was forced to ascertain the mode and details of training that the Department imparts to its staff at the entry cadre\textsuperscript{22}. Moreover, irregular acts of the Department such as repeated omissions by Agricultural Income Tax Officers despite clear and written instructions, laxity and delay in filing appeals giving rise to time barred causes of action and failure of the department to make available to the Auditor General (AG) assessment files for seven years from 1978-79 were brought to light by the Committee in this report.

In regard to irregular assessments the Committee said that the amount due to government “... has not been effected after the lapse of more than a decade”\textsuperscript{23}. The Committee, therefore, recommended that “The Department should fix a pecuniary limit for the loss and the concerned assessing officer responsible for the loss in excess of the limit should be made answerable and it should be recovered from him”\textsuperscript{24}.

Again, the PAC brought to light another instance of loss of revenue to the government by way of under assessment and non-levy of penalty to the tune of Rs. 10523.01 lakhs in 1336 cases\textsuperscript{25}. After a careful study of the audit report for the year 1996-97\textsuperscript{26}, the Committee observed that it “could find no justification in the revenue loss...”\textsuperscript{27}. Therefore, the Committee recommended that stringent action should be taken against the delinquent officers. Further, to avoid loss in future the Committee also suggested certain remedies\textsuperscript{28}. 
In another instance, the Committee found to its utter surprise inordinate delay in the collection of tax and absence of updated knowledge of assessing officers with the current standing rules and orders (SRO). As a result of inordinate delay Rs. 52.87 lakhs which was due to the government during 1990-91 and 1991-92 was collected only in 1997, that too after making a revised statement. On this inordinate delay the Committee expressed its displeasure and further commented upon the irresponsibility of the department in not furnishing all the required details. It even expressed its doubt "whether the department is trying to hide the real facts from the Committee". The Committee also recommended suitable punishments to those officers who inadvertently caused such under estimation or omission.

The worst side of the Taxes Department could be seen in the absence of updated information with SROs. This lack of familiarity often gave rise to unnecessary litigation with the result that the government could not collect the amount till the final verdict. Therefore, the Committee in strong words recommended that "strict instructions should be given to all officers concerned to be aware of the latest changes made in the Act/ Rules for assessment of tax and laxity should be severely dealt with".

The working of the Audit Committee in the Taxes Department was reviewed by the PAC. Since it failed to achieve its avowed objective of speedy disposal of audit objections, the Committee
recommended a full-fledged, independent internal audit wing in the Taxes Department. Moreover, to assess the extent of department's irresponsibility the Committee desired that it should be furnished with the details of its meetings specifying the dates since the date of its constitution. It also found fault with the Audit Committee for its failure to detect 1215 cases which were already noticed during test audit. Examination of audit reports by the Committee also revealed a loss of Rs. 11.54 lakhs in 13 cases during this period. Evaluating the whole scenario the Committee stated that this was a "failure of the Taxes Department... The department seems to be not keen in fixing responsibility for their lapses. The Committee vehemently criticised the delaying tactics often adopted by the Department in initiating action against the erring officials...."^33.

The real or rather dismal picture of the Taxes Department was brought to surface by the Committee after its analysis of audit reports for the years 1992, 1993 and 1997^34. The loss revealed by these audit reports came up to Rs. 13.20 lakhs. Failure of the Principal Secretary, Taxes, to explain the variations in the stock register was described as disappointing. In regard to collection of fee for compounding offences, the Committee observed that the department collected fees fixed for each offence irrespective of persons involved, instead of compounding fee from each offender when the offence was committed by more than one person.
The post-mortem examination done by the Committee in relation to the General Education Department confined mainly to four factors: (i) audio-visual education in schools; (ii) sanctioning new schools disregarding its impact on staff strength; (iii) establishing schools violating distance rule; (iv) irregular suspension of teachers by managers and the financial loss that the government suffers.

The General Education Department formulated a scheme called “Audio-Visual Education” to improve the standard of education at school level. As a prelude, the government merged audio-visual units at Trivandrum and Trichur with the General Education Department. Adjunct to this, film libraries were started in 1983 in all districts. But the merger was effected without any work norm and vision. Therefore, the Committee obtained a note from the department as to the functioning of the scheme and whether the equipments already supplied were being used now. To its utter dismay, the Committee found certain instances of violation of existing norms by the Department. In response to committee’s recommendations, the government had taken certain actions. However, the Committee found that some of the actions already taken were not satisfactory.

The first point requiring reiteration according to the Committee, was the sanctioning of schools by the government in the midst of surplus staff in the existing schools. The government replied that this was part of government’s responsibility to provide free and compulsory education to all children below the age of 14. In the Action Taken Report (ATR) the
Committee desired that (a) it should be furnished with a list of protected teachers in all the four categories\textsuperscript{41}; (b) whether the number of protected teachers increased or decreased at present and (c) whether the proposal to give intensive training to the undeployed specialist teachers / language teachers has materialised.

Another instance on which the Committee concentrated its attention was the opening of a school near a burial ground in Sulthans Bathery violating the distance rule\textsuperscript{42}. The Committee in the ATR recommended that such stipulations in Kerala Education Rules should be strictly followed.

The Committee also drew the attention of the government to the mischievous deeds of certain schools managers. Managers often resort to suspension of teachers without any legally valid reasons and violating procedures. After long legal battles they are forced to reinstate them with full pay. On enquiry, the government intimated that they have issued necessary instructions to the Director of Public Instructions for recovering the maintenance grant payable to the managers. Upon this, the Committee further desired to have the details of the latest recovery position.

The working of the Health and Family Welfare Department, after being Audited by C and AG\textsuperscript{43}, was examined by the PAC\textsuperscript{44}. After scrutiny the Committee arrived at the following conclusions:
(i) Though the Department was direly in need of money to complete many of its long pending requirements, it caused to lapse Rs.107 lakhs and Rs. 54 lakhs during 1987-88 and 1992-93 respectively. On this question the Committee observed: "if the department had made an earnest attempt, it could have utilised the amount fully for any of its crucial needs";

(ii) Inadequate inpatient facility was another drawback. Though the number of inpatients increased from 2.81 lakhs to 3.10 lakhs between 1988-1992, there was only a marginal increase in bed strength in the medical colleges and hospitals attached thereto. On this the Committee commented that "the Department has not made any commendable progress in providing the required bed strength in any of the medical college Hospitals in Kerala";

(iii) Despite budgetary allocation of Rs. 25 lakhs for setting up Trauma Care Units in all the medical colleges, such a unit was established only in Sree Avittom Tirunal Hospital, Trivandrum. Of Rs. 25 lakhs allocated, only Rs. 15.44 lakhs was utilised. Of this amount, Rs. 1.25 lakhs was spent for remodelling the Neuro-Surgery Intensive Care Unit. What astonished the Committee was the statement of the witness that a proposal was pending to start a Trauma Care Unit at Medical College Hospital, Trivandrum at an estimated cost of Rs.1.55 crores. The Committee expressed its dissatisfaction and further wanted to be informed of its details;
(iv). The Committee found that the department had acted against the directions of the government and thereby incurred an irregular expenditure of Rs. 6.23 lakhs on diet;

(v). What “turned to be an astonishing and hardly conceivable fact” to the Committee was the absence of life saving drugs in the stock of all medical college hospitals. Besides, there were huge quantities of time expired medicines in the stock. This had caused a loss of Rs. 14.77 lakhs to the government. To ensure non-repetition, the Committee recommended physical verification of stocks prevailing in the Trivandrum Medical College Hospital to be extended to all other medical colleges;

(vi). Committee’s review not only exposed certain serious lapses and defects but also revealed a number of blunders committed by the Department. Due to sheer laxity on the part of the Department, it was forced to pay a penal interest of Rs. 7.64 lakhs to the Electricity Board. Again, the Committee cites another instance in which the Department paid the electricity charges of the paywards of the Kerala Health Research and Welfare society. The Committee therefore, recommended the government to initiate steps to recover the amount. Subsequently, the government complied with it; and

(vii) The Committee also concentrated its attention on the working of blood banks, idling of costly equipments and the problem of disposal of waste. But, the Committee was not fortunate to set the department at right.
The Health and Family Welfare Department was once again brought under review and examination by the Committee. The review was mainly concentrated on the implementation of Prevention of Food Adulteration Act. The Committee found that even after 30 years, no effective steps had been taken for its implementation. Government's reply to this was very surprising: "All efforts are being made to make the implementation of the Act effective in the prevailing conditions". But, even now the implementation of the Act is nowhere.

Based upon the reports of the C and AG, the Committee examined the functioning of the State Water Transport Department (SWTD). To its utter surprise, the Committee found that for the last seven years period ending 1991-92, there was a steep decrease in the receipts of the Department. The number of serviceable vessels decreased from 54 in 1986-87 to 40 in 1991-92. Neither was there any proper physical verification of stocks nor was it conducted timely. There was a surplus of 104 personnel in the Department. Apart from finalisation of accounts, internal audit was also not pucca.

The Committee concluded that the working of the Department was far from satisfactory. "Not only the profit making measures but also the administrative set up of the Department prove to be utter failure". Therefore the Committee recommended that (a) accounts and allied matters should be vested with an autonomous agency; (b) the Finance Department should ensure prompt settlement of accounts and keep
a close watch over the utilisation of funds by the Department; (c) to have a full time Director for the Department to make it more effective; (d) cancel all unprofitable services giving due consideration to social necessity; (e) after proper work study surplus staff, if any should be re-deployed; (f) the Department should use only water worthy vessels; and (g) instance of violations of the provisions of the Financial Code was viewed very seriously by the Committee and strongly recommended strict disciplinary proceedings against those responsible.

The Committee concluded its report with the observation: “Kerala Water Transport Department since its inception has not made any profits. Now, the average loss is Rs.5 crores every year .... Though profit making seems to be a mirage in the case of SWTD, its loss can be minimised if effective steps are taken at appropriate time”54.

In the wake of implementation of the Employment Assurance Scheme55, the working of the Rural Development Department was brought under discussion and examination by the PAC. On examination the Committee understood that the scheme fell short of its objectives because all the registrants couldn’t be accommodated during 1994-95 and 1998-99. Again, funds allotted to the scheme was not fully exhausted. Out of Rs. 46.03 crores released between October 1993 and March 1996, Rs. 2.88 crores remained unspent. Also, there was delay in the release of state’s share56 amounting to Rs. 5.48 crores during 1993-94 to 1995-96.
The Committee also recommended that necessary steps be taken for ensuring employment opportunity for all the registrants. On the question on non-utilisation of funds, the Committee recommended that "proper planning should be resorted to in the framing and implementation of the scheme and proper supervision must be made to ensure that the funds allotted are being utilized fully for employment generating programmes".

Irregularities in the functioning of the Irrigation Department were brought to light by the Committee over the years. Defects in the implementation of the Command Area Development Authority, together with Committee’s recommendations were placed before the legislature on 26 March, 1998. The Committee observed that even after two decades, the scheme could achieve only marginally. Lack of proper planning and co-ordination between the various wings of the Authority, dearth of staff and the failure to form Beneficiary Farmers’ Association were the major drawbacks which the Committee highlighted. On examination of replies sent by the government regarding the action taken, the Committee decided not to pursue.

Similarly, Karapuzha Irrigation Project which was initiated with an estimated cost of Rs. 7.60 crores couldn’t be completed even after 19 years. Even partial commissioning scheduled for 1984-85 could not be achieved. Moreover, there was a steep increase in the estimated cost from Rs. 7.60 crores in 1978 to Rs. 225 crores in 1997.
It is against this background that the Committee took up the matter for scrutiny. At the outset itself the Committee observed that the whole situation “... revealed some hardly conceivable truths...”\(^61\). Further, the Committee stated that “the Department is still doubtful whether it could be completed with the amount of Rs. 225 crores...”\(^62\). What the Committee found to its utter dismay was the diversion of funds to other unconnected causes. Moreover, adivasis evicted from the reservoir area had not been rehabilitated. Therefore, the Committee urged immediate steps for that.

The PAC was “taken aback to note that the Police Department which is bound to keep the public money and properties safe, acted in quite irresponsible manner”\(^63\). After scrutiny of the Home Department, the Committee found that there was loss to government amounting Rs. 8.32 lakhs. In November 1989 the government enhanced the rates of Permanent Travelling Allowance (PTA) payable to subordinate police officers with effect from December 1989. But the Police Department accorded a retrospective effect to this order starting from July 1988. Despite audit mention, the department did not take any action till February 1992 to reimburse the amount. The Committee observed that “this is an organised attempt to take fortune at the expense of government rather than an oversight or misunderstanding of the government order”\(^64\). Therefore, the PAC recommended disciplinary action against all drawing and disbursing officers and counter signing officers.
The overall performance of the Food and Civil Supplies Department in the wake of implementation of the Integrated Tribal Development Project (ITDP) was scrutinised by the PAC. The Central Government in conjunction with state governments launched a scheme for the supply of foodgrains at specially subsidised rates to the tribals living in areas covered by the ITDP. It should be remembered that supply and distribution was limited to the ITDP areas only. But the state government decided to extend the scheme to tribals living outside ITDP area. Neither this was communicated to the Government of India nor their approval obtained. This had caused an additional expenditure of Rs. 36.55 lakhs to the state.

The Committee in the beginning itself observed that the government would not have extended it outside its scope. It further recommended that the minister concerned should immediately take up the matter with the central government and seek a ratification to state action.

Upon presentation of C and AG's Report during 1993, the PAC scrutinised the working of the Public Works Department (PWD). The Committee found many lapses on the part of the Department and also connivance between the contractors and the officers. Thus, the government was caused to suffer Rs. 10.79 lakhs in two instances, construction of the first reach of Karuvarakundu-Attapadi road and the construction of a bridge at Maruthoor Kadavu across Karamana river. The gravity of the lapse in the first instance, according to the Committee,
arises not from the loss, but the way in which the contractor got out of the agreement without invoking the penal provisions in the contract for non-performance. The contractor had succeeded in earning unintended benefit. It further observed that "once a work is awarded to a contractor the tendency to extend the period of completion of such work shall not be encouraged and infrastructure facilities should be provided to complete work within the agreement period." The PAC also found that the agreement for the construction of a bridge was executed without proper soil investigation and before finalising detailed design. The Committee desired to be informed whether the Department had taken any action against those who disobeyed the directions issued by the Chief Engineer.

The Forest and Wild Life Department was not free from scrutiny by the Committee. The scrutiny was mainly confined to the steps adopted by the Department for protecting the Periyar Tiger Reserve Project. In its report the Committee pointed out that the implementation of the project was far from satisfactory.

The hundred and twenty ninth report of the Committee on Public Accounts is a scrutiny report on the activities of the General Administration (Tourism) Department. In the report the Committee laid down certain criteria to be followed by the Department in future. Foremost among the recommendation was the advice of the Committee to evolve a system to meet expenses of urgent and unforeseen nature by strict adherence to the principles of accountability and the provisions of Kerala Treasury Code.
In the wake of implementation of aquaculture development in the state, the Fisheries and Ports Department was called upon to answer certain questions. Firstly, the Committee found that against the withdrawal of Rs. 25.56 crores during 1990-97, the expenditure incurred by the Director of Fisheries was only Rs. 10.21 crores. Secondly, though four hatcheries were envisaged under the project, no hatchery had been set up as on the date of review. Apart from these, there were certain gross financial irregularities like non-preparation of budget, annual reports etc.

After scrutiny the Committee recommended that the project cell in the Finance Department should be made adaptable to monitor schemes like this. About non-preparation of budget and annual reports, the Committee attributed severe lapses to the Department. The Committee concluded that though the project was started with a laudable objective, it failed to achieve the desired results “... due to large scale irregularities and lapses at every stage of its implementations”.

The PAC’s performance during the last five years stretching the tenure of the last ministry covered almost all the departments of the government. It mainly concentrated on the departments of Taxes, Education, Health and Family Welfare, Transport, Rural Development, Irrigation, Home, Food and Civil Supplies, Public Works, Forest and Wild Life, General Administration (Tourism) and Fisheries and Ports. However, the core of its attention was on the Department of Taxes. The Committee unearthed a plethora of facts involving heavy loss to
government exchequer. Besides, there were a number of lapses also. The investigator, for the sake of convenience, divides them into occupational defects and official lapses. Within the first category comes under assessment, irregular assessment, incorrect renewal of registration, omissions on the part of officers, incorrect computation of income, non-levy of penalty, non-levy of duty, non-levy of interest on delayed payments and short levy of compounding fee. Official lapses included delay in filing appeals resulting in time barred cause of action, failure on the part of the Taxes Department to make available to the AG assessment files for seven years, lack of updated information with SRO’s and over delay for more than a decade to collect the amount due to the government.

On the whole the Committee found the Taxes Department in a bad state of affairs. Even with all the necessary infrastructure, it is found that the Department couldn’t keep its quality of service. Four major reports out of its 131 reports for the period under study were devoted to the Taxes Department. It constituted 3.05 percent of the entire work of the Committee. The most interesting thing is that the same causes as listed above found expression in the various reports of the Committee during this period. To illustrate, the Committee in its ninety sixth report said: “It is a regular feature that the increase in rate of tax is often unnoticed by the assessing officer.” Again, the Committee in its hundred and third report repeated the same chorus: “The Committee are dissatisfied with the manner in which assessments are made in department.
The application of incorrect tax resulted in a short levy of Rs.55,541.\textsuperscript{75} This is clearly indicative of the little attention paid to the recommendations of the Committee by the Department. The researcher’s contention is further supported by the publication of the Hand Book of Instructions by the Government of Kerala which contain many directives for the speedy disposal of audit objections by various departments.

During this period, the Committee also examined the working of the Water Transport Department. After examination and scrutiny, the Committee understood that “the Kerala Water Transport Department, since its inception has not made any profit. Now, the average loss is Rs. 5 crores every year. They are of the view that this is the result of mismanagement, lack of proper planning and ignorance about real problems of the Department. Water Transport, the scope of which is diminishing every year should have to be revamped. Though profit making seems to be a mirage in the case of SWTD, its loss can be minimised if effective steps are taken at the appropriate time”.\textsuperscript{76} To lift the Department from loss to profit, the Committee recommended many things. One such a recommendation was not to operate vessels without fitness certificates.\textsuperscript{77} Just like that Taxes Department, this Department also flouted the Committee’s recommendations more often. The Commission of Enquiry constituted to enquire into the latest boat tragedy at Alappuzha concluded that the same was mainly due to the use of unworthy vessel.
Scrutiny done by the PAC in the General Education Department and the response of the Department to the queries made by the Committee can be cited as the best instance of the Department misleading the Committee. The Department opened the number of schools in the midst of surplus staff. To the query made by the Committee, the government replied that it was to give effect to the constitutional pledge that it opened new schools. But, the reality was purely political.

Another major achievement of the Committee was the scrutiny of the performance of the medical colleges in Kerala. There were many instances of mismanagement and defaults unearthed by the Committee. Despite the earnest recommendations made by the Committee, there seems to be no improvement in their functioning till date.

Thus it is felt that over the last five years (1996-2001) the Committee's scrutiny was satisfactory. But the executive was found not properly and timely responding to the queries and recommendations of the Committee. The reasons that prevented the Committee from presenting an excellent on the whole performance are certain inherent and conventional defects within the PAC itself.

As a matter of convention the Committee examines only back dated reports. This adversely affected the performance of the Committee. Practically, there is no meaning in scrutinising the pros and cons of money already spent or lost, that too when the instance of loss or
spending is a matter of the remote past. It is just like perusing the horoscope of a deceased child. For example, audit reports in relation to the Department of Taxes for the year 1986-87 was submitted to the House by the Committee only on April, 1998; 1996-97 audit report on December, 2000; and audit reports for 1992, 1993 and 1997 on March, 2001. Also, human nature is such that it treats the delayed as gone. The more the delay the more will be the feeling. The result is neither due weight nor deserving consideration to the queries and recommendations of the Committee.

Moreover, the political arena in the state is normally marked by Political alternatism i.e., power sharing takes place between the two major camps- LDF and UDF. Consequently, what is done by either of the parties when they were in power will be enquired by themselves when they happen to be in the opposition side. The dismal side is that they will not try to make anything controversial. In an interview, a key informant has stated that the aforesaid factor causes the Committee’s efficacy and efficiency to touch the lowest ebb. Again, there is undue delay on the part of the executive to respond to the queries made by the Committee or an authority entrusted with audit. One such instance of delay was reported by the Committee in its Twenty Eighth Report in which the Taxes Department failed to make available to the Accountant General (AG) the assessment files for seven years despite repeated reminders.
The result of an empirical study conducted among Members of the Hon'ble Assembly also peruses the same. Out of a total of 30 respondents 25 persons (83.33%) attributed executive lapse coupled with post-mortem scrutiny as the most important reason affecting committee’s efficiency (see Table 2.1). Organisational and operational defects are also pointed out as other reasons for inefficiency of PAC by a few of the respondents.

Table 2.1

**Response in Relation to the Major Reason for Inefficiency of PAC**

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<th>Sl. No.</th>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
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<tbody>
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<td>1</td>
<td>Post-mortem scrutiny and Consequent Executive Lapse</td>
<td>25</td>
<td>83.33</td>
</tr>
<tr>
<td>2</td>
<td>Organisational Defects</td>
<td>2</td>
<td>6.67</td>
</tr>
<tr>
<td>3</td>
<td>Operational Defects</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
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</table>

Moreover, it is found that there is calculated move on the part of the executive to nullify committee recommendations. It is evinced from the reports of the PAC (See n 21 and 75). An analysis of the questionnaire based study also clarified this attitude of the executive (see Table 2.2).
Table 2.2

Attitude towards Executive Reaction to Reports of PAC

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
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<tr>
<td>2</td>
<td>Negative</td>
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<td>3</td>
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<tr>
<td></td>
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To the specific question—'whether financial and scrutiny committee reports are given due weight by the executive,- out of the total 30 respondents 26 constituting 86.67% answered in the negative. Only 4 (13.33 %) voted affirmatively. Thus, it is found that Committee's recommendations are not given the consideration that it deserves. Therefore, on the whole, the Committee is felt partially successful only. A key informant response also endorsed the same view. The basic reason that dilutes committee's efficiency and importance before the executive is its post-mortem examination itself. Thus it is found that the scrutiny by the PAC is post-mortem in nature and this is basically responsible for its inefficiency. Operationally, against this background executive lapse gets aggravated resulting in an erosion of the potentiality of the PAC. However at the organisational level since the Committee is a replica of the House, it is free from vital defects.
Notes and References


3. Ibid.

4. Ibid.


10. The PAC during the tenure of the VII KLA submitted 155 reports.


12. See X KLA; *Rules Committee*, Fourth Report, p.3.

14. Ibid.

15. Ibid, Rule 184 (1).

16. Since 1967 Indian parliament had started the practice of having the leader of the opposition as the Chairman of the Committee.


19. See Ibid.

20. During the period under study, the PAC concentrated on the Departments of Taxes, General Education, Health and Family Welfare, Transport, Rural Development, Irrigation, Home, Food and Civil Supplies, Public Works, Forest and Wildlife, General Administration (Tourism) and Fisheries and Ports.


24. Ibid.


27. See Supracited Note 25,p.4.
28. See Ibid, pp.1-61: The remedial steps suggested by the Committee were strengthening the Audit Wing, periodical meeting of Audit Committee, ensuring the presence of AG's representatives in the Audit Committee and augmenting Training Programme.


30. Ibid, p.3.


34. Ibid, Hundred and Twentieth Report, pp.1-12.


37. Ibid, pp. 3-4.

38. Ibid, p.4.


40. The Hundred and Twenty Fourth Report is an Action Taken Report on Fifty Seventh Report.

41. The four categories were Lower Primary School Assistants, Upper Primary School Assistants, High School Assistants and Specialist Teachers.

42. See Kerala Education Rules, 1959 Chapter IV, Rule 4 (1).
43. Audit was conducted for the period from 1987-88 to 1992-93.

44. Supracited Note 21, Ninety First Report, pp.1-44.

45. Ibid, p.31.

46. Ibid, p.32.

47. See Ibid, pp.6-7 : The Government had issued a direction in October 1991 restricting supply of diet only to needy patients upon certification by the doctor concerned. This was implemented only in Medical College Hospital, Trivandrum and that too from June, 1992.


53. Ibid, p.15.

54. Ibid, p.18.

55. See Ibid, Ninety Fourth Report, p.1 : A scheme launched by the Central Government in October, 1993 to assure gainful employment to rural youths upto 100 days a year in the lean agricultural season in manual work and to create communication assets for sustained employment development.
56. See Ibid: Being a joint venture by the Central and State Governments, the total expenditure is to be shared between the respective governments in the ratio of 80:20.

57. Ibid, p.7.


59. Ibid, Hundred and Thirty Third Report, p.2: A joint venture by both Centre and States with equal share for the all round development of command areas of completed irrigation projects.


61. Ibid, p.16.

62. Ibid.

63. Ibid, Hundred and Eighth Report, p.3.

64. Ibid.


67. Ibid, p.3.

68. Ibid.


70. Ibid, Hundred and Twenty Third Report, pp.3-5.

76. See Supracited note 51, p.18.
77. Ibid, p.6.