REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

VOLUME 1

♦ FIRST REPORT ON CITIZENS CHARTER, GRIEVANCE REDRESSAL, TRANSPARENCY AND RIGHT TO INFORMATION
♦ SECOND REPORT ON MONITORING OF MOVEMENT OF FILES AND ATTENDANCE
♦ THIRD REPORT ON FINANCIAL REFORMS
♦ FOURTH REPORT ON PERSONNEL REFORMS - PART I

THIRUVANANTHAPURAM
AUGUST 2000
# REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE
VOLUME - I

**TABLE OF CONTENTS**

## FIRST REPORT

**CONTENTS**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Background</td>
<td>1</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Citizens' Charter</td>
<td>13</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Transparency and right to information</td>
<td>18</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Public Grievance Redressal</td>
<td>22</td>
</tr>
<tr>
<td>Chapter 5</td>
<td>Decentralisation and Administrative Reforms</td>
<td>27</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>Monitoring</td>
<td>29</td>
</tr>
<tr>
<td>Annexure I</td>
<td>Guidelines for preparing Citizens’ Charter</td>
<td>32</td>
</tr>
<tr>
<td>Annexure II A</td>
<td>Citizens’ Charter for Civil Supplies Department</td>
<td>34</td>
</tr>
<tr>
<td>Annexure II B</td>
<td>Citizens’ Charter for Land Revenue Department</td>
<td>38</td>
</tr>
<tr>
<td>Annexure II C</td>
<td>Citizens’ Charter for Motor Vehicles Department</td>
<td>41</td>
</tr>
<tr>
<td>Annexure II D</td>
<td>Citizens’ Charter for Kerala Water Authority</td>
<td>44</td>
</tr>
<tr>
<td>Annexure II E</td>
<td>Citizens’ Charter for Kerala State Electricity Board</td>
<td>48</td>
</tr>
<tr>
<td>Annexure II F</td>
<td>Citizens’ Charter for Local Self Government – Grama Panchayat</td>
<td>51</td>
</tr>
<tr>
<td>Annexure II G</td>
<td>Citizens’ Charter for Local Self Government- Municipality/Corporation</td>
<td>55</td>
</tr>
<tr>
<td>Annexure III</td>
<td>Enquiry Counter</td>
<td>59</td>
</tr>
<tr>
<td>Annexure IV</td>
<td>Guidelines for the conduct of Collector-SP Joint Grievance Redressal Programme at the Taluk Level</td>
<td>64</td>
</tr>
<tr>
<td>Appendix I</td>
<td>Composition of the Third Administrative Reforms Committee</td>
<td>66</td>
</tr>
<tr>
<td>Appendix II</td>
<td>Terms of reference of the first two ARCs</td>
<td>67</td>
</tr>
<tr>
<td>Appendix III</td>
<td>Important recommendations of the First and Second ARCs</td>
<td>68</td>
</tr>
<tr>
<td>Appendix IV</td>
<td>List of Secretaries to Government and Heads of Department called for Discussion with ARC</td>
<td>71</td>
</tr>
<tr>
<td>Appendix V</td>
<td>Terms of Reference for the Task Forces set up by the ARC in Departments/Agencies</td>
<td>75</td>
</tr>
</tbody>
</table>

## SECOND REPORT

**REPORT ON THE MONITORING OF MOVEMENT OF FILES AND ATTENDANCE - USE OF INFORMATION TECHNOLOGY**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Introduction</td>
<td>77</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Attendance Monitoring System</td>
<td>79</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>File Monitoring System</td>
<td>86</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Conclusion</td>
<td>90</td>
</tr>
<tr>
<td>Annexure</td>
<td>Technical options available for identification and control of persons in and out of office premises</td>
<td>91</td>
</tr>
</tbody>
</table>
# THIRD REPORT

## REPORT ON FINANCIAL REFORMS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Introduction</td>
<td>98</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>A Critique of the Present System of Finance Clearance</td>
<td>102</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Recommendations</td>
<td>104</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Conclusion</td>
<td>109</td>
</tr>
<tr>
<td>Annexure I</td>
<td>Suggested Delegation of Financial Powers to the Administrative Departments of the Secretariat</td>
<td>110</td>
</tr>
<tr>
<td>Annexure II</td>
<td>Proposed Delegation of Financial Powers common to the Heads of Department including District Collectors</td>
<td>117</td>
</tr>
<tr>
<td>Annexure III</td>
<td>Officers' Committee for considering urgent and important cases involving relaxation from Economy Orders - Procedure</td>
<td>120</td>
</tr>
</tbody>
</table>

# FOURTH REPORT

## REPORT ON PERSONNEL REFORMS - PART - I

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Introduction</td>
<td>121</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Recruitment</td>
<td>124</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Capacity building</td>
<td>130</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Placement</td>
<td>132</td>
</tr>
<tr>
<td>Chapter 5</td>
<td>Discipline</td>
<td>134</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>Conclusion</td>
<td>136</td>
</tr>
<tr>
<td>Annexure I</td>
<td>List of Employees' organisations with whom ARC had discussions on Personnel Reforms</td>
<td>137</td>
</tr>
<tr>
<td>Annexure II</td>
<td>List of Vacancies</td>
<td>138</td>
</tr>
<tr>
<td>Annexure III</td>
<td>Illustrative list of posts to be grouped for recruitment by amending of special rules</td>
<td>139</td>
</tr>
<tr>
<td>Annexure IV</td>
<td>Induction training requirements</td>
<td>140</td>
</tr>
<tr>
<td>Annexure V</td>
<td>Levels requiring induction training on promotion</td>
<td>141</td>
</tr>
<tr>
<td>Annexure VI</td>
<td>Punctuality Groups</td>
<td>142</td>
</tr>
<tr>
<td>Annexure VII</td>
<td>Flexi Time</td>
<td>143</td>
</tr>
<tr>
<td>Annexure VIII</td>
<td>Proposed Scheme of Holidays</td>
<td>144</td>
</tr>
</tbody>
</table>
FIRST REPORT OF THE
ADMINISTRATIVE REFORMS COMMITTEE

CHAPTER 1
THE BACKGROUND

1. INTRODUCTION

1.1.1 Kerala has had three Administrative Reforms Committees (ARCs) since its formation in 1956. The first Committee, under the chairmanship of late Shri E.M.S. Namboodiripad, was constituted in 1957, and the second Committee was set up under Shri M.K. Vellodi, ICS in 1965. The present Committee which is the third one came into being in May 1997, with the Chief Minister Shri E.K. Nayanar as its Chairman. The composition of this Committee is given in Appendix I.

1.1.2 The terms of reference of the present Committee, as enunciated in Go (Ms) 7/97/P&ARD Dated, 26-5-1997 are the following:

(i) To review the working of the Administrative Machinery in the State and the systems and procedures under which it functions with a view to assess their adequacy and suitability for a democratic Government in a welfare State responsive to the needs and aspirations of the people, in particular the backward and weaker sections of the society;

(ii) In the light of the above, to suggest measures calculated to improve the efficiency of the administrative machinery to enable it to cope with the developmental activities in a welfare State.

(iii) To suggest measures including changes in the hierarchical setup for the Co-ordination of the activities of the different Government departments and the Panchayat Raj and Nagarpalika Institutions and for the avoidance of overlapping in such activities.

(iv) To suggest measures for the further decentralisation of the power at various levels so as to ensure expeditious despatch of business in all public offices including local bodies and maximum satisfaction to the public.

(v) To suggest measures to eliminate delays, lethargy, corruption, and nepotism in the Administration and to make it result oriented.

(vi) To suggest measures to cut unnecessary and avoidable paper work and for using modern management techniques in administration.

(vii) Generally to make any other recommendation arising from the above matters or incidental to them or considered necessary or appropriate to the Committee.

The Committee may make interim recommendations so that these can be processed and implemented by the Government as and when such recommendations are received.
1.1.3 It would be interesting to briefly touch upon the work of the first two Committees.

1.1.4 The terms of reference of the first two Committees are given in Appendix II. The first ARC was constituted immediately after the formation of Kerala. As different regions of Kerala were being integrated, there were practical problems in administration which needed to be tackled immediately, as the regions of Travancore, Cochin and Malabar had different institutional set ups, laws, rules and procedures. Even the levels of development were significantly different, with Malabar being quite backward in terms of attainment in the health and educational sectors and in infrastructural development. At the political level there was a strong desire to make the administration people-oriented and to restructure it to implement progressive measures like decentralisation, land reforms etc. At the national level itself, the first Five-Year Plan was drawing to a close and it was a period of reflection about increasing the effectiveness of the strategy of planned development. By the time the first ARC was constituted, several corrective measures were being discussed and the need to fine-tune the administrative setup was being loudly contemplated.

1.1.5 At the time of the formation of the second Committee, the challenges of a growing welfare State were being felt. The development agenda of the State was more or less set at this point of time with focus on human development, particularly health, education, social security and food security. In the aftermath of severe food crisis the euphoria of the first generation Plans began to wane. Panchayat Raj, which was ushered in with much fanfare, could not get going. The State was going through a period of political instability, which caused a lot of burden on the administrative set up.

1.1.6 The reports of these Committees reflected the need of those times.

The first Administrative Reforms Committee concentrated on greater delegation of authority to lower units of administration and unequivocally called for a democratic decentralisation process, so that officials and elected representatives could work in harmony for the greater good of the ordinary man. The Committee wanted to give a development focus to administration and induce in it greater commitment and motivation for selfless work. Thus decentralisation was to be accompanied by a change of attitude. The Committee outlined the process of planning from below and wanted a stage by stage entrustment of powers to the elected bodies.

1.1.7 The second Administrative Reforms Committee openly expressed its anguish at the slow pace of reform in the State, particularly with the Panchayat Raj not striking root and with the bureaucracy remaining inaccessible to the people. The Committee lamented the growing indiscipline among the government servants. The Committee was concerned with the increasing expenditure of government and suggested concrete measures to make government clean and efficient.
II. IMPLEMENTATION OF THE FIRST TWO ARC REPORTS

1.2.1 The important recommendations of the first two ARC reports are of much historical interest. They are summarized in Appendix III. It is seen that fundamental reforms like democratic decentralisation, rationalisation of staff and department structures, merit promotion, office discipline, redefinition of secretariat functioning both in the administrative and finance wings, creation of Kerala Administrative Service, financial discipline particularly in creation of staff etc. could not be fully implemented. This Committee has analysed the recommendations of the earlier ARCs and has assessed the follow up action on those recommendations. Based on this, the Committee has the following general observations to make:

1) The Reports of the ARCs had a total vision and the recommendations emerged out of this holistic view of the administrative set-up. The recommendations were organically linked and piecemeal implementation did not yield the desired results and reduced their impact.

2) The earlier reports were submitted at one go. This necessitated follow up at various points at various levels, more or less simultaneously. Since the Committees were wound up after the submission of the report, no continued interaction was possible to clarify perceptions or to monitor follow up action.

3) The recommendations of the Committees were often terse and precise. However in a government set-up, this called for processing and fleshing out before the suggestions could be operationalised. They needed to be transmuted into usable form, which required a lot of work. This was too much to expect from a bureaucratic system. Critical recommendations got entangled in the red tape that can tie up in knots any innovative suggestion and strangle any attempt to change.

4) The monitoring of implementation of the accepted recommendations was not well organised. Time limits were either not set or were ignored. Since an Action Taken Report was not to be prepared by the Government, there was natural laxity in carrying the recommendations to their logical end.

5) Some of the recommendations of the earlier two Committees were very fundamental ones. Reforms like decentralisation upset status quo and threatened to dislodge entrenched interests. Such recommendations raised opposition from affected interests or, even more dangerously, created a consolidated, silent but firm checkmating of reforms by these interests. The possibilities of disturbing the existing equilibrium often weakened political resolve.

1.2.2 The Committee has used these as valuable lessons in formulating its methodology and in the presentation of its recommendations.
III. THE CONTEXT

1.3.1 The third Administrative Reforms Committee has been constituted at a critical juncture in the administrative history of the State. Two major initiatives have been launched by Government to make administration responsive and effective; one is the impetus given to decentralisation, particularly through the People’s Planning Campaign and the other is the decision to carry out administrative reforms in the State. The two initiatives are organically linked. Thus the contextual relevance of the Administrative Reforms Committee is very high.

1.3.2 Historically, Kerala has been following a welfare-oriented developmental strategy often described as the Kerala model which has yielded very good results as seen in its human development indicators. Such a strategy implies effective and efficient delivery of social services through government officials particularly in sectors relating to education, health, social security and food security. This necessitates a heavy dependence on the governmental machinery. In order to make the strategy work, the State has been spending an increasing proportion of its revenue on the salaries of its public servants. Now with the financial crunch faced by government on the one hand and decline in the service ethos of government servants, the growing indifference of the staff and the increasing laxity in supervision on the other, the sustainability of the very development strategy is at risk. In fact serious inadequacies have crept into the reach and quality of the public services. As substantial part of the State revenues is spent on establishment costs, it is imperative that the social return from such expenditure has to improve for which urgent reforms are necessary. We have reached a stage where even to make our past attainments sustainable, basic reforms have to be attempted immediately.

1.3.3 There are certain problems affecting bureaucracy in India, particularly in Kerala. There is a general consensus that a perceptible decline has taken place in the standards of public service. Though several reasons could be attributed to this phenomenon one cannot but pinpoint to the lack of discipline, both imposed from above and flowing from within. The culture of rights and demands probably had some justification in the beginning when Government servants were poorly paid and were victims of whimsical decisions by superior officers. But over the years, it has hardened into a negative behavioural pattern showing unwillingness to take on responsibility, incapacity for professional improvement and propensity for rude behaviour. This problem is compounded by an apathetic attitude on the part of supervisory officers who also act as if they are not accountable and feel that they have not been given the freedom required for being accountable. A general mood of cynicism is apparent.

1.3.4 Though an important recommendation of the first ARC was for recognising merit as the critical factor for promotions, it has been totally ignored in practice. And in the absence of any meaningful assessment of performance, promotions have become routine related only to age and seniority and this has totally eroded the motivation to perform well. Departmentalism has also proved itself to be a bane of civil service; it has been exacerbated in the context of the coalition political set-up in the State. Vertical hierarchies have sprung up
impervious to even suggestions of coordination or convergence. Departments have become compartmentalised to such an extent that rational redeployment of staff is very difficult as terms of service vary considerably from department to department, even for related categories. All these have contributed to the degeneration of administrative systems, rendering the old but well-thought out Tottenham system, weak and ineffectual, with only the outer shell remaining in a cracked form and the kernel having gone musty due to disuse either from willful disregard or sheer ignorance.

1.3.5 Over the years, civil servants have been facing an increasingly severe handicap. In the discharge of his responsibilities he is constrained by extra-constitutional checks on his authority and freedom. And he is held accountable for things beyond his control. In fact responsibility, authority and accountability go together and there has to be a natural balance among the three.

1.3.6 In this context, the perception of the people has been one of cynicism. Afraid of rude treatment, sensitive to callous behaviour and suspicious of corrupt motives, the ordinary man does not feel confident of walking into a government office with the expectation of receiving even the minimum respect due to a human being, let alone getting his work done or his grievance redressed. In such an environment, no wonder, middlemen and agents have thrived paving way for corruption.

1.3.7 All over the world, bureaucracy is under attack from all ideological points of view. The failure of governments to rise to the expectation of the people is now widely accepted. The spirit of the times is for radical administrative reforms. The conservative opinion finds fault with bureaucracy for inefficiency and rent seeking behaviour. It calls for a shrinking role to government. Social activists and populist opinion berates bureaucracy for distancing government from the people and for serving its own interest. Neutral opinion of experts in public administration and management also finds fault with archaic procedures and anachronistic practices followed by the bureaucrats and blames it for not adopting modern methods and efficient systems. In the face of such onslaught from all sides, the credibility of the bureaucratic system is at stake. It is a reform or perish scenario. All over the world, in developed and developing countries, administrative reforms have been introduced in a systematic manner either suo-moto or induced. And Kerala cannot isolate itself from the all pervasive mood for reform.

1.3.8 At the national level, Government of India has accepted the need for administrative reforms and is making special efforts to introduce reforms at all levels in partnership with the State Governments. A conference of Chief Ministers held in 1996 has resolved to give special importance to administrative reforms in the states.

1.3.9 Of late, Kerala has been showing great commitment in decentralizing administration. It was the firm and clear espousal of democratic decentralisation by the first ARC that brought this aspect into the reform agenda of the State. After several abortive and half-hearted attempts at decentralizing power to local bodies, the vision of the first ARC has been realised in spirit only now, after nearly four decades. It required a Constitutional amendment to set off the process. And now the constitutionally mandated decentralisation process has been given a big push.
in the State with the massive devolution of funds and the launching of the People's Planning Campaign. In fact, Kerala has deliberately chosen a 'big bang' approach to decentralisation, instead of an evolutionary gradually reformative approach. A lot of functions both regulatory and developmental have been transferred to the local governments along with staff and funds.

1.3.10 This has several implications for the administrative system calling for fundamental reforms. The present system is tailored for a centralised system of governance. It is office and officer-centered and relies on checks and balances based on controls emanating from centralised authorities. Decentralisation can not be effective in such an administrative environment. Hereafter there would be more of functional and less of formal hierarchy, more of professional guidance and less of administrative control, more of horizontal consolidation and less of vertical integration. Government has to become an active facilitator and a vigilant monitor and cease to be a directing and controlling authority. Decentralisation brings in a new set of inter-relationships, among officials and elected representatives, among the various tiers of government and among different levels of administrative hierarchy. There is scope for greater people's participation. As decentralisation ultimately means giving more power to the people, and giving the common man the central place in government, there is need to have more control from below. New systems and institutions need to be set up to ensure proper governance. The Committee on Decentralisation of Powers has done considerable work in improving the functioning of local governments. Decentralisation creates new domains of governance radically altering existing domains. Contrary to general impression, it is not only the departments, which have transferred functions and powers to the local bodies, which would undergo a change, but the entire system of governance would have to change. Even the regulatory departments have to recognise the local governments and form new relationships. As a lot of development functions have been devolved to the local governments, there will be a natural downsizing of State government as a good portion of developmental staff would have to be hived off and given to the lower tiers. The staff thus given will have to perform new roles working under the guidance and control of elected representatives at every tier of local government and the remaining staff also will have to assume different responsibilities. New opportunities for improving efficiency of staff have thus arisen. All these call for major reforms in the administrative set-up, which have to be looked into by this Committee.

1.3.11 The Administrative Reforms Committee sees a lot of opportunities in this context. There is a felt need for reform and unanimity of opinion on this among political leaders, experts and the ordinary public. And it is heartening to note that the bureaucracy itself had recognised the need to change. In the last decade there have been various innovations in administrative reforms from all over the world. There is much to learn from the best practices, many of which can be adapted to serve the development interests of the State. The rapid strides in information technology made in the last few years, particularly in the use of computers in day-to-day administration, is again a very favourable factor. Information Technology has become very affordable and extremely user-friendly and any further delay in the application to administration would be retrograde.

1.3.12 Thus every effort should be made to utilise this favourable environment and push for radical administrative reforms with a view to making administration serve the interests of the ordinary man.
IV. THE VISION OF THE COMMITTEE

1.4.1 The Administrative Reforms Committee has developed a vision of responsive administration and its recommendations would be designed to attain this vision. The salient features of the vision are outlined below.

1.4.2 A people centered form of governance is to be aimed at. To quote Gandhiji:

"Independence must begin at the bottom...........In this structure composed of innumerable villages there will be ever-widening, never ascending circles. Life will not be a pyramid with the apex sustained by the bottom. But it will be an oceanic circle whose centre will be the individual always ready to perish for the village, the latter ready to perish for the circle of villages. till at last the whole becomes one life composed of individuals, never aggressive in their arrogance but ever humble, sharing the majesty of the oceanic circle of which they are integral units.

Therefore, the outermost circumference will not wield power to crush the inner circle but give strength to all within and derive its own from the centre......................Let India live for this true picture, though never realizable in its completeness. We must have proper picture of what we want before we can have something approaching it. If there ever is to be a republic of every village in India, then I claim verity for my picture in which the last is equal to the first, or in other words, none is to be the first and none the last....."

1.4.3 Government at all levels has to give utmost importance to the citizens, and the common man in particular. The Government has to be responsive to the needs of the ordinary man and has to change the systems for faster satisfaction of his needs. To make Government people-friendly, a lot of demystification is required, and a situation where there is a lot of transparency and where information flows freely is required. There needs to be more opportunities for interaction with the people through formal and informal consultations, so that administration can reach out to the people.

1.4.4 Decentralised governance resulting in the creation of vibrant Local self-governments with clear functional domains, and the power, authority and resources to discharge the assigned functions autonomously, is most conducive for genuine people's participation. The local self-governments should not only give people the voice, but hand over the power to choice as well to them, in order to enable people to have the development they need and they want. Grama Sabhas and Ward Committees should blossom into dynamic fora of direct, face-to-face democracy. Accordingly, the system of governance at various levels has to be radically restructured to further participatory development.

1.4.5 Administration has to become more efficient for which greater professionalism is called for which can be achieved through constant training and through scientific methods of performance assessment. If merit were given the central place, it would enhance efficiency and bring out the best in public servants. Modern methods of management would improve efficiency; use of modern technology can definitely increase output per unit.

1.4.6 The administration has also to be effective achieving the objectives for which it exists. This calls for role clarity and clear definition of responsibility. Convergence of services is a must to achieve synergy in the delivery of public services. Similarly a higher delegation of administrative and financial powers accompanied by a reduction
The number of levels in the decision-making process would help in making the administrative system more effective.

1.4.7 There is need for greater accountability to the people. This can be best achieved by creation of systems and institutions facilitating people's participation. There is every need to control arbitrary behaviour in government and define discretion. Corruption, nepotism, wastage and delays are antithetical to a people-centered system of government and need to be combated marshaling all the resources available, administrative, legal, institutional, social and political.

1.4.8 The Committee has vision of a simple and rational administrative system which is understood by all the actors and which is capable of rising up to the expectations of everyone. A good working environment can go a long way in installing pride and satisfaction among public servants in discharging their duties. Contented and motivated public servants can serve the people better.

1.4.9 There is a heavy cost in running government and there has to be a constant assessment of costs and returns. Society has to get the value for the money it spends on administration. A cost-conscious and cost-effective administrative machinery is essential.

1.4.10 In order to attain this vision, one time reform alone would not be sufficient. There has to be a dynamic process with constant refining and redefining.

V. THE APPROACH OF THE COMMITTEE

1.5.1 The Committee envisages a three-stage process in reform. The first stage is to make simple correctives in areas where there are deficiencies, which are prima-facie, evident and which are recognised and accepted by all. Minor changes of procedure, reiteration of some useful decisions of the past, revitalisation of certain practices, which have fallen into disuse, designing of simple new systems, all these would be focussed on, in the first stage. Recommendations at this level would be mostly in keeping with current policy and within the existing framework. There would be no difficulty in accepting them straightaway. They would be of the kind that allows easy application in areas where significant results could be obtained with minor changes.

1.5.2 At the next stage more fundamental changes in procedures, systems and institutions would be suggested. This may call for policy changes and necessitate restructuring. Such recommendations would involve detailed study, discussions, analysis of various options etc.

1.5.3 In the third stage, changes in the legislative framework where Acts and Rules need to be re-written would be suggested. Of course these three stages need not be there in all areas where recommendations are made and it is not necessary that in all cases they have to be in three stages sequentially; they could be taken up simultaneously in some areas.
1.5.4 As far as decentralization is concerned, the Committee on Decentralization of Powers (popularly known as Sen Committee) has suggested drastic legislative changes. This Committee would focus on concomitant reforms required in the non-decentralised areas of government besides suggesting measures for deepening and expanding the scope of decentralization.

1.5.5 In keeping with the approach adopted by earlier Committees a flexible method would be followed in grouping of recommendations. Where there is commonality, recommendations spanning the various sectors of administration would be given and where there is specificity a sectoral or departmental approach would be followed.

1.5.6 The Committee intends to give its reports in several parts. This would help easy processing and also facilitate valuable feedback to flow to the Committee on practical issues encountered at the time of processing, so that the Committee itself could modify its approach if required. This would enable the Committee to give necessary clarifications and suggestions for implementing the recommendations already made. Thus the Committee would be able to guide initially in implementing some of its recommendations.

1.5.7 The Committee would try to avoid as much as possible terse, general recommendations and would endeavour to give specific ready-to-use recommendations. Though the recommendations would be prepared in consultation with the departments, it does not imply that their consent is obtained. The Committee would decide, based on its judgment, on what is most needed, in consultation with the user groups and in keeping with the overall vision. In each of the part reports there would be suggestions for monitoring and for presentation of action taken reports at regular intervals. In the early stages the Committee itself would be involved in the monitoring.

VI. CHOICE OF THEMES FOR THE FIRST REPORT

1.6.1 The Committee has chosen the following themes for the first report.

(1) Citizens' Charter.
(2) Transparency and Right to information.
(3) Public grievance redressal.
(4) Application of these themes to local self governments

1.6.2 The Committee has given considerable thought to the selection of themes to be presented in the first report. The themes finally chosen look pretty obvious and simple and one may even wonder whether these straightforward matters need to be recommended in such a solemn manner as reforms. But it should be noted that the most fundamental flaw in our administration vis-à-vis the citizens is not the lack of laws or weakness of systems or deficiencies in procedures. Of course all is not well with our laws, systems and procedures and they call for drastic modifications and major improvements. But the Committee firmly believes that even with an ideal set of statutes, systems and procedures, good administration will not result unless public servants act with diligence.
commitment and concern for the citizen. Over the years the accent has been on new laws, systems and procedures, even while the quality of public services has been going down sharply.

1.6.3 Unfortunately this negative trend arose from positive socio-political initiatives. What started as a legitimate attempt to organise for protecting and promoting essential interests degenerated over time into a collective display of indifference, indiscipline and discourtesy. Though the political movements, which promoted the organising of government servants, failed to notice the negative trends in the beginning, they have now realised the inherent dangers of an apathetic and self-interested bureaucracy.

1.6.4 The crisis has affected senior levels of bureaucracy as well. There is a growing tendency to seek personal popularity, enjoy additional perks of office and even at times submit to the lure of illegal gratification.

1.6.5 It is not to say that it is a totally negative situation without any hope. There still exists a body of government servants who are fully committed to the ideals of public service. It is because of them that government function today. But what is alarming is that the proportionate strength of this group is decreasing and their voice is fading.

1.6.6 It is against this background that the Committee has decided to state this fact in the very first report as it believes that any reform would be meaningless unless a minimum level commitment in terms of quality and quantity is assured to the citizen. If the recommendations relating to the themes suggested above are operationalised, it would serve as a good basis for more reforms.

1.6.7 These themes are in keeping with the vision and approach outlined earlier. These are areas where maximum results could be obtained with minimum of effort. There is no need for time consuming structural changes; only a firm commitment is called for from the Government for operationalising the recommendations in these areas. These themes would help transform the present system into a more people-friendly one. They can automatically reduce the distance between the people and Government. It would make a good beginning and would set off a process by which the ordinary man comes to be seen also as a consumer of government services with certain clear rights and responsibilities. Though recognised in theory, it has not yet been felt by the people that what is rendered by the Government is no act of patronage or benevolence but is only discharging of a solemn duty as a trustee of the people. Therefore the interest of the people is of paramount importance.

1.6.8 There is common agreement by all that the areas chosen are problem areas with much scope for reform. Reforms in these areas would cut at patronage, but they open possibilities of work satisfaction for the officials, consumer satisfaction for the people and increased credibility for the government.

1.6.9 These are the areas where reforms have been tried and tested in several countries and there are several best practices available for adaptation. Though they are modern practices with far reaching implications they are easy to adapt and simple to operationalise.
1.6.10 The themes selected are logically linked and organically related. The standards of service which are assured in the form of a Citizen’s Charter would necessitate having a free flow of information, both to access the guaranteed services as well as to observe shortcomings. And the right to information would in turn prompt a sharper demand for better service and make the Charter a dynamic concept. As promise and performance may not match and demand and response may not be in equilibrium, grievances are bound to arise and there is need for a foolproof and effective grievance redressal system. The reforms would mutatis mutandis apply to local governments as well.

1.6.11 These are themes which provide scope for constant refining. After introduction of reforms in these areas there is need to monitor them and, using the feedback, to keep innovating and improving. This would afford opportunities to the Committee as well as to the departments to jointly follow up implementation of these recommendations.

VII. METHODOLOGY

1.7.1 The Committee has followed an essentially interactive process for finalising its recommendations. A series of discussions were held with departments, mainly, to identify problems and possibilities as perceived by the departments, to harness internal expertise, to identify specific issues and peculiar circumstances prevailing in individual departments, and to spur departments to take a new look at things.

1.7.2 These intense discussions have helped create an ambiance for reforms. They have made the department partners and can help the Committee to lead them step by step on the path to reform. Of course, the Committee would modify the departmental perspectives by interaction with citizens groups and analysis of prevalent procedures and practices.

1.7.3 For preparing the interim report the Committee has used the following methods.

1.7.4 The Committee has analysed the earlier reports of the Administrative Reforms Committees to ensure historical linkages, to know the action taken, to identify pitfalls in implementation and to resurrect unimplemented but relevant recommendations.

1.7.5 The Committee held ice-breaking sessions with Secretaries to Government and Heads of Departments (See Appendix IV). These discussions helped clarify mutual positions and forge a bond and partnership. These sessions encouraged loud thinking and helped the Committee to identify reform issues.

1.7.6 The Committee has collected various documents relating to reforms in the three areas chosen and analysed them in detail. This has helped the Committee to ensure the necessary linkages with existing instructions.

1.7.7 The Committee has constituted Task Forces in 73 departments and 5 public sector undertakings. General terms of reference have been circulated to all of them (See Appendix V). A general interaction with key members of the
Task Forces was held in respect of 18 departments. In these discussions additional department-specific terms of reference were finalised. The Task Forces were asked to report on the areas chosen by the Committee for the first report. These reports were thereafter discussed with the Task Forces and clarified.

1.7.8 The ARC team conducted its own study of enquiry counters in 12 offices.

VIII. What the Committee intends to do further

18.1 As part of its methodology, in the coming months, the ARC intends to do the following:

1. Invite public response on a series of issues.
2. Prepare and circulate a well-structured questionnaire to various selected groups.
3. Conduct studies using the ARC machinery as well as external consultants in selected areas.
4. Hold thematic workshops and seminars.
5. Conduct field visits to interact with the common public, elected representatives, field level officials and social activists.
6. Visit other states in the country, which have taken bold initiatives in administrative reforms and interact with the concerned people.
7. Hold discussions with service organizations in the State.
CHAPTER 2

CITIZENS' CHARTER

1. Background

2.1.1 Citizens' Charter is essentially a statement on the part of a Government department or agency, on the levels of service which the citizen is entitled to, and which it is willing to guarantee to him. These guarantees are stated in unambiguous and measurable terms along with supplementary provisions for accessing such guaranteed services and for redressal mechanisms in case of non-performance. Though not a legal guarantee, the term 'charter' implies a solemn promise given with commitment by the government to its citizens and thereby it acquires sanctity and credibility.

2.1.2 All over the world there is an increasing emphasis on quality and in the case of government, there is a visible trend towards improving the quality of services provided to the citizens. Citizens' Charter is a product of this concern. The Citizens' Charter initiative was first taken in the United Kingdom to improve the quality of services and make administration more responsive, accountable and people-friendly. Since then, some other countries and organizations have taken up similar initiatives suited to the local administrative milieu.

2.1.3 Actually no service rendered by government is free even though there may be no direct charging for it. There is always the economic and social cost involved. Every citizen has a right to be concerned about the value for money in the services provided. Therefore he cannot be just a passive recipient of services; he has an active role.

2.1.4 Citizens' Charter focuses on the common man as a consumer of government services and assures certain levels of service due to him. In the democratic society, the government is for the people and the implied values behind a democratic system of government are translated into perceptible and measurable standards of performance through the Citizens' Charter. Government is seen providing its services not as a benevolent authority, but as a service agency with clear duties and obligations towards the citizen and the recipient of the service is seen as a stakeholder and given a positive right to demand and receive a certain standard of service. Citizens' Charter restates the right of the people vis-à-vis a government service in terms meaningful to them. It brings in a new form of direct accountability and gives the citizen a yardstick to evaluate the performance of government in areas which matter most to him.
II. Applicability of Citizens' Charter

2.2.1 Over a period of time, for various reasons, there has been a perceptible decline in the quality of service provided by the Government. This has resulted in serious erosion of the credibility of Government as a public service institution. Citizens' confidence in Government has been on the wane. There is no definiteness about the timeliness and quality of a Government service for an ordinary man. Uncertainty hangs over the delivery of the service which is due to him or for which he has formally requested. This has resulted in influence peddling by middlemen, and widespread corruption, creating an atmosphere of dangerous cynicism and alienating people from the Government. Public leaders, policy makers and people's groups have become very concerned about this situation. Even the service providers admit to the deficiencies. Things cannot go on the way they have been.

2.2.2 With the enactment of the Consumer Protection Act and due to the growing consumer awareness, most of the services rendered by private agencies and individuals and selected public services have been brought under judicial scrutiny. There is a legal forum for redressal of grievances relating to the quality of such services. Naturally, for the sovereign state, there is no such narrow legal obligation, but as citizens interact more with government agencies and their lives are more touched by services rendered by the state and its agencies, there is a greater moral obligation for providing good quality services. In fact this constitutes a major part of the raison d'être of the state and this moral obligation can be best discharged in the form of a Citizens' Charter.

2.2.3 The Government of India has also been taking keen interest in the Citizens' Charter initiative and has accepted as a policy the relevance of Citizens' Charter in the administrative context. The applicability of this concept was discussed in the conference of Chief Ministers held in 1996. Several departments of Government of India like Customs, Posts, Central Board of Direct Taxes etc. have published their Citizens' Charters.

2.2.4 In the specific context of Kerala, more recently, citizen expectations have been raised by decentralisation. Government has clearly stated their intention to empower the ordinary man through local self-government institutions by putting people in the central place. This has created a lot of pressure from below, which is acting on all points of governmental contact with the people. The people are eager to know the kinds of service they can expect from government and local government institutions. An assurance by government in terms of a charter would be most appropriate in this context.

2.2.5 As mentioned earlier, Citizens' Charter originated in its present form in the United Kingdom and it could be related to the privatisation process in that country which sought to provide wider choice to the people, as competing agencies could provide services guided by the market forces of supply and demand. However, Citizens' Charter cannot be seen as an ideological product of the liberalisation process. On the other hand, its basic philosophy relates to the primacy given to the people. In this sense, it is more applicable in democratic societies like India where the State has, of necessity, to provide various services to its citizens and where disadvantaged groups are often not able to access these services satisfactorily.
2.2.6 Citizens’ Charter is not a pious statement of intent. It is a real guarantee in quantitative and qualitative terms, which can be measured and felt. At the same time it is not a blueprint. It has to be evolved agency-wise after careful situation analysis. The constraints of staff, resources and the framework set by statutes and government policy will influence the Charter. A careful ABC analysis has to be made to ensure that, instead of dissipating energy on too many areas, certain priority areas of critical citizen concern and with maximum possible impact, could be taken up first, and standards fixed with reference to the present situation. It has also to be noted that the Citizens’ Charter should be a dynamic one with progressive, moving targets to be achieved over a period of time.

III. Recommendations

2.3.1 To start with, the following departments may be identified for proclaiming of Citizens’ Charter:
   i) Civil Supplies Department
   ii) Revenue Department including Survey and Land Records
   iii) Motor Vehicles Department

2.3.2 In addition the following public utilities may also be selected for introducing Citizens’ Charter:
   1) Kerala Water Authority
   2) Kerala State Electricity Board

2.3.3 The list of departments and agencies suggested above could be expanded gradually. Within an year it has to be extended to all departments and agencies rendering services to the public.

2.3.4 Task Forces created for each of these departments and agencies by the ARC can be asked to work out detailed Citizens’ Charter for the department/agency in consultation with the Administrative Reforms Committee. The Administrative Reforms Committee has already circulated a guideline for preparing the Citizens’ Charter enclosed as Annexure I. The Charters would vary for each level of office as the functions performed would be different at the state, regional, district, sub-district and local levels.

2.3.5 Illustrated Citizens’ Charters for 3 departments and 2 public sector undertakings have been prepared by the Administrative Reforms Committee based on the response received from the Task Forces and are enclosed as Annexures II A to II E.

2.3.6 Citizens’ Charter may be introduced in all the local self-governments. Each unit has to lay down its own charter subject to general guidelines issued by the Local Administration Department. Model charters developed after field study, which can be adapted for Grama Panchayats and Municipalities, are given as Annexure II F and II G respectively. It is expected that this would inculcate a spirit of competition among local self government institutions in providing services due to citizens.

2.3.7 Rigorous training and orientation programme may be held for the selected departments/agencies and the local governments in a cascading manner covering every important functionary within a period of three months. The
Institute of Management in Government (IMG) could be the nodal institution for government departments and agencies and the Kerala Institute of Local Administration (KILA) could be the training institution in charge of the local self-governments, for both officers and elected representatives. These nodal institutions can interact with the Task Forces and the ARC while chalking out the training programme.

2.3.8 Typically the Citizens' Charter should cover the following points:

(i) The departments, agencies, and local self-governments would state their mission, objectives and their general policy to attain these objectives in clear simple terms and publish them and exhibiting them in all offices in the local language also. This would help each staff member of these organisations to have an idea of what his organisation stands for besides enabling the public to frame its expectations.

(ii) The standards of service in various areas covered by these organisations need to be fixed. For this, the services to the citizen are to be listed out covering statutory, procedural and conventional matters. The rendering of each of these services should be quantified indicating time limits, quality levels, etc. It is necessary to make this quantification within the existing framework and utilising existing resources, human, financial, material and technological. It is necessary to peg the levels at challenging heights. These standards have to be published and made available to potential users.

2.3.9 There is need for providing information about these services and being open in their performance. It is necessary to collect the rules and instructions governing the areas of public interface and make them available freely as far as practicable in the local language. The public should be informed about accessing these services, through simple handouts, which should also indicate what remedial measures are available when certain problems arise. Enquiry counters should be revitalised and restored in the Secretariat and the offices of the heads of departments and district level offices of the concerned departments/agencies. In the case of small offices, separate enquiry counters may not be necessary but a notice board indicating who should be approached for what has to be set up. Who does what in each office should be prominently exhibited in the offices implementing the charter. In the case of any one being absent, the head of office has to make substitute arrangements.

2.3.10 All the offices should have a clear "queue" system for dealing with requests and applications, and should strictly follow priority in disposing of applications for various services. This should also be seen to be done and transparent methods of implementation should be resorted to so that the first come-first served principle is not violated. Where emergencies and extraordinary situations exist for immediate response, a fast track mechanism needs to be designed and published, defining discretion to the maximum possible. Each case of use of discretion needs to be backed up by cogent reasoning put down in writing.

2.3.11 It is necessary to exhibit the targets and achievements and the cost incurred by the department. Details of salary, travelling allowance, vehicle/telephone costs, other office expenditure etc. should be given office-wise.
2.3.12 The departments/agencies implementing Citizens' Charter need to identify their consumer groups and hold periodical consultations with them - both with organized groups as well as with the general public. Question and answer sessions through the media may also be regularly done.

2.3.13 Courteous behaviour and courteous gestures are a must in a citizen-friendly office. It would be better to state the behavioural standards in clear language and exhibit the promise of good behaviour in prominent places.

2.3.14 Facilities for the visiting public like drinking water, toilet, seats for waiting persons, etc. should be provided in offices wherever the number of visitors is more than 50 per day. In offices frequented by senior citizens or disabled people separate queues and reserved facilities are necessary.

2.3.15 There needs to be a grievance redressal procedure. This is being dealt with separately. Also transparency and right to information are larger issues which will be dealt with at length separately.

2.3.16 The adherence to the Citizens' Charter needs to be monitored at various levels particularly through formal surveys. The achievements also need to be monitored in house and published at regular intervals.

2.3.17 There has to be a publicity campaign to spread awareness about the Citizens' Charter. Spots in radio and TV, advertisements in newspapers and other publications display at public places and written information to consumer groups and people's groups would be quite useful.

2.3.18 There has to be an evaluation of performance by an evaluation team after one year and recognition for good performance has to be given.

2.3.19 Improvements/changes have to be brought about every year based on thorough review.

2.3.20 The ARC recommends the following time limits for various activities by departments/agencies, once the decision to implement recommendations is taken.

(1) Constitution of task forces 15 days
(2) Preparation of draft charter 1 month
(3) Discussion and finalisation 1 month
(4) Training of trainers 1 month
(5) Training of others 2 months
(6) Operationalisation 6 months after acceptance of the recommendations
(7) Evaluation 6 months after Operationalisation

2.3.21 For local bodies, a three-month time limit is suggested for operationalisation as they can do it quickly through mutual discussion once the basic training is given.
CHAPTER 3

TRANSPARENCY AND RIGHT TO INFORMATION

3.1.1 People are generally unaware of how government decisions concerning their individual issues are made. Even where norms are laid down, the decision-making process is not transparent enough for the citizen to know whether these norms are indeed applied, and if so, how. And more often, the element of discussion, which is inevitable in several decision-making situations, is stretched to absurd limits in private or partisan interest. And the ordinary man has no way of knowing how a decision had been arrived at in a matter concerning him. The secrecy of the process encourages whimsicality and arbitrariness; keeping the citizen in the dark, gives a feeling of mystery and conveys an impression of power which needs to be propitiated before it condescends to perform a task. Thus what is due as a right is transformed into an act of favour or fortuitous grace. This breeds arrogance in the decision-maker, distrust in the citizen and corruption in the system - a combination which is the anti-thesis of responsive administration.

3.1.2 An antidote to this can be found only in transparency and right to information, which relate to responsive administration and ensure direct accountability to the people. It has been said, transparency is the best form of audit. Transparency implies that every decision is taken on accepted and published norms and criteria, based on the principle of fairness and equity and such decision making is visible to everyone. Transparency throws open the process of decision making and allows verification by the ordinary citizen.

3.1.3 In addition to ensuring accountability of the government, transparency fosters citizen’s confidence in government and helps to dissipate suspicion and cynicism. Transparency is an incentive to people’s meaningful participation in developmental matters and it is an effective check on corruption. There is a growing tendency in government to take decisions ostensibly in public interest using a lot of discretion, but without any accountability. Transparency will definitely check this tendency.

3.1.4 There are several rules and procedures, which are rational and equitable. But they are either not made known to the citizens or are in a form not easily understood by the layman. Transparency implies spreading of awareness about various legal and procedural provisions by translating them into the local idiom. Thus transparency, is not merely confined to the limited act of lifting the curtains; it is a pro-active process of reaching out to the people and making them understand what has been opened out.

3.1.5 Transparency should be strengthened by providing enabling administrative and legal procedures for accessing information relating to the functioning of the government particularly on matters relating to development where secrecy cannot be justified in any manner. Transparency has to be guaranteed by a right to information. There are various kinds of information now available with government, which are relevant to the citizen from the point
of view of ensuring accountability and also of enlarging the role of civil society. There would be positive results from making available such information for the citizen.

3.1.6 The constitutional provisions on fundamental rights imply that the right to information is a fundamental right, though it is not stated in as many words. The Committee feels that this should be enshrined as a cardinal principle in government in order to make it more democratic and responsible. Transparency and right to information flow naturally from Citizens' Charter. When services are guaranteed there is need for transparency and availability of information to the people to realise the maximum out of the services. Transparency and right to information are particularly relevant in the local governments where face to face democracy can be practiced.

3.1.7 The Committee feels that there should be natural flow of information with easy access. Normally, information relating to developmental matters and processing of individual and group applications for various entitlements should be freely available. In such cases, access rather than denial should be the rule, except in those rare cases where disclosure of information would give undue advantage to certain individuals or groups. as in the case of competitive tendering, or where privacy of an individual would be affected. as in the case of disclosure of health records. Ordinarily in developmental matters, security of the state would not be a concern.

Recommendations:

3.2.1 Now there is a lot of information, which is theoretically available freely, especially relating to statutes, Government Orders, Circulars, public reports, etc.; but they are hardly available for reference to the ordinary man. It is necessary to collect such relevant documents, index them and make them available for ready reference at the State Central Library as well as with the Director of Public Relations. The abstracts of these documents could be made in plain language and distributed on realisation of actual cost. A directory on where to find information could also be prepared and made available in all district and block/municipal centres.

3.2.2 These documents can be published directly by the government or through private publishers.

3.3.3 Formerly, the practice of publishing manuals was followed in several departments, but now this practice has fallen into disuse. It is necessary to revive this practice of publishing manuals. It is suggested that manuals be updated for the departments with public interface, in particular, the following:

(1) Revenue
(2) Civil Supplies
(3) Panchayats
(4) Municipalities
(5) Motor Vehicles
(6) Public Works

3.3.4 A time limit of one year is recommended for this updating.

3.3.5 A subject-wise compendium of government orders has to be prepared straightaway and made available in the District Information Offices and District Libraries in the first instance. This may be extended to cover local
governments in a phased manner. It should be ensured that this is not a one-time activity. A system needs to be created for sending Government Orders regularly to the places mentioned above.

3.3.6 Computerised facilitation centres may be set up in the three cities of Thiruvananthapuram, Kochi and Kozhikode to start with. It is understood that the National Informatics Centre is in the process of setting up such centres. All relevant information could be fed in such centres for easy access. The private sector could be encouraged to set up such information centres if they are willing.

3.3.7 There has to be a regular system of suo motto publication of information. The manner and matter of such publication has to be fixed department-wise and monitored annually, preferably in the form of reports to legislature.

3.3.8 To enable the citizen to utilise the services of a department/agency he has to be aware of the statutes governing the functioning, the procedures followed in the discharge of functions and in the remedial measures available in the event of failure to perform a function satisfactorily. This implies that the department/agency has to publicize the acts and rules governing its functioning. The various procedures to be followed for accessing of services also need to be outlined and the citizen has to be told through printed pamphlets on the recourse he has, if any of the services are not rendered properly.

3.3.9 For the purpose of social audit, the following information has to be published:

(i) Progress of processing of applications, achievements of physical and financial targets.
(ii) Establishment costs incurred item-wise
(iii) Abstracts of expenditure of developmental works item-wise
(iv) Eligibility criteria and prioritization criteria within the eligible groups for developmental programmes
(v) Lists of beneficiaries assisted under various schemes.

3.3.10 Different kinds of information may have to be published at the state, district and local levels. At the local levels, information has to be in sufficient detail in the case of developmental matters.

3.3.11 There has to be a procedure for declassifying information. As a general rule, all information can be declassified after 30 years. Along with this, an archival policy needs to be formulated so that valuable documents of historical relevance are not lost to posterity.

3.3.12 There has to be a clear procedure for provision of information. This procedure could be laid down on the following lines:

(1) The kinds of information, which are available, should be listed out and published. Also, the kinds of information, which cannot be given, should likewise be published.
(2) All organisations should have an information officer. A fairly senior officer can be given additional charge of this duty where there is no set up for providing an independent officer.

(3) There has to be a procedure for requesting for information. For scrutiny of records, it can be allowed on fixed days at fixed times: but if copies are to be supplied, actual cost may be realised and a time limit of seven days fixed for supplying the information. In local governments the information could be provided on the same day. A fixed day may be set apart for this, so that people can come on that day, place their request and get the information the same day. If self addressed and stamped envelopes are provided, mailing could also be done.

(4) If an application seeking certain information is received and it cannot be provided, it has to be rejected by an officer senior to the information officer. The rejection order should state the reasons for not giving. An appellate procedure needs to be fixed.

(5) For ensuring right to information, legislation may be necessary. But to start with, through executive instructions it can be ensured in areas relating to developmental programmes and individual entitlements.
CHAPTER 4

PUBLIC GRIEVANCE REDRESSAL

4.1.1 Redressal of public grievances has been given a lot of importance in all forms of Government. Even in ages before democracy got stabilised, history is replete with descriptions of public hearings and mass durbar by sensitive monarchs. During the colonial days in India, there were compulsory 'marches' and 'halts' for senior officials to enable them to directly see and feel the problems of people, so that they could be sorted out with understanding. In Kerala, the Government has taken a lot of initiatives, from time to time, to redress grievances in a quick manner. The mass contact programme, the Ahmednagar pattern of administrative reform in district offices, the SPEED programme etc., are good examples from recent times. Government has issued a lot of instructions on timely settlement of public grievances.

4.1.2 Public grievance is a vast area and in this Report, the Committee has taken a restricted definition of public grievance. For the purposes of this report, public grievance could be either of an individual or a group and would arise when a service to which he/they are entitled is either denied or is defective or an action which the Government has to take vis-a-vis the individual or the group is either not taken at all or taken in a manner violative of justice. Thus, public grievance would arise when something due to an individual or group is denied or partially given or delayed or incorrectly given. Grievance petitions can be given to the same agency where the grievance arises or to a higher office.

4.1.3 However, there may be petitions for special help like request for a house or request for a job. Similarly there could be general complaints against a system or a practice. Though they fall within the ambit of public grievance they would be taken up for detailed consideration subsequently. Redressal of a public grievance can take many forms. For the purposes of this chapter it is the redress within the administrative system that is stressed.

4.1.4 The Government that guarantees certain standards of service to a citizen, and is transparent in the discharge of such guarantee, has to have an effective system for tackling public grievances as and when they arise. Quick sorting out of a grievance reinforces faith in the system; is symptomatic of a government that works and cares and is indicative of the rule of law. It boosts the confidence of individuals in government.

4.1.5 Prompt and effective redressal of public grievances is the best manifestation of a responsive administration. A good public grievance redressal system existing at various levels of Government would reduce pressures on elected representatives and political leaders and can free senior officials for policy making and overall monitoring. It can drastically reduce scope for small-time corruption.

4.1.6 The Committee feels that if the existing instructions alone could be implemented properly with a sense of commitment, most of the public grievances would be taken care of satisfactorily. Absence of sustained monitoring has resulted in excellent initiatives petering out. The whole process has become adhoc and has been
working in fits and starts. This is best illustrated by what happened to the enquiry counter system, which was set up with much hope in the early nineties. The Committee conducted a case study of enquiry counters and found that most of them are not working, and that too for reasons related to poor follow-up, and flagging enthusiasm.

4.1.7 The analysis of the response of government so far shows that there have been broadly two approaches: one attempts to reach out to the public like mass contact programmes and the other one seeks to improve the redressal mechanism within the system. In the case of the former, enthusiasm wanes after some time. Often too many petitions are received preventing effective dealing. The high visibility of this approach some times has even made the whole thing degenerate into a populist gimmick. In the case of the latter approach, lack of effective and sustained monitoring has made it tedious and painfully slow.

II. Elements of grievance redressal system:

4.2.1 The elements of a good grievance redressal system are:

1. Classification of the type of grievance.
2. Identifications of levels for redressal of various grievances.
3. Prompt acknowledgement for grievance.
4. Facility for query.
5. Time limit for response.
6. A final settlement to the satisfaction of the person or group concerned.
7. Appellate procedure.
8. Monitoring of the whole process at higher levels.
9. A transparent exposition of the system for benefit of the public.

III. Recommendations:

4.3.1 To start with it would be useful if the existing instructions on grievance redressal are collected, collated and published with the required modifications as a single set for each department/agency.

4.3.2 Enquiry counters should be opened in all the offices having dealings with public. Depending on the volume of work, the counter could be manned by different levels of officers. As far as possible the officers so selected should be volunteers and given counter duty for not more than three months at a stretch. During the period a person is manning the counter, he need not be asked to do any other work. At the same time no separate post should be created for this purpose. A working arrangement system for each office could be evolved, so as to identify the persons required every three months.

4.3.3 The enquiry counter would have a two-fold purpose. It should be a place where all information on the activities of the department/agency is made available to the public, preferably in a written form. Secondly, the enquiry
counter should be able to give information on the current stage of the various grievance petitions. There should be a monitoring of the petitions from the counter and a facility for giving interim replies orally if approached by the petitioner. A detailed scheme is prepared to serve as a guideline for setting up of enquiry counters and given as Annexure III.

4.3.4 For the Secretariat and Collectorate, a single enquiry counter is suggested. In the case of the Secretariat, an officer of the rank of Deputy Secretary could head the unit whereas in the Collectorate, a Junior Superintendent would be enough. These counters should be computerized.

4.3.5 The enquiry counters would give proper acknowledgement and reference number on receipt of each petition, inform the petitioner of the initial action taken and indicate the probable time limit for final redressal wherever possible. For different types of grievances, different levels of officers should be made responsible for giving this assurance on the time limit. All petitions that cannot be finally disposed of by the initially fixed date should be assigned a new deadline and the petitioner informed accordingly.

4.3.6 Grievance petitions could either be sent by post or directly handed over to the officers. For petitions sent by post, there should be provision for attaching a self-addressed stamped envelope, in which case, the petition would be acknowledged with a reference number and with the indication of the expected time required for processing the case. A similar procedure can be followed for petitions, which are received directly by officers.

4.3.7 As a general rule, applications which are not public grievance, but which require a decision which needs at least 15 days time, could also be sent by post or given direct. In all such cases also, acknowledgement, reference number, and time by which decision would be taken should be intimated. If the time limit cannot be adhered to, the concerned person should be intimated and a new time limit indicated. This would go a long way in preventing grievances.

4.3.8 All the grievance petitions for a particular department/office need to be classified subject-wise. For doing this, each department/office has to determine what constitutes a public grievance petition as far as its domain is concerned. The subject-wise classified list should be available with each dealing hand with a time limit for its final redressal. The head of office should be personally responsible for monitoring the redressal of grievances and taking special action on delayed cases. There should be a system of specially marking public grievance cases in the personal register. The inspecting officer should specially watch the progress of disposal of such cases and make specific entries in the running note. While submitting the personal register the dealing hand should also give a list of public grievance petitions pending for more than a fixed period of time.

4.3.9 For monitoring complaints in offices, there should be a Nodal Officer. The officer dealing with information could double up as the Nodal Officer for redressal of complaints. He should monitor the pace of redressal of public grievances and take remedial action wherever required. He should be responsible for sending periodical reports on the progress of redressal of public grievances to the higher officers. In the case of Secretariat.
Secretary, P & ARD could be the Nodal Officer, and in the case of Collectorate, the ADM could be the Nodal Officer.

4.3.10 Each department should prepare an annual report on the type of public grievances it received, the action taken and the problems encountered, with suggestions for changes required at higher levels in policy, procedures, etc. This department-agency-wise report should be submitted to the Secretary, P & ARD.

4.3.11 There should be fixed days for meeting people in every office by the head of the office. In the case of local bodies, the elected-head and the secretary should be there on such fixed days. It is suggested that for the entire State, Wednesdays could be designated as public contact days, where any member of the public can walk in and meet the head of office during office time. Consequently, Wednesdays would become no-meeting, no-tours days. If for some reason the head of office cannot be present, he should make the next senior-most officer sit in his office and receive visitors.

4.3.12 At levels below the district, mass contact programmes may be revived after widespread publicity through the press and local panchayats. The notice should be given at least 60 days in advance and grievance petitions collected in the Grama Panchayat/Municipal offices and forwarded to the concerned departmental officers at the district level. On the day of the mass contact programme, the petitioner should be invited and the final decision made known to him. He should be given full intimation of what has happened to his petition and if it cannot be redressed, the clear reasons for non-redressal. If more time is required it would be stated and follow up assured. In such programmes, it should be clearly specified that petitions will not be received on the spot. However, if such petitions are received, they may be dealt with as a public grievance petition in the respective offices.

4.3.13 Department-specific 'adalats' or public hearings should be held in all the districts at least twice a year. Elected representatives, clients of the department etc. could be invited and detailed interaction sessions held at least for half a day. The follow up action taken on such adalats should be reported in the next half yearly adalat.

4.3.14 Several organisations organise 'Neethi Melas' utilising the services of retired judges and eminent public men. Normally the organisation collects applications in advance and sends them to the concerned officers. The affected parties are invited to be present on a fixed day. The government should recognise such organisations if they are bona fide and instruct the departments to co-operate with such organisations to settle the public grievances in the Neethi Melas.

4.3.15 For sorting out public grievances, which have a law and order implication, regular special mass contact programmes attended jointly by the District Collector and Superintendent of Police should be held Taluk-wise once in a month. The procedure followed in the mass contact programme can be followed here also, with the proviso that petitions are to be given to the Police Station or to the Village Office or to both. The kind of grievance dealt with in such mass contact programmes should be made clear in advance. It is felt that, boundary
disputes, disputes relating to pathways, harassment of weaker sections, etc. could be sorted out in such joint programmes, in which all officers of the respective departments would be personally present and the reports discussed in various joint counters manned by Collector/ Superintendent of Police/RDO/Deputy SP/ Tahsildar/Circle Inspector. The Excise department could also be involved in this programme. In tune with the guidelines given as Annexure IV, a circular will have to be issued by the Government for operationalising the programme.
CHAPTER 5

DECENTRALISATION AND
ADMINISTRATIVE REFORMS

5.1.1 Kerala Government has embarked on the path of decentralisation with a clear vision of what it means and what it intends to achieve. Decentralisation is the process of setting up local self-governments with a well-defined area of autonomous functioning. Also it implies transferring power to the people through the local elected representatives who would act as trustees for the people. Thus it implies the empowerment of the ordinary man.

5.1.2 In the Kerala context, the local governments do not constitute a hierarchy. Each type of local body has its own functional domain. Thus there are 1214 local governments in existence in the State. They will be now dealing with almost every developmental matter and every welfare activity having direct interface with the citizens. Grama panchayat and municipal bodies also exercise a substantial portion of regulatory power. Thus direct contact with the people will be more at the local body level. Since they exercise functions and responsibilities hitherto discharged by the Government, there is need for a relationship of trust and understanding between local governments and people.

5.1.3 The recommendations made so far in this report all relate to bettering the services of the State to its people and making it more responsive in its day to day activities. Since a large number of such activities are carried out by the local governments, these recommendations would mutatis-mutandis apply to them also.

5.1.4 The Committee on Decentralisation of Powers has already recommended incorporating of Citizens’ Charter and Right to Information in the statutes relating to local bodies. These legal provisions need to be translated into practice at the earliest for which the recommendations made in Chapter 2 and 3 would be relevant.

5.1.5 In the new context there could be a large number of public grievances related to the functioning of local bodies that may be brought before the Government. This would lead to a sensitive situation where the Government has to discharge its inherent obligation to the citizen even while protecting the freedom of local governments. The recommendation of the Committee on Decentralisation of Powers to set up an Ombudsman type of system for redressal of citizen’s grievances assumes special relevance in this context. It is desirable to have an independent mechanism, which can take care of public grievances concerning local governments. Till such time this recommendation is put into practice, it is necessary to evolve a public grievance redressal system for the government in relation to local bodies.
II. Recommendations

5.2.1 For public grievances concerning Grama Panchayats, Block Panchayats and Municipalities, grievance redressal committees could be set up at the district level under the District Collector. And for grievances concerning Corporations and District Panchayats similar committees could be set up at the state level under the Secretary. The composition of the committees could be as follows:

1) District level Committee
   - District Collector
   - District Planning Committee expert member
   - Deputy Director of Panchayats
   - Regional Joint Director
   - Assistant Development Commissioner
   - District Examiner of Local Funds

2) State level Committee
   - Addl. Chief Secretary - Chairperson
   - Secretary (Local Administration)
   - Secretary (Rural Development)
   - Chief Technical Examiner
   - Director of Local Fund Audit

5.2.2 These Committees could verify facts through any officer they deem appropriate for the purpose and sort out matters with the local governments through advice; but if the grievance cannot be settled through advice and dialogue, the matter has to be referred to Government for statutory remedies.

5.2.3 To sort out public grievances relating to implementation of public works, technical audit panels may be constituted at the district level and State level consisting of technical experts of outstanding credibility. These panels could look into specific complaints and their reports acted on by the Committees mentioned earlier, following the same procedure.

5.2.4 The local bodies require a public grievance redressal system in cases where the grievances are directly given to them. Here the recommendations given in Chapter 4 would mutatis mutandis apply.
CHAPTER 6

MONITORING

6.1.1 Past experiences in the implementation of various administrative reform measures has proved beyond doubt the need for careful monitoring and prompt follow up at the operational level. Several innovative initiatives have withered away for want of sustained nurture. The Committee feels that administrative reforms should be seen as a package programme, consisting of several elements, which need to be implemented in a project like manner with clear targets and milestones and constant verification of the attainments. For this an efficient system needs to be devised.

6.1.2 The Committee is of the opinion that certain interim arrangements have to be made for monitoring of the implementation of those recommendations of this report, which are accepted by Government. With this objective three recommendations are made.

Recommendations:

6.2.1 The Administrative Reforms Committee itself should be empowered to monitor the implementation of the accepted recommendations as long as it exists. The departments/agencies should interact with the Administrative Reforms Committee even during the operationalisation phase, so that perspectives could be clarified and necessary modifications brought about. Once the operationalisation phase is over, the ARC would monitor its initial impact.

6.2.2 Monitoring system may be set up at the Government level, by creating an empowered team of officers headed by an officer of the rank of Additional Chief Secretary. The Secretary P&ARD could be the Secretary of this Committee and the files relating to the operationalisation and monitoring of the accepted recommendations are to be maintained in the Personnel & Administrative Reforms Department. This Team may include Secretary (GAD), Secretary (Finance), Secretary (Revenue), Secretary (LAD), two Heads of Department and two District Collectors.

6.2.3 Government may form a compact social audit panel consisting of eminent non-officials of unimpeachable integrity and general acceptability. The composition could be as follows:

Chairperson
Retired Judge of the Supreme Court or retired Chief Justice of the High Court.

Members
i) One Minister
ii) Leader of Opposition
iii) One non-governmental activist
iv) One retired civil servant
v) One academician
vi) One management expert
vii) One lawyer
viii) One journalist

6.2.4 This group should be finalised by the Government in consultation with the Leader of Opposition. Every effort should be made to have unanimity of choice so that the panel has very high credibility. Due representation should be given to women in this panel. The efficacy of the system would primarily depend on the integrity and status of the members.

6.2.5 This impartial high level body may visit offices and institutions including local bodies, interact with officials and citizens, gather information regarding the implementation of administrative reforms and offer their comments on the impact of the reforms with suggestions for improvement. The panel should not be burdened with the task of taking any follow up action. It should have mainly a role of a moral guardian.

6.2.6 The social audit panel need not have a full-fledged office and establishment. An officer of the rank of Additional Chief Secretary can assist the Committee by providing the necessary secretarial and logistic support. The minimum staff required could be found by redeployment and placed under the Additional Chief Secretary. It would be appropriate if the Chairman and members of the social audit panel work as volunteers and accept only a fee, fixed by Government from time to time, per day of actual work performed by them. However, it should also be ensured that the entire expenses incurred by them in connection with the work of the panel should be borne by government. The Chairman of the panel should be empowered to decide the reasonable necessities of the panel. As the panel is expected to have high moral authority, government need not equate them with any functionary of government.

6.2.7 The panel should be empowered to decide its own procedure and there is no need to lay down a set pattern for functioning of the panel. The system would basically rely on the pre-eminence of the panel by virtue of its respectability and public acceptability.
6.2.8 The social audit panel has to prepare half-yearly reports on the matters they have studied and assessed. They are free to assess the performance of offices and officers either as a group or individually. The reports of the panel should be placed with the action taken report in the legislature within 45 days of receipt. If the assembly is not in session, it should be laid in the house in the first week of the next session.

E.K. NAYANAR.
Chief Minister of Kerala & Chairman.

V.J. THANKAPPAN,
Vice-Chairman.

K.V. RABINDRANNAIR,
Member.

DR. K.K. SUBRAHMANIAN,
Member.

C.J. JOSEPH,
Member.

S.M. VIJAYANAND,
Member-Secretary.
Guidelines for preparing Citizen's Charter

1. The citizens' charter is essentially a solemn assurance on the part of the department specifying the services rendered by the department as well as a time limit within which the service action will be completed by the department. The quality of service would also be specified.

2. Since each department is hierarchically organized with sub offices having fair amount of delegation, there would be multiple service providing interfaces with the public. For example in the revenue department village office, taluk office and the Collectorate are such service providing interfaces with the citizens.

3. For each such interface, the services being offered are to be exhaustively listed out in the first stage. The specific information dissemination points (officers) which would provide information to citizens regarding the criteria of eligibility and the prerequisites for availing such services have also to be indicated in the Citizens' Charter.

4. The details of prescribed forms or proformae in which citizens are required to furnish information for availing the services and the offices where they would be available (either on payment or free of cost) are also to be indicated in the citizens' charter.

5. The most important aspect in the charter would be the commitment to provide a service within a well-defined time frame. The customer has to be specifically informed as to when he would actually get the service requested for. It will not be sufficient to indicate, say for example by the Grama Panchayat that they would process applications for industrial license within 15 days and place it for the consideration of the Panchayat. What will have to be specified in the charter is, if indeed an application for obtaining industrial license is submitted, within how many days will the application be sanctioned or rejected.

6. Thus the citizens' charter has to be brought out by the actual service provider and not by the parent departments. Thus, in the above example, rather than the Local administration department, it is the local body, which has to bring out the charter. In the case of a certificate to be issued by the District Collector, even if a subordinate office has to conduct a field level enquiry, the time limit for issuing the certificate has to be specified in the charter issued by the Collector.

7. It is clear that to specify realistic time limits, each department or service-providing agency has to be aware of the actual processing required for each type of requests. Time limits would have to be internally set for each processing activity by the department and the limitations of manpower and other resources as well as procedural
constraints will have to be taken note of. The citizens' charter would specify the realistic timeframe within which the citizen is actually provided with the service by the office.

8. Once a definite time limit is committed by the department in the charter, action may be internally initiated to overcome the procedural restrictions, improve manpower productivity and explore the possibility of system modernization to ensure that the time limit is further cut short. This would set in motion a process of administrative reforms within each department.

9. The objective of having a charter is to ensure that the quality of the service provided is enhanced in a meaningful manner. Hence other relevant aspects like courteous behaviour of staff, provision of information counters, issue of acknowledgment of requests received etc. may be incorporated in the charter.

10. Once the charter is published, there is a firm commitment on the part of the department to ensure that a pre-specified level of service is extended to all citizens within a specified time limit. There will be a grievance redressal mechanism in case the commitments are not honoured. The department will have to make public its assessment of the enforcement of the charter commitments and the number of instances where the grievance redressal mechanism has been activated.

11. The charter also seeks to assess the cost effectiveness of a department and each department would be required to prominently display the total revenue expenditure as well as the capital expenditure incurred by it during the previous financial-year. Item-wise expenditure has to be displayed in each unit office, concerning that office.

12. To avoid the collective anonymity of a department the feasibility of prominently displaying the names of individual staff members along with their job description in general and the service rendered in particular may also be indicated.
CITIZENS’ CHARTER FOR
CIVIL SUPPLIES DEPARTMENT

1. OUR MISSION
We dedicate ourselves to providing better and speedy services to the common man to ensure his food security, strengthening of the public distribution system, proper enforcement of the statutory provisions pertaining to civil supplies in order to ensure availability of essential commodities including foodgrains at reasonable prices.

2. OUR COMMITMENT

2.1 We are committed to integrity and judiciousness, courtesy and transparency in our efforts to achieve the above stated mission. We will be polite and courteous to every individual and on our own initiative explain to you your rights and entitlements.

2.2 We will strive to simplify the departmental and office procedures consistent with the need for fiscal discipline, to minimise our costs of administration. We will exhibit prominently in each of our offices, the item-wise expenditure incurred on salaries and wages of our staff and other items related to running that during the previous financial year.

2.3 We will carry identity cards, when undertaking inspections and audits, and while on field duty, provide proof of identity on demand.

2.4 We promise to give timely publicity of all changes in guidelines or procedures affecting your interaction with us through the appropriate media. You may approach us for obtaining new ration cards, surrender/reduction/non inclusion certificates pertaining to ration cards, addition and deletion of units from ration cards and also in case of complaints regarding PDS or specific ARDs. We promise to respond to all the written inquiries within 15 working days.

2.5 We have apart from the directorate, district supply offices and taluk supply offices to address your problems in an effective manner. We shall setup enquiry counters in all our offices with facility to issue printed forms and receive various applications and complaints.
2.6 Your requests or complaints shall be received at the enquiry counters attached to each of our offices. Receipts shall be issued for all applications received, indicating the date on which the applicant should turn up to collect ration card, certificates etc.. Written acknowledgement shall be issued for all complaints, on the spot.

2.7 In case of any complaint or request not properly handled or processed you are welcome to approach the head of offices or the officer specifically designated for the purpose.

2.8 We will continually consult all sections of the society while reviewing our activities and procedures by re-energising the Panchayat, Taluk, District and State level Advisory Committees and we will welcome your valuable suggestions for improvement. The functioning of the state level committee on price control, the monitoring cells and Food Advisory cum Vigilance Committees at State, District, Taluk, Corporation, Municipality, and Panchayat level would be held more regularly and problems discussed then and there.

2.9 More Annapoorna Hotels will be started in the needy places if there is a demand for the same and where hoteliers/societies etc., come forward.

2.10 We shall try to make arrangements to make available essential commodities including pulses and spices through all the selected ARDs.

3. CHARTER FOR DISTRICT SUPPLY OFFICES:

3.1 We endeavour to settle any complaint or dispute relating to your conduct of business (particularly of ARDs) within 15 days of receipt of your written or oral communication. In case of a likely or inevitable delay in decision making, we will promptly communicate the reasons on our own initiative.

3.2 We shall try to ensure that sugar shall be made available in all ration shops and distributed to all cardholders before the end of the month. We shall try to ensure that the quality of rice issued through ration shops is further improved. We shall conduct joint inspection by civil supplies and oil company officials at LPG outlets and petrol bunks to check possible irregularities in their functioning.

3.3 Control rooms would be set up in the Commissionerate of Civil Supplies, Collectorates and Offices of the Deputy Controller of Rationing to receive and redress complaints from public on all matters relating to rationing. The enforcement machinery in the Civil Supplies Department would be tightened and we would ensure that all traders exhibit price and stock boards.
4. CHARTER FOR TALUK SUPPLY OFFICES:

4.1 We shall issue new Ration cards within 7 days from the day of submission of application, provided the application is filed along with all the required documents. The application forms as well as information regarding the required documents for obtaining ration cards shall be available in the enquiry counters attached to each taluk supply office, as well as the offices of Grama Panchayat, municipality and corporation and through the ARDs.

4.2 We shall issue all certificates such as surrender certificate, reduction certificate, Non-inclusion certificate etc. on the date of application itself or within 48 hours at the most.

4.3 We shall dispose off all requests for addition or deletion of units from Ration Card, correction of names etc., within 3 days from the date of application.

4.4 The existing advisory Committees on Public Distribution System at the Panchayat, Taluk, Municipal Corporation, district and the State level have been revitalised as Food Advisory-cum-Vigilance Committees at the above levels. We shall ensure that each and every Fair Price Shop displays stock position enlisting the rights of the cardholder.

4.5 Presidents of Grama Panchayat, Block and chairpersons of the municipal corporations will be given powers for inspecting the ration shops.

4.6 Four mobile Inspection Units have been started for conducting inspection more effectively. Mobile Patrol units will be started for ensuring to monitor point to point transportation of rationed articles. To ensure consumer awareness and PDS entitlements we will give publicity through video films on PDS entitlement and consumer awareness.

In case the above time limits can not be adhered to we shall intimate the concerned individual about the reasons for delay and the revised time limit within which the service would be delivered.

5. ASSESSING OUR CONFORMANCE TO STANDARDS:

5.1 Each of our offices shall measure its performance against these standards and display the results. We will also share our state level performance with you through the media.

5.2 We will undertake evaluation studies to assess the impact of Public Distribution System on price, consumer's perception of PDS etc. Further, we shall also activate the consumer protection council to improve the system. The State Food Advisory Council will also be strengthened. We shall also bind ourselves to any social audit on our commitment and effectiveness and shall keep the public informed of the findings of social audit.
5.3 *Presidents of Grama Panchayat, Block Panchayat and chairpersons of the municipal corporations will be given powers for inspecting the ration shops.*

5.4 Four mobile Inspection Units have been started for conducting inspection more effectively. Mobile Patrol units will be started to ensure monitoring point to point transportation of rationed articles.

5.5 To ensure consumer awareness about PDS entitlements we will give publicity through video films on PDS entitlement and consumer awareness.

5.6 Free pamphlets, printed application forms or priced publications can be obtained from the enquiry counters attached to:

- Directorate of Civil Supplies
- Collectorates and District Supply Offices
- Taluk Supply Offices
- Grama Panchayat Offices
ANNEXURE II B

CITIZENS' CHARTER FOR 
LAND REVENUE DEPARTMENT

1. OUR MISSION

We dedicate ourselves to provide better and speedy services to the common man, maintain the land records and undertake proper and timely collection of revenue dues to the state and proper enforcement of the statutory provisions.

2. OUR COMMITMENT

2.1 We are committed to integrity and judiciousness, objectivity and transparency, courtesy, efficiency and understanding in our efforts to achieve the above stated mission. We will be polite and courteous and will take the initiative to help you.

2.2 We will strive to simplify the departmental and office procedures consistent with the need for fiscal discipline, and to minimise our costs of administration. We will welcome your valuable suggestions for improving our functioning. We will display in each of our office prominently the total expenditure incurred on office administration as well as salaries and wages, pertaining to this office, during the last financial year.

2.3 We will wear the Identity Cards when undertaking inspections and while on field duty, provide proof of identity on demand.

2.4 We promise to give timely publicity to administrative guidelines or procedures affecting your interaction with us through the appropriate media. As per the existing delegation of powers, certificates to be produced before state government and state level bodies are to be issued by the village office whereas the certificates to be produced before the central government departments and agencies are to be obtained from the Taluk office. Certificates of income, caste, nativity, residence, location, identification, solvency upto Rs.5000/-, possession, relationship, family membership, marriage, domicile and destitution can be obtained from village office on application accompanied by a court fee stamp of Rs.5/-. Certificates of valuation, caste (SC/ST), solvency exceeding Rs.5000/- and heirship and income certificate under creamy layer are to be obtained from the Taluk office.

2.5 We shall set up enquiry counters in all Collectorates, Revenue Divisional Offices and Taluk Offices for receiving representations or complaints and for providing information. We promise to respond to all the written enquiries within 10 working days.
3. CHARTER FOR TALUK OFFICES

3.1 We shall finalise the Transfer of Registry (Pokkuvaravu) cases involving Sub Divisions and where there are disputes within three months.

3.2 We shall dispose of all applications for issue of Certificates for which a preliminary enquiry by a subordinate officer is required, within a period of 15 days from the date of receipt of the application.

3.3 We shall survey and demarcate the boundaries, as applied for, within three months from the date of receipt of the application and in accordance with the provisions of the Kerala Survey and Boundaries Act.

3.4 We shall take action within 24 hours in respect of any complaint against encroachment upon Government land.

3.5 The list of assignable lands shall be made available in each village Office and Taluk Office.

3.6 We shall dispose of the applications for land assignment as expeditiously as possible and put up on the notice board copies of the Pattas issued, from time to time.

3.7 Details regarding permits issued for sand excavation, explosive’s licenses and quarrying licenses shall also be made available in each Taluk Office for public perusal.

3.8 Copies of land records and other public records shall be made available on payment basis, on written application to that effect, to eligible persons, as expeditiously as possible.

3.9 Applications/petitions shall be duly and properly acknowledged if the applicant/petitioner submits a self addressed stamped envelop or post card.

3.10 In case of any complaint or request not properly handled or processed, you are welcome to approach the Head of Office or the Officer specifically designated for the purpose.

3.11 In case of any likely or inevitable delay in decision making, we will promptly communicate the reasons on our own initiative and keep you informed of the progress achieved. Control rooms would be set up in the Collectorates and Revenue Divisional Offices to receive and redress complaints from public on all matters relating to land revenue department.
4. CHARTER FOR VILLAGE OFFICES

4.1 We shall strive to issue certificates not requiring field enquiry within two days from the date of receipt of the application provided the application is accompanied by all the required documents.

4.2 We shall strive to issue certificates requiring limited field enquiry like income certificates, valuation certificates and location certificates. Caste Certificates etc. within 7 days from the date of receipt of the application.

4.3 We shall try to finalise the Transfer of Registry (Pokkuvarava) cases not involving sub division within 7 days.

5. ASSESSING OUR CONFORMITY TO STANDARDS.

5.1 Each of our offices shall measure its performance against these standards and display the results.

5.2 We will also share our state level performance with you through the media.

5.3 We will make independent assessment of our client's perceptions and assessment of our performance.

5.4 Free pamphlets, printed application forms or priced publications can be obtained from the enquiry counters attached to the Collectorates and Revenue Divisional Offices, the Taluk Offices and also from the Village Offices.

In case any of the time limits mentioned above could not be adhered to, we shall intimate the individual concerned about the reasons for delay and the revised time limit within which the service would be delivered.
ANNEXURE II C

CITIZENS CHARTER FOR
MOTOR VEHICLES DEPARTMENT

1. OUR MISSION

We dedicate ourselves to provide better and speedy service to the common man and proper enforcement of the statutory provisions pertaining to Motor Vehicles Act and Rules. The major functions of the Motor Vehicles Department are (i) Enforcement of the Motor Vehicles Act and Rules (ii) Collection of Taxes and Fees and (iii) Rendering Services like issue of Driving Licenses, certificates of Fitness etc.

2. OUR COMMITMENT

2.1 We are committed to absolute integrity and judiciousness, courtesy and transparency in our efforts to achieve the above stated mission. We consider it our responsibility to enlighten the public about their rights and entitlements. It shall be our earnest endeavour to educate the public about the complicated procedures presently existing in the department.

2.2 We shall also initiate steps to simplify the departmental and office procedures for the benefit of the common man, to minimise our cost of administration and for ensuring fiscal discipline. We will give wide publicity about the changes in procedures initiated by us from time to time. Public contact programs shall be conducted in districts once in two months to ascertain the esteemed views and suggestions of the public.

2.3 We will demonstrate in each of our office prominently the total expenditure incurred on office administration as well as salaries and wages pertaining to that office during the last financial year.

2.4 We shall wear identity cards while on duty, and provide proof of identity on demand.

2.5 Our desire is to implement the provisions of law with all strictness it deserves. At the same time, we will take adequate care to respect human dignity, prevent violation of human rights and reduce inconvenience to public.

2.6 We have in recent times further reiterated our commitment in smoothening the office functioning, and eradicating the evils of corrupt practices in offices and to achieve this, ensure removal of agents and middlemen from our offices.

2.7 As a revenue-earning department of the Government, we are committed to having a consistent and marked improvement in the collection of revenue every year, at the same time keeping a strict vigil on expenditure in order to keep the collection-charges at less than 5%.

2.8 We are committed to expedite the computerisation programme of our offices and propose that the district level offices shall be computerised before March 1999. We shall strive to further build upon our achievements and continuously improve our functioning.
2.9 We intend to have a continuous and purposeful dialogue with the Media to disseminate useful and relevant information to the public.

3. ORGANISATIONAL SET UP

The Motor Vehicles Department has four functional levels (i). Head office under the Transport Commissioner (ii) Zonal Offices under Deputy Transport Commissioners (iii) District level Regional Offices headed by Regional Transport Officers and (iv) Sub Regional Transport Offices under Joint Regional Transport Officers.

4. OUR CHARTER:

4.1 With a view to protect the rights of common man we have introduced system of issuing 'acknowledgement' mentioning 'due date' for all applications and documents accepted in the offices. Conscious changes introduced in the procedures followed in 'counters' have helped to render prompt and better service to the public. We shall set up enquiry counters in each of our offices where the applications will be issued and from where information regarding the current status of any pending issue shall be immediately made available. Prompt and timely action will be taken to redress the grievances of the public within thirty days of receipt of any complaint.

4.2. Collection of Taxes

All the vehicles are broadly classified into 'Transport' and 'Non Transport' Vehicles. For all Transport Vehicles the tax is paid by Demand Drafts whereas for all Non Transport Vehicles the tax is paid in cash. We shall introduce a system by which the payment of tax in respect of Non Transport Vehicles can be made in designated banks before January 1999. The proposal is expected to benefit a large number of Non Transport Vehicle Owners. Procedural changes have already been introduced empowering the Counter Clerks in our offices to sign the tax licences and TRS receipts, so as to improve the efficiency of the Counter Clerks.

4.3. Procedure for Issuing Driving Licence

Government has already restricted the number of candidates who can appear for driving test in a day at a centre to 25 so that the test is conducted in a meaningful manner. Action has been taken to make the test much more rigorous. Applications are accepted only by registered post. The date of test is also informed to the applicant by registered post. We have also given the option to the applicant to pay the required fee either in the office or at the testing ground itself. We have arranged to send the license to the applicant by registered post. This change in procedure is intended to avoid interference by middleman in the conduct of the driving test.

4.4 To make the Driving test all the more effective we have now constituted teams to conduct Driving Test. A team will consist of two officers of different ranks. For the first time, standards have been fixed for the test. Similarly objective type of written test is being introduced for the test of competency for securing Learners Licence. Any
applicant for learner's license shall be called for the test in ten days time and for the driving license an individual applicant who has been called for the test within two weeks of the receipt of application.

4.5. Certificate Of Fitness

In order to eliminate chances for corruption and malpractice in the issue of certificate of fitness we have constituted teams to conduct inspection of vehicles. A team consisting of one MVI and one AMVI will inspect vehicles of less than 15 years of age and a team consisting of one RTO and one Joint RTO will inspect vehicles over 15 years of age. Priority will be given to older vehicles by deputing sufficiently senior officers to inspect the vehicles so that the older vehicles do not pose any threat to the safety and security on the roads.

4.6. Check Posts

We have 12 border check posts in the state. These check posts are empowered to levy fees, taxes and fines from vehicles travelling interstate. Such powers have resulted in serious corruption in the past. With a view to improving the state of affairs, the functioning of these check posts has been streamlined recently. Now these check posts will be placed under direct supervision by the RTO of the district. Officers and peons manning the check posts will be shifted every month. The rates of fees, tax etc. leviable at the check post shall be prominently displayed at the check post itself. Vehicles going past the check posts will be often test checked by Flying Squad.

4.7. Interaction With The Public

Public have to be continuously educated about the procedures and periodically informed of the fees/tax to be paid for each specified service. We shall put up prominent display boards in all our offices. Advertisements in leading newspapers will also be periodically released. With the introduction of computers in our offices, the level and quality of services to the public are expected to be enhanced, making this a people-friendly department within a period of six months.

5. ASSESSING OUR CONFORMANCE TO STANDARDS

5.1. Each of our offices shall measure its performance against these standards and display the results.
5.2. We will also share our state level performance with you through the media.
5.3. We will make independent assessment on our client’s perceptions and assessment of our performance.
CITIZENS' CHARTER FOR
KERALA WATER AUTHORITY

1. OUR MISSION

We dedicate ourselves to provide safe drinking water and better and speedy services to the common man, augmenting of water supply and sewerage system and proper enforcement of the statutory provisions in accordance with Water Supply Acts, Regulations and Rules issued from time to time.

2. OUR COMMITMENT

2.1 We are committed to integrity, courtesy, efficiency and transparency in our efforts to achieve the above stated mission. We will be polite and courteous to every customer and on our own initiative explain to you, your rights and entitlements.

2.2 We will simplify the departmental and office procedures consistent with the need for fiscal discipline, to minimize our costs of administration. We will display in each of our offices prominently the item wise expenditure incurred on salaries and wages of our staff and on office administration for that office during the previous financial year.

2.3 We will carry identity cards, when undertaking inspections and while on field duty, and provide proof of identity on demand. We promise timely, publicity of all changes in guidelines or procedures affecting your interaction with us through the appropriate media. We promise to respond to all the written enquiries within 15 working days if made at appropriate level.

2.4 We shall set up enquiry counters in all our section offices with facility to issue printed forms and receive various applications and complaints. Your requests or complaints shall be received at the enquiry counters attached to each of our Section Offices. Receipts shall be issued for all applications received, indicating the date on which the applicant should turn up for further follow up, and on the spot written acknowledgement shall be issued for all complaints.

2.5 In case of any complaint or request not properly handled or processed, you are welcome to approach the head of office or the officer specifically designated for the purpose.
2.6 We will continually consult all sections of the society while reviewing our activities and procedures by setting up the Constituency and State level Advisory Committees and we will welcome your valuable suggestions for improvement.

3. CHARTER FOR KERALA WATER AUTHORITY AND ITS SUB-OFFICES

3.1 Presently, there is a huge demand-supply gap and as such we are not able to provide safe drinking water in the required measure for all our customers. Bridging this demand-supply gap would require a scientific assessment of the requirements, specific schemes and estimation of the capital investment required. The funds have to be sourced and time bound implementation of these projects ensured. In the above circumstances, Citizens' Charter at this stage would rather focus on our short and medium term efforts to provide better service. In the above circumstances, we would redefine our endeavour in the following manner.

3.2 We shall immediately assess the existing stage of various projects under implementation and estimate further investment and time required for their expeditious completion. On the basis of the financial and physical resources available with us which would be realistically assessed, we shall fix specific time frames for completion of these projects. Specific milestones of projects as well as the time limit with in which each milestone is to be reached with would also be fixed. This information shall be made known to the public at large through local editions of leading newspapers and will also be prominently displayed in the Water Authority Section Offices.

3.3 Adherence of the above time schedules shall be monitored closely by us and periodic information on the status of such project shall be publicised in the locality of the beneficiary through press release once in six months.

3.4 Regarding improvement in distribution, for the time being the only viable option is to provide intermittent supplies through throttling and isolation of certain areas at a time and equitably distributing the available quantity to all. However even this would require a detailed system study. Each Section Office of Kerala Water Authority would conduct detailed survey to assess the actual demand and work out a detailed scheme for intermittent supply in the service area under each section office before January 1999. This scheme shall be widely publicised in the service area so that the customers know in advance the levels of service.

3.5 A copy of the scheme shall be made available to the local authority.

3.6 Every year before January the scheme shall be reviewed and modified if required. The modified scheme shall be made known to public and prominently displayed at the section office.

3.7 Regarding carrying out of any repairs and maintenance of the internal installation of the consumers beyond the water meter point, the services of the licensed plumbers shall be utilised by the consumers and the rate payable shall be mutually agreed upon between the consumer and the licensed plumber. In the case of repairs of the service main from the boring point up to the water meter, the repairs shall be carried out by the Kerala Water Authority at the expense of the consumer at the prevailing rates in the Kerala Water Authority and for this the consumer shall remit the estimate cost in advance.

3.8 Excess shall be refunded by the Kerala Water Authority and shortfall, if any shall be remitted by the consumer, within 15 days of the date of repair carried out.
Regarding complaints related to excess billing and faulty metering the specific complaints shall be addressed to the concerned Assistant Executive Engineer who shall acknowledge it in writing and the complaint shall be addressed and finally settled with in 30 days of filing of the complaint.

Regarding complaints on leakage and repairs of water supply systems existing redressal system in Thiruvananthapuram shall be extended through out the state after evaluating the success of the experiment before January 2000, and it shall be ensured that the complaint is rectified with in the time limit specified here-under.

4.1 WATER SUPPLY DISRUPTION – RESPONSE TIME

We will restore the supply with in the following time limits, when the main bursts or other accidents causing complete supply failure occur:

<table>
<thead>
<tr>
<th>Pipe size</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 150 mm</td>
<td>6 hours</td>
<td>9 hours</td>
</tr>
<tr>
<td>150 mm-300 mm</td>
<td>12 hours</td>
<td>18 hours</td>
</tr>
<tr>
<td>300 mm-450 mm</td>
<td>18 hours</td>
<td>24 hours</td>
</tr>
<tr>
<td>450 mm-600 mm</td>
<td>36 hours</td>
<td>36 hours</td>
</tr>
<tr>
<td>600 mm-750 mm</td>
<td>48 hours</td>
<td>48 hours</td>
</tr>
<tr>
<td>Over 750 mm</td>
<td>96 hours</td>
<td>96 hours</td>
</tr>
</tbody>
</table>

Where bursts on small mains, which do not cause hardship to customers or economic damage, are reported during the night, repairs (after turn-off) will be done on the following day.

4.2 In areas where KWA is responsible for the maintenance of drainage lines also, disruption and pipeline burst shall be rectified within 48 hours. This time limit shall be adhered to especially considering the fact that burst in drainage lines causes a serious public health and hygiene problem.

4.3 Variation in the response time as indicated above may occur depending on climatic conditions and seriousness of the bursts. In such cases, information shall be disseminated through mass media.

4.4 Regarding the services extended to local bodies, we shall ensure that the deposit work undertaken by us are completed without exceeding unreasonably the estimate amount and with in the time frame agreed to. If for any reason either the estimate amount or the time or both are likely to be exceeded beyond 50%, the same shall be informed to the local body during the execution of the work.

5. ASSESSING OUR CONFORMANCE TO STANDARDS

5.1 The Kerala Water Authority shall meet potable water quality standards for the water supplied from the schemes having full-fledged treatment plants. But these are available only in major Urban Water Supply Schemes and a few Rural Water Supply Schemes. In the rest of the schemes, because of the absence of pucca water treatment plants, only disinfecting can be ensured and as a result the bacteriological quality of the drinking water only can be assured and not the other quality parameters as per BIS specifications.

5.2 Each of our offices shall measure its performance against these standards and display the results. We will also share our state level performance with you through the media.
5.3 We shall bind ourselves to any social audit on our commitment and effectiveness subject to the existing constraints and shall-keep the public at large informed of the findings of such social audit.

5.4 Free pamphlets, printed application forms or priced publications can be obtained from the enquiry counters attached to the Section Offices of the Kerala Water Authority.
CITIZENS' CHARTER OF THE
KERALA STATE ELECTRICITY BOARD

1. OUR MISSION

We dedicate ourselves to provide in power supply and better and speedy services to the common man, augmenting of the power generation and distribution system, and proper enforcement of the statutory provisions pertaining to electricity supply regulations.

2. OUR COMMITMENT

2.1 We are committed to integrity, courtesy, efficiency and transparency in our efforts to achieve the above stated mission. We will be polite and courteous to every customer and on our own initiative explain to you your rights and entitlements.

2.2 We will simplify the departmental and office procedures consistent with the need for fiscal discipline, to minimise our costs of administration. We will display in each of our office prominently the total expenditure incurred on salaries and wages of our staff and revenue expenditure on office administration during the previous financial year for that office.

2.3 We will carry identity cards, when undertaking inspections and while on field duty, provide proof of identity on demand. All field staff would be required to wear uniforms. In each of our offices a complaint box shall be maintained and the advisory committees at the appropriate level for grievance redressal shall evaluate the complaints.

2.4 We promise timely publicity of all changes in guidelines or procedures affecting your interaction with us through the appropriate media. We promise to respond to all the written enquiries within 10 working days.

2.5 We shall set up enquiry counters in all our offices with facility to issue printed forms and receive various applications and complaints. Your requests or complaints shall be received at the enquiry counters attached to each of our offices. Receipts shall be issued for all applications received, indicating the date on which the applicant should turn up for further follow up, and on the spot written acknowledgement shall be issued for all complaints.

2.6 In case of any complaint or request not properly handled or processed you are welcome to approach the head of office or the officer specifically designated for the purpose.

2.7 We will continually consult all sections of the society while reviewing our activities and procedures by setting up the Panchayat, Taluk, District and State level Advisory Committees and we welcome your valuable suggestions for improvement.
3.0 CHARTER FOR KERALA STATE ELECTRICITY BOARD AND ITS SUB OFFICES:

3.1 Presently there is a huge demand supply gap and as such we are not able to provide quality power in an uninterrupted manner for all our customers. Bridging this demand supply gap would require a scientific assessment of the requirements, formulation of specific schemes and estimation of capital investment required. The funds have to be sourced and time bound implementation of projects ensured. In the above circumstances, the citizens' charter at this stage would focus on our immediate and medium term efforts to provide better service.

3.2 Any application for wiring permission shall be sanctioned within five days. Once wiring is completed and completion report as well as application for electric connection is submitted, the site inspection shall be completed within seven days. In case the connection can not be granted, the reasons for the same and rectification measures required shall be intimated to the party in writing within two working days after the inspection.

3.3 Once the required deposit is made, the customer would be given an acknowledgement indicating his waiting list number and likely time by which connection could be granted. The section office shall also display particulars of the connections granted on any given day along with the date of application prominently.

3.4 For industrial and agricultural connections, requests for power allocation shall be disposed of in five days and if rejected, the reasons for rejecting the request shall be informed to the consumer in writing.

3.5 Administrative sanction for connections under minimum guarantee schemes shall be accorded within two weeks of the receipt of application. The expected time within which the line would be drawn and particulars of applications with higher priority shall be made known to the applicant.

3.6 Against applications for shifting of post, electric line etc., site inspection shall be conducted within five days and details of the estimate amount to be deposited shall be intimated to the customer within ten days of the receipt of application. The shifting work shall be completed within ten days of the amount being remitted.

3.7 There are a number of complaints regarding excess metering and billing. Once a written complaint is registered with any KSEB office, the matter would be enquired into and the complainant shall be given a written reply within ten days intimating the result of enquiry and acceptance/rejection of the application. The reply would also indicate the provision and procedure for appeal, if required.

3.8 Any complaint regarding disruption of power shall be attended to within two hours of filing the complaint and the defect rectified if the reason for disruption is within the control of the section office. If disruption is due to other reasons, the complainant shall be informed of the same as well as the expected time within which rectification may be possible.

3.9 Regarding the services extended to local bodies, we shall ensure that the deposit work undertaken by us shall be completed within the estimated amount and well within the time frame agreed to. Here milestones shall be
specified and the system of periodic local level monitoring by a committee of local body and KSEB officials shall be activated.

3.10 In case of street lighting, we shall co-ordinate with the local bodies to ensure trouble-free service.

4. ASSESSING OUR CONFORMANCE TO STANDARDS:
4.1 Each of our office shall measure its performance against these standards and display the results. We will also share our state level performance with you through the media.
4.2 We will hold independent surveys on our client's perceptions and assessment of our performance. We shall also bind ourselves to any social audit on our commitment and effectiveness and shall keep the public at large informed of the findings of social audit. Free pamphlets, printed application forms or priced publications can be obtained from all the Section offices of KSEB
CITIZENS’ CHARTER FOR
LOCAL SELF GOVERNMENT INSTITUTIONS
- THE GRAMA PANCHAYATH

1. OUR MISSION

We dedicate ourselves to provide better and speedy services to the common man, and proper enforcement of the statutory provisions pertaining to Local self-government.

2. OUR COMMITMENT

2.1 We are committed to integrity and judiciousness, courtesy, efficiency and transparency in our efforts to achieve the above stated mission. We will be polite and courteous to every citizen and on our own initiative explain to you your rights and entitlements.

2.2 We will simplify the departmental and office procedures consistent with the need for fiscal discipline, to minimize our costs of administration. We will display in each of our office prominently the total expenditure incurred on salaries and wages of staff and revenue expenditure on office administration during the last financial year for that office.

2.3 We will carry identity cards, when undertaking inspections and audits and while on field duty, provide proof of identity on demand.

2.4 We promise timely publicity of all changes in guidelines or procedures affecting your interaction with us through the appropriate media. We promise to respond to all the written enquiries within 10 working days.

2.5 We shall set up enquiry counters in our office with facility to issue printed forms and receive various applications and complaints.

2.6 Your requests or complaints shall be received at the enquiry counters attached to our office. Receipts shall be issued for all applications received, indicating the date on which the applicant should turn up for further follow up, and on-the-spot written acknowledgement shall be issued for all complaints from the counter itself.

2.7 In case of any complaint or request not properly handled or processed you are welcome to approach the Chairperson or Secretary or the officer specifically designated for the purpose.
3. CHARTER FOR THE GRAMA PANCHAYATH

3.1 Directly administered functions:

3.1.1 Building ownership certificate and residential certificate shall be issued within three days.

3.1.2 Birth and death certificates shall be issued within three days of the receipt of the application if the birth or death has already been registered and no outstation enquiry is required. In case birth or death had occurred more than five years ago, the certificate would be issued in seven days.

3.1.3 Permission for building construction and reconstruction shall be issued within thirty days of application. In case permission can not be granted the same shall be informed within this period.

3.1.4 Applications for licenses for dangerous and offensive trade and under PFA Act would be issued within fifteen days of the application.

3.1.5 Permission for installation of machinery shall be granted within the time limits fixed by the Green Channel System.

3.1.6 Once a citizen informs the local body that the building has been completed and if the building is as per the approved plan then the house number shall be allotted within 30 days.

3.1.7 Extract of registers and resolutions, details of beneficiary selection, implementation of public works, if applied for shall be issued within seven days.

3.1.8 Other miscellaneous certificates, which require field level enquiries shall be issued within ten days and which do not require a field level enquiry. shall be issued within three days.

3.1.9 Complaints affecting individuals shall be disposed of within 30 days and those requiring field level enquiries within 45 days.

3.2 Implementation of Social Welfare Schemes:

3.2.1 Applications for pension under old age/widow/agricultural worker/ physically handicapped pension schemes shall be sanctioned within 90 days of the application.

3.2.2 Application for financial assistance under various schemes like assistance for the marriage of daughters of widows etc. shall be sanctioned within 30 days.

3.3 Programmes Implemented through Krishi Bhavan:

3.3.1 For various schemes implemented through Krishi Bhavans field verification will be conducted with in fifteen days and subsidy will be released within a period of one month.

3.3.2 For license to Fertilizer Company Depot, which is to be issued by District Agricultural Officer, the report along with building fitness certificate shall be prepared and forwarded with in a period of one week. In the case of natural calamities the field verification shall be completed in three days and report forwarded to District Agricultural Officer within 10 days.

3.3.3 Sample for soil test shall be forwarded to the testing laboratory with in 10 days of receipt of sample.
3.3.4 Field visit and the agro clinic programme shall be conducted with in one week of the receipt of request.

3.4 Programmes Implemented through Animal Husbandry Department:
3.4.1 Post-mortem certificate shall be issued in a week's time and health certificate within two days.
3.4.2 Request for artificial insemination shall be complied with in a day.

3.5 Programmes Implemented through Rural Development Department:
3.5.1 Beneficiary identification as per guidelines for financial assistance under IRDP schemes shall be completed during March-April months. Credits camps will be conducted during the month of May.
3.5.2 Every month 15 IRDP units, all DWCRA units, all beneficiaries of tool kit programme and all TRYSEM training centers will be visited by the Village Extension Officer and instructions for improvement in performance shall be issued. Participants for IRDP trade fair shall be identified during July and August.
3.5.3 Sanction for JRY and IAY houses, MWS wells, CRSP and SCP latrines are accorded at the block level. The eligibility of identified beneficiaries shall be reported to the BDO within a week.

3.6 Programmes Implemented through the PHC:
3.6.1 The OP wing shall function on every working day from 8 to 11.30 am and patients requiring hospitalization shall be referred to the District Hospital.
3.6.2 Children's clinic, and Ante-natal Clinic shall be conducted every Wednesday after OP timings and immunization, vaccination, check up of pregnant women and supply of iron tablets for anaemic patients will be done. Unprotected children shall be identified and immunized.
3.6.3 Population control clinic shall function in each sub centre once in a month.
3.6.4 The field staff attached to the junior health section and junior public health section will carry out extension work related to hygiene and cleanliness as well as public health maintenance work including well chlorination, distribution of ORS kits, treatment of solid and liquid waste, etc.
3.6.5 In case of identification of any malaria positive case, contact smear collection and mass blood collection shall be immediately done to prevent spread of disease and DDT spray shall be arranged within 14 days.
3.6.6 Hotels and other public places where food and beverages are served shall be inspected once in a month to ensure that proper hygiene is maintained.
3.6.7 In the Anganwadis located in the Panchayat area, medical check up will be conducted once in a month and mothers and children suffering from malnutrition shall be identified for coverage under maternal and child health programme.
3.6.8 Health checkup for pupils of standards I, V and X of all schools in the Panchayat area will be conducted during the months of September and October of every year.
3.6.9 In case of complaints received from public, those requiring urgent action will be acted upon immediately, and others with in 7 to 14 days.

3.7 Programmes Implemented through the Education Department:

3.7.1 The Panchayat has under its jurisdiction the Government LP Schools and maintenance of the school buildings will be completed before 10th of May.

3.7.2 Applications for issue of T.C will be entertained from 5th to 14th of May and T.Cs will be issued from 15th of May onwards.

3.7.3 Fresh admission for 1st standard shall be opened from 25th of May to 5th of June. The number of pupils enrolled shall be reported before 8th of June and eligible pupils for noon meals scheme shall also be identified before this date.

3.7.4 The lump sum grant distribution, free distribution of textbooks and notebooks etc. shall commence from 8th of June.

3.7.5 The school would have a Parent Teacher Association (PTA), which shall be constituted before 30th of June, and the PTA shall be convened every month.

3.7.6 The annual examination results will be published on 20th of April.

In case any of the time limits mentioned above could not be adhered to, we shall intimate the individual concerned about the reasons for delay and the revised time limit within which the service would be delivered.

4. ASSESSING OUR CONFORMANCE TO STANDARDS:

4.2 Each of our Office/institution shall measure its performance against these standards and display the results.

4.3 We will hold independent surveys on our clients' perceptions and assessment of our performance. We shall also bind ourselves to any social audit on our commitment and effectiveness and shall keep the public at large informed of the findings of such social audit.

4.3 Free pamphlets, printed application forms or priced publications will be made available to public from the enquiry counters attached to our office.
CITIZENS' CHARTER FOR LOCAL SELF GOVERNMENT INSTITUTIONS
- THE MUNICIPALITY/CORPORATION

1. OUR MISSION

We dedicate ourselves to provide better and speedy services to the common man, and proper enforcement of the statutory provisions pertaining to Local self-government.

2. OUR COMMITMENT

2.1. We are committed to integrity and judiciousness, courtesy, efficiency and transparency in our efforts to achieve the above-stated mission. We will be polite andcourteous to every citizen and on our initiative explain to you your rights and entitlements.

2.2. We will simplify the departmental and office procedures consistent with the need for fiscal discipline, to minimize our costs of administration. We will demonstrate in each of our office prominently the total expenditure incurred on salaries and wages of staff and revenue expenditure incurred on salaries and wages of staff and revenue expenditure on office administration during the last financial year for those offices.

3. CHARTER FOR THE MUNICIPALITY/CORPORATION

3.1 FOR THE FUNCTIONS DIRECTLY ADMINISTERED:

Revenue wing

3.1.1 Building ownership certificate will be issued within five days.

3.1.2 Residence certificate will be issued within seven days.

3.1.3 Building number for new buildings will be issued within 7 days.

3.1.4 Request for certificate regarding tenancy/rent certificate will be issued within 5 days.

3.1.5 Request for property tax exemption will be granted within 10 days.

3.1.6 Exemption from profession tax for trading/commercial establishments will be issued within 10 days.

3.2 Town Planning Wing

3.2.1 (a) Permission for building construction/reconstruction (normal cases) will be granted within 20 days.

(b) In cases where defects are noticed in the application, notice will be served within 10 days and permission will be granted within 10 days from the date of ratification of defects.
3.2.2 (a) Occupancy certificate will be issued within 15 days in normal cases.
(b) If defects are seen notice will be issued for ratification of defects, within 10 days.

3.2.2 (a) Request for exemption in the case of building construction will be forwarded to Government within 10 days.
(b) In cases where exemptions are granted by Government, permission will be given within 10 days from the date of receipt of Government Order.
(c) In respect of rejected applications, the fact will be intimated to the party within 7 days.

3.3 Other Items

3.3.1 (a) Birth and death certificates, in cases already registered, will be issued within 4 days.
(b) In cases where births and deaths are not registered, certificates will be issued within 4 days from the date of registration.

3.3.2 Dangerous and Offensive Trade license will be issued within 7 days in normal cases.

3.3.3 Permission for motor installation up to 225 HP will be issued within 7 days.

3.3.4 Health-cards for the hotel employees will be issued on the same day itself in case medical certificates are attached with the application.

3.4 Maternal and Child Health Centre

3.4.1 Immunization/vaccination and other services will be given to pregnant and lactating mothers and children on two fixed days in a week utilizing the services of junior public health nurses.

3.4.2 Financial assistance to those who have undergone sterilization surgery will be given on the same day of application.

3.5 Solid Waste Disposal

3.5.1 Solid wastes accumulated in the town area will be removed on all days including holidays.

3.5.2 Inspections of hotels and restaurants will be done once in two weeks and food articles found unfit for human consumption will be seized and destroyed, and legal steps will be initiated against the defaulting institutions.

3.5.3 Anti-mosquito spraying will be done in every household once in a month.

3.5.4 (a) Pet dogs will be vaccinated against rabies and certificates will be issued on the same day.
(b) Stray dogs will be caught and destroyed regularly.

3.5.5 Unclaimed dead bodies will be cremated on the same day when reports are received from hospitals, police stations etc.

3.5.6 Complaints regarding dangerous trees etc. will be enquired into and action taken for redressal of the complaint after issuing notice to the party etc.

3.5.7 Complaints regarding contamination of drinking water, and stagnant waste water causing inconvenience to public will be enquired into with in three days from the date of receipt of complaint and remedial action will be taken within one month in deserving cases.
3.6 Implementation Of Social Welfare Schemes

3.6.1 Application for pension under old age/widow/agricultural worker/physically handicapped pension schemes, etc. shall be sanctioned within 45 days of the application.

3.6.2 Application for financial assistance under various schemes like assistance for the marriage of the daughter of a widow etc. shall be sanctioned within 30 days.

3.7 Programmes Implemented Through Krishi Bhavan

3.7.1 For various schemes implemented through Krishi Bhavans field verification will be conducted within fifteen days and subsidy will be released within a period of one month.

3.7.2 License to Fertilizer Company Depot and financial assistance for natural calamities are to be granted by District Agricultural Officer. In case of application for license, the report along with building fitness certificate shall be prepared and forwarded to the District Agricultural Officer within a period of one week. In the case of natural calamity the field verification shall be completed in three days and report forwarded to District Agricultural Officer within 10 days.

3.7.3 Sample for soil test shall be forwarded to the testing laboratory within 15 days of receipt of sample.

3.7.4 Field visit and the agro clinic programme shall be conducted within one week of receipt of request.

3.8 Programmes Implemented Through Animal Husbandry Department.

3.8.1 Post-mortem certificate shall be issued in a week's time and health certificate within two days.

3.8.2 Request for artificial insemination shall be complied with on the same day.

3.9 Programmes Implemented Through Taluk Hospitals/Govt. Hospitals.

3.9.1 OP facility under general, Ophthalmic, E.N.T., Orthopaedic, Paediatric, Gynec and Dental wings shall function on all days from 8 AM to 1 PM and patients requiring hospitalization will be admitted on the same day according to the availability of beds.

3.9.2 Ambulance will be made available throughout day and night.

3.9.3 Casualty services will be available for 24 hours.

3.9.4 Laboratory facilities will be available during working hours.

3.9.5 For all in-patients, food at prescribed rates will be made available three times a day on all days.

3.9.6 S.T.D. clinics will be conducted on all Wednesdays.

3.9.7 Health checkup for pupils of standards I, V, and X of all schools in the Municipal/Corporation area shall be conducted during September and October of every year.

3.10 Services By Homoeo Hospital

The OP will function from 8 am to 1.30 PM and patients requiring hospitalization shall be admitted on the same day. All inpatients will be provided food three times daily.
3.11 Services By Ayurveda Hospital

The OP will function from 8 am to 1.30 p.m. and patients requiring hospitalization shall be admitted on the same day. All inpatients will be provided food three times daily.

3.12 Programmes Implemented Through The Education Department:

3.12.1 The Municipality/Corporation has under its jurisdiction all the Government high schools, U.P. and LP Schools and maintenance of the school buildings shall be completed before 10th of May every year.

3.12.2 Libraries attached to the schools will be kept open for the use of the pupils during working hours on all working days.

3.12.3 Applications for issue of T.C. shall be entertained from 5th May to 14th of May and T.Cs shall be issued from 15th of May onwards.

3.12.4 Fresh admission to 1st standard shall be opened from 25th of May to 5th of June. The number of enrolled pupils shall be reported before 8th of June and eligible students for noon meals scheme shall also be identified before this date.

3.12.5 The lump sum grant distribution, free distribution of textbooks and notebooks etc. shall commence from 8th of June.

3.12.6 All schools will have a Parent Teacher Association, which shall be constituted before 30th of June. The PTA shall be convened every month.

3.12.7 The annual examination results shall be published on 20th of April.

4. ASSESSING OUR CONFORMANCE TO STANDARDS

4.1. Each of our offices shall measure its performance against these standards and display the results.

4.2. We will hold independent surveys on our client's perceptions and assessment of our performance. We shall also bind ourselves to any social audit on our commitment and effectiveness and shall keep the public at large informed of the findings of such audit.

4.3. Free pamphlets, printed application forms or priced publications can be obtained from the enquiry counters attached to our office.
ENQUIRY COUNTER

1. INTRODUCTION

In most of the offices, there is no established method to give information to the visiting public. This causes much difficulty to the people who cannot easily gather information regarding the fate of their representations. To reduce this difficulty Government had issued detailed instructions for organizing enquiry counters in most of the offices having direct interaction with the public. But by efflux of time, most of these counters have become non-functional. The following guidelines may be issued to streamline the functioning of the enquiry counters and also to establish them wherever they are not functioning.

2. SUGGESTED ORGANISATION OF ENQUIRY COUNTER

2.1 Enquiry counters shall be set up in the Secretariat, Offices of the Heads of Departments, Collectorates, Offices of the Corporations and major Municipalities.

2.2 In the Secretariat, the counter shall be under the control of the Secretary in charge of Personnel & Administrative Reforms. He shall function under the guidance of the Chief Secretary or an officer not below the rank of Additional Chief Secretary nominated by the Chief Secretary for the purpose.

2.3 In the offices of the Heads of Departments it shall be under the control of the Head of Department.

2.4 In City Corporations and major Municipalities, it shall be under the control of the Secretary of the Corporation/Municipality.

2.5 In all these offices, it shall be located in a conspicuous place near the entrance of the office. In the Secretariat, it shall be outside the security limits and accessible to the public throughout office hours.

2.6 The Enquiry Counter is to function mainly as an interface with the visiting public to give information on and to answer queries regarding petitions given by them.

2.7 The staff required to man the Enquiry Counters shall be drafted from the respective offices. Those who are willing to do the work and are found suitable will be preferred for posting.

3. STAFFING THE ENQUIRY COUNTER

3.1 In the Secretariat there shall be three windows with permanently assigned serial numbers. Each of them shall be manned by an Under Secretary. One Section Officer for all the counters taken together will also be posted. The Section Officer shall man the counters by rotation so that the Under Secretary in charge of each of the windows
gets some time to visit the Sections / Officers of the various Departments so that information can be collected in person.

3.2 In the offices of the Heads of Departments there shall be one counter manned by a Deputy Director/Administrative Assistant/Senior Supdt and assisted by a Peon.

3.3 In the Collectorate there shall be one counter manned by an officer of the rank of Junior Superintendent assisted by a Peon.

3.4 In the Corporation/Municipality the level of the officer to man the counter shall be decided by them. It shall be ensured that the person has a thorough knowledge of the functions of the office and is capable of gathering information and to provide it to the visitor.

3.5 The Enquiry Counter shall be provided with computers to record the enquiries, other relevant details and to facilitate periodic monitoring of the stages of action on the petitions received and processed.

4. FUNCTIONING OF THE ENQUIRY COUNTER

4.1 The most important function of the counter is to respond to enquiries. If the enquiring person physically visits the Counter, the details shall be obtained in the format annexed as Appendix I.

4.2 The enquiry shall be serially numbered in the computer and a slip containing the number and subject will be supplied to the visitor in the format annexed as Appendix II. On his subsequent visits to enquire regarding the same matter the visitor shall bring this slip for reference.

4.3 Once an enquiry is numbered in the computer it shall be closed only when the issue is finally decided and closed by the concerned Section of the Administrative Department.

4.4 Wherever a matter is not to be processed in that office, the visitor shall be politely told so and the appropriate officer to be contacted has to be intimated to him.

4.5 Enquiry Counter is not a paper processing area of the office. So only the information available in the files of the respective office or the stage of action on that file alone need be made available to the visitor.

4.6 The Officer in charge of the counter shall gather information from the respective sections either over the phone or by visiting the section and perusing the concerned file. The entire office shall be liable to show their files to the designated officer except where it relates to a vigilance case, purchases or any other guarded information.
4.7 Enquiries shall be entertained only in respect of petitions, representations or issues that are pending in the office for more than THREE MONTHS or after the indicated due date or specified period of time on the date of enquiry. The enquiry counter need not render itself a file processing section parallel to the one that is having the subject as their allotted work. What really is intended is to inform the visitor regarding the stage of action on a long pending issue and to follow it up till disposal.

4.8 When a person makes an enquiry by post or through telephone, the officer in charge of the Enquiry Counter shall record the details in the proforma laid down at Appendix I. The enquiry number to be quoted while further enquiries are made will be intimated over phone or through post, as the case may be.

5. **HANDLING OF ENQUIRIES.**

5.1 When a serial number is allotted to an enquiry, the officer in charge of the Counter shall try to gather the information from the respective section at the earliest and pass it on to the visitor.

5.2 In case the matter enquired into has to be located and verified, the enquiries received till a cut off time on every working day shall be replied to across the counter in the afternoon. In any case, every visitor should be told as to when he could come back to the counter to get the required information or contact over phone.

5.3 All the departments/sections are bound to supply information to the officer in charge of the Counter. In complicated matters, the file also may be made available to the Counter staff for perusal.

5.4 When the issue enquired about is kept pending for want of additional information from the petitioner, the fact may be intimated to the visitor. Materials or documents if any made available have to be entrusted to the Office Section/Tappal Section for its numbering and distribution to the concerned section.

5.5 The Enquiry Counter shall not add any paper or document to the file, which is given to them for perusal. In the same way, they shall not hand over the file to any other officer or Minister and only return it to the giver.

5.6 When files are under circulation to the Chief Secretary, Ministers, and Chief Minister or pending before the Council of Ministers, the Counter staff cannot obtain the file for reference. Moreover, the normal movement of a file should not be adversely affected by the intervention of the enquiry.

5.7 The enquiry shall be limited to issues affecting the person, group of people etc. General matters like the financial position of the State, Law and Order, Taxation etc. shall not be entertained as enquiries.

5.8 When the enquiry is made by MLA/MP, the instructions relating to the interaction with them have to be kept in mind and observed.

5.9 Non-supply of relevant information by any section or officer shall be brought to the immediate notice of the Chief Secretary or the Additional Chief Secretary by the Secretary in charge of the Department of Personnel and
Administration. Such lapses that affect the credibility of the machinery of Government would be viewed seriously.

5.10 The Enquiry Counter is only to facilitate the providing of information in response to enquiries to the visitor. The Sections and officers charged with the processing of papers should ensure that instructions relating to processing of papers are observed properly and any assurance given through the counter are also accomplished.

6. **MISCELLANEOUS**

6.1 Enquiries recorded at one window shall be followed up till the staff of the same window finally disposes of the matter.

6.2 The list of enquiries shall also be drawn up department wise and supplied to the Secretary and Minister in charge of the subject. While holding the monthly staff conference of the department, the Secretary shall review the pendency with reference to the list also. In respect of offices other than the Secretariat also, the Head of Office shall review the pending list on a monthly basis.

6.3 Wherever possible the persons who make an enquiry during the office hours may be provided with information over phone also.

6.4 The communication and gathering of information by the Counter Staff from the office need not be in writing. It may be either conversation over phone or in person.

6.5 The establishment of the enquiry counter does not take away the responsibility of the higher officers to entertain visitors on important issues.

*Note: Guidelines in para 6.2 to 6.5 will apply to offices of Heads of Departments, Collectarates, and Corporations and major Municipalities.*
Appendix I

1. Name of the Visitor/Petitioner

2. Address and Tel no.

3. Matter in brief

4. Ref No. if any
   i) Outside No.
   ii) Same office no.

For office use

Enquiry No.       Date:       Time:       Remarks:

Appendix II

1. Enquiry Number: Window No.
2. Date:
3. Subject in brief:

Enquiry Officer

NB. Kindly bring this card or quote this number while making future enquiries.
ANNEXURE IV

GUIDELINES FOR THE CONDUCT OF COLLECTOR - SP JOINT GRIEVANCE REDRESSAL

PROGRAMMES AT THE TALUK LEVEL

1. It is observed that at the local level there are numerous individual complaints that are registered with the police and revenue authorities including matters related to possession, common access, trespass, public nuisances and boundary disputes. Obviously mere file processing can not ensure mitigation of such disputes. Even though dispute settlement is attempted at the station house officer's level, often the issues get prolonged due to many reasons. Such issues could lead to law and order problems or end up at the civil courts where they simmer leading to personal animosity and resentment. An inbuilt preventive system where conciliation of such types of disputes can be attempted is proposed below on the basis of its effectiveness tested out in the field.

2. On a bi-monthly basis the District Collector and the District Superintendent of Police may hold a joint conciliation programme, preferably in Taluk headquarters, by rotation.

3. The programme is to be conducted in a public space in a business like manner without any ceremony.

4. The programme may be conducted on a specified day, say, first Saturday of the month.
5. The Circle Inspector of Police and the Tahsildar will be the joint convenors of the programme.
6. All the pending disputes in the Taluk Offices, RDO's offices, village offices and the police stations which are amenable to settlement through conciliation may be identified and copies of the original complaints may be forwarded to the police stations as well as the taluk office concerned.
7. Fresh applications may be invited to be given sixty days in advance, through press releases, notice in public places and intimation to elected representatives.
8. The local bodies may obtain two copies. They may be processed as indicated above and given to both the Taluk office and Police Station.
9. If complaints on departmental matters are received, they may be returned with a covering letter.
10. The joint convenors shall ensure that the complaints are compiled and distributed among the police stations and the village offices one-month before the date of the programme.
11. The station house officers as well as the revenue officers (revenue inspectors or the village officers) shall conduct an enquiry and prepare a report indicating specific suggestions for the mitigation of disputes.
12. The complainant as well as the other parties that are required for attempting conciliation should be requested to be physically present on the day of the programme.
13. The two reports received from the police and the revenue shall be made available to the officers during the programme.

64
14. In the programme all officers of the level of SHO and above in the police department and village officers and above of the revenue department shall be present.

15. Three separate counters shall be set up. The Tahsildar and the Circle Inspector shall man the first counter. RDO and the Dy.SP shall man the second counter and the Collector and SP shall form the final decision making counter.

16. Attempt will be made to effect conciliation at the first two counters. The parties will be briefed about the need to reach a settlement, implications and delay likely in case a settlement is not reached and the enforceability of the conciliation.

17. Once conciliation is reached, the village officer/ sub inspector shall have a conciliation agreement drafted, which will be signed by all concerned in the presence of the Collector and the SP.

18. If conciliation can not be reached in the first two counters, the Collector and the SP shall attempt a settlement by talking to the parties separately.

19. A copy of the conciliation agreement shall be maintained in the concerned police station and any future disputes arising shall be sorted out by the joint convenors.

20. A progress report on the number of cases registered and actually settled shall be sent to the DGP and Secretary (Revenue). A copy of the same shall also be sent to the Offices of the Chief Minister, and Ministers in charge of Home and Revenue.

21. In the progress report, the Collector and the SP may specifically indicate the effectiveness of the role played by the joint convenors.

22. While reviewing the ACRs of the Collector and SP, the progress made in the effective conduct of the programme may be made one parameter.

23. Similarly while preparing the ACRs of the Tahsildar and Circle Inspector, their contribution in the effective conduct of the programme may be made one parameter.

24. In case the district has similar long pending issues related to Excise department, the Assistant Excise Commissioner may also be involved. The procedure mentioned above would apply in their case as well.
COMPOSITION OF
THE THIRD ADMINISTRATIVE REFORMS COMMITTEE MAY 1997
(Constituted as per GO (MS) No.7/97/P&ARD) dated 26.5.97).

CHAIRMAN
Shri.E.K. Nayanar, Chief Minister of Kerala.

VICE - CHAIRMAN
(from 2-6-97 to 31-1-98)
Shri.Varkala Radharishnan, Ex-Speaker, Kerala Legislative Assembly.
(from 15-4-98 )
Shri.V.J. Thankappan, Ex-Minister, Govt. of Kerala.

MEMBERS

Shri. K.V.RABINDRAN NAIR
Chief Secretary to Govt. of Kerala (Retired).

Dr.K.K.SUBRAHMANIAN,
Hon.Fellow, Centre for Development Studies.
Thiruvananthapuram.

Shri.C.J.JOSEPH.
Additional Secretary to Govt. of Kerala (Retired).

Shri.S.M.VIJAYANAND.
Secretary to Govt., Local Administration Department.
(MEMBER SECRETARY)

SUPPORTING STAFF

Shri.V.M.VIJAYARAGHAVA MENON,
Additional Secretary.

Shri.A.NAZEEMUDEEN.
Joint Development Commissioner.

Shri.M.SIVASANKAR,
Deputy Collector.

Shri.V.SIVANANDAN,
Under Secretary.

Smt.K.VIMALA,
Finance Officer.

Shri.JOHN THOMAS,
Personal Assistant to Vice-Chairman.

Shri.O.BABU,
Section Officer.

Assistants
Shri.K.Ajayakumar
Shri.Johnson Thomas

L.D. Clerk
Shri.R. Murugesh

Confidential Assistant
Shri.P.C.Manojkumar

Typist
Shri.R.Jayaramkumar
I Terms of Reference of the Administrative Reforms Committee 1958

(i) To review the working of the administrative machinery as at present organised and the systems, procedures and precedents under which it functions with a view to assessing their adequacy for a democratic Government in a welfare State.

(ii) In the light of the above, to suggest measures calculated to improve the efficiency of the administrative machinery to enable it to cope with developmental activities in a Welfare State.

(iii) To suggest measures for the co-ordination of the activities of the different Government departments and for the avoidance of overlapping in such activities.

(iv) To suggest measures for decentralisation of powers at various levels with a view to expeditious despatch of Government business.

(v) To suggest methods for democratisation of the organs of Government at the various levels with a view to effective participation of local self-governing institutions or other representative bodies in the administration.

(vi) Generally to make any other recommendation arising from the above matters.

II Terms of Reference of the Administrative Reorganisation and Economy Committee 1965

(i) The distribution of functions between the State Government and local authorities.

(ii) The logical and convenient allocation of work among the different departments of the Government.

(iii) The organisation of departments at all levels, State, Region, District and below.

(iv) The constitution and the structure of the State and the Subordinate Services.

(v) The delegation of administrative and financial powers among the officers of the Government at different levels.

(vi) The expenditure on travelling allowance, supplies and services and contingencies and on construction of buildings.

IMPORTANT RECOMMENDATIONS OF
THE FIRST AND SECOND ARC's

Important recommendations of the first Administrative Reforms Committee

1. Constitution of Village Panchayats, with sufficient administrative and financial resources, to plan and implement schemes and to control the staff assigned to them from various departments. Panchayats were envisaged as having a three-fold purpose - of autonomous functioning in certain areas, of acting as agents of government, particularly in running schools, hospitals etc., and as advisers. At the village level, the revenue staff was to be integrated with the panchayats.

2. Combining revenue and development functions at the taluk level under the Tahsildar and constitution of a Taluk Council consisting of representatives from the Panchayats and Municipalities with a non-official Chairman. The function of this Council was to be advisory, for proper co-ordination.

3. Setting up of a non-official Council at the District level, either by including existing people's representatives with the Collector as Chairman or through direct election of members with a non-official as the President. This Council is to have an autonomous area of functioning, besides co-ordination of the Panchayat and Taluk Councils.

Higher delegation of powers to heads of department and their subordinates, with freedom to exercise the delegated powers for improved management. O & M units to be set up in the major departments.

Secretariat work to be confined to framing of policies, laying down rules and procedures, financial control, general direction and evaluation. Secretariat to have reduced strength with decentralisation and to be regrouped into nine departments.

6. In the services, economic backwardness to be a condition for reservation of jobs. Direct recruitment for intermediate levels and all new recruits to be given practical and institutional training with a period of probation. Greater weightage to be given to seniority for promotion at lower levels and to merit for promotions at higher levels. Incentive award system to be brought into force along with provisions for stringent anti-corruption measures.

7. Every effort to be made to control expenditure, with close scrutiny for creation of new staff. Creation of the post a Financial Assistant or Adviser in all the major departments, all belonging to the common cadre.

8. The Minister to be responsible for framing of policies taking the advice of the Secretary; to leave implementation of policies to the Secretary who is to be delegated the necessary authority.

9. Proper arrangements to be made for visitors to meet officers.
Salient recommendations of the Second Administrative Reforms Committee are:

1. Strengthening of Panchayat Raj: Grama panchayats to be identical with the revenue village, and taluk panchayat co-terminus with reorganised taluk, which will be smaller than an existing taluk but larger than block. The directorate of municipalities and the directorate of panchayats to be abolished and the District Collector given the powers of the Director. Funds to Panchayats to be given based on a formula with reduction in allocation if there is a shortfall in the realisation of panchayat's own revenues.

2. Differing from the first Administrative Reforms Committee, the Taluk Panchayats are to be given developmental functions and the District Panchayats made advisory. Also, bringing of village office under the panchayat is not found desirable. Similarly, entrustment of agency functions in respect of health and education to be done with caution.

3. The District Collectors’ role as the representative of the Government at the district level to be strengthened with practically every development and regulatory officer functioning as P.A. to Collector. Even in law and order, the assessment of the local situation should be the responsibility of the Collector. In order to reduce the revenue work of the Collector, the post of the District Revenue Officer to be created. Posting of senior officers at least with 10 years service as Collectors and to be given a minimum tenure of 3 to 4 years. A policy of sending Secretaries to Government to the Districts after a ten-year tenure in the Secretariat to be initiated.

4. The following departments to be merged/reorganised:
   (a) Diary Development with Animal Husbandry
   (b) Weights and Measures with Labor
   (c) Soil Conservation with Agriculture
   (d) Geology with Industries
   (e) State Insurance with Treasuries
   (f) Home Guards, Fire Force and Civil Defence with Police
   (g) Single Head of Department for Presses and Stationery
   (h) A new Department for Cultural affairs for subjects like Archaeology, Museums and Zoos, Tourism etc.
   (i) The Regional Offices of the departments of Culture, Fisheries, Employment, Factories and Boilers and Panchayats to be abolished.
   (j) The Revenue Department of the Secretariat to be abolished and the First and Second Members of Board of Revenue given function as Secretaries to Government.

5. Appropriate Secretariat status to be given to heads of department with powers to send files to the Chief Secretary or the Minister direct in certain cases, with the condition that on return, they will be routed through the Secretary to Government. For this they are to be assisted by a Secretariat wing with the secretariat staff located in the office of the head of the department.
6. Finance wings to be attached to the Secretaries to Government in the Administrative Secretariat, who will be involved right from the formulation of schemes.

7. Recruitment to ministerial cadre to be made for groups of departments based on prospects of promotion. There should be recruitment at intermediate levels and the proportion of the direct recruits should be fixed as 40%.


9. Staff Councils to be constituted in all departments.

10. Discipline and punctuality to be ensured.

11. Fixing of work load as 10 currents in the Office of heads of department, 12 currents in the district offices and 15 currents in the sub-district offices. This would result in reduction of 5% of the number of clerks. The strength of peons to be reduced by 1/5th, wherever the strength is 5 or more. Ratio for supervisory ministerial officers' vis-à-vis clerks to be as follows:
   a) Secretariat  1: 6
   b) Heads of Departments  1: 8
   c) District Office  1: 10
   d) Sub-district Office  1: 12

12. The efficiency of the department not to be judged by its expenditure, but by the output measured in relation to inputs. There should be machinery for internal audit of receipts.

13. The heads of department to have freedom to sanction individual schemes within approved programmes, up to Rs. 1 lakh.

14. Gazetted Officers to be authorised to draw salaries without authorisation by the Accountant General.

15. In addition, the Committee recommended reduction of staff category-wise in most of the departments.
APPENDIX IV

LIST OF SECRETARIES TO GOVERNMENT AND HEADS OF DEPARTMENTS CALLED FOR DISCUSSION WITH THE ADMINISTRATIVE REFORMS COMMITTEE

A. SECRETARIES TO GOVERNMENT

1. Shri. Dharam Veer, Secretary to Government, Personnel and Administrative Reforms Department.
2. Dr.K.M. Abraham, Secretary (FR), Finance Department.
4. Shri. Elias George, Secretary to Government, Irrigation and Water Supply Department.
5. Shri.N.V. Madhavan, Principal Secretary to Government, Transport Department.
6. Shri.K. Jayakumar, Secretary to Government, General Education Department.
7. Shri.V. Vijayachandran, Secretary to Government, Health and Family Welfare Department.
8. Shri.Mathew C. Kunnunkal, Secretary to Government, Food Department.

B. HEADS OF DEPARTMENTS / REPRESENTATIVES OF THE HEADS OF DEPARTMENTS

1. Shri. P.R. Chandran, Transport Commissioner
2. Shri. Mohammed Riyazudeen, Member (Transport), Board of Revenue.
3. Dr.V.K. Rajan, Director of Health Services
4. Dr.B. Umadathan, Director of Medical Education
5. Dr.K. Sachchith, Director of Homoeopathy
6. Dr. Teresa Martin, Director of Insurance Medical Service
7. Shri. E. Jayaraj, Director of Treasuries
8. Shri. N. Vasudeva Sharma, Director of Indigenous Medicines
9. Smt. P. Lathika, Director of Agriculture - in-charge
10. Shri. B. Satheesan, Controller, Legal Metrology
11. Dr. P. P. Vava, Director of Animal Husbandry
12. Shri. P. C. George, Director, Mining and Geology Dept.
13. Shri. S. Sivasankaran Nair, Director, Dairy Development Department
14. Shri. George Joseph, Director of Handlooms and Textiles
15. Shri. K. A. Rajan, Additional Director, Soil Conservation
16. Shri. S. Haridas, Additional Director, Soil Survey
17. Shri. K. A. Chandrasekharan, Additional Director, Industries Dept.
18. Assistant Registrar, Coir Development Department
19. Ashraf Khan, Supdt. Hydrogeologist, Ground Water Department
22. Shri. M. N. Krishnamurthy, Managing Director, Kerala State Road Transport Corporation.
24. Shri. P. S. M. Moldeen, Director, Kerala State Archives.
25. Smt. P. S. Radhadevi, Director, Archeology Department.
26. Shri. K. K. Thankappan, Director, Cultural Publications Department.
27. Shri. V. Aravindakshah, Director, State Institute of Encyclopaedia Publications.
29. Shri. C. G. Santhakumar, Director, State Institute of Children’s Literature.
30. Shri. K. Mohammed Sali, Director, Museum and Zoos Department.
31. Dr. A. Krishnamoorthy, Chief Chemical Examiner.
32. Shri. S. S. Venkata Krishnan, Drugs Controller.
33. Dr. Rajkumari Kulas, Director, State Public Health Laboratory.
34. Shri. P.K. Sivanandan, Principal Secretary to Government & Commissioner for Rural Development.
35. Shri. S. Parameswaran Nair, Director of Municipal Administration.
36. Shri. P. Kamalkutty, Director of Panchayats.
37. Shri. A. Kasthuri Rangan, Chief Town Planner.
38. Shri. E. Ayyappan, Director, Scheduled Castes Development Department.
39. Dr. N. Viswanathan Nair, Director, KIRTADS.
40. Smt. Sereźe Mascarenhas, Joint Director, Social Welfare Department.
41. Smt. T.K. Rajamma, Finance Officer, Jails Department.
42. Shri. Sayyid Atavi, Director (Technical), Fire Force Department.
43. Shri. T.M. Manoharan, Chief Conservator of Forests (Vigilance).
45. Shri. N. Chandranathan, Director, Local Fund Audit Department.
46. Capt. S. Vijayan Pillai, Director of Ports.
47. Shri. K.M. Amanulla, Director of Factories and Boilers.
49. Shri. P.M. Mathai, Director, National Savings Department.
50. Shri. P.K. Sathyanathan, Director of Insurance.
51. Smt. Sheela Thomas, Registrar of Co-operative Societies.
53. Shri. G. Gopalakrishnan, Additional Director of Public Relations.
54. Shri. P. Sreenivasan, Accounts Officer, Directorate of Employment.
55. Shri. G. Sasidharan, Accounts Officer, Training Department.
56. Dr. G. Kishore, Director – in-charge, Sports and Youth Affairs Department.
57. Shri. C.K. Viswanathan, Director of Collegiate Education.
58. Dr. K. Sivaraman, Director of Technical Education.
59. Shri S. Harihara Iyer, Controller of Entrance Examinations.

60. Shri S. Sankara Varrier, Director, Higher Secondary Education & Vocational Higher Secondary Education.

61. Shri. Joseph Mathew, Chief Engineer, Roads and Bridges.

62. Shri. R. P. Madhusoodanan Nair, Superintendent, Land Board.

63. Shri. N. Mohanakurup, Assistant Secretary, Board of Revenue (Excise).

64. Shri. R. Prabhakaran, Secretary, (Taxes-1). Board of Revenue.

65. Shri. Kuruvilla Thomas, Housing Commissioner.

66. Shri. S. Raveendran, Assistant Secretary, (RE), Board of Revenue (LR).

67. Shri. K. P. Ramdas, Additional General Manager, Kerala State Civil Supplies Corporation.

68. Shri. C. K. Viswanathan, Director of Civil Supplies.

69. Shri. P. C. Sanal Kumar, Director, Scheduled Tribes Development Department.

70. Shri. K. K. Raveendran, Chief Engineer, Harbour Engineering Department.

71. Shri. U. K. S. Chauhan, Director of Tourism.

72. Shri. K. Sasidharan, Chief Engineer, Irrigation and Administration.

73. Shri. P. J. George, Joint Inspector General of Registration.

74. Shri. K. Chandrasekhar Babu, Director, Survey and Land Records Department.

75. Shri. R. Mohan Kumar, Chief Personnel Officer, Kerala State Electricity Board.

76. Shri. Alexander George, Director of Printing.
APPENDIX V

TERMS OF REFERENCE FOR THE TASK FORCES
SET UP BY THE ARC IN DEPARTMENTS/AGENCIES

1. Basic objectives and functional responsibilities of the department and the performance of the Department vis-à-vis the objectives and functions.
2. Organisational structure of the department including its hierarchy and line of control and the Possibilities of rationalisation to improve performance.
3. The delegation of powers both administrative and financial.
5. Office system with reference to procedures, rules and manuals and the possibilities of simplification.
6. The level of decentralisation with in the organisation and possibilities of furthering it.
7. Linkages with the local Governments and scope for enhancing it.
8. Interface with public particularly with reference to services rendered, common grievances and the procedures for redressal of grievances.
9. Problems of lethargy, corruption, indiscipline, flouting of instructions, breakdown of systems etc.
10. Staff matters
   - recruitment
   - placement and promotion
   - transfers and postings
   - disciplinary matters
   - rewards and punishments
   - standards of performance and measuring of performance
   - human relations
   - training
11. Maintenance of assets of the organisation
12. Conduct of litigation
13. Initiatives taken for reforms and innovations introduced
14. Office modernisation, achievement so far and possibilities
15. Introduction of modern management practice, achievement so far and possibilities.
16. Information management
   - management information system (MIS)
   - access of information to various levels of staff
   - access of information to public
   - records management
17. Performance indicators and standards of service for the organisation and individual staff members.
18. Dealing with other organisations, both formal and informal.
19. Legislative changes required.
20. Good practices prevalent in other states or even other countries which can be adapted.
21. Specific areas which the ARC should concentrate on.

The list is illustrative and not exhaustive. While analysing each of these points the historical background has to be presented and then the current situation analysed with suggestions for reform. It is not necessary to give reports on all the points at the same time. The most important problem areas may be identified first and interim reports presented on each such area. While preparing the reports, special emphasis must be given to simplification and rationalisation of procedures and systems to improve efficiency and effectiveness. Also there should be suggestions to make the system and procedures user-friendly and making the entire functioning people-friendly. While making recommendations a series of options can be given outlining the strengths and weaknesses of each.
SECOND REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

MONITORING OF MOVEMENT OF FILES AND ATTENDANCE
USE OF INFORMATION TECHNOLOGY

CHAPTER I

INTRODUCTION

1.1. Information Technology can improve government functioning in several ways. Application of IT has opened the possibilities ranging from improved use of existing systems to creation of paper-less office. The Government of Kerala in its recently announced IT policy has given special importance to applying IT in government to make it responsive, transparent and citizen friendly. The Administrative Reforms Committee intends to provide a comprehensive set of recommendations on the use of IT in making government more efficient and effective by reducing tedium, smoothening file movements and enabling monitoring and follow up. However, the Committee feels that in two areas IT applications should start straightaway as a pilot venture—in attendance monitoring and in file monitoring. In the former case, it is only a modernised version of punching which is already in vogue in various public sector undertakings. In the latter case, it can start at a preliminary level and based on experience, it can rapidly be pushed up to higher levels of application.

BACKGROUND

1.2. Reasons for choosing the above mentioned areas are obvious. There is a growing concern both within government and outside it about the slow as well as varying pace of movements, increasing numbers, poor systems of management etc. in the case of files. The present system of monitoring through recording in Personal Register and inspections by higher authorities has more or less broken down due to poor maintenance of the registers and irregular supervisory inspections. Also, the system is outdated and is not very effective in monitoring of developmental files as there is no way of classifying files according to importance. All files get equal importance in this system and it has to be mentioned that there is a certain casualness in dealing with files and maintaining registers which has thwarted attempts at reforms.

1.3. Another illustration of declining standards worsened by indifferent and at times defiant attitudes is the regular late coming to offices on the part of a large number of government servants. A State which pays 3000 crore rupees as salary to its employees, even an average late coming of 15 minutes can cause the Exchequer 34 lakhs of rupees. Also, late coming gives an impression of a weak administration, incapable of disciplining its staff and impervious to public opinion. Of now, there are clear procedures for marking attendance on time.
and for taking action if there is late coming. Both acts of omission and commission have resulted in these procedures being ignored. But failure on this front is more a human failure than a systems failure.

1.4 In this context there is a ready entry point for IT though it cannot substitute for weakness of will. It can certainly be faceless in its objectivity and effectiveness in its comprehensiveness.

STRUCTURING OF THIS REPORT

1.5 This Report is essentially based on a quick study of the Andhra experience in using IT in Government and of its replicability in the Kerala context, particularly in the Secretariat. The Report is structured in Four Chapters. This initial chapter serves as an introduction to this report. Chapter II deals with Monitoring of attendance of Government Employees using IT tools and Chapter III deals with monitoring of movement of files with the help of IT. Chapter IV is a conclusion to this report.
CHAPTER 2
ATTENDANCE MONITORING SYSTEM

2.1. It is fairly evident that there is perceptible delay in the transaction of Government business at all levels. To address this delay effectively it is extremely important to have a clear understanding of the actual processing of transactions within Government. Since almost the entire government business is carried out through a system of files, tracking of files and the physical availability of the staff who processes files are the two obvious critical areas to be focussed to reduce the delays. Presently there is a huge accumulation of files at various levels within the Government and a system of prompt processing of files is not in place. Often there are complaints of considerable delay in decision making and final disposal of an application or complaint. There is a feeling that one of the main reasons for this state of affairs is the rather casual attitude of Government servants towards their work and one visible manifestation of this attitude is the late reporting for duty and their physical absence from their work desks. There is a school of thought that merely by improving punctuality and ensuring regular attendance the situation can be improved considerably. There is an equally strong view that just by ensuring attendance and punctuality, pendency of files may not drastically be reduced and what is required is a system to monitor the actual output of each individual.

2.2. This report in two parts - on systems for attendance monitoring and systems for file monitoring and tracking seeks to address certain dimensions of the issues involved. In this context, application of Information Technology in office management needs to be explored so that the potential of better and modern techniques is made use of.

2.3. Reportedly, the Government of Andhra Pradesh has pioneered IT implementation in various Government functions. As suggested by the Chief Minister and Chairman of ARC, a study on the system implemented by the Andhra Pradesh Government was attempted. This report provides an overview of the existing system in our state, the system being tried out in Andhra Pradesh. On the basis of a study of the above systems and based on the ground realities of our state, some specific suggestions in this regard are put forth for the consideration of Government.

2.4. The two aspects discussed in this report are systems for monitoring attendance and physical movement and systems for monitoring the file processing. It is evident that these two systems can be integrated and an IT based system for performance assessment and throughput measurement can be developed and put to use in a phased manner.
PRESENT SYSTEM OF ATTENDANCE MONITORING IN KERALA

2.5. In almost all the state government offices, attendance monitoring is done through the system of attendance registers. As an illustrative case, the system in the Kerala Secretariat was examined in detail. In the state Secretariat, each department consists of sections. The attendance registers will be available with the Section Officer (S.O) who would have three to five assistants working under him. At 10.30 the S.O would, after ensuring that every one who is present has signed the attendance registers, forward the same to the Under Secretary and after his signature it is further forwarded to the Joint Secretary/Additional Secretary. Each S.O. also prepares an abstract of absentees as well as those who are on late permission and forwards the same to the office section where department wise details are consolidated and forwarded to the office of the Chief Secretary. The Secretary of each department can appropriately delegate to either the Additional Secretary or Joint Secretary the power to mark absence after checking the requests for late attending. After this is done the attendance registers is returned to the section for marking the afternoon attendance. However in actual practice, the attendance registers is kept with this officer till evening when it is returned to the section to facilitate marking the afternoon attendance.

2.6. The system works under the presumption that each S.O can physically monitor the presence of the staff after the muster is signed and individuals can leave their seats only with his permission. The staff is expected to record in a movement register their whereabouts and expected time of arrival if they are to ever leave their seats. It is also presumed that the superior officer shall promptly mark absence if the staff reach the office late. In short the system places the entire responsibility on the S.O and higher officers to ensure attendance, punctuality and that individuals stay in their seats. For these officers to effectively discharge this responsibility, they should either have the moral authority or explicit and accepted powers to take action which they feel will not be misinterpreted or undone by higher authorities.

2.7. Needless to say that in Secretariat type of work which is all about managing a team, the above kind of exercising of powers is not often desired even by the individuals concerned, who have the delegated power and responsibility. This has led to a situation, wherein, only grossly deviant behaviour is taken note of. Even in such cases, the emphasis is more on counselling rather than initiating precipitative action.

2.8. In this context, apparently there are two ways of approaching the issue. One is to make the existing system itself work. However it is clear that the human interaction levels involved are too high and depends on too many people to ensure a uniform pattern all across the establishment and sustain the same. It is in this context that non-manual attendance monitoring systems become relevant.

THE SYSTEM IN ANDHRA PRADESH

2.9. Andhra Pradesh Government has introduced a system in the Government Secretariat for attendance monitoring. This attendance monitoring system as on date covers the Ministers and officers of the rank of Under
Secretaries (Assistant Secretary) and above only. At present some 282 individuals are covered by the system. Each individual has been provided with a photo identity card carrying an unique four digit identification number which is bar-coded. Every employee is expected to swipe the card while entering the office, wherein the name and time of entry of the employee will be registered in a centralised facility. For operationalising the system the number of entry/exit points in each block has been restricted to two or three and a recorder is provided at each of these points. Moreover one recorder is provided at the main entrance gate itself. An employee can swipe his card at any recorder located anywhere and the entry information will get recorded. All the swipe recorders are connected to a centralised computer where the information is compiled. Similarly whenever an employee goes out he is expected to swipe out wherein the time of his leaving and the gate through which he left are recorded.

2.10 All the information regarding entry and exit of individuals is compiled in the central computer facility to which each individual swipe recorders are networked. At this central facility, it is possible to obtain information about the physical movement of each and every individual on any given day. This information is made available to other computers connected to the central facility like The Chief Minister’s and GAD Secretary’s computer terminals. Thus the information regarding the time of entry and exit of individuals is available online. Apart from this certain daily and monthly reports are generated by the centralised facility and forwarded to the individual officers concerned as well as the GAD Secretariat. Each individual officer/Minister is expected to have his attendance record with him to be produced on demand. The daily reports generated are the following:

1. Category wise In List Report as at any given time of the day
2. Deviation Report as on any given day
3. Consolidated Attendance Report as on any given day
4. Late Arrival Report as on any given day
5. Early Arrival Report as on any given day
6. Late Departure Report as on any given day
7. Early Departure Report as on any given day
8. Employee Absentee Report as on any given day
9. Attendance Summary Report as on any given day
10. Employee Muster Report for a given period
11. Late Arrival Report for a given period
12. Early Arrival Report for a given period
13. Late Departure Report for a given period
14. Early Departure Report for a given period
15. Employee Attendance Summary Report for a given period
2.11. As seen above consolidated daily and monthly reports of a comprehensive nature giving particulars of attendance, punctuality, early arrival and departure as well as number of hours worked are generated. The system has provision to link this information to leave registers, payroll etc. though this has not been linked as yet in Andhra Pradesh.

2.12. The Government of Andhra Pradesh proposes to put the consolidated information on the Internet so that any citizen can have access to the attendance particulars of Government Officers and Ministers.

THE SYSTEM SUGGESTED FOR THE STATE

2.13. As seen above what has been attempted in Andhra Pradesh is a fairly comprehensive system for attendance monitoring, although limited to senior officers, that generates information on the punctuality of officers and ministers.

2.14. Any system to be introduced in our Government offices here also has to generate the above information. Such a system would have the following two elements-identification and clocking of the persons and controlling their movement. Identification clocking is the first level of control/ regulation access. Basically this is done with the help of credit card size cards encoded with a unique number assigned to each person. The card has to be inserted at a recorder/ reader unit kept at entry/exit points. The recorder, decodes the number, identifies the person and adds access time and date etc to this data. The information is since transferred to the main computer for further processing to obtain reports of movement/ attendance. Various techniques have been developed in the coding of the cards as well as their decoding. This range from a simple bar code assigned to each individual to biometric readers wherein the unique patterns in the thumb, retina or hand geometry are made use of. The various technology options for identification is listed in Annexure. The Committee suggests a bar code based system for use in our Government offices as the system is rugged, cost-effective and a high level of security is not warranted.

2.15. For electronic access control the systems used vary from electronically operated doors, gates and turnstiles, which would open and permit entry/exit only against a valid identification. The electronic access control features can have anti passback facility whereby entry or exit is allowed only at predetermined time. Coupled with biometric identification systems, physical access control mechanisms can avoid unauthorised entry of people. This would also avoid the possibility of proxy punching. However the ARC feels that electronic access control and high-level identification systems need not be introduced in our state at this stage and more cost-effective systems would be sufficient.

2.16. In Andhra Pradesh as well only this type of attendance monitoring system has been put in place as described earlier. However Andhra Pradesh Secretariat has a computer network which interconnects the different blocks and floors of Secretariat and hence the implementation of the system was fairly easy. All that was required
was to link the attendance recorder units, which are put up at the various entry and exit points to this computer network so that all the consolidation reports could be generated at the centralised computer system. Our Secretariat does not have a similar computer network. Further different sections of one department itself are scattered over different blocks and for even consolidating the attendance particulars of any department, the outputs of different attendance recorder units will have to be collected and integrated. In other words, instead of the present system of physically carrying attendance registers, a system by which the outputs of various attendance recorder units have to be collected and carried to a centralised computer facility where the information can be consolidated would be required.

2.17. The employees would be required to swipe out every time they leave the workstations and if the recorder has not registered a swipe out, it is presumed that the employee would be in his seat. For any physical inspection to be effective, therefore, it would be required to have the attendance recorder output on a real-time basis, practically online. For this, inter-connecting of the attendance recorder units and attaching a computer to this interconnected network is absolutely essential. As pointed out earlier it would have been very cost-effective to operationalise the system if a computer network was already in place. In this case the only investment would be the cost of the attendance recorder units. Each recorder unit would cost Rs. 35,000 and even if the entry and exit points in the Secretariat are not to be restricted, around 40 recorder units would be required at the maximum thus limiting the total investment to just Rs. 14 Lakhs.

2.18. It is understood that a proposal for establishing a computer network for the entire Secretariat has been submitted by NIC and is being processed by the Government. If this network is in position, then the output of the various attendance recorder units can be fed through this network and online consolidation at any given time would be indeed possible. In this proposal by NIC, the cost of cabling is to be borne by the State Government. Once the cabling is completed the system for attendance monitoring for the entire Secretariat can be effectively introduced. In this case only one cable need be laid for both computer networking and attendance recording and to that extent the investment can be optimised. As such the Committee would suggest an expeditious decision on this proposal and immediate laying of the networking cable so that the attendance monitoring system can be introduced to cover the entire Secretariat.

2.19. A second option would be to have separate cabling for linking the attendance recorder units and linking it to a centralised data processing centre. In this case the system for attendance monitoring can be implemented almost immediately. However the additional investment towards cabling would also have to be incurred. An additional expenditure of Rs. 10 to 15 lakh would have to be incurred in this case.
AVAILABILITY OF TECHNOLOGY

2.20. It is learnt that there are seven major firms in the country, engaged in manufacturing and installation of attendance monitoring systems. There are around 35 other firms who are either small term manufacturers or who import systems and install the same on behalf of their foreign principals. The major seven firms are:

1. Zenith Computers, Bombay
2. CMS Systems, Bombay
3. Pace Automations, Madras
4. Print Electronics, Pune
5. Prathibha Electronics, Pune
6. Divya Computers, Ahamadabad
7. KELTRON, Trivandrum.

2.21. It is learnt that KELTRON is the market leader in the large and organised sector. The range of versatility of individual firms' products, the ruggedness of the machines and the after sales service network will have to be assessed before making a final selection.

RECOMMENDATIONS

2.22. The Committee feels that instead of attempting to introduce attendance-recording systems throughout the Secretariat, a phased approach may be adopted and an interconnected computer network may be installed immediately for the Secretariat Annexe at Palmlands. It is suggested that Attendance monitoring system may be introduced in this building in the first phase. Along with this, a computerised file monitoring system, elaborated in part II of this report can also be introduced in this building. This may be considered as a pilot project and its effectiveness monitored for a period of six months. In the meantime computer networking of the other blocks may be completed and the file tracking as well as attendance monitoring system could be extended to cover these blocks as well, as soon as the networking is completed. The Annexe building with restricted entry and exit points is logistically ideally suited for such a pilot project. It may also be possible to introduce a different work culture in this new office premise.

2.23. Simultaneously the attendance monitoring system alone be immediately introduced in the offices of two heads of departments namely DPI office and DHS office and atleast three Civil Stations, namely, Thrissur, Kannur, and Kollam so that the entire offices in the Civil Station complex are covered. The system may be implemented in the Collectorate, Thiruvananthapuram also immediately. Since these offices do not have large establishments like the Secretariat, it would be sufficient to have only two or three recorder units per office, which can be connected to a personal computer. Elaborate computer networking would not be required. In the offices of heads of departments and district offices, computer networking and online file monitoring can in any case only be introduced in a phased manner and hence one need not wait for
computer networking to be in place before the attendance monitoring system can be put in place. This can be done immediately and the investment per office would be around Rs 2.5 Lakhs at the maximum.

2.24. Along with introducing the system to cover the entire Secretariat, the attendance monitoring system may be extended to all the offices of the head of departments and other important district level offices, which have high public interaction, in the second phase.
CHAPTER 3

FILE MONITORING SYSTEM

3.1. As pointed out earlier, the considerable delay that is experienced in disposal of files in the Secretariat is also due to the fact that there are multiple levels in the processing of files. The system is so complex that even the physical location of a file is time consuming. Even though a system of personal registers, arrears lists etc is in vogue, quick retrieval of such information is not very easy. While it is very clear that the number of levels of processing of files especially across departments would have to be reduced drastically if decision making is to be expedited, equally important would be the need to have a system where the monitoring of files can be done more effectively. Here the possibility of using Information Technology for monitoring the file movement and tracing out any given file as well as in assessing the throughput at each level is fairly high. This report attempts an overview of the existing file processing system, the system introduced successfully in Andhra Pradesh for file tracking and monitoring and explores the possibility of introducing a similar system in our State Secretariat. The desirability of having a proposal originated by a head of department, scrutinised right from the section assistant's level itself has to be examined separately.

EXISTING FILE PROCESSING SYSTEM IN THE SECRETARIAT

3.2. The types of files generated in Secretariat basically fall under two categories. Specific proposals are forwarded by the heads of departments or departmental undertakings to the concerned administrative departments for sanction and appropriate orders. Alternately petitions received directly by the Ministers, Secretaries etc. also require some processing within the Secretariat. Very often such petitions would need reports from the field level for arriving at a decision. In most of such cases after examining the reports received from the field office a direction may have to be issued from the government. In such cases, mostly the processing of files is confined to the administrative department in the secretariat.

3.3. However while processing proposals received from heads of departments or departmental undertakings, very often the opinion and remarks of other departments particularly Finance Department would have to be sought. As per the rules of business governing processing of files within the secretariat any issue involving a financial commitment or outflow would necessarily have to be processed in the Finance Department as well except those issues for which powers have been specifically delegated to all administrative departments.

3.4. A proposal from the head of department or sub offices is received at the inward section of the concerned administrative department (person#1) and is forwarded to the section dealing with the subject. There an
The status of the proposal or each case received by the assistant will have to be recorded in his personal register. The section assistant processes the proposal with reference to earlier government orders, guidelines or precedents and with his remarks passes the file on to the section officer (person#3). There it is further examined and opinions as to the admissibility of the request are recorded. It is further examined at the Under Secretary /Deputy Secretary/Joint Secretary/Additional Secretary level. In certain cases two officers in the above hierarchy see the file (person#5). Depending upon the powers delegated, decision is taken at the appropriate level. Alternately the file gets forwarded to the concerned Secretary (person#10)/Minister for orders.

3.5. In cases where the issue requires consultation with Finance Department, though an officer of the level of deputy secretary or above can make a reference to the Finance Department, very often the file is circulated right upto the Secretary's level before the matter is referred to the Finance Department. Once a decision to refer the matter to the Finance Department is taken, the file will have to retrace its way through the above levels to reach the concerned section assistant (person#10). The section assistant then prepares a U.O Note and with approval of the section officer (person#11), the file is physically transferred to the Finance Department.

3.6. There again it comes to an inward section and is marked to the concerned expenditure wing dealing with the subject. The concerned section assistant (person#13) in the Finance Department either opens a new file or links the proposal to an existing file, as in administrative department. The Finance Department is organised into various sections like 'expenditure', 'budget', 'ways and means' etc. and the concerned section assistant examines the proposal within his limited domain. The file is further processed at the section officer level (person#14), where specific opinion is recorded. It is further examined at the under secretary /Deputy Secretary/Joint Secretary / Additional Secretary level (person#16) and forwarded to the Finance Secretary (person#17) for orders. At some level opinion of other sections within the Finance Department may have to be sought for which the file has to be physically transferred to the concerned section. As an example, if a file seeking financial concurrence is in principle agreeable to the department, but the Finance Secretary feels that the position with regard to budget also needs be examined then the file is sent to the budget section. The file reaches the section assistant through the Additional Secretary/ Joint Secretary / Deputy Secretary / under secretary/ section officer of this wing of the Finance Department. Here the first noting is again made at the section assistant's level (person#21) and the whole process is repeated till it again reaches the Finance Secretary (person#25). The orders of the Finance Secretary on the Finance Department file will be communicated by the Section officer or an officer of the higher level after the section assistant receives the Finance Department file and prepares a noting that has to be communicated to the administrative department in its file. By this time the number of Secretariat officers who would have physically handled the file would have gone up to at least 30.
3.7. Invariably in most cases clarifications may be required from the head of department originating the proposal. In each such case a query is raised in the file and if Finance Department raises the query, it is reproduced in the administrative department’s file. Subsequently the file is physically transferred to the administrative department through the above-mentioned route. The section assistant in the administrative department then prepares a letter seeking clarification from the head of department and this draft letter will have to be approved at the appropriate level. Then a final letter is typed out, compared by the section assistant, signed by the section officer and despatched. Once a clarification is received the above-mentioned process repeats itself. If clarifications are required on more than one occasion because of the large number of transactions in file processing as indicated above a decision on the file gets inordinately delayed.

3.8. It may be seen that even with one clarification raised by the Finance Department, which would result from a minimal processing, before a decision is finally taken, more than 40 individuals would have to physically handle the file. The above multiple levels of processing of individual proposals requests and the system of having separate files in the Finance Department for matters referred to it leads to delay in decision making. The file could get held up even if any one individual in the above chain proceeds on leave or training as the case may be. The number of human handling would drastically increase if the peons and C.A.s who are also vital links in the above chain are to be counted. With possible communication gaps and multiple queries the number of human handling and the consequent delay would be manifold.

3.9. It may be noted that at each of these file-handling points a register is maintained where the receipt of a file is recorded and an acknowledgment given. Similarly when the file leaves a handling point an entry to that effect as well as the destination to which it is forwarded is recorded. For tracing out any given file or for monitoring purposes, all these registers will have to be scrutinised rigorously.

FILE MONITORING SYSTEM IN ANDHRA PRADESH

3.10. While in Andhra Pradesh also the system of file-processing is essentially the same, involving multiple levels of processing and file-handling, an effective system of file monitoring has been introduced. The Andhra Secretariat is also spread across several blocks and multiple floors with scattered sections.

3.11. NIC has put in place a computer system by which each floor in every block is networked to a centralised computer center. Each officer and each section is provided with a computer (diskless terminals) which form independent nodes in the system. This network is organised in such a manner that data from any computer in the network can be transferred to the centralised computer centre. Also data from this centralised computer centre can be accessed through any other computer connected to the Local Area Network, with the required access authorisation. This network is being currently used for a file monitoring system.

3.12. As per this system, every individual officer has to enter the file number, time and date of receipt whenever he receives a file. Similarly whenever a file leaves the officer the above details as well as the officer to whom it is forwarded is entered into the computer. This facilitates the operation of a system for file tracking. The
software is developed in such a manner that once a file number is entered in any one computer in the network, the location of the file, the movement of the file and the pendency at each level would be known immediately. The system also can be made use as an indicator of performance as it would give the number of files received by each individual as also the number of files actually disposed of by each individual. However, at present this type of information is not systematically generated and put to use in Andhra Pradesh and the system is only being put to use in locating files in movement in the Secretariat. They also propose to put the outputs and reports generated from the file monitoring system in Internet so that any person can check the status of any file as well as the levels of pendency at various levels in Government.

THE SYSTEM SUGGESTED FOR KERALA SECRETARIAT

3.13. A proposal submitted by NIC for establishing a computer network for the entire Secretariat is being processed by the Government. Considering the total investment required, it would be more cost-effective if the entire sections can be linked through computers by providing a diskless node in each section.

Recommendations

3.14. A Centralised Computerised File Monitoring system may be introduced. This will enable tracking of individual files, assessment of workload of individual officers and monitoring of delays in sections and other levels. By linking this system to the Enquiry Counters proposed in the first report, addressing of public grievances and enquiries can also be made effective and more meaningful.

3.15. Each block in the Secretariat may be provided with a server in which, department specific appropriate databases like Stock files, L.A. interpellation particulars etc can be maintained for ready access to each section terminal. Repetitive and similar items of work like preparation of Government Orders, reminder letters etc. can be computerised. Even personal registers, arrear lists, reminder diary etc. can be system generated.

3.16. Senior officers, typing pool etc may be provided with personal computers with memory.

3.17. This system may immediately be introduced in the Secretariat and extended to other district offices and offices of the heads of departments in a phased manner.
CHAPTER 4

CONCLUSION

4.1 Two of the most important areas of public concern vis-à-vis Government relate to delay in movement of files and lack of proper attendance in offices by staff. In both these areas, application of Information Technology can improve matters considerably and measures have been suggested in this Report to attain improved performance. However, it is felt necessary to conclude the Report with certain remarks by way of clarification and caution.

4.2 Information Technology is only a facilitator; it is not a doer. The prime actor is still the official. Unless he "acts" with dedication and according to his conscience, unless there is self-discipline or strict enforcement from above, systems and technologies alone can not be of much avail. There is no substitute for human effort and there is no way by which human qualities of understanding, empathy, discrimination (in a positive sense), can be made good. Unlike factories, Government offices do not churn out products of the hand; they are expected to bring forth products of the heart and the mind.

4.3 The existing systems and safeguards prevalent in Government which have evolved over a long period are quite good by themselves and would be sufficient if adhered to with self-discipline. In the absence of self-discipline, if external discipline is enforced strictly and facelessly something can still be achieved. But it may not be sustainable.

4.4 These technology packages can be effective only if combined with efforts to develop and mould the human resource. Information Technology is a tool and the results of its use depend on the skill and will of the user and the attitude of those for whom it is used. Therefore operationalisation of these recommendations has to be combined with reiteration and reissue of existing instructions in the matter. Since human habit has to be changed sustained effort is called for.

E.K. NAYANAR,
Chief Minister of Kerala & Chairman

V.I. THANKAPPAN,
Vice Chairman

K.V. RABINDRAN NAIR
Member

Dr. K.K SUBRAHMANIAN
Member

C.J. JOSEPH
Member

S.M. VIJAYANAND
Member Secretary

90
ANNEXURE

TECHNICAL OPTIONS AVAILABLE FOR IDENTIFICATION AND CONTROL OF PERSONS IN AND OUT OF OFFICE PREMISES

(Computerised Attendance Data Management System—ADAMS)

AN OVERVIEW

The need for identification and control of persons into or out of offices/industrial premises electronically have given birth to various technologies worldwide. Basically this is done with the help of Credit Card size cards encoded with a unique number assigned to each person. Depending on the coding made in the cards, it is sensed at the appropriate reader kept at various points. The reader decodes the number and adds time and date etc. to the basic data (emp. number) and transfer to main computer for further processing. Various techniques have been developed in the coding of the cards as well as their decoders (sensors). The level of security is decided by the type of technology used in the coding. In high security areas BIOMETRICS IDENTIFICATION is being used, doing away with the identification cards.

In the office/industrial context, the management of movement of persons in and out of premises involves the following key elements:

1) Identification and clocking of the persons.
2) Controlling the movement.

The above operations are undertaken electronically as detailed below:

1. IDENTIFICATION
   a) With ID Cards:
      Identification and clocking is the first level of control/regulation access. As explained identification is with uniquely coded cards and the decoding of this information by the reader. The reader adds time and date against this decoded number and stores in the memory before transferring to computer to get log sheet of movement or attendance-related reports.
   
   b) PIN number:
      By assigning unique number (password) higher level of security is achieved. In this along with sensing of the employee cards, each one has to key in the secret number with the keypad on the reader. The employee number of card and PIN number is compared and given acceptance at the reader.

   c) Without Cards
      Biometrics readers are used for foolproof identification doing away with the cards. Every person is having unique patterns in the thumb, Retina and Hand Geometry. The readers designed to sense for any of these unique aspects scans and compare with its data base before giving acceptance.
II. CONTROL OF MOVEMENT:

After identification if physical control is needed, electrically operated barriers such as turnstile gate, magnetic door latch are installed and activated with the acceptance by the readers. Alarm systems is triggered for non-acceptance.

Various technology options covering above aspects are dealt with in detail in the subsequent portions.

TECHNOLOGY OPTIONS

Listed below are some of the identification technologies available:

1. Optical Card Based Systems:
   In this, employee-number is represented by holes (BCD coding) in the card. When the card is inserted or dropped in the reader the infrared light passing through the holes is sensed and decoded by the reader.

2. Magnetic Card Based System:
   In this the employee code is encoded on the magnetic strip of the card. The cards are swiped in the magnetic slot reader of the reader and decoded number is passed on to computer for further process. Mostly used in low cost access control.

3. Barcode Based System:
   In this employee code is represented by the barcode in the cards. Cards are swiped in the slot reader for decoding the number. Barcode pattern is mostly masked with infrared film to avoid duplication by photocopying the barcodes. This is most popular for attendance re-coding purpose in India and abroad.

4. Wiegand Cards (Embedded Wire Technology):
   These cards are incorporating a coded pattern of magnetic wires that are used to generate an individual access numbers. Cards are read and passing them through a sensing device of the reader. Since the cards are custom built and are to be imported, not popular in India.

5. Proximity Card Systems:
   As the word implies, in this there is no physical contact between the card and the sensor of the reader. Radio Frequency Identification (RFID) based cards and readers are the most popular technology at the moment, for proximity reading. The proximity card will have chip with unique coding. The cards repowered by the magnetic field (124 MHz RF) of the reader when brought within the range and the card transmits its unique ID information back to reader for acceptance. Read ranges from 10 mm. to 5 Mtrs. are possible. With the medium range cards, the employee need not take out the card at all from the pocket to register the acceptance, as card is automatically read as it comes within the range of the reader.

6. Data Chip Cards:
   Data chip contains electronic memory chip sealed in a stainless steel canister. This coin shaped canister can be fixed to cards or key chain. Sensor in the reader powers the chip when get in contact and coded information transfer to the reader.
7. Biometrics Identification

Conventional access codes or cards can easily be borrowed or stored. However fingerprint, hand geometry and iris pattern are unique and cannot be tampered with. Biometrics verification measures the formation of uniqueness and converts the physical characteristics into binary templates.

8. Fingerprint Verification:

Up to a quarter of a million elements of a fingerprint are analyzed and converted into a mathematical template. Verification is based on the comparison between the fingerprint template stored on the Laser Card and the calculated template from the scanned fingerprint at the time of use.

9. Hand Geometry Verification:

The comparative geometric characteristics of your hand are unique to each individual – the length of your fingers compared to your palm, the location of joints, and thickness. Hand geometry provides positive ID based on a field of 32,000 points to recognize the three-dimensional shape of your hand.

10. Eyeball ID

Eyes besides being the windows to the soul, have now become the basis of the latest identification technology – Iris recognition, a security system to identify people by their Iris patterns.

The Iris which is stable and rich in discriminators and unique, is one of the life’s more varied landscapes, with lines, dots, rings, pits, crypts, freckles, coronas, striations, stromal fibers, contraction furrows, collagenous filaments, and serpentine vasculature.

It varies from person to person in all its 266 physical features and it is said that the Iris has vastly more mathematical complexity than any other biometrics, including finger prints, the blood vessels, or even DNA finger printing – which unlike irises, can differentiate identical twins according to the professor who developed the mathematical equations underlying Iris encoding and recognition.

The working of the system is like this: A person is made to stand for a few seconds about 20 centimeters from a video camera. The camera captures iris images and translates selected landmarks into a 256-byte code. The iris is divided into eight concentric zones. This makes it possible to recognize it regardless of how dilated the pupils is. In fact the features can be located even when the rings are compressed.
<table>
<thead>
<tr>
<th>TECHNOLOGIES</th>
<th>FEATURES</th>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optical Card</td>
<td>-Perforated as per BCD code</td>
<td>Cheapest Card available (Rs. 15/- to 30/-)</td>
<td>-Outdated decoding -Can be duplicated easily by making similar perforations</td>
<td>Widely used in India as low end attendance recording system</td>
</tr>
<tr>
<td>(Hollerith)</td>
<td>-PVC cards with Photo or Bakelite Cards (without photo) available.</td>
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<tr>
<td>Magnetic Cards</td>
<td>-Magnetic stripe in the PVC card is encoded with the help of magnetic encoder. -Magnetic sensor in the reader is being imported</td>
<td>-Medium priced cards (Rs. 50/- to 60/-) -Beside employee number section code, Designation code etc. can be coded -Alpha numeric coding possible -Cannot be easily duplicated -Multiple coding possible</td>
<td>-Head can get worn-out easily due to direct contact with the card. -Coding get altered with accidental Magnetic Induction.</td>
<td>Widely used in low cost Access Control System and for Attendance Recording</td>
</tr>
<tr>
<td>Bar-coded Cards</td>
<td>-Bar-coding is easily done with bar-coding software PC and Laser Printer. -Different bar-coding standards are possible, though code 3 of 9 standard is popular for this purpose. -Barcode can be masked with infrared film -Barcode sensor in the reader is imported -Swipe type</td>
<td>Masked bar-coded cards cannot be easily duplicated -Medium priced (Rs. 30/- to 50/-) -Comparatively long-lasting -Cards and Reader available in India -Widely used in India and abroad for Attendance Recording purpose</td>
<td>Cannot be Re-encoded</td>
<td>Most of the organisation in India and abroad use this for Attendance Recording purpose</td>
</tr>
<tr>
<td>Weigand</td>
<td>-Incorporates coded magnetic wires that are used to generate access number</td>
<td>-Long lasting -Secure and cannot be duplicated -Initial cost of card and reader high -Has to be imported -Custom made and imported</td>
<td></td>
<td>Most popular in India though used abroad for Access Control</td>
</tr>
<tr>
<td>Proximity Card</td>
<td>RFID technology used.</td>
<td>-No possibility of duplication.</td>
<td>-Initial cost of card is very high (Rs.150/- to 300/-)</td>
<td>Though widely used for Access Control it finds use as attendance card as well</td>
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<tr>
<td></td>
<td></td>
<td>-Cards are rugged normally guaranteed for 5 years of operation</td>
<td>-Cards are to be imported.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>-Cards will not have physical contact with reader hence no wear and tear</td>
<td>-Cards and proximity readers are to be imported.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>-With medium range cards/card need not be taken out for a read</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Chip</td>
<td>Data chip contains electronic memory chip sealed in a stainless steel canister (coin shaped) is fixed in the cards. Data chip is powered when get in contact with the reader and coded information transferred to Reader</td>
<td>-Complete read occurs in single contact</td>
<td>-Need to be imported</td>
<td>Not very popular</td>
</tr>
<tr>
<td>Smart Card</td>
<td>Cards contains microchip that on compute as well as hold data</td>
<td>-Read/Write is possible.</td>
<td>-Cost of Card/Reader is very high.</td>
<td>Mostly used as Debit Card and for electronic financial transactions</td>
</tr>
</tbody>
</table>
ACCESS CONTROL SYSTEM - HIGHLIGHTS

Access Control System enables the user to identify and restrict the access of people and vehicles for any site where access needs to be limited for security, safety or commercial reasons. Access is accomplished through individual codes/ID Cards and by putting physical barriers such as electronically operated door/gates. With Access Control System the movement of people can also be tracked.

Access Control Features:

1. Anti Pass back facility:
   System check for the valid entry and exit of the person and allows exit only entry (IN punch) is recorded. This avoids unauthorised entry of people with the same card.

2. Time Zoning:
   Entry/Exit is allowed only at predetermined time/date at restricted areas.

3. Access can be by cards only, keypad (PIN No.) only, card or keypad.

4. Alarm possible for unauthorised entry.

Report Functions:

- Movement and alarms are printed as they occur with time/date.
- Historic reports of movements.
- Reports of card parameters.

COMPUTERISED ATTENDANCE SYSTEM – HIGHLIGHTS

Any Computerized Attendance Data Management System consists of the following constituent parts:

1. Personal Computer
   : To process the attendance data and make the necessary reports.

2. Badge Reader
   : To read the employee details and record the time.

3. Badges
   : To hold the identity particulars of an employee.

4. Dot Matrix Printer
   : To print out the various attendance reports generated by the Software.

This system can be networked in one of the following fashions depending on the site requirement.

1. Centralised
   : Here the badge readers will be installed at one place adjacent, e.g. Main gate of the factory/office.
   Employee can record the attendance in any of the machine.
be quite stifling. Surprisingly, Kerala has been unusually 'conservative as far as reforms in the financial management sector are concerned. The bold development policy initiatives, which have given Kerala a unique position in the country, are not visible in this area.

1.2.2. The first two Administrative Reforms Committees had given serious consideration to this matter. The first ARC cautioned against inclusion of proposals in the budget without proper financial vetting and called for “a readjustment of relationship between the Finance and Administrative Departments based on mutual understanding and sympathy”; to “enable the former to exercise its control with greater success and less friction”. In order to achieve this, it was suggested that horizontal mobility be introduced between Finance and Administrative Departments at senior levels. The Committee also cautioned against uncalled for expansion of staff.

1.2.3. The second Administrative Reforms Committee had a specific mandate to study the economy of expenditure. This Committee suggested a fundamental structural reform to attach Finance wings to Secretaries to Government in the Administrative Secretariat. This Committee also reiterated the imprudence of including lump sum provisions in the budget particularly for public works, resulting in unregulated expenditure. They wanted that the vetting process should be so thorough that for every budgeted item, there would be no need for a financial concurrence. Later the Committee felt that heads of Department could be given the delegated power for sanctioning individual schemes within approved programmes. However, these recommendations could not be implemented in full and their underlying spirit was not captured in the changes, which were brought about.

1.2.4. Possibly a reason for not approaching the reforms in Finance sector in a systematic and comprehensive manner could be the fact that for nearly two decades now financial management in the State has been a fire fighting operation. There has not been any significant period of comfortable financial situation, which could allow time for reflection and careful consolidation, nor has there been a total collapse, which would have necessitated immediate reconstruction. Therefore adhocism has prevailed over this period in alternating spells of suffocating restrictions and spending binges.

1.2.5. Interaction with departmental officials revealed a sense of exasperation at the harassing procedures in getting financial clearances. Often the processing of files involved ritualistic objections and casual replies, pushing the files to and fro in slow motion. Lack of timely release of funds for schemes, delays in creation of posts for projects and countless objections and queries affecting timely purchases and repairs and even disposal of useless items—all these have been major irritants in the relationship between the Administrative and Finance Departments. It would appear that mounds of junk lying in the backyard of several offices and the countless pieces of non-working equipment have all been the result of the cumbersome procedural hurdles which deter even a motivated officer from trying to cross, as the opportunity cost of doing this is too high. One gets the feeling that, Administrative Departments do not perceive the Finance Department as being even handed in its application of rules. They see an arbitrary exercise of power where the neutral managing of finances can gradually become an opaque process of dispensing favours.

1.2.6. It goes without saying that Administrative Departments have taken a parochial view without realising their responsibility in making the state finances sound. They consider Finance as a hostile Department and not as a partner in proper management of Finances for the good of everybody. They often do not show a proper
understanding of state Finances. There is a surprising naivety even among senior officials about budgeting. It is assumed that once the budget is passed the funds are there in the state kitty and can be drawn at will. It is forgotten that expenditure can only be in relation to the funds available with the Government at a point of time and this depends on the receipts, which naturally flow in over the whole year. Compounding this problem is a fact that the State depends to a large extent on tax revenues that are more seasonal in their flow than non-tax revenues that are more predictable and regular. At the same time there are certain regular demands on the State’s resources in the form of salaries, pensions and loan repayments. Therefore the Finance Department has very little operational flexibility in the face of competing claims and pressures.

1.2.7. From a macro point of view, health of the State’s Finance depends on the health of its development for which the Departments have a lot of role to play. The economic growth of the State, the performance of its public sector undertakings, the effectiveness of its development Departments are all relevant as also the efficiency of the revenue collection systems. The low absorption of external assistance in the State, unplanned for commitments in expenditure and debt commitments have made matters worse and the unrealistic dichotomy between plan and non-plan has further aggravated the situation. On one end, while at the other end revenues are losing their buoyancy and tax evasion remains a serious problem.

1.2.8. In such a scenario, it is necessary to foster a sense of mutual understanding and trust between the players and the umpire so that the game goes on vigorously even while the rules of the game are observed. Any attempt to reform requires a partnership between the Finance and Administrative Departments with each side capable of empathising with the other. This will improve administrative efficiency as a whole.

1.3. Why Reforms in this Sector?

1.3.1 Some of the broad reasons for suggesting reforms in the financial management of Government has been outlined in the description of the background. Some other reasons for giving importance to this sector are:

1) Financial Management constitutes the core of Government activity and any reform within this core will radiate outwards and generate positive impulses in other sectors. Thus reforms in this sector would have a spread effect.

2) Reforms in financial management would help Government clarify its priorities and form a clear-headed vision of its governance agenda.

3) Finance is the most critical aspect in the running of the State and in its proper management the gains would be very high.

4) Any reform in financial management would be felt throughout Government and would beneficially affect every arm of the Government.

5) There are good experiences within and outside the country in improving the financial management of governments. There are a lot of replicable lessons to be learnt and adapted.

6) Any reform in this sector will have some effect. Nothing would be redundant or wasteful.

7) Reform in financial management will help demystify perceptions about financial controls and promote responsible attitudes and behaviour.
(8) There is much scope for modernisation in financial management and returns from modernisation are comparatively higher in this area. Also there will be greater receptivity to modernisation here.

(9) The devolution of resources to the local self-government has its own reform implications, which can not wait.

(10) Any reform in financial management in Government would be in keeping with the spirit of the times as the emphasis is to shift towards professional management away from authoritarian controls.

1.4. TOWARDS RADICAL REFORMS

1.4.1. The suggestions given in this report are for bringing about immediate changes. The recommendations aim at simple rationalisation, marginal adjustments and procedural streamlining. These measures would be acceptable to all actors and can bring about visible improvement. Therefore, they are implementable straightaway.

1.4.2. The Committee feels that this bunch of recommendations would serve as a warm up exercise to condition for the more strenuous reform activity which has to follow. It is hoped to initiate a process, which will in due course acquire a momentum of its own. The Committee intends to suggest two more sets of recommendations on financial reforms after this. The first of these would relate to some structural changes but it would be more based on what has been achieved elsewhere in the country. Thereafter, the Committee proposes to take up the question of more fundamental reforms resulting in a thorough overhaul. The Committee has set up a Task Force for helping it formulate these two rounds of recommendations.

1.4.3. Though the scope of the present set of recommendations is confined to two themes namely delegation of powers and streamlining the system of Finance clearance, these are expected to remove major irritants and bring about a positive relationship between the Finance and Administrative Departments.

1.4.4. This Report essentially attempts to ameliorate some of the problems faced by the Departments by suggesting enhanced delegation of powers which has reduced the need for Departments to approach the Government for simple matters. Similarly in the Secretariat the Administrative Departments also are to get more powers so that they do not have to take prior concurrence of the Finance Department for ordinary matters. Of course, in important matters and on occasions when economy cuts are in vogue, prior consultation of the Finance Department is inevitable. Here, the Committee recommends a set of measures which will speed up the process and improve the interface between the Finance and Administrative Departments. Thus, this report can go a long way avoiding delays and reducing complaints about the tedious processes of consultation, concurrence and approval.
CHAPTER 2

2.1. A Critique Of The Present System Of Finance Clearance

2.1.1. At present, proposals of the Departments relating to plan are vetted by the State Planning Board and included within the annual allocation. Plan proposals which are approved by the Council of Ministers and the non-plan proposals from the Departments are sent to the Finance Department which includes them according to resource availability. Normally, since the plan size is finalised in advance, there is no pruning; but non-plan requirements are often severely cut.

2.1.2. Other than salaries and related expenditure, there is no rational allocation of non-plan resources for various purposes and among various Departments. This has led to a situation where Departments do not determine their essential requirements but fix their demands at unreasonably high levels in the fond hope of getting a reasonable amount even after severest of cuts. The Finance Department also is not in a position to assess the real requirements and often pares the demands without any rational norms.

2.1.3. Once the budget is passed and funds are placed at the disposal of the Departments, the spending starts. But this outflow is regulated by the actual availability of funds in the treasury. And this inescapable situation often results in the application of sudden and total brake of the expenditure which jolts the system.

2.1.4. Typically proposals for expenditure originate in the offices of the Heads of Department. Even here, some times proposals are called for from below and consolidated. Though Plans are finalised in the last quarter of the previous financial year the details are worked out after current financial year begins, resulting in late forwarding of proposals.

2.1.5. The proposals of the Heads of Departments are sent to the concerned Administrative Departments, where it is processed from below. It goes through the normal channel up the various levels before it is sent to the Finance Department for clearance. And it is at this time that the Finance Department analyses the proposals and asks the relevant questions. The Finance Department often gives approval based on the funds position. Thus, a Plan scheme really gets its final clearance after its approval and inclusion in the budget. This causes a lot of heartburn in the Departments. As mentioned earlier, when the inflow into the state coffers does not match the outflow economy cuts are introduced, delaying clearances.

2.1.6. Discussion with senior Officers of the Finance and Administrative Departments showed that the reasons for delay could be identified as listed below:

1) Lack of proper examination and formulation of proposals by the Administrative Departments.
2) Absence of proper understanding of a development scheme and field level realities by the Finance Department.
3) The sheer volume of files which go to the Finance Department for concurrence.
4) Sending of files unnecessarily to Finance Department by the Administrative Department due to a feeling of insecurity.
5) Delayed submission of proposals to the Finance Department.
6) Cumbersome procedure followed in the Administrative and Finance Departments.
7) General economy orders applied across the board, which affect practically every item of expenditure.
8) Lack of appropriate delegation of powers to the Administrative Departments and heads of Departments.
9) Obsolescence of the financial management system.
CHAPTER 3

RECOMMENDATIONS

3.1 Based on the analysis in the preceding chapter, the Committee has formulated its recommendations in the following areas:

1) Smoothening of procedures in the Finance Department for improving the quality of consultations and speeding of clearances.

2) Enhance the delegation of the Administrative Departments and heads of Departments basically to bring them up to date and to enable tackling of special problems.

3) Rationalisation of economy controls.

4) Creation of trust and understanding between the Finance and Administrative Departments.

3.2 Special procedure for important cases

3.2.1 Officers in charge of the Expenditure Wings in Finance Department (Additional Secretary or Joint Secretary level) will be designated concurrently as Financial Advisers (FAs) to the Secretaries of the Administrative Departments concerned.

3.2.2 The Secretary of the Administrative Department can directly refer specially urgent and important cases to the FA. Once that is done, the file will be sent by the Confidential Assistant to the Secretary to the Confidential Assistant to the FA the same day.

3.2.3 The FA will process the case urgently as per procedure in para 3.2.4 below and ensure that the file is sent back with his clear advice/concurrence within ten working days.

3.2.4 The FA will get the case examined in his Expenditure Wing within two or three days and directly consult other sections of Finance Department (like Budget, ways & Means, Rules etc.) wherever such consultation is necessary. This consultation should be in discussion with the officers in charge of those sections and a note recorded about the outcome. Based on this, the FA will finalise Finance Department's views (if the matter is within his powers) and send back file to Administrative department. In cases where FA does not have powers to give clearance, he will put up the Administrative department's file to Secretary, Expenditure with his (FAs) views, through the Secretary of the Administrative department. Up to this stage the maximum time taken should be ten working days from the date of receipt of file as per para 3.2.2 above.

3.2.5 If the view recorded by FA is acceptable to the Administrative Department secretary, he will endorse it and take further action accordingly. If however FA's advice is not acceptable to Administrative Department secretary or if
FA's views are subject to approval by Secretary, Expenditure or Finance Secretary. Administrative Department secretary will send the file to Secretary (Expenditure) or Finance Secretary as the case may be. This will be cleared by Secretary (Expenditure)/Finance Secretary if he is in agreement with the Administrative Department secretary. If he has a different view, he (Secretary, Expenditure/Finance Secretary) will discuss the matter with the Administrative Department secretary and try to take an agreed view. The action as per this para should not take more than four or five days. So the total time taken up to this stage will be fifteen working days from the date of initial reference to the FA.

3.2.6 If however such agreement is not possible or the case requires Finance Minister's clearance, the Administrative Department file will be put up by Secretary (Expenditure) /Finance Secretary to the Minister of the Administrative Department and Finance Minister, with a note clearly bringing out the points for decision. The Administrative Department Minister could then take the initiative to discuss with Finance Minister if discussion is necessary and get an agreed decision.

3.2.7 To facilitate this special procedure, the following will be necessary:

i) Only in a limited number of cases should the secretary to the Administrative Department take recourse to this procedure. While this procedure is on test (for six months or so) the number of such cases should not be more than five a week from one Secretary.

ii) In order to avoid interim queries, Financial Adviser should, if he needs any clarification, discuss with the Additional Secretary/Joint Secretary/Deputy Secretary of the Administrative department. These officers should have strict instructions from the Administrative Department secretary that they should go to the FA and give him necessary clarification within a day.

iii) Officers in charge of other sections in Finance Department whom FA may have to consult should have instruction from Finance Secretary that, in respect of such cases, they should be readily available for consultation by FA the same day or the next day. If they feel that their section view itself can be finalised only with approval from Secretary, Expenditure or Finance Secretary, they should indicate that while giving remarks to the Financial Adviser, so that Financial Adviser can send the file to Secretary, Expenditure/Finance Secretary as per procedure in para 3.2.4 above.

iv) In cases where the special procedure is likely to be resorted to, it will be useful if the FA is invited to participate in the internal discussions if any held by Administrative Department secretary even at the stage of formulating the proposal. FA could also be invited to plan review meetings in the Administrative Department held at Secretary level so that the FA will have better appreciation of the concerns of the Administrative department.

v) If the special procedure is found to be effective, its scope can be gradually expanded, moving towards a reasonable midway between the State Secretariat's present system and the Integrated Finance system in the Central Government.
3.3 Enhancement of delegations to the Administrative Dept

3.3.1 There is an order issued, in the form of a booklet, by the Finance Department about the financial powers delegated to the Administrative Departments in exercise of the powers conferred upon them by the Rules of Business of the Government of Kerala. In respect of the powers that are delegated to them, no reference need be made to the Finance Department. In every file received by the Finance Department, the first point to be examined should be whether the file relates to any of the matters in which the Administrative Department has the competency. If so, the Finance Department should return it then and there inviting attention to the competency of the Administrative department.

3.3.2 The powers so delegated are usually affected by the Economy ban on certain items of expenditure. The Finance Department has to make sure that there is no total ban on the exercise of these powers by the Administrative Departments, so as to invite every file to the Finance Department. By such a process, the really important papers are lost sight of and the number of files that reach the Finance Department becomes unmanageable.

3.3.3 The Committee has reviewed the booklet containing delegation of financial powers to the Administrative Departments of the Secretariat. Most of the items have the monetary limits fixed years back and do not have any real value. The existence of low levels of delegation, which have lost its purpose, also brings up every issue for the consideration of the Finance Department. Therefore, the monetary limits are to be changed realistically. The proposals of the Committee are given as Annexure I to this report.

3.4 Enhancement of delegations to the Heads of Department

The Committee also reviewed the delegation of financial powers to the Heads of Department and Collectors. These delegations have to be updated and the recommendations are given as Annexure II to this report.

3.5 Repair of Hospital equipment

In addition, it is keenly felt that the Director of Medical Education, Principals of Medical Colleges and Director of Health Services may be delegated with powers to get any of the hospital equipment repaired. The expenditure may be limited to the budget allotment. The repairs may be subject to observance of tender system and other procedure necessary as per rules. The procedure to invite tenders etc may be dispensed with in cases where the particular equipment could be effectively got repaired only from specified agencies. The total value of the hospital and clinical equipment lying idle is frightening and special arrangement for their repair is warranted. The Director of Medical Education, Principals of Medical Colleges and the Director of Health Services may be given the required delegation to see that the equipment is got repaired without any time lag.
3.6 Economy orders

3.6.1 The Economy orders have come to stay as a permanent feature for the past so many years. But the instructions are not easily understandable. Whenever a new set of instructions is issued, they are stated to be additions to all the instructions that exist at that time. This system has two disadvantages. They are:

i) The full list of banned activity or expenditure is not readily available; and

ii) The lack of clear understanding increases the workload of Finance Department by way of unnecessary references. The Administrative Departments find it more convenient to refer the files to Finance Department than to trace all the economy orders and to find out whether the case require a reference or not.

3.6.2 To overcome this difficulty, it is recommended that the Finance Department may issue a consolidated order on economy measures by the first week of October every year. The first week of October is selected because of the fact that by that time the Department can have an assessment of the ways and means position of that financial year. Till the next order is issued, the orders issued in the first week of October of the previous financial year can be kept in force. In case any addition to the orders so issued become necessary, the Finance Department may issue it assigning serial numbers, so that the whole set of economy instructions will be traceable by all the implementing officers at any point of time, without much difficulty. In this process of issuing consolidated orders, a reassessment of the impact of each item can also be attempted to, so that only the really necessary items will remain in the list of banned items.

3.6.3 A high level committee consisting of Chief Secretary, Finance Secretary and the Secretary of the Administrative Department may consider the proposals for relaxation of the economy orders so that all the necessary aspects get the required attention. Suggested procedure for working of the Committee is given in Annexure III.

3.7 Foreign Tours

A committee consisting of Chief Secretary, Additional Chief Secretary and Finance Secretary may be constituted to scrutinise and clear foreign tours of Officers. Cases that may be deferred can be identified and avoidable delay in necessary cases can be eliminated by this arrangement.

3.8 Interaction of Finance Department and controlling officers

The control on the ways and means position is now managed on a unilateral basis. The issues that have to be sorted out by the Administrative Departments and the Heads of Department come to the notice of the Finance Department only when they approach the Finance Department for clearance of funds. The situation can be improved, if the Finance Department can indicate the quantum of money that they can place at the disposal of the Controlling Officers in a month or in a quarter so that the Controlling Officers can prioritise the activities for fruitful spending. In the like manner the Controlling Officers also should indicate their requirement in the next
month or the next quarter, explaining in detail the stage of activity and how the expenditure is expected to become due. Such a financial management information system will go a long way in enabling the distribution of available funds in a more equitable, economic and rational manner. This suggestion is neither a tool of control nor a mechanism to place requests for funds. It is only a mechanism for avoiding embarrassment as well as a pointer of requirements and feasible allotments in the near future. This would help a participatory decision making and would be ideal in utilising the scarce resources.
CHAPTER 4

CONCLUSION

4.1 The measures suggested above are practicable and can be brought into force immediately. These measures though simple would go a long way in taking care of certain basic problems more by way of immediate relief than by way of permanent cure. These recommendations are made bearing in mind that the State's financial system though out-dated is still a running mechanism and can improve its performance with appropriate repairs and patchwork.

4.2 The Committee intends to go further and once the Task force constituted to go into the structure of the financial system and suggest basic reforms completes its work, the Committee will put up its medium term and long term suggestions for fundamental changes. That could involve radical alteration in the plan preparation and approval process, in budgeting and accounting regimes, in resource allocations and in assignment of powers and functions.

E.K. Nayanar,
Chairman & Chief Minister of Kerala

V.J. Thankappan,
Vice Chairman

K.V. Rabinindran Nair,
Member

K.K. Subrahmanian
Member

C.J. Joseph,
Member

S.M. Vijayanand
Member Secretary
SUGGESTED DELEGATION OF FINANCIAL POWERS TO THE ADMINISTRATIVE DEPARTMENTS
OF THE SECRETARIAT

The allocation of business contained in the Rules of Business of the Government of Kerala stipulates that
the financial matters of the state government have to be handled by the Finance Department. To have a
working facility for the Administrative Departments, who are charged with the actual performance of the
duties of government, financial powers are also delegated to them under rule 10 of the Rules of Business. The
non-use of these delegated powers and the inadequacy of the monetary limits contained therein are seen to be
the most important factor, leading to influx of a large number of files to the Finance Department. This heavy
rush of files leads to poor financial management as well as delay in most of the issues. To overcome this
difficulty it is felt that a review of the financial powers delegated to the Administrative Departments of the
Secretariat is highly necessary. The Committee has conducted such a review and the following proposals are
made for streamlining the system.

1. Shifting of posts

The existing delegation is confined to Education Department and reads as follows:

"The Education Department of the Secretariat may, without previous consultation with the Finance
Department, sanction shifting of sanctioned posts of teachers from one institution to another according to
necessity."

After the introduction of grade promotion and stagnation scales in the pay revision orders, many of the
Departments have decided to regulate the cadres by ensuring the over all limitation of the number of posts
than to insist on the transfer of officers at every change in scale. Therefore it is suggested that the delegation
may be made applicable to all the Administrative Departments. The wording may be as indicated below:

The Administrative Departments of the Secretariat may, without previous consultation of the Finance
Department, shift the posts having the same duties and functions like the various grades of Clerks,
Typists, Confidential Assistants etc. within the same unit of appointment.

2. Leave

The delegation of power to sanction leave is as indicated below:

"The Administrative Departments of the Secretariat may, without previous consultation with the Finance
Department, sanction study leave and special disability leave according to the rules in the matter. Cases where
relaxation of rules is required or where there is any doubt regarding the applicability or interpretation of the
rules should be sanctioned in consultation with the Finance Department."

According to the general conditions stipulated in the Kerala Service Rules, an officer on leave shall not take
up a job or profession. But by the introduction of Appendix XIIA of Part I KSRs this condition does not apply.
when the leave is specifically applied for and granted for the purpose of taking up other employment either within India or outside India. Similarly a government employee can avail leave to join the spouse. The Administrative Departments are already given the authority to sanction these two kinds of leave without consultation of Finance Department. To put this permission in the book of delegations, it is suggested that the delegation may be recast as follows:

"The Administrative Department of the Secretariat may without previous consultation with the Finance Department sanction study leave, special disability leave, leave to take up other employment and leave without allowances to join the spouse according to the rules in the matter. Cases where relaxation of rules is required or where there is any doubt regarding the applicability or interpretation of the rules should be sanctioned in consultation with the Finance Department."

3. Deputation for training

The delegation existing in the "Book of Financial Powers" is as follows:

"The Administrative Department may without previous consultation with the Finance Department sanction all cases of deputation of officers for training in respect of schemes the details of which have been sanctioned by the Finance Department before provision is included for the purpose in the budget."

In the discussions with Heads of Departments, one major difficulty highlighted by them is the lack of training. In the technical Departments, the lack of training leads to the blunting of the technical skills of the employees, and modern techniques remain out of their grasp. In the Health Services Department, the minimum number of hours of training prescribed as a pre-condition for the renewal of their license to practice is not imparted. The basic reason is the delay in getting the matter processed. Therefore, it is desirable that the Administrative Department in the Secretariat may be given powers to depute officers within or outside India subject to the following conditions:

1. The training is under a scheme for training which is finalised in consultation with the Finance Department;
2. There is provision in the budget, which is specifically to be applied for this training

In the matter of training which are compulsory for the officers of the Department or when the particular training is highly necessary for faculty improvement of the officers of the department, the Administrative Department may depute officers for such training. Therefore, it is suggested that the delegation may be recast as follows:

The Administrative Department may without previous consultation with the Finance Department sanction all cases of deputation of officers for training, within India or abroad subject to the following conditions:

i. The deputation of officers for training is under any scheme approved by the government in consultation with the Finance Department.
ii. There is specific provision for the training in the budget.
iii. The training is a professional one for the up-gradation of the skills of the officers in the department

4. Deputation to Foreign Service

The delegation existing in para 10 of the Book on financial powers reads as follows:

10. The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction all cases of deputation to Foreign Service and extension of the period of foreign service subject to the following conditions:

The deputation allowance should be limited to 20% of the pay in the post held under Government.
The deputation should be in accordance with the standard terms and conditions prescribed in the K.S.Rs. The extension of the period of deputation should be on the same terms and conditions as originally sanctioned.

[G.O. (P) 453/66/Fin. Dated 10.10.1966]

In the existing delegation, the percentage of deputation allowance etc are mentioned. But after the last pay revision, the entitlement on deputation is fixed as the grade pay that an officer is eligible to receive in the parent department. Nothing extra is payable. The delegation mentioned in the para noted above is to the effect that where there is no special conditions it can be granted by the Administrative department. Therefore, the wording also may be made in line with it. The paragraph 10 may be recast as follows:-

The Administrative Department of the Secretariat may without previous consultation with the Finance Department sanction all cases of deputation to Foreign Service and extension of the period of Foreign Service, which are ordered in accordance with the standard terms of deputation. However all cases involving variations in the terms or emoluments of deputation and relaxation of rules must be ordered only in consultation with Finance Department.

5.Permanent advance:

The existing delegation is as follows:

12. The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction permanent advances limited to a maximum of Rs.1,000 in each case. The orders will be issued on the recommendation of Accountant General in conformity with article 11 of the KFC, Volume I

[G.O.(MS)1/83/P&ARD. Dated 4.2.1983]

The monetary limit was fixed in 1983 and to accomplish the same requirement now, much more money will be required. However, the limit is proposed to be enhanced to Rs.5000 in the place of Rs.1000. Therefore, the paragraph may be recast as follows:-

12. The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction permanent advances limited to a maximum of Rs.5,000 in each case. The orders will be issued on the recommendation of Accountant General in conformity with Article 11 of the KFC, Volume I

6.Reimbursement of Medical expenses.

The present delegation stands as follows:

16. The Health and Labour Department of the Secretariat may without previous consultation with the Finance Department sanction the reimbursement of medical expenses to the insured employees covered by the E.S.I. Scheme up to Rs. 500 in each case.


The cost of medicines and expenses related to medical treatment has escalated many folds as compared to the situation in 1967. Therefore it is highly necessary that the monetary limit fixed for the item has to be enhanced. Though the services and medicines that were available for Rs.500 cannot be equated to the modern systems of treatment, it is felt necessary to increase the limit to Rs.10,000. Thus the delegation may be recast as given below:
16. The Labour and Rehabilitation Department of the Secretariat may without previous consultation with the Finance Department sanction the reimbursement of medical expenses to the insured employees covered by the E.S.I. Scheme upto Rs. 10,000/= in each case.


The present delegation is as follows:

'17. The Departments of the Administrative Secretariat may without previous consultation with the Finance Department sanction hiring of private buildings without monetary limit, on production of the rent and non-availability certificates from the Public Works Department

[G.O(MS)1/83/P&ARD. Dated 4.2.1983]

Unlike olden times, the building owners are not keen to rent out their buildings to government or public sector undertakings. The formalities that are attached to the hiring makes it difficult to get suitable accommodation for government offices. There are instances where the buildings identified and negotiated by the government officers are abruptly taken on rent by other organisations. Therefore, it is felt that the Administrative Department may be allowed to give sanction for hiring buildings to the level of Rs. 15,000 p.m as rent without insisting on any certificate. After this limit all the present conditions may exist. Therefore, the delegation may be recast as follows:

The Departments of the Administrative Secretariat may without previous consultation with the Finance Department sanction hiring of private buildings without monetary limit, on production of the rent and non-availability certificates from the Public Works Department.

The Administrative Departments may, without prior consultation with the Finance Department, also sanction hiring of private buildings without insisting on the rent and non-availability certificates from PWD subject to an upper limit of Rs. 15,000 p.m.

8. Loans, grants, contributions etc.

The present delegation reads as follows:

19. The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction loans, grants, contributions etc. subject to budget provision and subject to the rules prescribed in consultation with the Finance Department

[G.O.(P) 453/66/Fin. Dated 10.10.1966]

Government in the initial stages, mostly at the Council level, decides the grants and other payments. Therefore, the power to sanction such payments may be given to the Administrative Department without insisting on an approved scheme for the first two payments. The formulation of the scheme usually takes two years to complete. Therefore, the delegation may be recast as under:

The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction loans, grants, contributions etc. subject to budget provision. Sanction for the third year may be given only after finalising the prescribed rules in consultation with the Finance Department. In the first two years, the Administrative Department after taking a policy decision regarding payment may make the payment.

9. Land acquisition.

The present delegation is as given below:

3/761
The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction expenditure on land acquisition charges upto Rs. 1.50.000 in each case provided there is specific provision in the budget for the purpose.

[G.O.(MS)1/83/P&ARD: Dated 4.2.1983]

Cost of land has increased very much and no effective acquisition can be sanctioned within the existing monetary limit. Therefore it is proposed that the limit may be enhanced to cover at least a small plot of land. Therefore the delegation may be recast as under:

"The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction expenditure on land acquisition charges upto Rs.15,00,000/- (Rupees Fifteen lakhs only) in each case provided there is specific provision in the budget for the purpose.

10. Repairs of Vehicles.

The existing delegation is as follows:-

Repairs of vehicles: - The existing monetary limit of Rs. 2,000 shall be enhanced to Rs.5,000 and subject to the further condition that the repair should not involve or lead to, any structural alteration of the vehicle.

[G.O.(MS) 1/83/P&ARD. Dated 4.2.1983]

In most of the Departments, a large number of vehicles are off road. Whenever there is a small repair, the papers go and get stuck in the Secretariat. In a majority of cases the delegation given to the Administrative Department is not sufficient to meet the situation. In the year 1983 a sum of Rs.5000 was about 5% of the cost of Ambassador or Fiat cars. Now, it is not sufficient even to change one tyre of the vehicle. So it is felt that sufficient powers should be given to the Administrative Department to keep the vehicles running. Therefore, any repair can be entrusted to the competence of the Administrative department. The delegation may be recast as under:

Repairs of vehicles: - The existing monetary limit of Rs. 5,000 shall be enhanced to Rs.50,000 and subject to the further condition that the repair should not involve or lead to, any structural alteration of the vehicle.

11. Disposal of un-serviceable articles.

The existing delegation is as follows:-

Disposal of unserviceable articles: - The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction the disposal of all unserviceable articles up to a limit of Rs.20,000 in each case without any annual limit subject to the provision in Articles 163-168 of the Kerala Financial Code, Volume I.


In many of the Departments, the disposal of un-serviceable articles is not happening. The main reason is the difficulty in submitting proposals and obtaining sanction for such disposal. Even if this attempt is made by any department, the time lag between the actual time of abandoning the stock and stores as well as the date of obtaining the sanction is so much that the value will get eroded by the time they are disposed off. The best way is to ensure that the Administrative Departments of the Secretariat may be given enhanced powers to
sanction such disposals. Therefore, the monetary limit may be enhanced to Rs. 2 lakh as against the limit of Rs. 20,000 as at present. The delegation may be recast as under:

**Disposal of unserviceable articles:** The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction the disposal of all unserviceable articles up to a limit of Rs. 2 lakhs in each case without any annual limit subject to the provision in Articles 154-157 of the Kerala Financial Code, Volume I.

12. Expenditure on works.

The present delegation is as follows:

**Expenditure on Works:** The Administrative Departments of the Secretariat may without previous consultation with the Finance Department accord administrative sanction to any work provided that the estimate amount does not exceed Rs. 20 lakhs.

(G.O.(P)No.558/97/Fin dt.3-6-97).

As the Chief Engineers have been given powers to sanction original works up to Rs. 15 lakh as per G.O. dt.3.6.97 it is necessary to enhance the existing monetary limit of the Administrative Department from Rs. 20 lakh to Rs. 25 lakh. The delegation may be recast as under:

**Expenditure on Works:** The Administrative Departments of the Secretariat may without previous consultation with the Finance Department accord administrative sanction to any work provided that the estimate amount does not exceed Rs. 25 lakhs.

13. Maintenance estimate of Water supply and drainage schemes.

The existing delegation is as follows:

**Maintenance Estimate of Water Supply and drainage Schemes:** The Administrative Department of the Secretariat may without previous consultation with the Finance Department sanction maintenance estimates of water supply and sanitary installations up to Rs. 12,000 in each case provided that the maintenance cost of water supply and sanitary installations does not exceed 2% of the capital cost and subject to the usual conditions.

[G.O.(MS)l/83/P&ARD. Dated 4.2.1983]

Considering the higher cost of materials and labour it is felt that the monetary limit may be enhanced from Rs. 12,000 to Rs. 50,000. The delegation may be recast as under:

**Maintenance Estimate of Water Supply and drainage Schemes:** The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction maintenance estimates of water supply and sanitary installations up to Rs. 50,000 (Rupees Fifty thousand only) in each case provided that the maintenance cost of water supply and sanitary installations does not exceed 10% of the capital cost and subject to the usual conditions.


The existing delegation is as follows:
Annual Maintenance of Government Buildings:- The Administrative Departments of the Secretariat may without consultation with the Finance Department sanction maintenance estimates not exceeding Rs.20,000 in each case provided the estimate does not exceed 3% of the capital cost of the building.

[G.O.(MS)1/83/P&ARD. Dated 4.2.1983]

Considering the escalation in cost of materials and labour, it has become practically not possible to sanction any maintenance work within the existing limits. The net result is dis-repair and consequent damage of public property. To allow a working facility to the Administrative Departments, it is felt necessary to enhance the monetary limit from Rs.20,000 to Rs.1,00,000/. The delegation may be recast as under:-

Annual Maintenance of Government Buildings:- The Administrative Departments of the Secretariat may without consultation with the Finance Department sanction maintenance estimates not exceeding Rs.1,00,000/= in each case provided the estimate does not exceed 10% of the capital cost of the building.

15. Purchase of stores other than for works

The present delegation is as follows:-

Purchase of stores other than for works. The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction expenditure which does not exceed Rs. 2,00,000 in respect of purchases of stores other than for works subject to budget provision being available and stores rules being observed.

[G.O.(MS)1/83/P&ARD. Dated 4.2.1983]

The monetary limit is proposed to be enhanced from Rs.2 lakhs to Rs.20 lakhs. The delegation may be recast as under:

The Administrative Departments of the Secretariat may without previous consultation with the Finance Department sanction expenditure which does not exceed Rs. 20 lakhs in respect of purchase of stores other than for works subject to budget provision being available and stores rules being observed.

16. Addition

There are occasions, which make it imperative for the Administrative Departments to act immediately. Delegation in those areas may also be added to the delegation of powers. An important addition has to be made immediately.

Satisfaction of decrees and other payments ordered by the courts:- Now the cases against government are on the increase. Very often the decree and judgement is received without much time for its satisfaction. Therefore, it is desirable that the Administrative Departments are empowered to sanction payments on the orders of the courts without prior consultation with the Finance Department.
PROPOSED DELEGATION OF FINANCIAL POWERS COMMON TO THE HEADS OF DEPARTMENTS INCLUDING DISTRICT COLLECTORS.

Government have, from time to time, delegated various financial powers to Heads of Departments including District Collectors as shown in 'The Book of Financial Powers'. The monetary limits that were fixed 15 to 35 years ago are now quite inadequate due to escalation of prices and decrease of money value. Therefore, in order to incur even minor expenditure, the Heads of Department are often compelled to approach the Government for sanction. To overcome this difficulty and for the smooth running of the office administration it is necessary that the existing financial delegations are suitably enhanced.

The Committee would suggest enhancement of powers to the Heads of Department and District Collectors as follows:

1) Ceremonial function

The existing provision is as follows:

"To incur expenditure for each ceremonial function up to Rs. 100".

(vide G.O.(M.S)405/60/PD dt.31-10-60).

The financial limit was prescribed 38 years ago. So the limit may be enhanced to Rs. 1,500/- (Rupees One thousand Five hundred only)

2) Disposal in auction

The existing delegation is as follows:

"To sanction disposal of all unserviceable or surplus stores, tools and plants, office furniture etc. up to a book value of Rs. 15,000/- in each case (excluding Chief Engineer of P.W.D.)"

(vide G.O.(M.S)22/81/P&ARD dt.28-4-81)

The amount was fixed 17 years ago. The limit may therefore be enhanced from Rs.15,000/- to 50,000/- (Rupees Fifty thousand only)

3) Petty expenses

Present delegation is as follows:

"To incur expenditure of a trivial nature not exceeding Rs. 50 at a time"

The monetary limit was fixed 33 years ago. This limit may be enhanced from Rs.50 to Rs.1000/- (Rupees One thousand only)

4) Petty construction, Repair and Maintenance

The existing delegation is as follows:

"To sanction maintenance, petty construction and repair works for execution up to Rs. 4,000/- in each case without reference to P.W.D."

(vide G.O.(M.S)22/81/P&ARD dt.28-4-81)

The limit was fixed 17 years ago. This may therefore be enhanced to Rs.25,000/- (Rupees Twenty five thousand only)

[The DHS and the Labour Commissioner have been delegated with enhanced powers up to Rs.1 lakh and Rs.15,000/- respectively - vide G.O.dt.29-3-95 and 30-7-97]

5) Contingencies - Non-recurring

Existing provision is as follows:

[The DHS and the Labour Commissioner have been delegated with enhanced powers up to Rs.1 lakh and Rs.15,000/- respectively - vide G.O.dt.29-3-95 and 30-7-97]
To incur non-recurring contingent expenditure up to Rs. 1500/- in each case subject to the budget provision.

(vide G.O.(P)243/Fin dt.20-7-70 and G.O.(MS)322/PD dt.8-7-63).

The amount was fixed 28 years ago and so the financial delegation may be enhanced from Rs.1500 to Rs.10000/- (Rupees Ten thousand only)

(6) Printing

The present delegation is as follows:-

“To sanction printing by private presses when the Superintendent of Government presses can not meet the requirements of the Department within a month at a cost not exceeding Rs.2000/-at a time”


The amount was fixed 36 years ago. The financial limit may be enhanced to Rs.20,000/- (Rupees Twenty thousand only) at a time instead of Rs.2000/-.

[i.e. per the above GOs, in emergen cases the printing work may be entrusted with private presses without reference to Superintendent of Government presses at a cost not exceeding Rs.50/- at a time subject to annual limit of Rs.500/-] The financial delegation may be enhanced from Rs.50/- to Rs.500/- (Rupees Five hundred only) at a time subject to an annual limit of Rs.5,000/- (Rupees Five thousand only)]

7) Purchase

i) Stationery:

Existing provision is as follows:-

“To sanction purchase of stationery articles locally in urgent and unforeseen circumstances up to a limit of Rs.150/- at a time subject to a maximum of Rs.1500/- per annum”.

(vide G.O.(P)110/70/PD dt.16-4-70)

The limit was fixed 28 years ago. Hence it may be enhanced from Rs.150/- to Rs.1000/- (Rupees One thousand only) at a time subject to an annual limit of Rs.10,000/- (Rupees Ten thousand only)

ii) Stores:

The present delegation is as follows:-

“To issue Administrative sanction for the purchase of recurring supplies required for the normal running of the Department subject to budget provision up to Rs.1 lakh, Rs.50,000/-, Rs.5,000/- as the case may be at a time according to the grouping in appendix II.


The above limit may be enhanced to Rs.8 lakhs, (Rupees Eight lakhs only), Rs.4 lakhs (Rupees Four lakhs only) and Rs.40000/- (Rupees Forty thousand only) respectively.

“To issue Administrative sanction for purchase of other items up to Rs.5000/- at a time. This does not cover the purchase of luxury articles.

(vide G.O.(P)62/62/SPD dt.24-7-62).

The above monetary limit may be enhanced from Rs.5000/- to Rs.40000/- (Rupees Forty thousand only) at a time.

8) Renting of private buildings

Existing provision is as follows:-

“To sanction hiring of private buildings when the accommodation is provided in a separate building up to 300/- per month in each case”.

The above monetary limit may be enhanced to Rs.2500/- (Rupees Two thousand Five hundred only) per month in each case.
9) Works

Major heads of Departments:-
The existing delegation is as follows:-

"To give Administrative sanction for original works up to Rs. 3 lakhs" (vide G.O.(MS)22/81/P&ARD dt.25-4-81)

The monetary limit may be enhanced from Rs.3 lakhs to Rs.10 lakhs (Rupees Ten lakhs only).

Minor heads of department

"To give Administrative sanction for original works up to Rs. 2 lakhs"
This limit may be enhanced to Rs.7 lakhs (Rupees Seven lakhs only).

Chief Engineer

The Chief Engineers have already been given powers to sanction original works up to Rs.15 lakhs (vide G.O.(P)558/97/Fin dt.3-6-97).

This limit may remain for the present.

10) Write off

The existing provision is as follows:-

"To sanction write off of irrecoverable amounts including value of stores up to Rs.5000/- in each case subject to an annual limit of Rs.25000/-
(vide G.O.(MS)22/81/P&ARD dt.25-4-81).

The above limit may be enhanced to Rs.15000/- (Rupees Fifteen thousand only) in each case with annual limit of Rs.75000/- (Rupees Seventy five thousand only) [The powers now being exercised by the CCF and DHS may remain unchanged]

11) Repairs to Motor Vehicles

All the Heads of Departments including District Collectors have been authorised to sanction expenditure on repairs to motor vehicles up to Rs.10,000/- in each case without annual limit subject to budget provision vide G.O.(P)892/93/Fin dt.29-11-93 and G.O(P)496/97/Fin dt.17-4-97.

This limit may be enhanced to Rs.15,000/- (Rupees fifteen thousand only)

The Commissioner of Commercial Taxes and Commissioner of Excise have been given powers to sanction expenditure up to Rs.25000/- in each case subject to budget provision-vide G.O.(P) No.892/93/Fin. Dated 29-11-93.

This limit may continue for the present.
ANNEXURE III

OFFICERS' COMMITTEE FOR CONSIDERING URGENT AND IMPORTANT CASES INVOLVING RELAXATION FROM ECONOMY ORDERS - PROCEDURE

The Committee will consist of Chief Secretary, Finance Secretary and Secretary of Administrative department. The Financial Adviser (officer in charge of the relevant Expenditure Wing of the Finance Department) will be in attendance. The Head of Department concerned may be asked to attend, if considered necessary.

2. A day may be fixed for weekly meetings of the Committee. No meeting should be postponed on account of other engagements of any member. If Chief Secretary cannot attend any meeting, he may nominate one of the three senior most officers (Additional Chief Secretary and two others of the same rank) to chair that particular meeting. Similarly, if Finance Secretary cannot attend, he may nominate one of the other Secretaries in Finance Department. Secretary of the Administrative Department should invariably attend and, if he cannot, his item will not be considered in that meeting.

3. Secretaries of Administrative Departments will have the authority to seek discussion of an item by the Committee. He should send a Note explaining the issue to Finance Secretary and Chief Secretary. Once such a Note is received, the proposal will be considered at the meeting of the Committee to be held in the week after that. Administrative Department secretaries should take care to see that only urgent and important cases are referred to this committee. Other cases involving relaxation from economy orders will be processed as per prescribed procedure.

4. If the proposal is one which would have been, but for economy orders, within the competence of the Head of Department or the Administrative department, it will be presumed that all aspects including financial aspects of that proposal have been appropriately examined by the competent authority. The Committee will confine itself to only one aspect - whether the proposal deserves relaxation from economy orders. The Committee will not be responsible for any defect in regard to other aspects. (Unless this is clear, the Committee will be, in effect, taking back the powers delegated to lower levels of administration and adding to delay.)

5. If the proposal even otherwise requires Finance Department clearance, the Administrative Department secretary should process it and get Finance Department's view (if necessary following the special procedure recommended in this Report) before making a reference to this Committee. Here also this Committee will consider (and be responsible for) the economy order relaxation aspect alone.

6. Once the Committee decides to give/recommend relaxation, the issue should be submitted to the very next meeting of the Council of Ministers (if Council approval is required).
1.1.1 Personnel reforms are perhaps the most critical area for administrative reforms in Kerala. In a sense, reforms in matters relating to Government staff and their functioning constitute the critical core of administrative reforms. Reforms in other areas basically revolve round this central point. Personnel reforms, if carried out sincerely, could turn out to be the prime mover in making governance more efficient and responsible. The Administrative Reforms Committee feels that initiatives in this regard would bring adequate returns.

1.1.2 The ARC feels that there are some compelling circumstances, which call for reforms in matters dealing with public service personnel. They are sketched below:

(i) Kerala’s developmental experience shows that the State has invested heavily in providing public services and social welfare. A large part of this investment is towards payment of government servants to provide the services. Therefore, reforms in this sector are particularly crucial in the Kerala context.

(ii) Out of an annual budget (1999-2000) of Rs.1236132 lakhs, the share of salaries of public servants including teachers and doctors is a whopping 485110 lakhs (39%). For justifying this level of expenditure, it is necessary to improve the quality of performance and increase the quantity of outputs. This can be done only through basic reforms in personnel administration.

(iii) Over the years, there is a perceived decline in the quality of public services leading to cynicism and distrust among the common public. This distancing of the people does not auger well for governance. The arguments against the role and functioning of the State are getting an attentive ear from the common man because there is widespread inefficiency, waste, rent-seeking, aggrandisement, and arrogance of power. In this context, to restore the faith of the common man in the State, drastic reforms are required. The citizens have to be convinced that public servants are capable of providing the best value in public service.

(iv) With decentralisation becoming a priority, personnel reforms have become a necessity. The capacity of a local body depends largely on the capacity of its staff. In the local government context, averages have no significance; it is the actual performance of a public servant, which matters. As governance is brought closer to people, attention is focussed directly on the provider of services.
(v) In spite of the importance of personnel reforms, governments have tended to tread cautiously in this area. Probably, there is fear of organised resistance of government servants. The strong departmental identities in the State have only reinforced the natural inertia of bureaucracy and made it doubly resistant to change from outside and incapable of change from within. Of course, to bring about effective reforms in this area is a tough task but, unless it is carried out with firmness and commitment, it will not yield results. The Committee feels that a positive environment has been created by decentralisation, which has had several spin off effects, an important one being the new responsibility placed on public servants. Fortunately, public servants individually and collectively seem to have realised that there is need for fundamental reforms.

1.2 Areas of Personnel Reforms

1.2.1 The Committee feels that Personnel Reforms could be carried out in the following areas:

(a) Recruitment
(b) Placement
(c) Discipline
(d) Working environment and facilities improvement
(e) Capacity building
(f) Performance appraisal
(g) Cadre issues
(h) Retirement and
(i) Institutional changes and legal reforms.

1.2.2 The report on the items listed above would be submitted in two parts. This is the Part 1 of the report dealing with the issues relating to Recruitment, Placement, Capacity building and Discipline of which the focus is only on Attendance. The remaining issues will be dealt with in the second part, which would be submitted later.

1.3 Methodology followed

1.3.1 The Committee has followed a rigorous methodology for identifying areas for reforms in the personnel sector. Basically, it has done the following:

i. Close interaction with Secretaries to Government, Heads of Departments and other senior officials to get a general feedback.

ii. Interaction with Chairman and Members of the Kerala Public Service Commission.

iii. Discussions with selected organisations of the employees (List enclosed as Annexure I).

iv. Analysis of the Reports of the first two Administrative Reforms Committees with a view to ensuring continuity.
v. Assessment of Government of India's initiatives, by perusing relevant papers and documents.

2. RECRUITMENT

2.1.1 Kerala is unique in the sense that every post in government is notified for recruitment by the Public Service Commission. High levels of social awareness and relatively low job availability in Government compared to the demand for government jobs from the vast multitudes of unemployed, have combined to create the need for a meticulous, fair and transparent selection process through a credible mechanism. Government have positively responded to these by entrusting the entire recruitment responsibility to the Public Service Commission. While this has its own advantages, experience shows that certain problems have cropped up which are illustrated below:

2.2 General Issues

2.2.1 Large number of posts remain unfilled at all levels at any point of time. This situation forces the departments to go in for short-term recruitment from Employment Exchange or some times even on daily wages. This results in inexperienced people manning a large number of posts creating ad-hocism and affecting continuity. It has implications for service delivery because vacancies in departments like Health and Animal Husbandry can severely affect performance of the department at the cutting edge level. It has negative developmental implications as vacancies in the Rural Development Department, Social Welfare Department, Agriculture Department etc., would deprive the Local Bodies from critical professional support in developmental matters. Also, it is almost axiomatic that whenever vacancies arise, they would tend to gravitate towards lesser-developed areas of the State like Idukki, Wayanad, Kasaragode and Malappuram. This can affect the State’s efforts to reduce regional disparity. This problem is illustrated by the list of vacancies in certain important categories, which can be seen in Annexure II.

2.2.2 Given the levels of unemployment and the bandwidth of eligible age for applying, it is seen that number of applications for most of the posts is unusually high and bears no relation to the number of vacancies. Certain recent instances of this phenomenon are given below:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Post</th>
<th>No. of Vacancies</th>
<th>No. of applicants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Accounts Assistant, State Farming Corporation</td>
<td>4</td>
<td>32859</td>
</tr>
<tr>
<td>2.</td>
<td>Junior Assistant, KSIE Ltd.</td>
<td>2</td>
<td>24694</td>
</tr>
<tr>
<td>3.</td>
<td>Messenger, KSIDC</td>
<td>1</td>
<td>50339</td>
</tr>
<tr>
<td>4.</td>
<td>Peon, KFC</td>
<td>1</td>
<td>124810</td>
</tr>
<tr>
<td>5.</td>
<td>Senior Assistant, KSHDC</td>
<td>1</td>
<td>65797</td>
</tr>
<tr>
<td>6.</td>
<td>Store Assistant, Text Book Office</td>
<td>4</td>
<td>130455</td>
</tr>
<tr>
<td>7.</td>
<td>X-Ray Attender</td>
<td>5</td>
<td>48000</td>
</tr>
</tbody>
</table>

This large number naturally slows down selection process and could affect the quality of selection as well.
2.2.3 Due to departmental compartmentalism, similar posts get separated. Often insignificant variations of qualification separate identical posts. This has prevented bunching of posts for common recruitment.

2.2.4 A peculiar problem, which may appear counter-intuitive in the first instance, is that a good number of selected candidates, whose names are advised for appointment, do not turn up. This is largely due to time lag between application and recruitment, migration to other states and countries and more gainful private sector employment. This phenomenon is particularly evident in the health sector, in the case of doctors.

2.3 Issues relating to recruitment through Public Service Commission.

2.3.1 Though the State has a credible and impartial institutional mechanism to recruit government employees, there is considerable delay in the recruitment process creating an uncomfortably large gap between occurrence of vacancies and positioning of new recruits. This gap needs to be reduced to ensure that the administrative machinery is not handicapped for want of personnel in its day to day performance.

2.3.2 The Committee has identified four underlying factors leading to this situation of delay. First, Government departments do not have a rational and scientific method of assessing vacancies: this poor man-power planning results in belated requests to the Public Service Commission for filling up of vacancies. It is surprising that even in a situation, where retirement vacancies can be determined well in advance and even certain new vacancies can be forecast with a reasonable degree of accuracy, very few departments seem to be adopting a systematic approach in creating a computerised database on man-power requirements.

2.3.3 The second contributory factor for delay is the elaborate procedures followed by the Public Service Commission. May be, in order to ensure the integrity and credibility of the process of recruitment, elaborate procedures have been designed, but over a period of time these have tended to become cumbersome. Reliance on manual methods has compounded this problem. The methodology of testing a candidate to verify his suitability for appointment is also quite traditional. All these have slowed down the process of recruitment. The PSC itself has initiated certain rationalisation measures but there is greater scope for improvement and use of Information Technology.

2.3.4 The third factor identified by the Committee is the large volume of applications received by the Public Service Commission for certain posts like LD Clerks, Peons, Assistants etc. For example, 6,19,673 people applied in the test for LD Clerks for various departments held in 1998 and for the post of Sub-Inspector of Police the PSC had to handle 35,450 applications in 1997. In a situation of high levels of unemployment and preference for salaried jobs, this situation would continue.

2.3.5 The fourth factor, which results in delay, is the additional tasks entrusted to the Public Service Commission beyond its constitutional obligation. The State Government has, over a period of time, entrusted recruitment
of public sector undertakings, co-operative bodies, etc., to the Public Service Commission, adding to its workload.

2.4 Recommendations.

2.4.1 In analysing the issues relating to recruitment through PSC and in assessing the different ideas that came up for consideration, the Committee has had the benefit of a discussion with the Public Service Commission. That was an extremely helpful experience and the Committee would like to place on record its gratitude to the Chairman and Members of the Commission for the information and guidance given during the discussion. In drawing inferences and shaping recommendations, the Committee has however proceeded basically from its overall view of administrative reform. From that view, old practices and outdated systems have to give way for emerging innovative concepts and supporting technology. Institutions, particularly those which handle massive jobs involving hundreds of thousands of human beings, will have to review their concepts of practicability and feasibility in order to meet the challenge of this change. The recommendations and suggestions given below may be viewed from this perspective.

i. In the matter of recruitment, the first stage of corrective action has to be within the various departments of Government. Each department has to do careful manpower planning. Likely vacancies for recruitment by PSC for each year should be assessed well in advance and intimated to PSC. Departments should also prepare a five-year assessment of manpower requirement. This would enable the PSC to design their own medium term recruitment plan, besides getting ready the lists for filling the vacancies for that year. Government may give directions to all Heads of departments to make such annual and five-year manpower plans with the aid of computerised data. The first set of five-year projections should be sent to PSC before 31st March 2000.

ii. Once such annual reports and five-year perspectives are received in PSC, it would be possible for the Commission to rationalise and co-ordinate the selection processes. For instance, in the case of general posts in ministerial cadres where the minimum qualification is SSLC/Degree, common lists can be prepared for three years at a time keeping in view the five-year requirements. The work on the lists to be operated for the next three-year period can be initiated soon after the first common lists for each category is prepared.

iii. For efficient handling of this work it is essential that the Commission makes use of the relevant tools of Information Technology. All kinds of repetitive work can be usefully computerised. Application forms could be designed in a computer compatible manner. The information contained in the application forms once stored, the computer would effectively create a database which could be used for preparing hall tickets.
correction memos, intimations to candidates, and even the ranklists and communal rotation rosters. Maintenance of databases, question banks, generation of questions and even valuation can be improved manifold using computers. A proper computerisation plan can be prepared on the basis of a detailed system study to identify the workflow processes and specific areas of intervention. The Information Technology Department with the help of National Informatics Centre can prepare a computerisation plan and operationalise it with Government support in a time bound manner. In this context the Committee was informed that a proposal for computerisation prepared by the PSC is under the consideration of Government. It is strongly recommended that the Government may examine the PSC’s proposal in the light of the system study and related exercises suggested above and approve a suitable computerisation programme. Only with prompt and strong support from Government, can the PSC steer its machinery into the modern age.

iv. The Committee has also been informed that PSC has forwarded a proposal to Government for revising the Application Formats so as to make it computer compatible. The PSC has also made a specific suggestion to charge a fee for the application forms. The Committee feels that for modernisation and improving effectiveness in recruitment, the PSC may be allowed to raise at least a part of its financial requirement by charging fees for applications. The collection system may be structured in such a way as to reduce transaction costs to the minimum. Also the easy availability of forms has to be ensured. The rates may be fixed taking into account the type of posts.

v. An exercise has to be undertaken to identify common posts, which are now divided departmentally with or without variations in the qualifications. The Committee has done a rapid survey and has identified lists of posts, which can be clubbed together, by amending the Special Rules. (see Annexure III.) It is not an exhaustive list. It is only given to exemplify the situation.

vi. For early completion of the exercise outlined in the foregoing item a special procedure is recommended. A small team of experienced senior officials may be drawn up from PSC Office and the General Administration and P&AR Departments of the Secretariat to consider the required amendments to Special Rules. The proposals in this regard may be formulated in the PSC as they have extensive practical knowledge of the specific instances where such rationalisation is helpful and feasible. The different departments of the Government may also send up proposals in this regard. The joint team of officials may examine all such proposals and they may consult the concerned Secretariat Departments also wherever necessary. This work may be done under the supervision of a Senior Group consisting of a PSC member nominated by the Chairman, an officer of the rank of Additional Chief Secretary or Principal Secretary nominated by the Chief Secretary and the Finance Secretary. This Senior Group could also monitor and guide the work on preparation of the annual and five-year manpower plans suggested in item (i) above.
2.4.2 The recommendations listed above would help the process of recruitment and make it quicker and more efficient. However, there is a limit to what such reform measures can achieve in a situation where the number of applications received is so high and keeps getting higher each year. More radical measures would be needed to ensure that the first stage of administrative endeavour viz., the timely recruitment of qualified manpower does not result in a repetition of chaos. In that context, the Committee would like to make two suggestions. The Committee would call them suggestions - not exactly recommendations - in view of the serious and substantial implications involved. The two suggestions are explained below. It is requested that the Government, in consultation with PSC, may give them due consideration and see whether they could be acted on.

i. The first suggestion is to introduce a system of screening tests for posts involving large numbers and the same minimum educational qualification. For instance, there could be two tests, one for posts that have S.S.L.C as qualification and the other for posts with degree as qualification. They should be of an objective type, one-paper test amenable to valuation by modern IT tools and which a person with the relevant qualification can satisfactorily answer. Only those who pass will be allowed to apply for posts with that particular minimum qualification (S.S.L.C or Degree). If a Graduate desires to appear for a post for which the minimum qualification is S.S.L.C it would be necessary for him to pass that eligibility test also. The list of successful candidates should be prepared fully complying with the principles of communal reservation, and other protective safe guards like district wise selection. The tests have to be conducted once in two years and the lists of successful candidates should be ready three months before the beginning of the first year. Those who fail in one test can appear for the next test after two years. Those who pass can apply for relevant posts for two test periods i.e. four years. If during the four years he does not get selection to any post he will have to appear again for the screening test. There will be no limit on the number of tests one can appear for. The legality and the practicability of this suggestion will certainly have to be assessed in detail by Government in consultation with the PSC. It is felt that this may be an effective way of reducing the total number of applications for different posts with the same minimum qualification.

ii. The second suggestion in this context arises from the fact that the PSC which has all along been doing a commendable job involving lakhs of applicants has, in the last few years, been overburdened with work outside its constitutional domain. Recruitment to certain categories of posts in the Public Sector is such an additional burden. Government took the policy decision to go in for PSC recruitment obviously for valid reasons. In future Government may want to add more areas to such a system of recruitment. Of course the PSC would strive its best to do justice to such additional work, but there is a threshold of viability in an exercise like this. Mere addition to staff cannot equip an organisation to take up any amount of increased volume of work. Beyond a point the organisation would cease to be capable of viable functioning and the
resultant disability will increasingly harm its normal functioning, also. Before that happens it may be better to think of a new organisation.

iii. The Committee feels that, prima-facie, such a time has come in regard to the explosion of numbers in the matter of job applications in our state. The suggestion is to consider the setting up of an autonomous Notified Sectors Recruitment Commission, which would handle recruitment in Public Sector, and other Sectors as notified by Government from time to time. The organisation will have to be created by legislation and vested with all the autonomy and independence of PSC. It should be also ensured that communal reservation and similar protective policies of Government in the interest of backward groups and regions are fully reflected and statutorily, enforced in the working of the new organisation. Another aspect to be ensured is that it should be a compact body of, say, three members, selected exclusively from among competent and well-reputed professionals. The Commission could be supported by a small well-structured secretariat, with modern systems of working. As it would start on a clean slate, introduction and wide use of Information Technology should also be insisted on. As stated earlier these two suggestions are submitted for Government’s consideration. If they are found to be feasible and legally sustainable, it may be worth while to initiate without delay, steps to implement them. Perhaps the Senior Group suggested earlier (vide 2.4.1 vi) could be asked to study these two suggestions.

2.5 Before leaving the issue of recruitment through PSC, the Committee would like to stress two incidental points, though they do not strictly fall within its purview. The first is that the Government Secretariat and other departments may give priority consideration to proposals and suggestions made by PSC for streamlining the Commission’s work. As the Commission’s efficient functioning is the starting point of administrative efficiency, we feel strongly that such priority consideration is vital in the context of administrative reform. The second and related point is the staff requirements of the PSC. A scientific assessment of the workload needs to be made and the required staff at various levels provided.

2.6 In considering the questions related to the recruitment, the Committee also has examined the issue of upper age for recruitment. Fixing a higher upper age for recruitment was based on the logic of allowing people from the rural and disadvantaged backgrounds, time to acquire qualifications and the capacity to appear for the competitive selection tests. The vast number of unemployed also justified allowing of more opportunities to seek employment. This has indeed resulted in increased number of applicants. But it has not generally led to the selection of significant numbers of older people. The Committee feels that it is time to consider a gradual reduction in the upper age for recruitment. In order to minimise its adverse impact on prospective candidates, it is suggested that, to begin with, the age limit may be reduced by three years. Even this reduction may be in a phased manner of one year at a time.
3. CAPACITY BUILDING

3.1 An important reason for the deterioration in the quality of public service is the lack of training at the pre-service and inservice levels. In the days of yore, a fresh recruit used to learn from his peers and superiors. This on-the-job learning system has somehow collapsed for various reasons. Lack of regular training inputs has affected modernisation and upgradation of skills. Ignorance leads to fear of new things and builds resistance to change.

3.2 Over the years, several training institutes have sprung up. Many of them have excellent infrastructural facilities and capable professional talent but unfortunately a systematic plan of action for capacity building of government staff in an integrated manner is absent. As Government has expanded, training is becoming less effective. Increase in number of institutions has sometimes resulted in duplication also and training can not succeed without concurrent evaluation and research. Not much has been produced in the State as feedback to the government based on empirical evidence of what is happening to the administration and what is required to improve it.

3.3 The attitude to training also needs a change. Government often considers it as an avoidable activity: this attitude is best evidenced by the economy orders, which strike first at the training programmes. A training policy for the staff has not been formulated. Similarly, there have been only feeble attempts at co-ordinating several training programmes now in existence in the various institutions of the Government. On the part of officials, training, when it is compulsory and linked to career development, is seen as a burden. Refresher courses and other short duration training programmes are taken as paid holiday or as an opportunity to visit places or of going home, if the training institution is in the home district.

3.4 Capacity building of staff is justified by the fact that the State invests a significant portion of its resources on its staff by way of salaries and related expenses. Therefore, for progress, there is every need to increase the return from this investment and this can only be achieved by improving the capacity of the government staff and making it into a useful human resource. In order to achieve this, the following recommendations are made:

i. A training policy has to be announced by the Government. It should be a comprehensive policy aimed at capacity building of each category of staff, and mentioning the kinds of training required, period, phasing, costing, outputs expected etc.

ii. For operationalising this policy, an institutional mechanism is needed. The post of Director General of Training equivalent to Secretary to Government may be created who could also be the Ex-officio Director of the Institute of Management in Government (IMG). It should be the endeavour of this
functionary to co-ordinate the implementation of the training policy, utilising the existing resources. This
functionary would be responsible for preparing an annual plan of action.

iii. As a next step in the operationalisation of the training policy, it is necessary to conduct an in-depth
training needs assessment for professionals as well as general categories. This study should focus not
merely on the numbers, but also on the kind of training required for each category - how much of skill
development is required, how much of knowledge imparting is needed, how much of sensitisation is
essential, and how much of practical exposure is helpful. In the case of professionals a continuing education
programme would be needed.

iv. The curriculum for different target groups need to be drawn up in detail. Course material may be
prepared by experts and vetted by a group of peers and validated after field tests. It may not be possible to
develop in-house expertise in training institutions to cater to all the requirements of the curricula. A panel of
experts may be identified for each subject and they could be used as guest lecturers to handle classes
whenever required.

v. A State Training network has to be formed with IMG as the nodal institution networked to various
training institutions in the State and also to the Universities and some of the educational institutions of
excellence. Only such a network can take care of such a gigantic task.

vi. For operationalising the policy, funds are required. At least 2% of the Plan Budget should be
earmarked for Human Resource Development. The TA/DA required should be met from the normal
salary head of the trainees.

vii. For every category of staff, induction training is required. This training would consist of on-the-job
training through office attachments and field level training sandwiched between appropriate periods of
institutional training. The suggestion of the Committee for induction training for various categories of posts
is given in Annexure IV.

viii. This kind of induction training is also required at certain levels when persons are inducted by
promotion. An illustrative list is given in Annexure V. Satisfactory completion of training and passing of
the test at the end of induction training would be a condition for declaration of probation. Of course, the
period of induction training would be treated as duty.

ix. At the level of entry to a post either by direct recruitment or on promotion an employee should be
given the important Acts, Rules, Manuals, Orders etc., which he has to use in his official capacity. The
examination at the end of the induction training could test the knowledge of the officer on the application of
the laws and procedures.
4. PLACEMENT

4.1 There are several issues in the placement of an officer and his functioning in a particular job. Some of the important issues and the recommendations of the ARC are given below:

4.1.1 In the case of common recruitment to several offices, an arbitrary system is now being followed to allot departments/offices. As some of the departments are perceived to be more important or to offer more promotional avenues, there has to be a transparent process. For this purpose, a system akin to the allocation of States once followed by UPSC for IAS and IPS can be adopted. This is to be essentially based on choice and rank, meaning that there is a greater chance of the higher ranks getting what they choose but the choice is merit based and therefore justifiable.

4.1.2 As mentioned earlier, some of the backward pockets of Kerala, particularly in the districts of Idukki, Wayanad, Kasaragod and Malappuram, the turnover of staff is very high as also the number of vacancies. This happens because educationally some parts of the State are more advanced than the other. Though “sons of the soil” theory cannot be countenanced in any manner whatsoever, there is a need to ensure that critical posts in the backward areas do not remain vacant and when they are filled up, there is reasonable stability of tenure. In view of this the Committee would suggest that the Government may consider the following measures:

(i) Government may explore the feasibility of restricting the recruitment in such backward districts only to the persons belonging to such districts.

(ii) In the case of posts recruited district-wise, inter-district transfers should not be allowed for at least ten years. The transfer policy should be so designed as to ensure minimum tenure of two years in the district while at the same time giving the posting of choice outside only to the persons who have completed the tenure. For calculating the tenure, leave of all kinds except casual leave should be excluded.

4.1.3 Transfers of staff unfortunately take up a lot of precious administrative time even at senior levels. What should ordinarily be a routine activity to be done at delegated levels according to clear guidelines is often used as a medium for exercise of arbitrary power for bestowing patronage, for discrimination or, allegedly, even for personal gain. It is surprising that in a state like Kerala where unionisation among government employees is near total, transfers can be done without following a fair procedure. The Committee feels that transfers should be a routine administrative activity without political intervention, union influence or personal whim.
for or against a person. It should be fair, equitable and transparent based on clearly laid out criteria. On this count, the recommendations of the Committee are:

i. The general norms of transfer, which have already been finalised, could be further elaborated, if required department wise. Based on this, detailed guidelines can be drawn for various posts particularly senior posts and professionals.

ii. All data relevant for transfers should be computerised.

iii. Incentives for good performance and serving in backward areas as well as disincentive for bad performance should be provided for in the transfer norms.

iv. Transfer should be done only by the delegated authority, except when public interest is involved. Government can exercise the power directly by explicitly recording the reasons for exception, showing the public interest involved.

v. Applications for transfers should be given within a definite time frame, properly numbered and acknowledged and fed into the computer.

vi. Draft transfer order should be published and objections invited. Based on the decision on the objections, the final transfer order could be made.

vii. For designated senior posts a Departmental Committee could be set up. This would be applicable to posts for which Government is the appointing authority. This Committee would give its recommendations based on which the concerned Minister has to take a decision. Whenever a transfer is required in public interest, the order shall state clearly the elements of public interest involved.
5. DISCIPLINE

5.1 There is a general feeling that punctuality is more the exception than the rule in the case of public offices. Late coming to offices has become a matter of right. Frequent moving out for personal purposes has also become common. Paradoxically, improved communication has made matters worse, as people travel long distances to reach their offices, resulting not only in delayed reporting but also in physical exhaustion. Though there are clear procedures on marking of attendance and provisions for dealing with deviance, the will to implement them has weakened. The public are harassed and irritated by vacant seats in offices. This problem is further compounded by frequent holidays.

5.2 The ARC has considered this question in detail. It has already submitted a part report highlighting the possible use of modern technology to improve attendance. Certain additional recommendations are made in this report.

5.2.1 There is no short cut for improving attendance except a firm policy matched with insistence on unwavering implementation. The supervisory officers should be directed to exercise strict disciplinary control over punctuality in attendance. Government should give full support to them in exercising such control. It should be made clear that breaking of provisions relating to prompt and regular attendance is not an employee's prerogative.

5.2.2 Inspection squads can be organised and at least one surprise inspection held in a week and prompt action taken when lapses are noticed.

5.2.3 It is not the stick alone that will do the job for ensuring the punctuality. A two pronged approach is suggested. It is necessary to instil awareness in each person on the importance of punctuality in government offices. It is suggested that 'punctuality groups' may be constituted in all major government offices with representation being given to all categories of posts. This would facilitate total involvement and participation of all categories of staff and would have a moral force. A note on this aspect is given in Annexure VI.

5.2.4 While strict punctuality in attendance is insisted on, it is desirable that the personal requirements of employees like needs of the household, caring of children and parents, transportation problems are given some consideration. Hence a scheme of limited flexitime is recommended. The details of the concept of limited flexitime is given in Annexure VII.
5.2.5 In order to facilitate prompt attendance by staff, Government may also consider the feasibility of a scheme for providing transportation arrangements for pick up from specified points like Railway Station/Bus Stand to major office complexes at fixed timings particularly in big cities.

5.2.6 There is a general impression that Government offices remain closed on too many days. Besides fifty-two sundays and twelve second saturdays, there are seventeen or eighteen public holidays for all offices. More holidays are declared on adhoc basis for various occasions like locally important festivals, demise of eminent persons etc. Sometimes these holidays are so bunched that Government offices remain closed for days together at a stretch. This, no doubt, causes hardship to the public particularly against the background of Government's dominant role in developmental and welfare work. The Administrative Reforms Committee is of the view that this issue should be tackled urgently. Public holidays (other than Sundays and second Saturdays) may be limited to five. These could be Republic Day, May Day, Independence Day, Thiru Onam and Gandhi Jayanthi. To compensate the staff for the loss of other usual holidays, their casual leave entitlement may be enhanced appropriately. Annexure VIII lists out the implications and advantages of this new arrangement.

5.3 Anonymity is not desirable in the day to day working of public offices. Every person on duty should wear a name badge and the office desk should have a board indicating the name of the official and his designation. There should be automatic charge arrangements in case when one person is not on duty. Details regarding division of work and the charge arrangements should be exhibited in a manner that is understood by the common man in the office notice board.
6. CONCLUSION

6.1 Administrative Reforms Committee has arrived at its recommendations after discussions with Members of the Public Service Commission, Senior Officials, and selected Employees' Organisations. Of course, it cannot be claimed that the recommendations are based on consensus; however, the elaborate discussions have helped the Committee in identifying the major issues and presenting workable solutions.

6.2 As has been the practice in the earlier Reports, the Committee is focussing on relatively straightforward issues related to personnel reforms which do not involve basic structural changes and which can be implemented without much delay. Of course, in the case of reforms related to the Public Service Commission it is suggested that Government may have a detailed consultation with the Public Service Commission so that synergy is achieved in implementation.

6.3 Though most of the recommendations suggested in this report are relatively easy to operationalise there is need for co-ordination of several agencies and constant follow up. It may not be possible for the concerned department alone to act on the recommendations and carry them to the logical end. It is suggested that a small Committee may be set up at Government level under the Chief Secretary to monitor the implementation of those recommendations which are accepted by Government.

E.K. NAYANAR
Chief Minister of Kerala & Chairman

V.J. THANKAPPAN
Vice Chairman

K.V. RABINDRAN NAIR
Dr. K.K. SUBRAHMANIAN
Member
Member

C.J. JOSEPH
S.M. VIJAYANAND
Member
Member Secretary

136
### ANNEXURE-I

**LIST OF EMPLOYEES' ORGANISATIONS WITH WHOM ARC HAD DISCUSSIONS ON PERSONNEL REFORMS**

<table>
<thead>
<tr>
<th>No.</th>
<th>Organisation Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Federation of State Employees and Teachers Organisation</td>
<td>N.G.O Union Office, P.M.G. Junction, Thiruvananthapuram.</td>
</tr>
<tr>
<td>2.</td>
<td>Federation of State Employees and Teachers Front</td>
<td>614, Darsan Nagar, Peroorkada, P.O, Thiruvananthapuram.</td>
</tr>
<tr>
<td>3.</td>
<td>Kerala State Teachers &amp; Employees Front</td>
<td>R.C Street, Balaramapuram, Thiruvananthapuram.</td>
</tr>
<tr>
<td>5.</td>
<td>Federation of Employees and Teachers Organisations</td>
<td>Utsavatam Building, T.C.37/258, Fort, Thiruvananthapuram.</td>
</tr>
<tr>
<td>6.</td>
<td>Adhyapaka Service Sanghadana Jytha Vedi</td>
<td>Revenue Staff Association Building, Thiruvananthapuram.</td>
</tr>
<tr>
<td>7.</td>
<td>State Employees &amp; Teachers Organisation</td>
<td>N.G.O Association office, Bakery Junction, Thiruvananthapuram.</td>
</tr>
</tbody>
</table>
### ANNEXURE II

**LIST OF VACANCIES**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>District</th>
<th>Agricultural Assistant, Agriculture Department</th>
<th>Assistant Surgeon, Health Services Department</th>
<th>Veterinary Surgeon Animal Husbandry Department</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Vacancies</td>
<td>No. of Vacancies</td>
<td>No. of Vacancies</td>
</tr>
<tr>
<td>1.</td>
<td>Thiruvananthapuram</td>
<td>6</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>2.</td>
<td>Kollam</td>
<td>0</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>3.</td>
<td>Pathanamthitta</td>
<td>42</td>
<td>53</td>
<td>11</td>
</tr>
<tr>
<td>4.</td>
<td>Alappuzha</td>
<td>70</td>
<td>36</td>
<td>17</td>
</tr>
<tr>
<td>5.</td>
<td>Kottayam</td>
<td>70</td>
<td>43</td>
<td>20</td>
</tr>
<tr>
<td>6.</td>
<td>Idukki</td>
<td>88</td>
<td>39</td>
<td>8</td>
</tr>
<tr>
<td>7.</td>
<td>Ernakulam</td>
<td>26</td>
<td>34</td>
<td>15</td>
</tr>
<tr>
<td>8.</td>
<td>Thrissur</td>
<td>120</td>
<td>53</td>
<td>9</td>
</tr>
<tr>
<td>9.</td>
<td>Palakkad</td>
<td>114</td>
<td>74</td>
<td>22</td>
</tr>
<tr>
<td>10.</td>
<td>Malappuram</td>
<td>67</td>
<td>45</td>
<td>36</td>
</tr>
<tr>
<td>11.</td>
<td>Kozhikkode</td>
<td>6</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>12.</td>
<td>Wayanad</td>
<td>0</td>
<td>30</td>
<td>8</td>
</tr>
<tr>
<td>13.</td>
<td>Kannur</td>
<td>2</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>14.</td>
<td>Kasaragod</td>
<td>8</td>
<td>39</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>619</strong></td>
<td><strong>555</strong></td>
<td><strong>217</strong></td>
</tr>
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</table>
ILLUSTRATIVE LISTS OF POSTS TO BE GROUPED FOR RECRUITMENT
BY AMENDING OF SPECIAL RULES

**Government Departments.**

1. Assistant Surgeon
   Assistant Insurance Medical Officer
   Tutor
   Health Services Department
   Medical Insurance Service
   Medical Education Service

2. Assistant Engineers
   Public Works Department
   Irrigation Department
   Port Department
   Harbour Engineering Dept.
   Panchayats (Engineering Wing)

3. Draftsman Grade II/ Overseer Grade II
   All the above mentioned departments

4. Veterinary Surgeons/
   Dairy Extension Officer
   Animal Husbandry Department
   Diary Development Department

**Public Sector undertakings**

5. LD Typists
   Clerks/LDC/Bill Collector (Local Bodies)
   Peon/Mazdoor
   Assistant /Senior Assistant
   Draftsman
INDUCTION TRAINING REQUIREMENTS

1. It has been suggested in the report that any new recruit to government service should be provided with focused induction training. The specifics of such training would vary from category to category and department to department. As such each department may be asked to clearly specify the training requirements of their staff at different levels of induction as their inputs to the training policy to be formulated by the government. For assessing the training requirements the following broad framework is suggested:

2. The total employees in each department may be divided into six distinct categories.

i. Generalist officers of the level of junior superintendent and above
ii. Technical officers like doctors, engineers etc.
iii. Generalist staff particularly ministerial staff
iv. Technical staff including field staff like VEO, Health Instructor etc.
v. Other office staff mainly typists and CAs and other similarly placed staff
vi. Subordinate/supporting staff like drivers, attenders, last grade servants, etc.

3. Except for the last two categories, the training for all the other categories shall have a foundation course having two components. One module of the first component shall focus on the role of the Government, the constitutional provisions, relation between the Central, State and Local Governments, role of civil service, organisation of the state government and an orientation in Information Technology and its applications. Another module of this component shall focus on group behaviour and public interactions. This component shall have duration of one-month each for each module (ie. two months altogether).

4. The second component of the foundation course shall deal with the office procedures to be followed. KSR, Account Code, Financial Code and the manuals to be followed. This shall be also of two-month duration.

5. For category five, only the first component of the foundation course shall be administered and for category six, there shall be an abridged version of the first component of two weeks/one month duration.

6. Category five and six may be given placement after completion of the above-mentioned phase of training.

7. For the first four categories there shall be a further on-the-job training in the concerned department. This training may be administered by the departmental training institutes or by involving officers from the concerned departments. There shall be a two-week class room orientation on the role of the concerned department, its organisation, the major functions and the work done at each tier of the structure and at each level in an office. This shall be followed by actual desk attachment in the department and the trainee will have to familiarise himself with the work being done at each seat/section. This desk attachment would be of two-month duration. For the field level staff the training shall be more oriented towards field attachment rather than the desk attachment. There shall be an evaluation of the trainee at this stage.

8. Category three and four may be given placement after completion of the above training.

9. Regarding officers, category one and two, there shall be a further one-month training on stress management, managing personnel, managing the external environment, overall office administration and personality development.

10. The departments concerned may specify the actual components of the training in each of the above modules for the above categories. Only such trainees who pass the two-stage evaluation shall be positioned in service. The evaluation process, the training schedule etc may be finalised as part of the Training Policy with expert assistance. The venue of training etc may be fixed on practical considerations (cost of building local infrastructure vs-a-vis the recurring cost of training). No individual will be required to perform the duties without undergoing the induction training. The period of Induction Training shall be considered as duty for all purposes.
LEVELS REQUIRING INDUCTION TRAINING ON PROMOTION

1. Promoted to entry level posts
   i. Engineers
   ii. Agricultural Officers
   iii. Block Development Officers
   iv. Industries Extension Officers
   v. Co-operative Inspectors
   vi. Deputy Collectors

2. The first level gazetted post
   i. Senior Superintendents, Accounts Officers and Administrative Assistants.
   ii. Section Officers of the Secretariat
   iii. Shiraftadar, Tahsildar, Taluk Supply Officers
   iv. Head Masters of High Schools

3. The district officers level
   i. Under Secretary
   ii. Deputy Collector
   iii. District Medical Officer
   iv. District Agricultural Officer
   v. District Industries Officers
   vi. District Educational Officer
   vii. District officers of all similar departments

4. The level of a Head of Department
   i. Joint Secretary to Government
   ii. Directors of all the Departments
   iii. Principals of Medical Colleges
   iv. Chief Engineers
   v. Other senior officers who exercise administrative and financial powers
PUNCTUALITY GROUPS

1. While there is no escaping the fact that timely and regular attendance in offices is a matter to be strictly enforced leaving no room for laxity, it will be helpful to have an arrangement in which the employees are called upon to promote their inherent instinct of self-discipline. The proposed scheme of punctuality groups may help in achieving this objective.

2. In each office, a group may be formed with one representative from each category of staff working in that office, irrespective of the numerical strength of the category. The junior most official of each category will represent that category. The term of each member will be one year (unless he is transferred out of the office during that period). Even if during that one year period, one member ceases to be the junior most official of that category (because another junior has joined), he will continue for the full one year and only in the second year, the then junior most official will replace him. If even after the expiry of one full year, the same person continues to be the junior most, he will have another term of six months at the end of which period the next senior person will replace him, even if the former still continues to be the junior most.

3. The Punctuality Group will be presided over by the representative of the senior most category. The Group will meet once in a fortnight and discuss all aspects relating to punctuality, conduct in relation to inner office working as well as dealings with public, cleanliness of premises and any other aspect which has an impact on the image of the office. There will be no voting and all views/recommendations will be by consensus as perceived by the head of the Group. The head of the Group will report to the Head of Office once in a month and if necessary more frequently. The head of the office will attend one meeting of the Group in a period of three months.

4. The membership of the Group is suggested in this pattern in order to avoid possible friction relating to a system of elections. Nomination by the head of office is also avoided so that there is no scope for partiality or bias. Eligibility for membership is by sheer coincidence of one being the junior most and no one can be blamed to have influenced such a choice. The senior most is avoided because, in our system, too frequent transfers on promotion of the senior most may create difficulties in the working of the Group.

5. The consensus method of arriving at recommendation is suggested, as the entire idea is to promote co-operation and self-discipline. Consensus 'as perceived by the head of the Group' is suggested, as on some occasions a ruling by one authorised person may become necessary, though, in the spirit of the scheme, such occasions should be very rare.
FLEXITIME

1. Though rules provide that Government servants should reside within a prescribed distance from their place of work, there are genuine practical difficulties in adhering to this rule. Many of them travel to work by rail and road from distant places. In the case of couples both of whom work but in different places, setting up two establishments is difficult. Even for those who reside within the same city where their offices are located, particularly for women, household duties make it sometimes difficult to reach office at the prescribed time. In order to help employees in such situations, a scheme permitting reasonable flexibility is proposed.

2. For those who have genuine difficulty of the type mentioned above, permission may be granted to alter their arrival time in office within a range of forty-five minutes before or after the prescribed time. Their departure time can also be adjusted accordingly so that the total working time is not reduced. For instance, in the Secretariat, employees can opt for any time between 9.30 A.M. and 11 A.M. to report for duty. If someone opts to come at 9.30 A.M., he can leave office at 4.30 P.M. For another person who opts to come at 11 A.M., the departure time will be 6 P.M. A third employee may opt to arrive at 10 A.M. and he can leave at 5 P.M. Lunchtime will be common to all as of now. Option for a different arrival time can be exercised only once in six months and whatever timings the employee opts for will be in force for him for that six-month period.

3. It may be noted that though this scheme gives flexibility, it is of a limited nature. Between the period forty-five minutes after the prescribed arrival time and the period forty-five minutes before departure time, there is no flexibility allowed and all employees (except those on leave) will have to be in the office. For example, in the Secretariat, between 11 A.M. and 4.30 P.M. everybody should be present so that the public can meet any employee during that time (subject to usual restrictions). It is also ensured that in the case of each employee, full working time is insisted on, though there is a marginal helpful adjustment in the arrival and departure timings.

4. Preferably, this scheme should be implemented along with the suggestion made by the Committee for monitoring of attendance through a system of card punching. However, even in offices where the card punching system is not introduced, this scheme of limited Flexi-time can be allowed; but the supervisory officers have to make adequate arrangements for monitoring.

5. One relevant aspect is that the office buildings will have to be opened 45 minutes before prescribed arrival time and should be closed only 45 minutes after the prescribed departure time. Some adjustment in the working hours of those entrusted with the job of opening and closing of offices may have to be made; but that should not cause any serious difficulty.
ANNEXURE VIII

PROPOSED SCHEME OF HOLIDAYS

1. Apart from Sundays and second Saturdays, Government offices may remain closed only on five days - Republic Day, May Day, Independence Day, Thiru Onam and Gandhi Jayanti. Number of days of casual leave may be enhanced roughly equal to the number of the other standard holidays in the present system. Strict accounting of the casual leave taken by each employee should be ensured.

2. The advantages of the new system are briefly listed below:
   a. Offices will remain closed only on Sundays, Second Saturdays and the five common holidays. This will considerably improve the facility now available to public to interact with the Government Offices.
   b. Individual employees of all religious groups can avail themselves of additional casual leave to observe any or all of the holidays now available. Alternatively, they can take casual leave to observe whichever religious day each considers important and utilize the other additional casual leave for their personal work or to attend locally important festivals.
   c. Competitive addition to holidays of different groups will become irrelevant.
   d. The spectacle of all Government Offices remaining closed, for sometimes as long as a whole week or more can be avoided.
   e. There will be saving of expenditure on higher wages, or overtime payment in public utility establishments.

3. This new system may, to begin with, cause some inconvenience to senior officers in crucial assignments who find it difficult to take casual leave on working days and may have to work on extra days averaging roughly one day a month. Administrative Reforms Committee hopes that they would put up with this inconvenience in the interest of better access to their offices for the public.

4. The working of the system may be reviewed after three years.
REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

VOLUME II

- FIFTH REPORT  DEPARTMENT - SPECIFIC ADMINISTRATIVE REFORMS
- SIXTH REPORT  SALARY AND OTHER ENTITLEMENTS OF GAZETTED OFFICERS - SIMPLIFICATION OF PROCEDURE
- SEVENTH REPORT  SETTING UP OF A LAW COMMISSION, FOR KERALA STATE
- EIGHTH REPORT  DEPARTMENT - SPECIFIC ADMINISTRATIVE REFORMS
- NINTH REPORT  PERSONNEL REFORMS
- TENTH REPORT  EXECUTION OF PUBLIC WORKS

THIRUVANANTHAPURAM
AUGUST 2000
GOVERNMENT OF KERALA

REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

VOLUME II

- FIFTH REPORT - DEPARTMENT-SPECIFIC ADMINISTRATIVE REFORMS
- SIXTH REPORT - SALARY AND OTHER ENTITLEMENTS OF GAZETTED OFFICERS
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- NINTH REPORT - PERSONNEL REFORMS
- TENTH REPORT - EXECUTION OF PUBLIC WORKS
# TABLE OF CONTENTS

**FIFTH REPORT - DEPARTMENT-SPECIFIC ADMINISTRATIVE REFORMS**

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach of the ARC</strong></td>
<td></td>
</tr>
<tr>
<td>1.1 Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Methodology</td>
<td>2</td>
</tr>
<tr>
<td>1.3 Key Areas of Recommendations</td>
<td>3</td>
</tr>
<tr>
<td>1.4 Issues Focused</td>
<td>6</td>
</tr>
<tr>
<td>1.5 Presentation of Reports</td>
<td>6</td>
</tr>
<tr>
<td><strong>Part II</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Report on Groups of Departments</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Group I</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>7</td>
</tr>
<tr>
<td>2.2 Land Revenue Department</td>
<td>7</td>
</tr>
<tr>
<td>2.3 Land Board</td>
<td>15</td>
</tr>
<tr>
<td>2.4 Registration Department</td>
<td>15</td>
</tr>
<tr>
<td>2.5 Suggestions and recommendations related to Group-I</td>
<td>27</td>
</tr>
<tr>
<td>2.6 Role of Information Technology</td>
<td></td>
</tr>
<tr>
<td><strong>Group II</strong></td>
<td></td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>31</td>
</tr>
<tr>
<td>3.2 Civil Supplies Department</td>
<td>32</td>
</tr>
<tr>
<td>3.3 Suggestions and Recommendations</td>
<td>34</td>
</tr>
<tr>
<td>3.4 Legal Metrology Department</td>
<td>40</td>
</tr>
<tr>
<td>3.5 Suggestions and Recommendations</td>
<td>41</td>
</tr>
<tr>
<td>3.6 Role of Information Technology</td>
<td>43</td>
</tr>
<tr>
<td><strong>Appendix</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Annexure</strong></td>
<td>45</td>
</tr>
</tbody>
</table>

**SIXTH REPORT ON SALARY AND OTHER ENTITLEMENTS OF GAZETTED OFFICERS – SIMPLIFICATION OF PROCEDURE**

| Chapter 1 | Introduction,                                                                 | 49 |
| Chapter 2 | The Issue in Perspective                                                    | 52 |
| Chapter 3 | The Present Procedures                                                       | 57 |
| Chapter 4 | Towards Reform                                                               | 61 |
| Chapter 5 | Recommendations                                                              | 70 |
| Appendix I| Note on Salary disbursement System in Aided Colleges and Schools            | 72 |
| Appendix II| Number on Employees on Different scales of pay 1999-2000                    | 73 |
| Appendix III| Details of number of employees in the scales of pay of Rs.6500-10550 and above (1999-2000) | 73 |
| Appendix III A | Number of Govt. Employees on different scales of pay-1986-87 | 77 |
| Appendix IV | Report on System of salary disbursement to Govt. employees in Tamil Nadu    | 79 |
| Appendix V | List of major Gazetted posts in various departments under different scales of pay | 79 |
| Appendix VI | Disbursement of salary in General Administration (Accounts) Department      | 80 |
Appendix VII  
Note on role of Accountant General in the maintenance of GPF Account of Govt. employees.  
82

Appendix VIII  
Situation regarding Gazetted Officer’s right to certify their own salary  
83

SEVENTH REPORT - SETTING UP OF A LAW COMMISSION FOR KERALA STATE

Chapter 1  
Introduction  
85
Chapter 2  
Need for Institutional set-up  
87
Chapter 3  
Institutional set-up - Past and present experience  
92
Chapter 4  
Recommendations  
97

Appendices
Appendix I  
List of enactments applicable to Kerala State  
101
Appendix II  
113
Appendix III  
Tamil Nadu State Law Commission  
116
Appendix IV  
Brief History of the Central Law Commission  
123
Appendix V  
Copy of Government of India Order constituting 15th Law Commission  
136

EIGHTH REPORT ON - DEPARTMENT-SPECIFIC ADMINISTRATIVE REFORMS

REPORT ON GROUP III

Part II  
Group III

Chapter 1  
Introduction  
145
Chapter 2  
Scheduled Caste Development Department  
146
Chapter 3  
Scheduled Tribes Development Department  
152
Chapter 4  
KIRTADS  
160
Chapter 5  
Social Welfare Department  
161
Chapter 6  
Conclusion  
165

NINTH REPORT - PERSONNEL REFORMS - PART II

Chapter 1  
Introduction  
168
Chapter 2  
Improving the working environment in Government Offices  
170
Chapter 3  
Structural issues relating to Personnel Reforms  
174
Chapter 4  
Travel and Medical benefits  
183
Chapter 5  
Retirement and post-retirement scenario  
187
Chapter 6  
Legal and Institutional Issues  
193
Annexure I  
List of Employees’ organisations with whom ARC had discussions on Personnel Reforms  
197
Annexure II  
Departments included in the Kerala Civil Service  
198
Annexure III  
Departments not included in Kerala Civil Service  
199
Annexure IV  
Illustrative list of items to be included in the format for performance appraisal  
201
<table>
<thead>
<tr>
<th>Chapter 1</th>
<th>Introduction</th>
<th>204</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 2</td>
<td>Execution of Public Works</td>
<td>207</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Issues of Concerns</td>
<td>223</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Recommendations</td>
<td>227</td>
</tr>
<tr>
<td>Annexure I</td>
<td>Methodology adopted by NATPAC</td>
<td>232</td>
</tr>
<tr>
<td>Annexure II</td>
<td>Note on Engineering, Procurement, Construction Management (EPCM) Contract</td>
<td>238</td>
</tr>
<tr>
<td>Annexure III</td>
<td>Technical Vetting and Technical Sanction</td>
<td>239</td>
</tr>
</tbody>
</table>
GOVERNMENT OF KERALA

FIFTH REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON

DEPARTMENT-SPECIFIC ADMINISTRATIVE REFORMS

PART- I

Approach of the Kerala Administrative Reforms Committee

PART- II

Report on Group - I

Land Revenue Department
Land Board
Registration Department
Survey and Land Records Department

Report on Group - II

Civil Supplies Department
Legal Metrology Department

THIRUVANANTHAPURAM

December 1999
1.1 Introduction

1.1.1 The Kerala Administrative Reforms Committee stated in its First Report that it would concentrate on issue-based, sector-specific and department-specific recommendations. While the focus is on issues (which cut across sectors and departments) relating to efficient, effective and good governance, sometimes certain reforms would have to be carried out in departments even to achieve results in cross-sectoral areas.

1.1.2 While departmentalism is to be avoided, there are certain factors relating to departments which cannot be ignored in an attempt to reform the administrative set-up. There is a history behind each department which has a role in shaping its functions, attitudes and performance. The routes of success and failure of departments can be traced, to a large extent, to this historical evolution. Each department has an identity of its own arising from structural hierarchy, functional homogeneity and common regulatory framework. This identity can be used for pushing reforms. At the same time, if this identity gets too fossilized, it could even result in resistance to change.

1.1.3 The Committee has studied the functioning of various departments and intends making recommendations for major groups of departments so that across departments they add up to significant reforms in broad thrust areas identified by the Committee and set forth in its First Report. In a sense, reforms in these
departments would be the building blocks for effective administrative reforms in priority areas.

1.2 Methodology

1.2.1 In keeping with the requirements of understanding the complex dynamics of departmental performance and in recognition of the difficulties in understanding their problems and suggesting remedial measures, the Committee evolved an elaborate methodology for studying the departments and suggesting reforms. The following steps were taken:

a) A decision was taken to study departments, both big and small, of the State Government. This was done to ensure comprehensive coverage and to avoid missing links in future.

b) There was a preliminary interaction with Secretaries and Heads of Departments in the case of major departments.

c) Task Forces were set up department-wise with the objective of getting assistance for the Administrative Reforms Committee. The Task Forces were expected to analyse issues in detail and offer professional advice based on experience and empirical data. The composition of a typical Task Force is given below:

i) Head of Department: Chairperson

ii) One or two senior officers of the department working at the State/Regional level.

iii) Finance/Accounts Officer.

iv) Administrative Officer.

v) Selected district level officers.

vi) Selected field level officer at the cutting edge.

vii) Any other officer (retired or serving), who has experience and expertise.

The Task Forces were assigned clear focus areas. (See Appendix)

d) The Committee met these Task Forces in a series of meetings. The expectations of the Committee were explained to Core Groups and their tasks outlined. Doubts were clarified and the major issues of reform were flagged.
e) Constant touch was maintained with the Task Forces mainly to clarify doubts and watch the progress of work.

f) A series of workshops were held. Departments were grouped and the Task Forces were invited to the workshop. These workshops helped in finalising the recommendations and sharing them with the Committee so that gaps could be filled and superfluousness avoided.

g) After the workshops, the Task Forces met and finalised their reports and submitted them to the Administrative Reforms Committee.

h) The reports were studied and after discussions department-wise recommendations finalised by the Administrative Reforms Committee.

1.3 Key Areas of Recommendations

1.3.1 Though the recommendations are department-specific most of them could be related to the following areas:

(1) **Decentralisation.** With the transfer of powers and functions to local self-governments the role of departments, whose functions have been transferred, changes drastically at all levels. New methods of functioning and monitoring need to come in.

(2) **Delegation of Powers.** Even while democratic decentralisation is taking place in a big way in departments not directly involved in this process, a concomitant process of delegation would be required. Most of the powers now exercised by officers at various levels were assigned at a time when work was limited and a centralised system could be functional. Now with better monitoring possible at higher levels, delegation of powers is justified by the increased volume of work particularly that relating to the public.

(3) **Citizen friendliness.** All those departments, which have an interface with the citizen, need to adopt certain new measures for
transparency in providing information, ensuring courtesy and speeding up settling of citizen claims. In order to make the interface smooth and effective, procedural and attitudinal changes are required for which recommendations are formulated.

(4) **Personnel reforms.** This is a major area covering a wide range of issues like recruitment, deployment, performance, assessment, professionalisation and promotion.

(5) **Motivation of staff and bringing about attitudinal changes** especially with regard to dealing with the public are among the most important concerns of the Committee in suggesting reform measures.

(6) **Efficiency and effectiveness.** Though this area overlaps other areas, the focus is on clearly defining the functional roles clarifying the *raison de être* of the organisation, rationalisation and simplification of procedure, improving the pace of decision making, proper delegation of powers, reducing tedium etc.

(7) **Improving the physical work environment** from the ergonomics viewpoint is also an important area of consideration.

(8) **Use of Information Technology and modern management tools** are related to most of the areas mentioned above and have special relevance for administrative reforms in present times.

(9) **Suits and Litigation.** In a sense, this is indicative of the performance of department vis-a-vis citizen. With the improvements suggested in various areas it is expected that the need to take the Government to the Court would be reduced; at the same time, several litigation involving Government are not dealt with effectively resulting in
huge loss of money and sometimes, even distortions in policy. Therefore, this area is singled out for detailed consideration.

(10) **Capacity building.** Though general recommendations have been given regarding this issue, there are department-specific matters, which need to be considered in detail.

(11) **Legislative reform.** Most of the departments implement some legislation or the other. Over the years, new laws are also being enacted. However, adequate attention has not been paid to the work of weeding out outdated or redundant laws, unifying different laws for different areas of the State etc. The Committee is studying this general issue and would be submitting a report exclusively on that subject. However, some minor modifications in legislation may be relevant and necessary even as part of the present endeavour of formulating department specific recommendations.

(12) **Co-ordination and convergence.** For effective functioning of Government, it is necessary for various departments to mesh their functions and responsibilities and bring about possibilities of synergy and holistic approach to issues. Most of the problems of the citizen could be tackled by effective convergence of resources and services now being kept apart without any linkages in irrationally watertight compartments. Therefore, special recommendations for achieving enhanced co-ordination among the departments are being made.

### 1.4 Issues Focussed

1.4.1 In the above mentioned key areas, some of the issues would call for basic restructuring. Such issues are not dealt with in the Reports on department-specific reforms. Only those issues, which can be addressed fairly quickly without
time consuming policy changes, are taken up for consideration. Among such issues special attention is given to those which have implications for improving the interface with the citizens.

1.5 Presentation of Reports

1.5.1 The department-specific reports are presented separately for groups of departments. Departments are grouped mainly on the logic of similarity of functioning or similarity of objectives. In some cases organisational similarity has also been considered for grouping. Also there has been miscellaneous grouping dictated more by considerations of convenience in presenting the report rather than any deep logic determining the association. In each of these reports on groups of departments the recommendations are presented specifically for each department constituting the groups. There are also some recommendations meant to co-ordinate the functioning of the departments, wherever necessary.
DEPARTMENT-SPECIFIC ADMINISTRATIVE REFORMS
PART II- Groups I & II

Group I

2.1 Introduction

2.1.1 Group I consists of Land Revenue Department, State Land Board, Registration Department and Survey and Land Records Department. Any substantive administrative reforms in this group calls for a holistic assessment of all these four departments. The report essentially deals with measures for making the functioning of these departments more citizen friendly. Of the four departments, the level of citizen interface is the highest in Land Revenue department followed by Registration and Survey departments. The level of direct citizen interface is rather limited in Land Board. This report focuses more on the Land Revenue and Registration departments, rather than the other two departments in the group.

2.2 LAND REVENUE DEPARTMENT

2.2.1 As far Land Revenue Department is concerned, at the apex level there is the Land Revenue Commissionerate. There are two zonal Vigilance Deputy Collectors' offices looking at the complaints and allegations against field level Revenue Staff. The fourteen district collectorates constitute the second tier. There are also 21 Revenue Sub-divisions. This administrative tier is unique to Revenue Department. At the next level there are 63 taluks and at the grass roots level there are 1452 village offices. Apart from these, there are special offices for land acquisition and preparation of land records, whose jurisdiction may cover a few villages, more than one taluk and at times, even more than one district.

2.2.2 From the point of view citizen interface the critical offices are village offices, taluk offices and district collectorates. Over a period of time there has been
substantial delegation of powers and most of the citizen interface takes place at the village office and taluk office.

2.2.3 As far as village office is concerned the largest number of people visit the office for getting certificates. The second major reason for visiting village offices is for getting the formalities completed regarding transfer of registry. It is felt that, if the systems for handling these two types of work are made more effective, citizen satisfaction could be improved in a big way.

2.2.4 Presently, there are 13 major certificates issued by the village office (Annexure). The purpose of such certificates is essentially to define whether an individual is entitled to a concession or benefit from the Government or to determine whether the individual is an eligible applicant for a given scheme. Given this situation there are three important issues relating to certificates.

a) The question whether such certificates should be insisted on at the stage of applying for the benefit or only after tentative selection of the applicant for a specific benefit or concession.

b) Question of certificates, which are of a permanent nature like nativity, caste etc.

c) The procedure for applying for certificates and the process of issuing them.

2.2.5 The second major area of intense public interaction at the village level is matters related to transfer of registry. All the basic land records are maintained at the village office and whenever the ownership of the land changes, corresponding changes have to be made in the basic records. However, registration of documents effecting changing ownership takes place at Sub-Registrar’s office under the Registration Department. A copy of such registration document is forwarded to the village office through the taluk office and on receipt of the document, action under the Transfer of Registry Rules is initiated. This process
could involve survey of the land, incorporation of the changes in the Field Measurement Book and change in the Thandapper Register. However, in practice this automatic transfer of registry has not been taking place for quite some time. As a result, the Field Measurement Book and the Thandapper Register, two of the basic registers in the village office, do not reflect the current position. As such, even if a person approaches the village office for effecting transfer of registry, there is every likelihood that the village office records may not indicate a valid title of the transferor. This situation is illustrated as follows:

Suppose A has title over ten acres of land and this information is recorded at the various registers in the village office. If A sells the land to B and C and each buys five acres, then both B and C have to get the land transferred in their names after a field survey. In case, this does not happen and B in the mean time further sells two acres to D and D approaches the village office for effecting transfer of registry, then he would be put to immense difficulties. The village officer would insist on first registering the transfer from A to B and C for which the concerned registration documents would be essential. In most cases D would be approaching the village office for a possession certificate for the land owned by him for availing a building loan or some other equally pressing requirement, rather than for transfer of registry and when he is asked to obtain earlier registration documents etc, there is tremendous customer dissatisfaction. The situation is further complicated if there are multiple transfers or if there is a substantial time interval between such transfers. Any improvement in this situation would be possible only by co-ordinating the actions of village office (Revenue Department) with Survey and Registration departments.

2.2.6 Another important issue related to village office is the absence of adequate infrastructure for storage of records and absence of even the minimum facilities for the visiting public. Considering the fact that most of the revenue records are maintained at the village office, it is essential to have a proper system of storing important registers and documents. Old wooden racks and dusty dog-eared records are usual features of a typical village office. Government has been implementing a phased programme for providing own buildings to village offices.
However, even in such new buildings there is practically no space for providing a few seats to the visiting public.

2.2.7 Next is the question of easy access to the public in terms of distance. Even though technically, population and geographic area are two important parameters to be considered in creating a village, the area under the villages ranges from 2.5 square kms to 6.50 square kms. The population across villages also varies drastically. In some parts of northern Kerala especially Thrissur and Palakkad districts, there is a system wherein the offices of two or more village offices are physically located in one office building. This necessitates the entire population in the respective jurisdictions to come to this one office building. These issues of organisational design and structure are also important and need to be addressed to reduce inconvenience to the public.

2.2.8 In taluk offices also the major areas of public interface are (1) issue of certificates and (2) transfer of registry where subdivision of land is involved. All the issues discussed above with respect to village offices are equally applicable to taluk offices. There are 63 taluk offices overseeing the functioning of 1452 village offices, which means that on an average each taluk office would have 23 village offices. However, eighteen taluks offices have more than 30 villages under them with Kozhikode taluk having as many as 53 villages, Thalassery 48, Thaliparamba 47 and Ottappalam and Kasaragode 41 each. On the other hand there are 19 Taluks with 15 or less number of villages under them with Kunnathur taluk having just 7 villages, Mallappally 9 and Peerumedu 10. Needless to say, this situation is not conducive for effective supervision.

2.2.9 Next comes the issue of co-ordinated functioning of related departments. There is a high level of interdependence in the functioning of the four departments. For instance, to ensure that a landless citizen gets title over land, State Land Board would have to expedite the process of identifying and taking over the surplus
land, Land Revenue department has to assess his eligibility for grant of title, Registration Department has to register the title, Survey Department has to make the necessary alterations in the basic land records and sketches (this is presently done by the village assistant) and then, Revenue Department has to effect the transfer of registry.

2.2.10 One major limitation impairing the effective functioning of these departments has been that the basic land records are not up to date. At the village office the basic land records include Basic Tax Register, Field Measurement Book, Thandapper Account and B-Register. When A sells his landholding to B, the B-register, (which is like a journal entry) is posted, the Thandapper Account of A is reduced and that of B is either created afresh or updated (like a ledger) and corresponding entries are made in the Basic Tax Register. However, when the sale involves only part of the landholding of A, the Field Measurement Book (FMB) will have to be updated on the basis of the measurements to be made at the field level before updating Thandapper account. The change effected in the Thandapper account is called Pokkuvaravu (Transfer of Registry). The land records maintained at the village office often do not indicate the actual field level position. The reasons are (1) the village office is not aware of the transaction in the sub-registrar's office and the updation is attempted only on receiving an application for Pokkuvaravu and (2) there is time lag in the measurements effected at the field level and the practice of updating records without changing the FMB.

2.2.11 The way out of this is to conduct comprehensive and accurate resurvey operations. This has been attempted; but the resurvey operation, which started way back in 1966 has covered around 650 villages only. Because of the slow process as well as the limitations in methodology and approach the results of resurvey do not reflect the actual field level reality. As such, even in places where resurvey has been attempted and completed, the administration is left with records which are not readily usable. What is needed more is proper and
effective co-ordination of these departments. This may be seen as ironical as all these four departments were once part of the Land Revenue Department and separate departments were formed for more effective delivery of services. However, over a period of time, departmental compartmentalism has strengthened with separate ministers, secretariat departments and field departments, and the system for ensuring even a minimum level of co-ordination is withering away. This needs to be rectified and functional co-ordination restored to some level.

2.2.12 Given the fact that the Land Revenue Department administers a large number of statutes and rules and since its functions are of a quasi-judicial nature, substantial public interface is often involved. To facilitate public dealings with the department, there are possibilities of decentralisation of power and authority vested at specific levels in the various Acts and rules. The abolition of Board of Revenue provides an ideal opportunity for such an exercise.

2.2.13 Another major area of reform is the entire functional area dealing with acquisition of land. There is a provision by which Government can acquire any private land for public purposes after complying with a procedure duly established by law. Since individual rights are being superceded in public interest, the statutory provisions are fairly strict and to comply with them high level of skill in project management and co-ordination is essential. However, the whole gamut of land acquisition project management suffers from several drawbacks as of now. To illustrate, the requisitioning authorities’ involvement is minimal and several approvals from various levels are required. Often the process is not completed within the statutorily stipulated time frame leading to re-notification and repeating the whole process all over again. Even after an award is passed, situations where enhanced compensations are being obtained from the civil courts, are increasing. This is partly due to improper procedure followed at the award stage and inadequate defence in the court. In this legal
procedure on the one side is the party, who has lost the land and would seek his best to obtain maximum compensation, on the other side is a government pleader, who is not even remotely connected with the requisitioning department or the land acquisition office and who is often not properly briefed. In this type of a situation, the system favours the appellant resulting in huge amounts of additional compensation. Post-award action for correcting revenue records is also generally tardy.

2.2.14 An important activity of the Revenue Department is to recover dues to Government as per the provisions of the Revenue Recovery Act. The process of revenue recovery at present leaves much to be desired. A large part of the demand ends up stayed or remains uncollectable. Reconciliation of the actual demand with reference to the requisitioning departments is often not done. There is need to have a clear idea of the recoverable dues and focus on major items and cases.

2.2.15 In general, the Revenue Department relies on reports from field level officers for taking final decisions. The reports often get delayed and their sequencing is not on a 'first come first disposed' basis. This system needs streamlining.

2.2.16 While with dealing issues relating to Revenue Department, the Kerala Administrative Reforms Committee would also like to mention certain aspects about the scheme of revenue card under implementation. This initiative taken by the Government is no doubt laudable as it is basically intended to facilitate verification of details about the applicants, who seek benefits from different departments. However, the Kerala Administrative Reforms Committee would like to point out three aspects, which are worth consideration during the implementation of the scheme. Firstly, it is necessary to be clear and precise about the information sought from the individual for inclusion in the card. For instance, the reference to annual income of the family should not leave any
ambiguity in the matter of definition of income, period to which income relates etc. Secondly, it would be better to reduce the items of information which are of a type that keep changing from time to time. This is because it would be practically difficult to keep such fast changing information entered promptly and correctly in the cards. The third aspect to be considered is whether this initiative of one department of the Government would lead to similar initiatives from other departments also. If that happens, ultimately it would be difficult for the ordinary people to meet their statutory obligation in giving information to different departments, getting it updated from time to time and keeping different cards so up-dated at any given time for reference in different departments. Perhaps there could be an alternative, which would satisfy the reasonable requirements of all departments and maintain reasonably up-dated information. The Kerala Administrative Reforms Committee is suggesting such an alternative later in this report.
2.3 LAND BOARD

2.3.1 While examining the functioning of the State Land Board it is noteworthy that a large number of cases involving surplus land is still caught in legal wrangles and even after more than 33 years the administrative machinery created to expedite the implementation of a progressive reform measure, is still making slow progress. Even while admitting the fact that the cases remaining to be handled are fairly complicated with lots of legal entanglements, it is evident that the rate of disposal has been very low during the last several years.

2.4 REGISTRATION DEPARTMENT

2.4.1 In the registration department, the offices function as a place where any contract, bipartite documents etc are registered and as such, the scope of work is fairly wide. This ranges from registration of marriages, chitties and charitable institutions, to sale, mortgage etc. of land. There are certain specific additional functions like determining whether the value reported in a land sale document is correct and ensuring that appropriate registration fee is collected. The department has practically no control over the actual functioning of chitties and charitable institutions. Because of this wide range of functions even the discharge of original functions of ensuring that the land transaction documents are authentic and the correct valuation is reported, is fairly difficult. Given the fact that the offices essentially have data storage functions, the infrastructure available for storing and preserving data as well as facilitating its easy retrieval is by and large quite unsatisfactory.

2.5 Suggestions and Recommendations related to Group I:

2.5.1 The Government of Kerala abolished the Board of Revenue last year. Prior to that the Board of Revenue had been functioning as an umbrella organisation for the departments of Land Revenue, Survey, Excise, Taxes, Civil Supplies, Motor
transport, Lotteries and Registration. On abolition of the Board of Revenue, a system of Commissionerates functioning as independent heads of department has been put in place. The functions discharged by the Commissionerate of Land Revenue relating to establishment matters and statutory functions pertaining to policy issues can not be delegated and may have to continue to be done at its level. For example, in matters relating to the Arms Act and the Explosives Act, in view of security implications, the present system has to continue. As regards the Revenue Recovery Act and the Plantation Tax Act also, no changes are warranted. Still, there is scope for further decentralisation of power and authority in the new system in the interest of public benefit. The specific measures for delegation are outlined below.

2.5.2 Most of the appellate functions and revisional powers now vested with the Commissioner for Land Revenue could be delegated to the district level. At the district level, some of the powers now vested with the District Collectors could be delegated to Deputy Collectors/Revenue Divisional Officers. As a general rule, all cases, where the first level authority is the District Collector, could be delegated to the Deputy Collectors/RDOs. Similarly, cases, where the District Collector is the appellate authority, can be delegated to the Deputy Collectors/RDOs. Only in cases, where District Collector is the appellate authority, the revisional power, be vested with the Commissionerate. The implication of this delegation is that the Deputy Collectors would have independent powers in specified cases relating to appeals as well as first level functions. This would result in a qualitative change in the relationship between the District Collector and Deputy Collector; while the Collector would continue to have administrative control over the Deputy Collectors. The relationship would be like the one that exists at present between District Collectors and Revenue Divisional Officers.
2.5.3 Apart from the above, certain specific proposals for delegation of powers and further authority are also suggested as elaborated below:

i) (a) Under Kerala Land Utilisation (KLU) Order, RDO is the originating authority. Orders of RDO can be appealed against under Section 11 of the Order to the Board of Revenue. And under Section 14, the Agriculture department of the Government has the appellate powers. This means that for appeal as well as revision, a person will have to pursue his papers at Thiruvananthapuram and often engage a counsel. This issue needs to be viewed in the proper perspective as the conversion of paddy fields has major socio-economic and environmental and economic consequences as well. A large number of conversions are done without permission either due to the ignorance of law or due to the intent to carry out the land conversion illegally. This can be prevented only by close watch at the field level.

(b) While disposing applications under KLU Order, general land use patterns, effect of applicants' landholding on cultivation in the adjacent field etc., are also to be considered. Therefore, it is better that the first-level authority may continue to be a revenue officer. Instead of RDO, this function could be effectively discharged by Tahsildar. To ensure objective consideration of all the issues and facts, it may be made mandatory that the first level authority would have to obtain reports from the local body as well as the Agricultural Officer before taking the decision. The appellate authority may be designated as the Principal Agriculture Officer (Joint Director of Agriculture) who is the District Officer of the Agriculture department. The District Collector may be designated as the revision authority. This would ensure that the entire proceedings are completed within the district itself.

ii) Under the Transfer of Registry Rules the village officer is the first-level authority. But under Section 17, the Tahsildar also could be an originating authority when the transfer of registry involves a subdivision or is a
contested case. Appeals would also accordingly lie with Tahsildar or RDO and under rule 19 with District Collector. The Board of Revenue is the revision authority. It is suggested that rule 19 appellate authority may also vest with either RDO or Deputy Collector (LR). Rule 20 may be amended to make District Collector the revision authority.

iii) Regarding land acquisition, which is governed by a Central Act (Central Government is formulating a revised act and a comprehensive revision), all Draft Declarations under Section 6 of the Act have to be approved by the Board of Revenue. This power may be delegated to the District Collectors.

iv) Kerala Land Conservancy Act has Tahsildar as the first-level authority. Appeal lies with RDO under section 16(b) or District Collector under section 16(1)(A) or Board of revenue under section 16(3). The revision powers would accordingly lie with District Collector (section 16(2)), Board of Revenue (section 16(4)) or Government (section 16(5)) respectively. It is recommended that appeal under section 16(1)(A) may also lie with RDO and appeal under section 16(3) may be entertained by District Collector. Revision powers under section 16(4) may be vested with the Collector and that under section 16(5), which presently lies with the Government, may vest with the Land Revenue Commissioner.

v) Though no change is suggested in the Madras Irrigation Act and the Travancore Cochin Irrigation Rules, as appeals and revision are few in number, the Kerala Administrative Reforms Committee would recommend that as and when the Travancore Rules and Madras are amalgamated, Tahsildar be made the first-level authority, RDO or Deputy Collector the appellate authority and District collector as the revision authority.

vi) Regarding land assignment, there is the Land Assignment Act and around twenty rules framed thereunder. The first-level authority, appellate
authority and revision authority vary in each of these rules. The Committee would suggest the unification of these twenty sets of rules into three compact rules, the first for assignment for agricultural purposes, the second for assignment for dwelling and the third for assignment for commercial purposes. In the first two sets of rules, stages up to revision could end within the district and area assignable may be specified in urban as well as rural areas. In the third set of rules first-level authority may be the District Collector, appeal may lie with the Land Revenue Commissionerate and revision may be with the Government.

2.5.4 As pointed out earlier, there is a large level of interdependence of the four departments and it is very essential that there is effective co-ordination in their functioning. This functioning would have to be ensured at the level of policy formulation, drawing up of departmental action plans and at field level execution. To ensure this, an institutionalised system is suggested. A fairly senior officer may be posted as the Land Revenue Commissioner and he may hold periodic meetings of the Additional Commissioner Land Revenue, IG Registration, Secretary Land Board and Director of Survey and Land Records to ensure that there is a commonality of policy and purpose and congruence of action plans.

2.5.5 At the district level a similar arrangement under District Collector with district level officers of the sister departments may also be constituted. This arrangement could watch the progress of resurvey, conduct of survey adaalats, reconciliation of transfer of registry cases among survey, registration and taluk offices etc. The district arrangements envisaged above could provide effective feedback to the State level set-up and over a period of time a marked improvement in the functioning of the departments could be achieved.
2.5.6 Regarding interface with the public, a modernisation programme has to be taken up to equip the village offices with modern data storage equipments like computers, scanners and photocopiers. The public could be charged the actual cost while accessing and taking copies of data, using these equipments. In the village office and taluk offices minimum facilities to visitors have to be provided. Village offices should be equipped with telephones.

2.5.7 At the taluk level, microfilming or other modern methods can be introduced to store data relating to villages.

2.5.8 Government may encourage setting up of Facility Centres as self-employment schemes attached to village offices and local self-government offices so that details of schemes, procedural matters etc., can be clarified and copies of forms supplied to the public.

2.5.9 In the context of decentralisation it is necessary to forge a formal relationship between the village office and panchayat/municipal office. The Committee feels that the jurisdiction of village offices and local self-governments at the cutting edge level should overlap. Of course, one to one overlapping may not be feasible as there are large village panchayats and urban local bodies. However, the village boundaries could be redrawn in such a way that each local self-government is either co-terminous with the village or has more than one village in full. In addition to redrawing of boundaries, it should be ensured that the village officer provides information called for by local self-government relating to land, income, caste etc. of individuals.

2.5.10 For each type of certificate, a proforma application form may be specified. Such application form samples and list of documents to be attached may be prominently displayed in the notice board (with prompt updating wherever
necessary) in all village offices, village extension offices, taluk Offices and District Collectorates and all offices of local self-government.

2.5.11 Application forms can be copied by applicants and used. (List of documents need not be copied). Printed applications in the prescribed proforma made available by private parties could also be accepted.

2.5.12 Application Forms should have a detachable slip portion for acknowledgement which the applicant himself would fill in (like the pay-in-slip in banks) leaving a space for affixing the office seal and for filling up the likely date and time of issue, which would be done by the receiving office.

2.5.13 In order to ensure that no applicant is turned away, just because the Officer who has to issue the certificate is out of station, the next senior-most person(s) should have the authority to sign the certificate indicating his name, date, designation (with office seal) and stating that he is authenticating the certificate in the absence of the Village Officer/Tahsildar as per general authorisation given by the Government. A Government Order should be issued to facilitate this.

2.5.14 For specified categories of certificates (which contain mostly static information like date of birth, caste, educational qualification etc) during a period of five years after the date of issue, attested copies should be adequate for all the requirements of the State and Local Governments. If during this period, modification is necessary it should be the person's responsibility to approach the village office/taluk office.

2.5.15 For each type of certificate issued from village office/taluk Office a register should be maintained and each certificate should carry its number in the Register so that cross-checking can be done any time.
2.5.16 These registers should be put on computer as soon as computers become available in village Offices/taluk Offices.

2.5.17 Regarding the issues related to transfer of registry, it is recommended that a system, by which a document would be accepted for registration only if it is accompanied by a title certificate obtained from the village office needs to be introduced. This would ensure that a document could be registered only if the transferor has effected proper changes in the basic revenue records. Insisting on this system would also result in proper updation of the basic revenue records. However to avoid hardship to the public, the Kerala Administrative Reforms Committee would suggest that Government may make an immediate announcement that such title certificates would be mandatory for all land transactions with effect from a specified date (say-01/01/2001) and give wide publicity. This would prompt the landholders to update revenue records before this cut-off date and insisting on title certificates at this stage need not cause any hardship to the public.

2.5.18 Revenue Recovery cases have been generally computerised. This facilitates identification of key cases, which require follow up. It is suggested that an ABC analysis should be done at the district level and cases identified for personal monitoring by officers of the rank of District Collector, Deputy Collectors and Tahsildars. This would ensure that the bigger cases get due attention.

2.5.19 There need to be a proper monitoring of LAR cases at the level of Commissionerate, Collectorate, and Special Officers/Taluks. Here again, an analysis may be made to ensure that important cases get the attention of senior officers. A periodical report may be prescribed at the District level and State level to monitor the progress of LAR cases.
2.5.20 It is recommended that the Revenue Department may constitute an expert group consisting of experienced persons, both in service as well as retired, having practical knowledge of land acquisition and handling of LAR cases. This expert group could analyse completed LAR cases at random and come out with a clear strategy for defending LAR cases. This would help Government frame clear guidelines for defending such cases.

2.5.21 It is seen that the requisitioning departments are often not involved in the defence of LAR cases. Therefore, a system needs to be institutionalised at the district level in which along with the progress of land acquisition, the progress of LAR cases are reviewed in the presence of the requisitioning departments/agencies.

2.5.22 In order to ensure that reports are sent in time, it is suggested that every month an updated list of files pending for reports subject-wise and reporting office-wise should be prepared at the taluk and district levels. Whenever monthly reviews are held, the receipt of reports should be reviewed. A system could be created whereby reports from the village are brought to the taluk along with the village officers when they come for the fortnightly meeting and the Tahsildars could bring the reports to the Collectorate during the monthly meeting. To improve transparency and social monitoring, list of lands declared surplus may be made available to the Grama Panchayats, Corporations and Municipalities. Also, the list of excess land available for distribution may be made available to these local self-government institutions once in six months.

2.5.23 A list of poramboke lands in the village with proper identification details should be available for scrutiny by the public. To prepare this list a crash programme is to be initiated. Survey-Number-wise site sketches showing the boundaries and the approximate area can be prepared by the village staff after field visits.
The current status of such lands should be recorded. These details have to be given to the village panchayat or the municipalities as well.

2.5.24 Regarding streamlining of land acquisition functions it may be ensured that the requisitioning authority has to necessarily forward the revenue sketch and survey plan along with the requisition. This would ensure that the basic records are properly updated before initiating the land acquisition process and would substantially cut down delays reducing the possibility of re-notification. Moreover, the requisitioning authority will also have a greater commitment and involvement in the process. The Kerala Administrative Reforms Committee would suggest that a provision may be made in the Act itself that any requisition for land acquisition would have to be necessarily accompanied by the revenue sketch and survey plan of the land in question. Only such requisitions need be entertained and notification issued. Of course, the requisitioning authorities would face problems as they have to depend totally on the Revenue Department for getting the sketches and survey plan. To a large extent, this problem can be mitigated by a statutory provision, which makes it mandatory for revenue authorities, to provide the required sketches and plans within 30 days of request.

2.5.25 Each Land Acquisition Officer may be provided with a contingency fund, which can be used for providing transportation arrangements for the survey team, and to raise local help in clearing the area and doing unskilled work which normally take a lot of the survey teams time. The Land Acquisition offices may be allowed to continue for a fixed time after handing over possession, say one year, during which the land records would be updated, post award functions completed and initial statement of facts prepared in any emerging court cases. The LAO may be made personally responsible to complete these activities within this extended time frame.
2.5.26 As far as the registration department is concerned, its core functions need to be defined. The focus of Registration Department's work should be on proper registration of land related documents and control of under-valuation. Functions like registration of chit companies and charitable institutions, which are presently being looked after by the registration department, may be reputed. Most of these institutions deal with public money and it is necessary to have a more close watch over their functioning without imposing too many rigid conditions hampering their performance. Over a period of time, a professional agency may have to be conceived to oversee these functions. However, as an interim measure the registration and monitoring of functioning of chit companies and charitable institutions, may be vested with the District Collector. The Kerala Administrative Reforms Committee feels that given the reduced workload of District Collectors in the context of decentralisation this work would be effectively handled by them. Moreover, information about the type, nature and number of charitable institutions etc. would be handy to the District Collector in his functions as Government representative in the district.

2.5.27 One major area of concern is the infrastructure available in the field offices of the registration department. Most of the Sub Registration Offices do not have own buildings and facilities for data storage. The Committee would urge the Government to initiate a phased programme of constructing own buildings for Registration Offices like what was attempted for village offices. In any case, sufficient facilities for proper storage of documents have to be provided immediately. Over a period of five to seven years, modern electronic data storage facilities or microfilms have to be provided to all the field offices of the registration department.

2.5.28 The possibility of doing away with stamp papers, at least in selected instances like registration of documents, and instead putting value seals on documents could also be considered. A minimum quality of stationery on which documents
could be registered, should be insisted on. Documents may be presented along with a copy in good quality paper of A4 size. The present system of writing detailed endorsement should be discontinued and the date and time of presentation affixed in the original and in the copy by affixing seal. The name and signature of the parties and identifying witnesses may be obtained in the original and in the true copy simultaneously. The registration certificate may also be affixed in the original and in the copy using seals.
2.6 ROLE OF INFORMATION TECHNOLOGY:

2.6.1 The Kerala Administrative Reforms Committee takes note of the fact that Government of Kerala has already announced a comprehensive Information Technology Policy. One key focus area of the IT policy is introducing Information Technology in the critical areas of functioning of government so that administration becomes more transparent, accountable and citizen friendly. Government has made its intentions clear in using IT for bettering the governance in order to benefit people in all walks of life. However, it is also clear that the scope of introduction of IT in the individual departments would vary substantially depending on its functions, systems and interface with public. Keeping this in the background, the Kerala Administrative Reforms Committee would suggest that each department may work out specific strategies for adopting Information Technology.

2.6.2 As far as the Land Board is concerned, there is no need for intense computerisation as the work is quasi-judicial in nature. However, there could be a case for building up an information and monitoring system at the State level where the periodical statements being generated by the field level offices could be compiled and monitored. In the registration department, computerisation could aid in timely registration of documents, issuing of encumbrance certificates, certified copies of registered documents, etc. In Andhra Pradesh such a system has been implemented under the CARD (Computer Aided Administration of Registration Department) project which has received nation-wide acclaim. Under this project all the registration documents in a Sub Registrars Office are scanned and put into the computer. A proforma is used to capture the vital details in each such document and the information thus collated is used to index the documents and retrieve vital information to facilitate the issue of certificates and services mentioned above. The
Committee understands that in Kerala also, some effort has already been initiated to implement the Andhra Pradesh's computerised system. This may be expedited and completed within a well-defined time frame. Inspector General of Registration may be given a specific mandate in this regard.

2.6.2 The need to monitor the IT projects closely with specific milestones becomes extremely important from the experience in the revenue department. In this department a project with central assistance for the computerisation of land records has been under implementation since the last five years and yet the results have not yet been used for delivery of services to citizens. The revenue department may undertake a high level review of this project and ensure that the services to citizens are indeed made available in a well-defined time frame. This may have to be done in a phased manner but a beginning could be made within a few months at least in the first two or three districts, where the project was initially launched. The hardware infrastructure developed within the revenue department would become extremely relevant when the registration departments' computerisation is also taken up. At a future point of time, a networked system connecting the village offices to SROs would have to be put in place. This could ensure transfer of registry immediately on registration of a sale/transfer document. Moreover, in cases of registration of large stretches of land or prime property, which are the two instances where undervaluation generally takes place, a networked system could ensure that multiple levels of authority are at least alerted about such transactions.

2.6.4 Thus, the computerisation in Registration and Land Revenue departments would result in a qualitative improvement of administration and improve public interface in a big way. Here, emphasis may be given to complete the project, which has been under implementation in the revenue department, and also to quickly adopt with required modifications the Andhra Pradesh's model in the
registration department. The high level arrangement for inter-departmental co-
ordination suggested earlier in the report may be asked to expedite these two
projects and to work out modalities of inter-connecting the two departments'
offices through effective networking.

2.6.5 However at this stage, there is little point in networking the survey offices.
This is so because, on-line alteration to FMB would not be immediately
possible as it can be done only after field verification. What could be envisaged
is a six monthly updation of FMBs by the survey department on the basis of
the transfer of registry effected at the villages during this period.

2.6.6 Citizen interface in these and similar other service departments could be
considerably facilitated with a scheme of a simple citizen card and its linkage
with computerized registers and other records maintained in different
Departments. As the Kerala Administrative Reforms Committee pointed out
while dealing with the idea of Revenue Cards, such a simple card would be an
effective alternative to different departments trying to introduce and maintain
data cards for citizens. At present, the departmental information is scattered
across many offices. As the individual offices of each department get
computerised and more and more departments adopt Information Technology
it would be possible to maintain and organize databases more effectively.
Structured individual departmental databases and access to such databases
through a unique citizen number would substantially improve the delivery of
services. For this to happen, all individual databases should have a provision to
link the information contained in such databases to the unique citizen number.
In such a scenario, there will be no need for departmental cards. What would
be required is a small card specifying the citizen number and some basic
citizen-specific information.
DEPARTMENT-SPECIFIC ADMINISTRATIVE REFORMS
PART II - Groups I & II

Group II

3.1 Introduction

3.1.1 Group II consists of the Civil Supplies Department and the Legal Metrology Department. Although Civil Supplies and Legal Metrology are independent departments and handled by different ministers, these two departments have much in common in so far as protection of consumer interest is concerned. Actually, these two departments carry out complementary activities. Therefore, there is logic in grouping these departments together while suggesting reform measures.

3.1.2 The basic objective of the Civil Supplies Department is to ensure that citizens get essential commodities at fair prices. To meet this basic objective, the Civil Supplies Department is empowered to enforce some statutory regulations and also to manage an effective rationing system in the state. The Kerala Administrative Reforms Committee feels that the touchstone of efficient functioning of the Civil Supplies Department is the protection of the interest of citizens as consumers.

3.1.3 The Legal Metrology Department is another arm of State administrative machinery concerned with the protection of the interests of citizens as consumers. This department is assigned the task of administering statutory regulations dealing with weights, measures, etc. The primary objective is to ensure that citizens are not cheated in weights and measures and that they do not get sub-standard goods in the market.
3.1.4 This report essentially deals with improving the interface with the public to ensure that rights of the citizen gets the primacy they deserve. These two departments, which are important service departments, could be made more people friendly. Therefore, it is essential to build a new image.

3.1.5 This report has been prepared utilising the reports of the Task Forces constituted for these departments of Civil Supplies and Legal Metrology. The Administrative Reforms Committee interacted with the Task Forces and senior officials of both the departments and later assessed the reform needs in the context of these reports and the larger vision of the Committee.

3.1.6 Both the Task Forces have suggested increased supervision and regulation essentially by strengthening the enforcement machinery through additional staff. However, the Kerala Administrative Reforms Committee feels that returns expected from expanding the department, would not be commensurate with the cost involved. Mere addition to the staff strength may not be an efficient solution. And increased regulation would also increase possibility of unfair practices.

3.1.7 The Committee would prefer an alternative approach advocating efficiency through increased professionalism and use of modern management methods and technological tools. In addition, space has to be provided for citizen's participation particularly through local self-governments to bring about public action for improved services.

3.2 CIVIL SUPPLIES DEPARTMENT

3.2.1 Kerala has a universal system of statutory rationing covering the entire population (excluding only children below two years of age) which is hailed as the most effective public distribution system (PDS) in the country. It is the Civil Supplies
Department of the State Government that manages this public distribution system.

3.2.2 The main function of the Civil Supplies Department is to run public distribution system (PDS) in an effective manner and to ensure that rationed articles are made available to citizens at subsidized price fixed by the Government. The department is also responsible for ensuring availability of essential commodities in the market at reasonable prices as well as to prevent unfair trade practices like hoarding, profiteering and black marketing. To enable the department to discharge its functions effectively, officers of the department at various levels are vested with the power of administering the statutory rationing system and also enforcing the regulatory and licensing orders.

3.2.3 Under the PDS operating in Kerala, every person residing in the State for more than 20 weeks is eligible for a ration card, which is used to record individual's entitlement and actual purchase of rationed articles. The State Government fixes individuals’ entitlement of ration.

3.2.4 Today, the Civil Supplies department has to administer a public distribution system that caters to the needs of 61,18,162 ration card holders by making available rationed articles at subsidized prices through a net-work of 348 wholesale dealers and 14296 PDS outlets. Needless to say, the department shoulders a heavy responsibility.

3.2.5 The Kerala Administrative Reforms Committee recognises that the functioning of public distribution system (PDS) in Kerala is well orchestrated and feels that there is no room for sweeping reforms in the functioning of the department. Yet, some problems do exist in the PDS which need to be addressed. There are frequent complaints about the quality of food grains supplied through PDS outlets. Also, malpractices in the form of under-weighing and diversion to black-market still
Department specific Administrative Reforms

...sist. Further, there are areas, where some marginal changes in the rules and procedures or in the methods of intervention/enforcement can smoothen the department’s functioning and lead to major improvement in its overall administrative efficiency. It is in this context that the Kerala Administrative Reforms Committee has formulated its recommendations for reforms concerning the Civil Supplies Department.

3.3 Suggestions And Recommendations

3.3.1 The Kerala Administrative Reforms Committee is of the opinion that basic functions of the Civil Supplies Department need not be devolved to local self-governments now particularly the regulatory functions. This is because the development focus of local self-governments should not be distracted in the formative stage. However, local self-governments could be given an effective role as representative democratic bodies to facilitate public participation and social audit.

3.3.2 The functioning of PDS and ARDs could be reviewed at the grama sabhas in each Panchayat and on the basis of their deliberations follow-up actions could be initiated. The emphasis here should be on positive and creative interaction and initiation of corrective measures, rather than inspections, fault finding measures and punishments.

3.3.3 The Kerala Administrative Reforms Committee is not in favor of enlarging the size of enforcement machinery for more effective detection and punishment of the violation of regulations. Instead, providing a positive role to local self-government institutions can substantially enhance monitoring of existing field-establishments' work and thereby, check the tendency for malpractices by dealers and resolve to some extent, the lingering problems of public distribution system.
3.3.4 It is suggested that a compact body of three to five members can be constituted to act as PDS monitoring committees in each Panchayat. This committee could review the functioning of ARDs periodically. Over and above the normal departmental inspections, the Chairpersons of Panchayats are also empowered to conduct inspections. The effective exercise of existing powers of inspection by the normal departmental teams and periodic inspections by the Chairpersons of Panchayats coupled with effective working of the monitoring body suggested above could result in a meaningful supervision of PDS at the grass roots level.

3.3.5 It is also suggested that if gross anomalies are noted during inspection and monitoring suggested above, findings of the inspection teams and monitoring committees have to be promptly communicated to the concerned departmental officers for initiating immediate action. An appropriate system for this purpose may be worked out and implemented by the Civil Supplies Department.

3.3.6 To facilitate meaningful involvement of local self-government institutions, it may be made mandatory that ARD-wise allotment and lifting of the variety as well as the prices of rationed articles are communicated to local bodies by the department periodically. The local bodies can arrange to have prices of commodities distributed through PDS to be widely publicized through various means including media insertions.

3.3.7 For proper monitoring of PDS by local self-government institutions, copies of ledgers and Nalvazhi of ration shops should be made available to them on payment basis. Further, ration shops and other concerned bodies should be made to follow without lapse the practice of exhibiting information on the entitlement and price of commodities, maintenance of daily stock etc prominently on the notice boards. The periodic review at grass root level, as suggested above, could help proper compliance of departmental instructions on the exhibition of citizens' entitlement, prices etc., of rationed articles and in a broad sense, transparency of operation of PDS in the State.
3.3.8 In this connection, the Kerala Administrative Reforms Committee would reiterate here that the Committee in its first report suggested the relevance, and illustrated the format, of a Citizen's Charter for Civil Supplies Department. It is suggested that various Food Advisory Committees constituted at different tiers may closely monitor implementation of the Citizens Charter. This would also ensure some degree of social auditing of the department's functioning.

3.3.9 Another issue for immediate reform in the Civil Supplies department relates to the delay for finalization of cases and realization of cost of ration articles. The procedure for this may be simplified and the process of finalization of such cases are expedited. In this regard, it is also suggested that action should be taken within twenty-four hours and cost of articles, if any to be realized, should be recovered in case of grave irregularities. For this, appeal time may be limited, if found necessary. For minor irregularities, action should be taken within a week's time and cost realization should be done in a fortnight.

3.3.10 As stated earlier, there is urgency for design and implementation of reform measures to resolve such problems as sub-standard quality, and diversion to market, of subsidized rationed articles that have been lingering in PDS. To discuss this issue in its proper perspective a brief overview of the ration subsidy scheme itself is necessary.

3.3.11 The subsidy on rationed articles falls under two heads: (a) subsidy for below poverty line (BPL) families and (b) subsidy for above poverty line (APL) families. The first one is under a special scheme, called targeted public distribution scheme (TPDS). As far as BPL families under TDS are concerned, the Central Government has fixed the number of families in this category as 25% of the total population and rice is made available to these families with a heavy subsidy, which is met by Government of India. (Presently this works out to Rs. 5.15 per kg., with the lifting
price being Rs.9.05 and the issue price Rs.3.90). State Government has estimated that BPL families in Kerala account for 42% of the total families and has taken a policy decision to provide all of them with highly subsidized rice. State government meet the cost of subsidizing the additional 17 per cent families. Over and above this, They also provides a token subsidy of Re.1 per kg for APL families. Thus, the total gross food subsidy amount met by the State Government works out to around Rs. 10-12 crores per annum.

3.3.12 The food grains sold to BPL Card holders are often of inferior quality resulting in poor off take. However the traders tend to show an inflated off take to appropriate the subsidy. And the intended benefit does not reach the BPL beneficiaries as they cannot eat substandard poor quality food grains. The Government anomaly ends up subsidising the retail trader.

3.3.13 Keeping all relevant aspects into consideration, the Kerala Administrative Reforms Committee would suggest that State Government could consider the feasibility of issuing same quality of rice to BPL and APL cardholders. For this purpose, the Food Corporation of India (FCI) may be requested to release good quality rice under BPL scheme also. This, of course, would have to be done in a manner, which does not increase the price paid by BPL consumer or which does not impose any additional burden on the State Government. If, however, FCI is unable to do this, the State Government may try to release to BPL consumers some better quality rice by diverting equivalent quantity of inferior variety to APL consumers. As the price paid by BPL consumers cannot be increased, this would mean that APL consumers would have to pay higher price for inferior variety issued to them. This may invite valid criticism.

3.3.14 The logical solution to the problem may be to reduce subsidy for APL cardholders and use the funds, if necessary, for releasing (atleast in part) improved quality rice to really BPL consumers. But that is a major policy issue. Any clear
recommendation on this point is rather difficult because there is a widely held view that the State Government subsidy on price of APL rice is indirectly helping to hold the price line in the open market. Thus viewed, the subsidy acts as a price stabilizer of essential commodities in the open market and is justified in public interest. The Kerala Administrative Reforms Committee would like to reiterate that issuing of poor quality food grains to BPL beneficiaries would defacto undo the intended welfare gain and contribute to the benefit being usurped by unscrupulous traders. Therefore the issue needs to be taken up with government of India and a solution to the problem needs to be arrived at immediately.

3.3.15 Another aspect of ration subsidy scheme that affects the effectiveness of PDS is the operational difficulty being faced by Civil Supplies Department for getting timely release of funds from the Government towards subsidy. The Kerala Administrative Reforms Committee notes that it is the general ways and means control being exercised by Finance department that mainly causes this constraint. The Committee recognizes that the ways and means position is a relevant aspect for consideration while releasing large amounts of funds by Government. However, it would also emphasise that subsidy payment is a policy commitment and after adopting such a policy if subsidy payments are delayed unduly, the intended beneficiaries would suffer. Obviously, a procedure for reasonable adjustment of these two apparently conflicting aspects has to be evolved. In this regard, the Kerala Administrative Reforms Committee would suggest the undermentioned procedure explained below.

3.3.16 Civil Supplies Department may be allowed to go ahead with release of funds on fixed dates every month without seeking prior ways and means clearance. However, if Finance Department considers that the ways and means position in any particular month is such that some restriction on the release of even subsidy funds is necessary, they should inform the Civil Supplies Department before the dates specified for normal release of subsidy funds. Once such an intimation is...
received, the Civil Supplies Department should take appropriate action within two
days for the Finance Secretary and Food Secretary to meet, discuss and arrive at
a revised schedule of the release of subsidy payment for that month.

3.3.17 The Kerala Administrative Reforms Committee is of opinion that since the
Government incurs substantial expenditure towards ration subsidy there is an
urgent need to check any type of mal-practice or manipulation by ARDs or others
connected with the PDS system. The Committee recommends that the existing
departmental system of conducting periodic audit of accounts of sub-offices and
ARDs as well as field verification by contacting card holders to ascertain whether
the subsidised rice due to them has in fact been actually received or not, may be
continued with greater firmness and effectiveness. For this purpose, the staff
strength in the relevant offices may be augmented if found necessary after a
careful work-study. However, the Kerala Administrative Reforms Committee
would like to emphasise that the leakage can be plugged, malpractices curbed
and functioning of PDS improved to a large extent by the increased role of local
self-government institutions in field level monitoring of public distribution system.

3.4. LEGAL METROLOGY DEPARTMENT

3.4.1 The Legal Metrology Department is entrusted with the responsibility of
administering some enforcement functions. Specifically, its main tasks include
standardization of weights and measures, inspection of shops & establishments
using weights and measures, detection of offence relating to the violation of laws
concerning weights and measures, and enforcement of the Packaged Commodities Rules. The standardization involves verification, stamping and
certification of each and every piece of weighing and measuring articles. The
inspection is conducted to detect whether weights and measures, which are not
standardized, are being used. The basic objective of the department is to protect
the interests of citizens as consumers by ensuring that citizens are not cheated in weights and measures.

3.4.2 Although the legal Metrology Department claims that it is functioning fairly well, the Kerala Administrative Reforms Committee notes the dissatisfaction and helplessness of citizens in relation to cheating by traders in weights and measures. This is reflected in the increasing instances of reports on the use of erroneous weighing equipment, under-weighment of commodities (even by the ration shops!) and supply of sub-standard qualities of commodities. Obviously, some reforms even of tangential nature could help improving the department's functional efficiency and the citizen's satisfaction and welfare.
3.5 Suggestions and recommendations

3.5.1 The Kerala Administrative Reforms Committee would suggest a reform approach to the Legal Meteorology department similar to the one suggested for the Civil Supplies Department. The reform seeks tightening of existing regulatory mechanism on the one hand and putting in place effective grass root level arrangements for social audit and monitoring. Here, the Kerala Administrative Reforms Committee's suggestion is to make use of local self-government institutions for possibly playing an effective role at least in augmenting inspection mechanism of the department. It may be possible to entrust the task of standardization of weights and measures to local self-government institutions subject to the provisions of the Weights and Measures Act.

3.5.2 The Kerala Administrative Reforms Committee has suggested in section 2 of this report, some mechanism regarding social audit and monitoring of PDS. On the same lines, it is suggested that periodic interactions at gram sabhas or local level monitoring committees set up for the purpose could throw up issues of short weighment or cheating by the trade. The malpractice thus identified could possibly be tackled more effectively if local self-government institutions are appropriately empowered. Thus, powers for inspection could lie concurrently with the officers of the Legal Metrology department as well as the Chairpersons of local bodies. The Committee feels that a proper delegation of powers for standardization of weights and measures and periodic check-up to local self-government institutions could even lead to purposeful resource mobilization. The Committee also feels that such a delegation may not necessarily lead to legal issues. In this connection, the Committee notes that the Health Inspectors attached to local self-government institutions are now overseeing aspects like hygienic conditions in hotels etc.
3.5.3 With the types of delegation of power suggested above, it could be possible to consolidate details of all traders and weights and measures possessed by them at panchayat level, and the information so compiled could be used for the purpose of yearly stamping. This database could be updated during the occasion of yearly stamping.

3.5.4 The delegation of powers suggested above also would ensure that the Legal Metrology Department can concentrate on enforcement of the Packaged Commodity Rules and issue of mandatory licenses to manufacturers, repairers and dealers.

3.5.5 The Kerala Administrative Reforms Committee would suggest delegation of powers within the Legal Metrology Department itself for improving functional efficiency. Thus, powers to compound offence could be delegated to Assistant Controllers at the district level and thereby expedite disposal of such cases.

3.5.6 The Kerala Administrative Reforms Committee also feels that there is room for avoiding delays by enforcing prompt disposal in offices and for ensuring greater transparency, for the benefit of citizens. In particular, it should be insisted upon that the licensing and granting of exemption under the Package Commodity Rules should be done within a time-frame. The relevant time-frame should be made known to interested parties. If an applicant is not getting a reply, either positive or negative, within the specified time-frame from the concerned office of the department, he/she should have the right to presume that a positive reply is deemed to have been issued and accordingly, to go ahead with the action plan. In such cases, the accountability should be fixed on the defaulting officers of the Legal Metrology Department. This provision may be incorporated in the Rules.

3.6 ROLE OF INFORMATION TECHNOLOGY

3.6.1 In this report, the departments of Civil supplies and Legal Metrology have been grouped together as the functions of these two departments are complementary.
and a common approach to reform is relevant. An integral part of the common approach is the role of information technology (IT) and other modern management tools for raising levels of the functional efficiency of both departments. In this context, the Kerala Administrative Reforms Committee takes note of State Government’s policy of assigning priority for computerization and net-working of major offices with public-interface. The Committee recommends that Civil Supplies Department and Legal Metrology Department may be given high priority in the first phase of Government’s scheme for computerization of its offices and introduction of electronic governance.

3.6.2 The Kerala Administrative Reforms Committee would like to emphasize that the use of modern technology and management practices is an area requiring adequate attention in both departments as most of their transactions with the public are related to the updating of information. To illustrate, in the case of the department of Civil Supplies, surrender certificates, new ration cards etc are essentially issued once the status of an individual by way of his residence or age changes. It should be possible to have a new ration card issued pertaining to new location when the individual applies for surrender or reduction certificate if a proper information system is in place. This would avoid repetitive public interaction with departments.

3.6.3 The Kerala Administrative Reforms Committee feels that at this point of time it may be difficult to visualize a networked system, where wholesale depots, retail depots and ARDs are interconnected with department offices. However, in such a scenario, it would be very simple to have an electronic stock tracking mechanism in place.

3.6.4 Another major area, where modern technology can be made use of, is in the inventory management. Construction of proper godowns and storage area, proper systems to ensure the principle of 'first in; first out', introduction of material handling systems etc. are used by large supply chains to reduce wastage and retain quality of goods. A realistic adaptation of relevant technologies is warranted in the Civil Supplies Department. The Kerala Administrative Reforms Committee
Committee would urge that a small departmental group be constituted to explore possibilities in this regard.

3.6.5 The Kerala Administrative Reforms Committee suggests that similar attempts may also be initiated in the Department of Legal Metrology for working out a feasible plan of computerisation and networking to help improving functional efficiency and strengthening public interface of the department.

E.K. NAYANAR  
Chief Minister of Kerala & Chairman

V.J. THANKAPPAN  
Vice Chairman

K.V. RABINDRAN NAIR  
Member

Dr. K.K. SUBRAHMANIAN  
Member

C.J. JOSEPH  
Member

S.M. VIJAYANAND  
Member Secretary
FOCUS AREAS FOR THE TASK FORCE

1. Basic objectives and functional responsibilities of the department and the performance of the department vis-à-vis the objectives and functions.
2. Organisational structure of the department including its hierarchy and line of control and the possibilities of rationalisation to improve performance.
3. The delegation of powers both administrative and financial.
4. Financial management in the organisation with particular reference to resource raising, flow of funds, monitoring of expenditure etc.
5. Office system with reference to procedures, rules and manuals and the possibilities of simplification.
6. The level of decentralisation within the organisation and possibilities of furthering it.
7. Linkages with the local self-governments and scope for enhancing it.
8. Interface with public particularly with reference to services rendered, common grievances and the procedures for redressal of grievances.
9. Problems of lethargy, corruption, indiscipline, flouting of instructions, breakdown of systems etc.
10. Staff matters
   - Recruitment
   - Placement and promotion
   - Disciplinary matters
   - Rewards and punishments
   - Standards of performance and measuring of performance
   - Human relations
   - Training
11. Maintenance of assets of the organisation
12. Conduct of litigation
13. Initiatives taken for reforms and innovations introduced
14. Office modernisation, achievements so far and possibilities
15. Introduction of modern management practice, achievement so far and possibilities
16. Information management
   - Management information system (MIS)
   - Access of information to various levels of staff
   - Access of information to public
   - Records management
17. Performance indicators and standards of service for the organisation and individual staff members.
18. Dealing with other organisations, both formal and informal.
19. Legislative changes required.
20. Good practices prevalent in other states or even other countries which can be adapted.
21. Specific areas which the Administrative Reforms Committee should concentrate on.

This list is illustrative and not exhaustive. While analysing each of these points the historical background has to be presented and then the current situation analysed with suggestions for reform. It is not necessary to give reports on all the points at the same time. The most important problem areas may be identified first and interim reports presented on each such areas. While preparing the reports, special emphasis must be given to simplification and rationalisation of procedures and systems to improve efficiency and effectiveness. Also there should be suggestion to make the system and procedures user-friendly and making the entire functioning people-friendly. While making recommendations a series of options can be given outlining the strengths and weaknesses of each.
ANNEXURE

List of major certificates issued by the village Office
(Vide Para 2.2.4)

1. Income Certificate
2. Community Certificate
3. Nativity Certificate
4. Residence Certificate
5. Location Certificate
6. Identification Certificate
7. Solvency Certificate (Below Rs. 5000/-)
8. Possession Certificate
9. Relationship Certificate
10. Family Membership Certificate
11. Marriage Certificate
12. Domicile Certificate
13. Destitution Certificate
SIXTH REPORT OF
THE KERALA ADMINISTRATIVE REFORMS COMMITTEE

SALARY AND OTHER ENTITLEMENTS OF
GAZETTED OFFICERS --
SIMPLIFICATION OF PROCEDURE

THIRUVANANTHAPURAM
FEBRUARY 2000
INTRODUCTION

1.1 BACKGROUND

1.1.1 The Administrative Reforms Committee has so far given five Reports. All these reports either focus on issues concerning Government as a whole or on a sector or department. In that respect this report which is the VIth Report of the Committee is slightly different. It focuses on an issue - that of authorisation and disbursement of salary and other entitlements to a section of gazetted officers. Though the subject in its isolated form is not normally a core area for reforms and the measures suggested are not very fundamental in nature, the Committee has been dictated mainly by the following considerations in choosing the subject for independent treatment.

(1) This is a reform, which has been implemented in several States. The practice followed in authorisation of salary and other entitlements is a legacy of the past. Therefore it is necessary to keep up with the times and rationalise the system.
(2) This reform would help a significant number of gazetted officers whose authorisation of salary and other entitlements would be considerably simplified.

(3) This would reduce the number of transactions in the treasuries.

(4) This would enable the Accountant General to utilise the additional time gained for more pressing concerns.

1.2. APPROACH

1.2.1 Though it is essentially an exercise in rationalisation and simplification, an abrupt and total change can be upsetting as it has implications on staff strength as well as accounting procedures and practices. A gradual step by step approach is advocated by the Committee. Only the first phase is recommended for the moment. After its implementation the results have to be observed and analysed and the experience used to move on to the second phase.

1.3. METHODOLOGY

1.3.1. The report is essentially empirical, based on available data and their analysis. The Committee took the following steps before arriving at its recommendations.

i. The current practice was studied fairly thoroughly.

ii. A special team was sent to Tamil Nadu to study the system there and the report of the team is given as Appendix-IV of the report.

iii. The Committee collected all available data. However it has to be mentioned that the total data required for the purpose were not easily
forthcoming. Therefore the Committee has supplemented the information available through informal consultation with functionaries at the operational level. The Committee is convinced that the gap in data would not be of that magnitude as to affect the validity of inferences drawn from the data.

iv. The Committee consulted the functionaries mostly at the operational level. It needs to be clarified at the outset that no formal consultation with the Accountant General was made by the Committee. However this consultation which is essential, is suggested by the committee to be made by the Government.

1.4. STRUCTURING OF THE REPORT

1.4.1 The Report is structured in five chapters. This initial chapter serves as an introduction to this report. It is followed by Chapter - II which explains the various aspects relating to salary and other entitlements of Gazetted Officers placing the issue in the proper perspective. Chapter III briefly sketches the procedures being followed at present in this area. Chapter IV dwells at length on the relevant aspects to be considered while taking up reforms in the area. And the final chapter gives in a nutshell the recommendations of the Committee.
2.1.1. Fixation of salary and other entitlements of employees of Government and the 
drawal of such entitlements are two major items of work in every Government 
Office. The number of Government employees has increased substantially over 
the years. Their rates of emoluments have also been revised many times. But 
the system followed in fixation of entitlements and drawal of salary has not 
undergone any change whatsoever. Half hearted attempts made at different 
times have not yielded any tangible reform. It seems important that an effective 
programme of reforms should be initiated in this area without further delay. 
However, having regard to the nature of work involved and the number 
(constantly increasing) of people affected by the process, it is essential to 
proceed carefully and cautiously in modifying the present system.

2.1.2. The first step therefore is to have a clear idea of the system that has been in 
vogue for many many years. In general and simple terms, one can say that for 
non-gazetted staff entitlements are fixed, drawn and disbursed by their own 
departments and that for gazetted officers the officers themselves draw their 
entitlements from treasuries as authorised by Accountant General from time to 
time through the issue of pay slips. Such a simple description of the present 
system does not however give any indication of the complexity and volume of 
the work involved. A brief review of the main aspects of the system would 
therefore be relevant at this stage.

2.1.3. There are different items of entitlements. Apart from the twelve monthly salary 
claims, there are claims of travelling allowance, medical reimbursement, bonus, 
festival allowance, loans for housing or vehicle purchase, arrears in the event of
pay revision, withdrawals from Provident Fund etc. It will be realistic to assume that on an average, there will be twenty occasions in a year where some entitlement of an employee is disbursed to him. With the total number of employees and staff in aided educational institutions coming to roughly five lakhs, the total number of disbursements of entitlements by Government will be around ten million in a year.

2.1.4. The work of drawing and disbursing entitlements has to cover not only entitlements due to the employee but also deduction due from his salary entitlements. Over the years the number of such deductions has also gone up. The main items are Provident fund remittances, loan recovery of different types, insurance premium and Income Tax. Each such debit also has to be appropriately accounted for and where necessary forwarded to the concerned agency in time.

2.1.5. This massive volume of work is transacted through a system which has three streams. One is for the staff generally known as ‘non-gazetted’ in different Government offices and educational institutions owned and managed by Government. The second is for employees generally known as ‘gazetted’ in the same institutions. The third is for all categories of employees in private aided schools and colleges where direct payment of salaries by Government was introduced at two stages in the past.

2.1.6. The terms ‘gazetted’ and ‘non gazetted’ in this context do not have much formal relevance now. These terms seem to be the informal legacy of old times when the postings and transfers of the supervisory levels of employees used to be notified in the State gazette. Now what is really relevant is the scale of pay or the post at which the right to draw one’s own salary based on pay slips from Accountant General. At present the Accountant General is understood to be following a two-point criteria for treating a particular post as ‘Gazetted’, for giving the status of self drawing officers.
(i) Wherever 'Special rules' exist in the department, if the post is included in the 'State Service', such post will be treated as 'Gazetted' and if included under 'Subordinate Service' such post, irrespective of pay scale, is treated as Non-Gazetted; and

(ii) If Special Rules do not exist for the department, then the posts, the scale of pay of which is of Rs.2000-3200 (pre-revised) or above will be treated as Gazetted and posts below this scale will be treated as non-Gazetted.

In private aided educational institutions, where direct payment is in vogue, a different set of arrangements has been in operation. A brief description of the arrangements in private aided schools and colleges is given in Appendix I.

2.1.7 The total number of employees covered under all these three streams is about half a million. Appendix II gives the details, going by scales of pay. As a general rule, self drawing facility is now enjoyed by Government employees at the scale of pay of Rs. 6500-10550 and above. Appendix III gives an idea of the number of such employees under the different scales of pay and their different categories.

2.1.8 The total number of employees at scales of pay 6500-10550 and above is over 62000. Even after excluding teaching and non-teaching staff of private aided educational institutions, the number comes to more than 40,000. It is this group of employees who now enjoy the self drawing facility. Each of these 40,000 plus employees now presents to the treasury one bill for each drawal of entitlements. As these include all supervisory levels many of whom have to go on official tours, it is realistic to assume that on an average, each person presents twenty five bills a year for drawing various entitlements. That means that the treasuries in the State have to handle one million bills from these forty thousand employees. In respect of all the remaining four and half lakh of employees (getting nine million disbursements vide para 2.1.3 ante) their entitlements are drawn in bills each of
which includes a particular number of employees, large or small depending on the size of the office concerned. To illustrate, if an office has one hundred and twenty employees of which twenty come within the gazetted category, treasury has to handle only one or two salary bills a month for the one hundred non gazetted employees whereas it has to process twenty salary bills for the twenty gazetted employees. At the first stage of reform of this work, it would be appropriate to examine the rationale of this duality as well as the advantages and disadvantages due to it and then consider whether some better arrangement is desirable and feasible.

2.1.9 The main difficulty pointed out under the present set of arrangements is that gazetted officers are often put to inconvenience on account of the necessity to get pay slips from the Accountant General. Any posting, transfer, leave, emoluments revision etc. necessitates the issue of a payslip. When the number of employees who have to get such pay slip increases, there will naturally be the possibility of delay and consequent inconvenience. This will be particularly felt by staff working in stations away from the location of the offices of the Accountant General.

2.1.10 While this is a difficulty from the point of view of the employees, there is the question of the work load in the treasuries. As pointed out earlier, forty thousand gazetted officers present every year around a million bills whereas non gazetted employees many times that number get their entitlements through a much smaller number of bills. Tracking so many bills of self drawing officers naturally causes a certain extra load on treasuries and to that extent their other work could suffer. This would be felt particularly in Thiruvananthapuram, Kochi and Kozhikode as the majority of gazetted officers are located in these stations. These three cities happen to be also the places where the largest number of other treasury transactions also take place and this further complicates the problem.
2.1.11 These difficulties should not however be overestimated. Regarding the problem of delay, it has to be accepted in fairness to the Accountant General's establishment that they are trying to minimise delay in spite of the increase in the number of self drawing officers. They have put in place some arrangements to get this work distributed among their different offices. Over the years, there has also been marginal relaxation of the essentiality of pay slips. Now in certain contingencies for limited periods, entitlements can be drawn without the support of pay slips.

2.1.12 Another relevant aspect from the point of view of Government is that the cost of staff of Accountant General does not have to be met by the State Government whereas the expenditure on staff deployed for fixing entitlements and preparing the bills of non gazetted staff is entirely met by the State Government. Regarding the work load in treasuries also, it has to be kept in view that ultimately each credit or debit involved in the establishment bills also has to be processed by the treasury. One could even go to the extent of arguing that by making gazetted officers themselves prepare their bills, State Government is saving part of the work which would otherwise have been done in their respective departments.
3.1.1. Against this background, any realistic reform in this area has to take into account both the minus and plus points of the existing system and devise a stage by stage progress of balanced reform measures. As the first step in this exercise, one has to clearly understand what is the work involved in the various offices and treasuries in the matter of preparation, presentation and processing of entitlements bills.

3.1.2. The different steps in the preparation of pay bills of non-gazetted establishment are the following:

(i) Fixation of entitlements of each claimant with reference to claim in the previous month's bill/LPC register.
(ii) Preparing office copy of the bill in the Pay Bill Register.
(iii) Preparing details of pay particulars of the incumbent in forms No.TR 51A (Inner statement)
(iv) Carrying over the abstract of the inner statement to Form No.TR51 (Outer form)
(v) Preparation of schedules at the rate of one schedule for each item of deduction of the following from the salary:

1. General provident fund
2. State Life Insurance
3. Group Insurance
4. Family Benefit Scheme
5. Motor Conveyance Advance
6. House Building Advance
7. LIC, etc.
(vi) Authentication by the Drawing and Disbursing Officer in the bill and schedules.

(vii) Entering the particulars of the bill in the Treasury Bill Book and presentation in the Treasury three days before the due date of payment and obtaining token.

(viii) Production of token in the Treasury/Bank and obtaining of cash

(ix) Entering the receipt of cash in the Cash Book.

(x) Disbursement of cash through the acquittance roll/ noting of short withdrawal particulars, if there is subsequent leave. Noting of attachments by Civil Courts/Co-operative recovery-payment to those claimants.

(xi) Closing and certifying in the acquittance roll/register

(xii) Entry in the cash book regarding payment and attestation by DDO.

(xiii) As regards pay bills of gazetted officers, a part of this work is done by the officer himself (often with assistance from his office and/or personal staff) and to that extent, there is some reduction in the work load of the offices where they work.

3.1.3 In the case of treasuries, the steps to be taken in respect of the two types of bills are given below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>GAZETTED</th>
<th>NON-GAZETTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Entry in the token register and issue of token for bills presented</td>
<td>Entry in the token register and issue of token for bills presented</td>
</tr>
<tr>
<td>2.</td>
<td>Pass it on to the Section Clerk</td>
<td>Pass it on to the Section Clerk</td>
</tr>
<tr>
<td>3.</td>
<td>Entry in the combined register of LPC and Pay slips</td>
<td>Not applicable</td>
</tr>
<tr>
<td>4.</td>
<td>Checking claims based on pay slips</td>
<td>Not applicable</td>
</tr>
<tr>
<td>5.</td>
<td>Deduction checking with reference to combined register and with reference to enclosures</td>
<td>Checking with reference to enclosures</td>
</tr>
<tr>
<td>6.</td>
<td>Checking arithmetical accuracy</td>
<td>Checking arithmetical accuracy</td>
</tr>
<tr>
<td>7.</td>
<td>Checking details</td>
<td>Checking details</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>8.</td>
<td>Not Applicable</td>
<td>Checking with reference to treasury bill book (Gross and Net)</td>
</tr>
<tr>
<td>9.</td>
<td>Recording Pay order (including cash for payment/deduction in the space provided)</td>
<td>Recording Pay order (including cash for payment/deduction in the space provided)</td>
</tr>
<tr>
<td>10.</td>
<td>Entry of salary drawn particulars in the combined register</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>11.</td>
<td>Pass on to Junior Superintendent and scrutiny by Junior Superintendent</td>
<td>Pass on to Junior Superintendent and scrutiny by Junior Superintendent</td>
</tr>
<tr>
<td>12.</td>
<td>Pass on to Treasury Officer for signing the Pay order</td>
<td>Pass on to Treasury Officer for signing the Pay order</td>
</tr>
</tbody>
</table>

**Applicable to Banking Treasury**

|13. | Listing of Bills in this scroll (duplicate) by the Junior Superintendent | Listing of Bills in this scroll (duplicate) by the Junior Superintendent |
|14. | Signing the scroll by Treasury Officer | Signing the scroll by Treasury Officer |
|15. | Sending the scroll to the Bank along with copy of scroll | Sending the scroll to the Bank along with copy of scroll |

**Applicable to Non-Banking Treasury**

|16. | Listing of Bills in the payment scroll by the Junior Superintendent | Listing of Bills in the payment scroll by the Junior Superintendent |
|17. | Signing the scroll by Treasury Officer | Signing the scroll by Treasury Officer |
|18. | Sending the Bill to treasurer for payment | Sending the Bill to treasurer for payment |

**Applicable to all Treasuries**

|19. | Payment by Bank/Treasurer on surrender of token | Payment by Bank/Treasurer on surrender of token |
|20. | Individual bill-wise sorting accounting and tallying | Individual bill-wise sorting accounting and tallying |
|21. | Despatch of deduction schedules to the Accountant General/LIC/Group Insurance Officer/FBS wing etc. | Despatch of deduction schedules to the Accountant General/LIC/Group Insurance Officer/FBS wing etc. |
|22. | Head of account wise consolidation of monthly accounts | Head of account wise consolidation of monthly accounts |

Though content-wise, the treasuries have to attend to the same items in both categories of bills, the separate individual identity of the gazetted officers' bills casts extra burden on the treasury in individual bill-wise sorting and accounting.
3.1.4. Many States have adopted the system by which they do not rely on the Accountant General for issue of pay slips or have that arrangement only for a small (in number) section of employees. Of course, some States follow the system similar to what we have in Kerala. In order to get an idea about our options, ARC Secretariat conducted a quick study of the system in Tamil Nadu. A short note on the arrangement there is given in Appendix IV.

3.1.5. What Tamil Nadu seems to follow is a more modern system than ours but a little complicated. It does not seem to have the clear-cut simplicity of the present Kerala system. But in a modern Government, it is appropriate that as much of their accounting functions as feasible are retained in the Government, audit (including concurrent audit) being assigned to a competent statutory agency. That way, the Tamil Nadu system is an improvement on Kerala's.
CHAPTER - 4

TOWARDS REFORM

4.1.1. From the analysis made so far, there seems to emerge some indication of the section in which reform proposals in this area should be designed. The essential features of such a proposal should be the following.

(i) It should help the Kerala system move towards a more modern instrument of administration and accounting.

(ii) It should however be done cautiously and in stages.

(iii) It should not overestimate the drawbacks of the present system or overestimate the possible merits of the proposed system.

(iv) It should minimise inconvenience caused to the employees.

(v) It should avoid heavy additional financial burden on Government.

(vi) It should not cause any avoidable disturbance to staff deployed for this work now, including the staff in Accountant General’s establishment.

(vii) To the extent of unavoidable disturbance, the opportunity should be used for effective strengthening of the overall scheme of accounting and auditing.

4.1.2 Obviously the number of self-drawing officers has increased substantially over the years. There was a time (Travancore State days) when the Secretariat in Trivandrum had only three or four Secretaries and a few sections. Even in the Sixties and early Seventies, the staff strength and the number of self drawing officers were far less than now. It has not been possible to collect reasonably accurate data indicating actual numbers. However some reliable indicators are available. For instance, it is seen from the budget documents of 1986-87, that even at that time, the number of gazetted officers was only around twenty thousand, against a total staff strength of 4.25 lakhs. Appendix III A gives the
Major Head wise numbers and summary position. Though it is not certain that the data therein are entirely comparable with those in Appendix II and Appendix III, the inference of steep growth particularly in the number of self drawing officers is evident. When such increase has taken place and a long time has elapsed since the system of self drawal to the few senior supervisory level officers was introduced, it is administratively prudent to move into a more smooth arrangement that would reduce complaints of delay in issue of pay slips by a single central authority to a very large (and steadily increasing) number of people working all over the State. The best way to do it is to bring down the number of employees who come under such a centralised dispensation.

4.1.3 Most of the gazetted level of officers (including those in private educational institutions) are at the lowest four scales of pay in that category. The scales are:

- 6500 - 10550
- 6625 - 10550
- 7200 - 11400
- 7450 - 11475

The total number is over 47000 (out of 62000 in all scales of Rs.6500-10550 and above – vide Appendix III) as indicated below:
### Salary and Other Entitlement of Gazetted Officers: Simplification of Procedure

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Item/Category</th>
<th>7450-11475</th>
<th>7200-11400</th>
<th>6625-10550</th>
<th>6500-10550</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees in Aided Schools</td>
<td>0</td>
<td>814</td>
<td>1099</td>
<td>753</td>
<td>9448</td>
</tr>
<tr>
<td>2</td>
<td>Employees in Aided Colleges</td>
<td>NA</td>
<td>64</td>
<td>2952</td>
<td>56</td>
<td>3072</td>
</tr>
<tr>
<td>I</td>
<td>Total of 1 &amp; 2</td>
<td>0</td>
<td>878</td>
<td>4051</td>
<td>7591</td>
<td>12520</td>
</tr>
<tr>
<td>3</td>
<td>Employees in Government Schools</td>
<td>0</td>
<td>28</td>
<td>1980</td>
<td>2418</td>
<td>4426</td>
</tr>
<tr>
<td>4</td>
<td>Employees in Government Colleges</td>
<td>171</td>
<td>2357</td>
<td>1069</td>
<td>311</td>
<td>3908</td>
</tr>
<tr>
<td>II</td>
<td>Total of 3 &amp; 4</td>
<td>171</td>
<td>2385</td>
<td>3049</td>
<td>2729</td>
<td>8334</td>
</tr>
<tr>
<td>III</td>
<td>Total of I &amp; II</td>
<td>171</td>
<td>3263</td>
<td>7100</td>
<td>10320</td>
<td>20854</td>
</tr>
<tr>
<td>5</td>
<td>Employees excluding Schools and Colleges</td>
<td>1899</td>
<td>3467</td>
<td>8416</td>
<td>12412</td>
<td>26194</td>
</tr>
<tr>
<td>IV</td>
<td>Grand Total of 1,2,3,4 &amp; 5</td>
<td>2070</td>
<td>6730</td>
<td>15516</td>
<td>22732</td>
<td>47048</td>
</tr>
</tbody>
</table>

Out of this number, staff of private educational institutions follow a different method of entitlement drawal, as explained earlier. Staff in Government Offices and Government owned educational institutions coming under the four scales of pay will be 34000. Whether these employees can be brought into the system of drawal of establishment bills may be briefly examined now.
4.1.4. In doing so, the general guidelines mentioned in para 4.1.1 ante have to be kept in view. Change over into the establishment bill system in respect of all these employees would be a reasonable step of reform as that would substantially reduce the number of employees who have to wait for pay slips from Accountant General's office from time to time. But in respect of staff of schools and colleges there is a problem of cost to Government. In schools and colleges, the staff in the office of the Principal/Headmaster is usually small. The teaching staff will be much bigger in number in many institutions, particularly Colleges. If the work of fixation of entitlements, preparation of bills, their encashment from treasury and final disbursement of all the teaching staff coming under these four scales is entrusted to the small office of the Principal, there is likely to be need for considerable additional staff requirement in those offices. That will be a substantial financial commitment for State Government. From that point of view, it would be better to leave the present system untouched as far as Government colleges and schools are concerned. In the circumstances, it seems appropriate to make a beginning with the staff under those four scales of pay, working in regular Government offices. Their number is 26000 distributed in the four scales as shown below:

<table>
<thead>
<tr>
<th>Scale</th>
<th>Number of employees in Govt. Offices (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6000 - 10550</td>
<td>12412</td>
</tr>
<tr>
<td>6625 - 10550</td>
<td>8416</td>
</tr>
<tr>
<td>7200 - 11400</td>
<td>3467</td>
</tr>
<tr>
<td>7450 - 11475</td>
<td>1899</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26194</strong></td>
</tr>
<tr>
<td><strong>Rounded as</strong></td>
<td><strong>26000</strong></td>
</tr>
</tbody>
</table>
4.1.5. Even if the changeover is limited to this 26000 employees, there will be some additional work in different offices. But in offices where the number of self drawing officers is small, this additional work should not cause too much strain. It will be possible for the existing staff to absorb whatever additional work is involved. But in offices where the self drawing officers coming under these four scales are a substantial number, the situation could be different.

4.1.6. In that context, it would be relevant to examine which are the main posts coming under these four scales. Appendix V gives some details. In a number of cases (eg. Tahsildar) it may not be difficult to get this extra work done without any additional staff. But in some of the offices of Heads of Departments and in the Secretariat, the situation is different. To have an idea of the work load involved, it would be helpful to look at the present arrangements in the general Secretariat. Appendix VI gives an outline of those arrangements. In Secretariat and some other offices, it may be necessary to consider some additional staff but that should not cause substantial financial burden if a sincere effort at redeployment could be made.

4.1.7. While considering the changeover, one aspect needs special attention. It is sound in principle to ensure that no employee has the right to fix his own entitlements. In the existing system, that question does not arise as most of those now covered under establishment bills are staff at such levels where no power for fixing entitlements is delegated. But when supervisory staff is brought into that system, some of them who are heads of offices may be the approving authorities for entitlement fixation of the nongazetted staff under them. In such cases, it is not sound in principle to let them fix their own entitlements after the changeover when Accountant General will no more be issuing their pay slips. This power should then vest with the immediate superior officer or higher levels. For instance, the entitlements of a Tahsildar could be fixed by the R.D.O or the District Collector. This is not likely to cause any serious inconvenience to the
officers as the immediate superior of the officers under these four scales are likely to be mostly at the District level or below.

4.1.8. Another relevant aspect to be examined is whether this changeover will create incidental problems in allied matters, mainly maintenance of Provident Fund Accounts. Appendix VII gives a short Note on the existing arrangement for maintenance of PF accounts now. As pointed out there, there is not much substantial difference in the system of PF accounting for the two categories of staff. So this aspect should not create any major difficulty.

4.1.9. The issue of checking of salary bills and their audit is also a relevant matter in this context. Now the Accountant General is understood to have a detailed system of checking of salary bills and audit. While acknowledging that most of the wrong or excess payments are detected in that system, there are complaints of delay in this connection. If the checking is not done promptly and the overpayments are brought to light after the lapse of considerable time, corrective action like recovery becomes more difficult. At least in some cases, such delayed objections lead to delay in sanction and disbursement of pension benefits also. These problems could perhaps be tackled better if the work load in Accountant General’s office regarding pay slips is reduced. In this context, the changeover should help better accounting, timely audit and prompt corrective action.

4.1.10 If the changeover to establishment bill system is, in the beginning, limited to the staff in Government offices coming under the four scales as described in the forgoing paras, the question that remains is about the future arrangements in regard to staff in educational institutions (both Government owned and private aided ones) and regarding employees coming under scales higher than 7450-11475. The present system regarding aided institutions has been mentioned earlier. It is understood that some discussions between the staff organisations...
of such institutions and Government have been initiated to tackle the difficulties and inconvenience experienced under that system. It will be better to await the outcome of those discussions before ARC takes a view on the direction of reform in that sector.

4.1.11 That would leave gazetted staff of Government owned educational institutions and those employees in Government offices coming under scales of pay higher than 7450-11475. The case for changeover to the establishment bill system in Government owned educational institutions can be considered at a later stage after knowing what, if any, changes are made in respect of staff of private aided institutions. Perhaps it may be useful if Government would, while considering the issues connected with salary disbursement of aided institutions’ staff could also examine the need for change in respect of staff of Government owned institutions. ARC would be happy to be of any assistance in that regard, if Government so desire.

4.1.12 In any case, ARC would have to consider the case of senior staff at scales higher than the four scales dealt with in this paper. That should appropriately be part of an effort to handle the larger issue of making accounting a better and really effective tool of management in Government. The senior staff as well as staff of Government educational institutions will obviously get some immediate though indirect benefit from the first stage reform now suggested. This is because the work of issue of pay slips will have to cover only much smaller a number of employees than it covers now and hence it will be possible for Accountant General to almost eliminate complaints of delay. In the long range, however, basic reforms introduced in the major area of Government’s finance management should be able to include a durable arrangement for disbursement of salaries and other entitlements to the seniormost levels of staff in Government.
4.1.13 One or two incidental aspects have to be clarified before concluding the report. The first is regarding the statistical data and other information given in appendices to this paper. The basis for the data are the budget papers and the recent general pay revision orders and some relevant assumptions which seemed reasonable. Regarding other information, informal consultations with functionaries mostly at the operational level, were done. All these may contain a certain margin of ‘inexactitude’. However the percentage of that margin will not be such as to invalidate the inferences drawn from the data. Another important aspect to be clarified is that no formal consultation with the Accountant General was done in preparing this paper. It is quite probable that the Accountant General may have technical and administrative points to make in this context. Even the statistical data used in this report like the number of different categories of gazetted employees covered by the pay slip system could be corrected as more accurate data may be available with Accountant General. Genuine difficulties, if any, in Accountant General’s establishment which may arise from the proposed changeover will also have to be given due and fair consideration. For all these reasons, ARC would consider that consultation with Accountant General is an essential exercise before the implementation of the recommendation in this report. However, such a consultation should, more appropriately, be done after the Government make a preliminary assessment of the recommendations and decide to proceed further.

4.1.14 Before summarising the recommendations, one other related question has to be dealt with. It is understood that gazetted officers now enjoy the right to certify their emoluments while taking loans from some institutions. Whatever information could be collected about this is given in Appendix VIII. In case any difficulty is caused in this regard which can be solved by a clarification from Government, it may be clarified that staff who move over to the new system will, for this purpose, enjoy the same right or facility they have had in the past.
4.1.15 As stated earlier in the report, reform steps involving a large number of people and such an important item of work should be undertaken with abundant caution. It is prudent to proceed phase by phase rather than rushing into sweeping changes.
CHAPTER – 5

RECOMMENDATIONS

5.1.1 Keeping all relevant aspects in view, ARC would recommend that Government may, after consultation with Accountant General and others as deemed necessary, move over to the establishment bill system in respect of staff (excluding staff in educational institutions) coming under four scales of pay as discussed in detail in the foregoing paras. This may be done irrespective of the issue whether the posts belong to State Services or not. The changeover may be done ensuring that no employee fixes his own entitlements though officers who are heads of offices may sign bills including their own salaries also (drawn on rates of entitlements fixed by a superior officer vide para 4.1.7 ante) This changeover may be done in three phases.

First phase – Financial Year 2000-2001. Staff coming under scale of pay 6500 – 10550

5.1.2 The summary Table given below would give an idea of the dimensions of the changeover recommended in this report.
(i) Approximate number of employees who come under the Pay Slip system now. 40,000 plus.

(ii) Out of (i), staff in Government owned educational institutions left out of the present proposals 10,000

(iii) Staff in Government offices of this category 30,000

(iv) Out of this, senior staff in Government offices left out of the proposals for the time being 4,000 plus

(v) Staff in Government offices in first four scales covered by the present proposals in three phases 26,000

Very roughly, the proposals would take 26000 out of 40000 employees from the Pay Slip system into the establishment bill system. ARC considers this a moderate but significant initiative.

E.K. NAYANAR
Chief Minister of Kerala & Chairman

V.J. THANKAPPAN
Vice Chairman

K.V. RABINDRAN NAIR Dr.K.K.SUBLAHRMANIAN
Member Member

C.J. JOSEPH S.M.VIJAYANAND
Member Member Secretary
NOTE ON
SALARY DISBURSEMENT SYSTEM IN AIDED COLLEGES AND SCHOOLS

FIXATION OF SALARY

Salary Entitlements are being fixed by the Head of Institution on the basis of the relevant Government Orders but have to be approved by the Dy. Director of Collegiate Education./DEO/AEO.

PRESENTATION OF BILLS AND DRAWAL OF SALARY

The salary bills are prepared separately for Teaching Staff and Non-Teaching Staff. The Teaching staff includes Principal to Lecturers and the Non teaching staff includes Administrative Assistant to Class IV employees. In Schools they include Principal/Headmaster to class IV employees. Salary bills prepared in quadruplicate duly signed by the Principal/Headmaster are submitted to the Dy. Director/DEO/AEO for counter signature. After scrutiny, three copies are returned duly countersigned by the Dy. Director/DEO/AEO and two of them are presented to the concerned Treasury for encashment. One copy of the same will be retained in the college/School office.

Increment is authorised by the principal / Headmaster; but is subject to scrutiny by the Dy. Director/DEO/AEO. While forwarding of fixation entitlements, the Service Book or Entitlement Register is also forwarded for verification. Transactions from the Provident Fund are also passed by the Dy. Director/DEO/AEO and those bills are also countersigned for presentation.

The fixation of salary and drawal of salary in respect of the Aided schools are similar to that of the aided colleges. In their case, the counter signing authority will be the DEO / AEO depending on whether it is a High School or LP/UP School.

Accounts are compiled by the respective treasury and rendered to the Accountant General as is done in the case of Government College and Schools.

Provident Fund Account of College Teachers are kept by the Director of Collegiate Education and that of school teachers are kept by the DPI.
<table>
<thead>
<tr>
<th>Sector Code</th>
<th>Sector Category</th>
<th>Name of Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE</td>
</tr>
<tr>
<td>11-20</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE HOSPITALS</td>
</tr>
<tr>
<td>21-30</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE HOSPITALS ALP</td>
</tr>
<tr>
<td>31-40</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE HOSPITALS KTM</td>
</tr>
<tr>
<td>41-50</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE ALAPUZHA</td>
</tr>
<tr>
<td>51-60</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE KOTTAYAM</td>
</tr>
<tr>
<td>61-70</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE KOZHIKODE</td>
</tr>
<tr>
<td>71-80</td>
<td>GOVT COLLEGE</td>
<td>ALLOPATHY MEDICAL COLLEGE TVM</td>
</tr>
<tr>
<td>81-90</td>
<td>GOVT COLLEGE</td>
<td>AYURVEDA MEDICAL COLLEGE</td>
</tr>
<tr>
<td>91-100</td>
<td>GOVT COLLEGE</td>
<td>AYURVEDA DISTRICT MEDICAL OFFICE</td>
</tr>
<tr>
<td>101-110</td>
<td>GOVT COLLEGE</td>
<td>DATA PROCESSING UNIT</td>
</tr>
<tr>
<td>111-120</td>
<td>GOVT COLLEGE</td>
<td>DENTAL COLLEGE KOZHIKODE</td>
</tr>
<tr>
<td>121-130</td>
<td>GOVT COLLEGE</td>
<td>DENTAL COLLEGE TRIVANANTHAPURAM</td>
</tr>
<tr>
<td>131-140</td>
<td>GOVT COLLEGE</td>
<td>AYURVEDA MEDICAL COLLEGE KOTTAYAM</td>
</tr>
<tr>
<td>141-150</td>
<td>GOVT COLLEGE</td>
<td>DIRECTOR OF TECHNICAL EDUCATION</td>
</tr>
<tr>
<td>151-160</td>
<td>GOVT COLLEGE</td>
<td>DIRECTORATE OF COLLEGIATE EDUCATION</td>
</tr>
<tr>
<td>161-170</td>
<td>GOVT COLLEGE</td>
<td>GOVERNMENT LAW COLLEGE</td>
</tr>
<tr>
<td>171-180</td>
<td>GOVT COLLEGE</td>
<td>HOMOEOPATHY MEDICAL COLLEGE HOSPITAL KOZHIKODE</td>
</tr>
<tr>
<td>181-190</td>
<td>GOVT COLLEGE</td>
<td>HOMOEOPATHY MEDICAL COLLEGE TVM</td>
</tr>
<tr>
<td>191-200</td>
<td>GOVT COLLEGE</td>
<td>LAW COLLEGE, KOZHIKODE</td>
</tr>
<tr>
<td>201-210</td>
<td>GOVT COLLEGE</td>
<td>LAW COLLEGE, T.V.P.M. EVENING</td>
</tr>
<tr>
<td>211-220</td>
<td>GOVT COLLEGE</td>
<td>LAW COLLEGE, THRISSUR</td>
</tr>
<tr>
<td>221-230</td>
<td>GOVT COLLEGE</td>
<td>LAW COLLEGE, TRIVANANTHAPURAM</td>
</tr>
<tr>
<td>231-240</td>
<td>GOVT COLLEGE</td>
<td>MUSIC COLLEGES</td>
</tr>
<tr>
<td>241-250</td>
<td>GOVT COLLEGE</td>
<td>NURSING COLLEGE KOZHIKODE</td>
</tr>
<tr>
<td>251-260</td>
<td>GOVT COLLEGE</td>
<td>NURSING COLLEGE KOTTAYAM</td>
</tr>
<tr>
<td>261-270</td>
<td>GOVT COLLEGE</td>
<td>NURSING COLLEGE TRIVANANTHAPURAM</td>
</tr>
<tr>
<td>271-280</td>
<td>GOVT COLLEGE</td>
<td>PHYSICAL EDUCATION COLLEGES</td>
</tr>
<tr>
<td>281-290</td>
<td>GOVT COLLEGE</td>
<td>SCHOOL OF NURSING</td>
</tr>
<tr>
<td>291-300</td>
<td>GOVT COLLEGE</td>
<td>TRAINING SCHEMES</td>
</tr>
<tr>
<td>301-310</td>
<td>NON-GOVT COLLEGE</td>
<td>DIRECTORATE OF COLLEGIATE EDUCATION</td>
</tr>
<tr>
<td>311-320</td>
<td>NON-GOVT COLLEGE</td>
<td>GOVERNMENT LAW COLLEGE</td>
</tr>
<tr>
<td>321-330</td>
<td>NON-GOVT COLLEGE</td>
<td>HOMOEOPATHY MEDICAL COLLEGE</td>
</tr>
<tr>
<td>331-340</td>
<td>NON-GOVT COLLEGE</td>
<td>LAW COLLEGE</td>
</tr>
<tr>
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**Grand Total:** 238

**GCPT:** 3/2548/2009/TP.
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Note: The table above represents different scales of pay for the years 1999 and 2000. The values indicate the number of individuals or entities in each scale.

<p>| Sl No. | Item/Category | UGC/ AICTE/ICMR | 16300-19600 | 16300-18300 | 14300-18300 | 12600-15600 | 12000-15150 | 10000-15150 | 8250-13650 | 9750-7800 | 11475-77200 | 11475-75910 | 7591-66250 | 6625-65050 | 65050-58450 | Total |
|--------|---------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|------------|------------|------------|------------|------------|------------|-------|
| 1      | Employees in Aided Schools | 0 | 0 | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 10 | 0 | 814 | 1099 | 7535 | 9462 |
| 2      | Employees in Aided Colleges | 0 | 0 | 0 | 0 | 0 | 0 | 8620 | 0 | 2 | 0 | 0 | 64 | 2952 | 56 | 11694 |
| 3      | Total of 1 &amp; 2 | 0 | 0 | 1 | 0 | 0 | 0 | 8623 | 0 | 12 | 0 | 0 | 878 | 4051 | 7591 | 21156 |
| 4      | Employees in Government Schools | 1830 | 0 | 0 | 14 | 0 | 1 | 35 | 76 | 259 | 91 | 171 | 2357 | 1069 | 311 | 6214 |
| 5      | Employees excluding Schools and Colleges | 19 | 111 | 34 | 246 | 519 | 15 | 896 | 928 | 1998 | 1899 | 3467 | 8416 | 12412 | 30964 |
| IV     | Grand Total of 1,2,3,4 &amp; 5 | 1834 | 19 | 111 | 50 | 248 | 520 | 50 | 9598 | 1188 | 2101 | 2070 | 6730 | 15516 | 22732 | 62767 |</p>
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GCPT: 3/2548/2009/TP.
**DIFFERENT SCALES OF PAY-1986-87**

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**APPENDIX - III A**
### NUMBER OF GOVERNMENT EMPLOYEES

(VIDE STAFF APPENDIX)

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GCPT 3/2548/2009/TP
### APPENDIX - III A

**ON DIFFERENT SCALES OF PAY - 1986-87**

**IX - BUDGET - 1986-87**

| 585 | 16 | 1930 | 28 | 70 | 1772 | 2542 |
| 157 | 15 | 243  | 16 | 4  | 55   | 66   |
| 214 | 37 | 9    | 3  | 6  | 220  | 244  |
| 324 | 24 | 14   | 37 | 2  | 13   | 66   |
| 451 | 14 | 16   | 3  | 2  | 16   | 14   |
| 85  | 1  | 37   | 288| 117| 272  | 262  |
| 585 | 16 | 11   | 2  | 2  | 12   | 220  |

**ON DIFFERENT SCALES OF PAY - 1986-87**

| 787 | 37 | 501  | 2  | 24 | 283  | 354  |
| 125 | 16 | 24   | 18| 7  | 14   | 22   |
| 21  | 11 | 33   | 112| 37| 23   | 220  |
| 154 | 16 | 18   | 2  | 2  | 10   | 107  |
| 655 | 43 | 655  | 3  | 1  | 1    | 12   |
| 245 | 2  | 3    | 1  | 1  | 1    | 1    |
APPENDIX - IV

REPORT ON THE SYSTEM OF SALARY DISBURSEMENT TO GOVERNMENT EMPLOYEES IN TAMIL NADU - AS PER THE STUDY CONDUCTED BY KARC STAFF -

1. The system of fixation of entitlements of Gazetted Officers in Tamil Nadu Government, its authorisation and the procedure of drawal and disbursement of their salary are different from that existing in Kerala or Karnataka.

2. The Tamil Nadu Government Employees, the minimum of whose scale of pay is Rs.12000/- and above, are designated as self-drawing officers. The salary of all other employees are drawn and disbursed by the Heads of Offices concerned.

3. The fixation of pay and other entitlements of the entire employees are done by the concerned appointing authorities. But the authorisation for the drawal of the salary entitlements fixed by the appointing authorities concerned are issued by the Pay and Accounts Officers/District Treasury Officers of the concerned districts. They function under the control of the Director of Treasuries. Out of the 29 districts in Tamil Nadu there are 27 District Treasuries with 10-15 sub treasuries in these districts. Nearly 50% of them are banking treasuries and the remaining are non-banking treasuries. But, in major cities like Chennai, Madurai and Ootty, there are no treasury offices but instead the work is done by the Pay and Accounts Offices. In Chennai city alone there are 4 Pay and Accounts offices, namely, P.A.O.(North), P.A.O.(South), P.A.O.(East), P.A.O.(Secretariat), and one sub P.A.O. for Madras Corporation. In Madurai there is only one P.A.O. The P.A.O. Ootty is linked to the Coimbatore District Treasury.

4. The rules and procedure relating to the drawal and disbursement of salary and other entitlements of the employees of Tamil Nadu State Govt. are prescribed in the Tamil Nadu Treasury Code 1954 and the Pay and Accounts office manual 1970.

5. The appointing authorities concerned issue orders fixing the pay of the officers with copy to the Pay and Accounts Officers concerned. On receipt of the order of the Appointing Authority, the Pay and Accounts Officer fixes the other entitlements, in accordance with the pay fixed by the Appointing Authority and issues ‘pay-slips’. Even in major departments/establishments the office procedure section issues orders/proceedings fixing the pay of the non-Gazetted officers and the bills section does the actual fixation of entitlements. The salary bills prepared by the ‘bills section’ are presented to the P.A.O/treasuries who passes them and issues R.B.I.cheques in favour of the drawing officers concerned and they encash from the RBI cash counter or other authorised banks. So the salary is disbursed to the officers by the designated drawing officers in cash.
6. The GPF accounts are kept by the Accountant General’s office and maintained on the basis of the deduction schedules received from the treasury/Pay and Accounts offices. Accountant General issues account slips (similar to PF credit card) on a yearly basis. The accounts of the loans and advances of the Government employee are maintained by the Director of Treasuries. But before documents are released, it is done after the scrutiny of Accountant General.

7. When an officer is transferred out from the jurisdiction of the PAO/District Treasury, the ‘transfer documents’ of the employee concerned are sent by the Pay and Accounts Office/District Treasury to the Accountant General who, in turn, after his endorsement, passes on to the Pay and Accounts officer or the District Treasury Officer under whose jurisdiction the employee is transferred.

8. The drawing and disbursing officers are declared by the Head of the Department concerned.

9. There are also the ‘Concurrent Audit branches’ of the Accountant General’s office with ‘Resident Audit Officers’ attached to the District Treasuries/Pay and Accounts Offices. The paid vouchers are passed on to the concurrent audit branch on a monthly basis after finalising the list of payments.

10. The daily transactions of the sub treasuries are sent to the District Treasury and the list of payments are compiled at the District Treasury/Pay and Accounts Offices twice in a month, on 10th and 28th. The list of payments are compiled sub accounts wise and sent to the Accountant General from the District Treasury. The rendering of accounts to Accountant General is accomplished as per schedule and at any point of time, actuals up to the end of last month is available.

11. The number of self drawing officers are less in number as only officers drawing a scale above 12000 alone are treated as self drawing officers. Authorisation of entitlement is done by PAO/District Treasury and role of Accountant General is only to keep the Accounts of cashed bills.

12. The authorisation and disbursement of pension to the retired employees of the Government are authorised, cashed and disbursed by a different office namely Pension Pay Office.
<table>
<thead>
<tr>
<th>Department</th>
<th>Major posts in scale of pay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6500-10550</td>
</tr>
<tr>
<td>Agricultural Income Tax and Sales tax</td>
<td>STO/Additional STO</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Agricultural Officers</td>
</tr>
<tr>
<td>Animal Husbandry</td>
<td>Veterinary Surgeon</td>
</tr>
<tr>
<td>Ayurveda College</td>
<td>Medical Officer (Ayurveda)</td>
</tr>
<tr>
<td>Civil Supplies</td>
<td>Taluk Supply Officer/City Rationing Officer</td>
</tr>
<tr>
<td>Collegiate Education</td>
<td>Lecturer (Non-UGC)</td>
</tr>
<tr>
<td>Co-operation Department</td>
<td>Assistant Registrar</td>
</tr>
<tr>
<td>Electrical Inspectorate</td>
<td>Assistant Electrical Inspector</td>
</tr>
<tr>
<td>Excise</td>
<td>Excise Circle Inspector</td>
</tr>
<tr>
<td>General Education</td>
<td>HSA (Sel. Gr.) Head Master (UP/LP) Sr. Gr.</td>
</tr>
<tr>
<td>Health</td>
<td>Assistant Surgeon/Medical Officer</td>
</tr>
<tr>
<td>Indian System of Medicine</td>
<td>Medical Officer (Ayurveda &amp; Unani)</td>
</tr>
<tr>
<td>Industries and Commerce</td>
<td>Assistant District Industries Officer/Assistant Registrar</td>
</tr>
<tr>
<td>Police</td>
<td>Circle Inspector</td>
</tr>
<tr>
<td>PWD</td>
<td>Assistant Engineer</td>
</tr>
<tr>
<td>Revenue Department</td>
<td>Tahsildar</td>
</tr>
<tr>
<td>Secretariat</td>
<td>Section Officer</td>
</tr>
<tr>
<td>Technical Education</td>
<td>Assistant Lecturer (Polytechnic)</td>
</tr>
</tbody>
</table>
DISBURSEMENT OF SALARY

IN GENERAL ADMINISTRATION (ACCOUNTS) DEPARTMENT

1. The pay and allowances of all the non-Gazetted officers of the Administrative Secretariat and the offices of the Ministers are drawn and disbursed through the General Administration (Accounts) Department.

2. There are 14 billing sections and their functions are as detailed below:

<table>
<thead>
<tr>
<th>Section</th>
<th>Work attended to</th>
<th>No of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Miscellaneous bills</td>
<td>7</td>
</tr>
<tr>
<td>B</td>
<td>Salary, PF and allied bills</td>
<td>8</td>
</tr>
<tr>
<td>C</td>
<td>do</td>
<td>9</td>
</tr>
<tr>
<td>D</td>
<td>do</td>
<td>8</td>
</tr>
<tr>
<td>E</td>
<td>HBA, Conveyance advance etc</td>
<td>7</td>
</tr>
<tr>
<td>G Budget Wing</td>
<td>Preparation of Budget and TA bills</td>
<td>6</td>
</tr>
<tr>
<td>H</td>
<td>Salary, PF and allied bills</td>
<td>9</td>
</tr>
<tr>
<td>J</td>
<td>do</td>
<td>7</td>
</tr>
<tr>
<td>K</td>
<td>FBS, GI and salary bills</td>
<td>9</td>
</tr>
<tr>
<td>M</td>
<td>Salary, PF and allied bills</td>
<td>6</td>
</tr>
<tr>
<td>N</td>
<td>do</td>
<td>6</td>
</tr>
<tr>
<td>R</td>
<td>do</td>
<td>5</td>
</tr>
<tr>
<td>R</td>
<td>All reimbursement bills</td>
<td>7</td>
</tr>
</tbody>
</table>

3. In addition there is a cash branch consisting of Chief Cashier, Assistant cashiers and last grade staff required for attending to the treasury duties.

4. The sections keep and maintain the Service Book of the employees and every step in their official life is recorded in it. Any change in the rates of emoluments are also recorded therein. The Under Secretary (there are 5 Under Secretaries) fixes the entitlement and the bills are drawn with the fixation statements, whenever there is a change in the rate.

5. The PBR forms the basic record of the amounts of pay and allowances drawn and those credited to the various funds and loans. Provident Fund is also forming part of this record and the deduction schedule is prepared and attached to the pay bills.

6. Whenever surrender of earned leave or temporary advance from the GPF is sanctioned, bills are drawn for that also.
7. Every Assistant in the section is having all the bills relating to about 85 to 100 officers in their workload. The distribution of work is streamlined on the basis of the number of persons for whom an Assistant has to prepare bills.

8. In respect of Assistants and Typists (they being the bulk in number) the sections are having uniformity of the category for which bills are prepared. In respect of all other categories, persons belonging to all categories are included in the same bill.

9. Formerly the bills for permanent post and temporary posts were prepared separately. But now only the total number of posts and total number of employees are taken into account for the purpose of drawing the bills.

10. The Bills are prepared not on the basis of categories, but on the basis of the Head of Account to which their claims are debited. For example, a bill may contain the salary claims of An Assistant Private Secretary, Roneo Operator, Driver, Stenographer and the like, provided all the claims are debited to the same Head of Account.

11. An Assistant prepares 2 to 5 bills depending upon the distribution of the persons allotted to him to different heads of accounts.

12. Once the Billing Sections prepare the bills and the acquittance rolls, they are entrusted to the Cash Branch. The cash branch presents the bills to the treasury, obtains the cash and disburses it. They keep the daybook and such registers.
NOTE ON THE ROLE OF ACCOUNTANT GENERAL IN THE MAINTENANCE OF THE GENERAL PROVIDENT FUND ACCOUNT OF THE GOVERNMENT EMPLOYEES

Non-Gazetted officers

1. The non-Gazetted officers are admitted to the Provident Fund by the Accountant General on receipt of an application forwarded through the Drawing and Disbursing Officer. A unique number with prefix indicating the department or the service to which he belongs is assigned by the Accountant General.

2. The establishment bills prepared and presented to the treasury contain a schedule of deduction towards the Provident Fund of the employees listed therein. This list is drawn up classifying the officers belonging to one set of prefix assigned by the Accountant General. For example, the Secretariat officers generally have a prefix 'GAC'. Those in the Community Development Department has a prefix 'CP'. Only persons having the same guide letter to their PF number are included in one schedule by the Drawing And Disbursing Officer.

3. On receipt of this schedule from the treasury, the Accountant General will post it in the account of the concerned employee.

4. At the end of the financial year, when the accounts are finalised, a statement of credit or say Credit Card is issued to the employee through the office drawing his salary.

5. Whenever there is a part final withdrawal of money from the PF (NRA) the Accountant General will issue an authorisation for its drawal and the Drawing And Disbursing Officer can draw it only after such authorisation.

6. Thus, in the matter of keeping PF account, there is no distinction between a Gazetted employee and non-Gazetted employee. The function of drawing a bill to credit or debit the account is done directly by a self-drawing officer and by the Drawing and Disbursing Officer in respect of a non-gazetted employee.

Gazetted officers

As the system of accounting for PF is almost the same for Gazetted and non-gazetted officers, there will be no difficulty in the event of Drawing and Disbursing the salary of any category of gazetted officers.
SITUATION REGARDING GAZETTED OFFICER'S RIGHT TO CERTIFY THEIR OWN SALARY

1. Government have not issued any orders regarding the right of a Gazetted officer to certify his own salary.

2. In fact, such a certificate is required only in the event of taking some loan and the nature of the certificate will depend on the instructions of the lending institution.

3. In the Co-operative societies Act, there is a provision enabling deduction of dues from the salary. The Kerala State Financial Enterprises also have some enabling clause to effect deduction from the salary of an employee except through a courts order.

4. The certificate they insist is the one to be made by the drawing officers setting out the rates and an undertaking to the effect that in case of default of the payments to the co-operative, a deduction shall be effected on a request from the society.

5. In any other case, deduction from the salary in respect of dues to the other organisations can be made only on a request from the employee or by the order of a Court under the provisions of the CPC.

6. In the case of a gazetted officer, this certification is done by himself as he is the drawing officer. Because of the abuse of this certification method, now the co-operatives insist on a countersignature by the Head of department also, to ensure genuineness.
SEVENTH REPORT OF

THE KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON SETTING UP OF A

LAW COMMISSION FOR KERALA STATE

THIRUVANANTHAPURAM

FEBRUARY 2000
SEVENTH REPORT
OF THE KERALA ADMINISTRATIVE REFORMS COMMITTEE

SETTING UP OF A
LAW COMMISSION FOR KERALA STATE

CHAPTER – 1
INTRODUCTION

1.1.1. Search for basic reforms in administration has to cover a wide area. Different pillars on which our administrative structure stands have to be examined in that context. The most important of them is, no doubt, our basic commitment to the rule of law, epitomised by the Constitution. All procedures and rules ultimately derive their authority from the relevant laws in force which have to be consistent with the Constitution. Therefore, any serious attempt to rationalise rules and procedures inevitably points towards an understanding of the Statute Book and may even lead to suggestions for changes and deletions.

1.1.2. During discussions held by the Administrative Reforms Committee with different departments as well as sections of the general public this aspect was given due consideration. Consequently, the Administrative Reforms Committee received valuable suggestions on statutory and procedural changes required to streamline administration in specific departments. The Committee has been evaluating the suggestions and is in the process of preparing and submitting reports containing department specific recommendations which include some statutory modifications also.
1.1.3. However the Committee would not be in a position to cover the whole gamut of laws in force much less suggest amendments to them. Hence it made a decision to recommend the constitution of a credible institutional framework for undertaking this massive exercise.

1.2. Methodology

1.2.1. Though a single item, Administrative Reforms Committee studied the issue in detail. It sent a study team to New Delhi to find out about the working of the Law Commission. Also the team went to Chennai and Bangalore to study how these states have tackled the question.

1.2.2. The disposal file dealing with setting up of a Law Commission in Kerala dating back to 1966 was traced out and studied.

1.2.3. The list of State laws in force was obtained from the Law Department to get an idea of the kind, age and number of Laws prevalent in the State. All these were topped with three round of discussion with Law Secretary which were very useful in formulating the recommendations.

1.3. Structure of the Report

1.3.1. As this report deals with a single issue, it is small and compact. This introductory chapter is followed by a brief chapter on the *raison d'être* for an institutional set-up and by a chapter dealing with past efforts in Kerala and the system existing at the National level and in the states of Tamil Nadu and Karnataka. The concluding chapter gives the recommendations of the Committee.
NEED FOR INSTITUTIONAL SET-UP

2.1.1. For historical and other reasons, our Statute Book has become an exceedingly complex one. The number of laws is too large. New enactments increase this number every year. No serious exercise has been done to identify and repeal laws that have lost their relevance. There are instances where for the same subject, different laws apply to different parts of the State. This was unavoidable as the State was formed in 1956 from three different political units of the earlier period - the independent princely states of Travancore and Cochin and the Malabar district and Kazaragod Taluk of South Canara district of the formerly British Ruled Madras Presidency. But the same situation has continued for too long. For some of the laws, timely codification of rules has not been done and for some others timely modification have not been attempted either. Some of the old laws in force appear to be not quite consistent with unanimously accepted goals of State policy. Some others which do address those goals seem to suffer from elements of half heartedness and adhocism.

2.1.2. All this creates serious difficulties both for the citizen and the administration. It has become practically difficult to have a reasonably comprehensive idea about the laws and rules relevant to a particular situation. Even when they are clear, anomalies like variations from area to area make the administration of those rules rather difficult.

2.1.3. In this scenario Administrative Reforms Committee proceeded to assess whether the appointment of Law Commission in Kerala is necessary. The first aspect that Administrative Reforms Committee looked into is the need for integrating and consolidating different laws applicable to different parts of the State. No doubt,
over the years, some work has been done in the normal course. But no serious and determined effort seems to have been taken up at any stage.

2.1.4. The second major aspect reviewed by the Committee is the number of laws in the Statute Book as of now. The Jain Commission at the Centre made a study of the position all over the country. According to that, there are now nearly 2500 Central laws in force. Regarding States, no exhaustive list could be gathered by that Commission but in their rough assessment there might be 25000 to 30000 state laws. They noticed that in one State the number was seen to be as high as 1100. The Jain Commission rightly observed that such proliferation of laws and ineffective enforcement of large number of these laws inevitably lead to various problems in the functioning of government and administration of justice. Some of them were enacted a century ago or numerous decades ago, of which a good number are antiquated and have long outlived their utility and are anachronisms now. These observations of the Jain Commission regarding the national scene may not be entirely applicable to the Kerala situation. But the fact of a large number of laws, inherited from the distant past, obviously ripe for amendments or even repeal, is a phenomenon relevant to this State also.

2.1.5. On the request of Administrative Reforms Committee, the State Law Department was good enough to prepare a list of laws of our State. The list is given as Appendix I. It is not clear whether the list is exhaustive. Even if it is not, the picture it gives causes concern. There are 73 laws applicable only to the erstwhile Travancore area of the State. There are 24 laws applicable only to the erstwhile Travancore-Cochin area. There are 83 laws applicable to the erstwhile Malabar area only. There are 220 laws applicable to the entire State. The total number of laws is thus 400. As this does not include Central laws applicable in Kerala, the picture of the 'burden of law' on the Kerala citizen is not complete with the list in Appendix I. The Committee feels that it is impossible to avoid the
inference that a systematic exercise for consolidation and weeding out is long overdue.

2.1.6. Another relevant area for corrective action is the complexity created by the large number of amendments to some of the Acts. Most of these amendments, like almost yearly amendments to some taxation statutes promulgated in the budget context, are necessary. But when their number goes beyond a point, the different clauses in the original Act become too much cluttered and the statute passes beyond the comprehension of the ordinary educated layman. This gives room for reliance on experts (some time pseudo experts) and provides scope for a lot of disputes and litigation, too expensive for the common man to bear. This is also one breeding area for corruption. The Administrative Reforms Committee feels that there should be regular periodic exercise of bringing out a revised and consolidated version of the Act itself in such cases. Obviously this work is of a continuing nature.

2.1.7. Often an Act or some section of an Act has to be notified to take effect from a given date. Of course there are valid policy and administrative considerations in selecting such dates. But these notifications are sometimes delayed only for want of alert monitoring. Similar is the case of framing of rules. There are no doubt arrangements now to watch, scrutinise and monitor subordinate legislation of this type. But it is doubtful whether an expert follow up on a systematic and institutionalised basis is in position now. This is a crucial area where any slackness or delay can sometimes defeat the purpose of the legislation itself.

2.1.8. Even in the area of fresh legislation, there seems to be lack of an institutionalised professional approach. Basically new legislation is an instrument of Government's policy. In that respect, its origin has to be in the social and economic perception of the ruling political force and, in that respect, not the work of technical experts or even administrative advisers. But once the policy
objective is laid down, the nuts and bolts of the legislation have to pass through both administrative and technical scrutiny before the draft legislation is prepared. In the present system, this work is initiated in the concerned administrative department followed up by the legislative work in Law Department. Different administrative departments, rightly urged by their own policy objectives, press for legislation sometimes without an expert assessment whether in the overall context, their own policy perception has to be modulated. Even at the drafting stage, an assessment of a particular piece of legislation against legislation from another department which may be inconsistent with each other escapes notice. For instance an unduly rigorous taxation provision may go against the declared policy of promotion of a particular industry or trade. Jain Commission has referred to such instances even in Central laws. Here also a systematic expert assessment by a technically competent body will be very useful during the process of drafting the legislation.

2.1.9. Finally, the issue of inadequacy of legislation in terms of unanimously accepted elements of State policy is also an area for systematic remedy. While each department is burdened with their own policy concerns, none gets the opportunity to make an overall assessment and spot areas where critical gaps in legislation hamper the successful implementation of State policy.

2.1.10. A question may arise whether all this is not within the domain of the State Law Department. No doubt it is. As far as Administrative Reforms Committee could assess, Kerala Government’s Law Department has always tried to discharge this responsibility with full commitment and devotion. But it is well known that it is an overburdened establishment and, what is more relevant in the present context, engaged during a major part of its time in ‘fire fighting’ operations. The importance and urgency of such operations cannot and should not be underestimated. Nor can such ‘fire fighting’ work be properly handled by any agency outside the department proper. What can be done to help the department and
the Government is to have an institution of eminent experts of high standing to assist them in the area of legislation. It is against this background that the Administrative Reforms Committee proceeded to probe the feasibility of a State Law Commission.
CHAPTER – 3

INSTITUTIONAL SET-UP – PAST AND PRESENT EXPERIENCE

3.1.1 For formulating its recommendations, the Administrative Reforms Committee took up the task of studying the efforts made in the past for tackling this issue. In that context, the steps taken by the Central Government as well as the State Governments of Tamil Nadu, and Karnataka were also studied. The Administrative Reforms Committee also had discussions with the State Law Secretary and his senior officers and received extremely valuable comments and suggestions from those discussions.

3.1.2 The State of Kerala came into existence on 1st November 1956 under the State Reorganisation Act of 1956. It was organised by integrating the erstwhile (1) Travancore, excluding the Taluks of Kalkulam, Thovala, Agastheeswaram and Nagarcoil (2) Cochin and (3) the Malabar District and Kasargod Taluk of the South Canara District of the Madras presidency. Thus the pre-independence laws that existed in the State of Travancore, State of Cochin and those applicable to the Madras Presidency were applicable to the respective geographical areas of the newly formed state of Kerala.

3.1.3 The need for unification of such different statutes and to enact in their place laws applicable to the entire State was felt from the early years after the formation of Kerala. By 1963 the thinking on this issue within the Government indicated the need for constituting a Law Commission. After rather prolonged consultation with other States and examination of the implications at different level, it was only in 1966 that such a Commission was actually constituted. A copy of the order (G.O Ms No. 5/66/Law dated 14.1.1966) is given as Appendix II. The terms of reference given to the Commission were quite wide and
Setting up of a Law Commission for Kerala State

comprehensive including not only consolidation but also simplification, amendment, revision etc., after a detailed examination of State laws. The objectives to be kept in view by the Commission reached out quite far and even contemplated modifications necessary for implementing the directive principles of state policy laid down in the Constitution.

3.1.4 The Administrative Reforms Committee has not been able to get a clear idea of the tangible results achieved by this ambitious initiative. The tenure of the Commission was limited to two years and no second Commission was appointed. Perhaps this was a reason why not much ground could be covered. In any case, the present position, as far as the Administrative Reforms Committee could assess it, indicates that the issues sought to be tackled with the appointment of the Commission remain, to this day, largely unchanged as explained earlier in this Report.

3.1.5 The position in the two States about which a team of officers from Administrative Reforms Committee Secretariat conducted a study, is a little different. In the State of Karnataka, there is no Law Commission. In 1999, they were actively considering the question of constituting a State Law Commission. Though there is no State Law Commission, it came to notice that they have constituted a 'Codification Committee' in 1997. A senior District Judge who was the former Law Secretary and later the Vice Chairman of the State Administrative Tribunal (KAT) was appointed as the one man Codification Committee with a small secretariat. At the time of gathering of details by the Administrative Reforms Committee, the Karnataka Committee had identified 190 enactments that have become redundant and ripe for repeal. The term of this Committee was for two years and has further been extended up to 2000.

3.1.6 In Tamil Nadu also, some progress seems to have been achieved. There a Law Commission was appointed in 1994 and reconstituted in 1996. However, the
Commissions are understood to have given only three reports so far. A brief summary of the Tamil Nadu position may be seen in Appendix III.

3.1.7 The position in Central Government is however very different. Even before the country attained independence there was the system of Commissions going into the area of formulating and modifying legislation. Soon after independence the need for continuing this tradition was accepted. The first Law Commission was appointed by the Government of India in 1955. Though the tenure of each commission is three years, the concept of the Commission itself seems to have become permanent. However, these commissions are appointed not as per any statute but only under the executive orders of the Government. A brief note on the history and composition of the Central Law Commission may be seen in Appendix IV. The present Commission is the fifteenth one and was constituted in 1997 as per the notification given as Appendix V. It gives an idea of the pattern of functioning of the Central system.

3.1.8 Though the Law Commission of India can suo-moto make recommendations to the Government of India, normally the Commission makes recommendations in response to requests or references made by the Government of India. The Commission's recommendations are not binding on the Government of India. Nor is the Law commission entrusted with follow up or monitoring of its recommendations. The Central Law Commission does not appear to have been vested with powers to obtain or call for records, examine or hear witnesses or to ask the Government officials to appear before it for giving evidence or information.

3.1.9 The output of work of the various Law Commissions appointed by the Government of India seems to be substantial. This is evident even from the list of reports presented by them as seen in Appendix IV. Major legislation touching on the social and economic life of the country has resulted from some of their
reports. For instance a lot of the legislation on inter-state sales taxation covering an important area of economic activity spread out both in States and Centre was initiated on the basis of Law Commission reports. This was to be expected as the Commissions were headed by eminent and illustrious personalities in the judiciary and the members were also persons of proven expertise and reputation in the relevant areas of legal knowledge.

3.1.10 In the recent past, there has been another major initiative taken by the Central Government in this regard. That was the appointment of a Commission to study and review the 'Administrative Laws'. The Commission appointed in 1998 was headed by Sri. P.C. Jain, a former Secretary to Government of India. The terms of reference of that Commission were as follows.

a) To undertake an overview of steps taken by different Ministries/Departments for the review of administrative laws, regulations and procedures administered by them, and the follow-up steps thereafter, for repeal and amendment.

b) To identify, in consultation with Ministries/Departments and client groups, proposals for amendments to existing laws, regulations and procedures, where they are in the nature of law common to more than one department, or where they have bearing on the effective working of more than one Ministry/Department and State Governments, or where a collectivity of laws impact on the performance of an economic or social sector, or where they have a bearing on industry and trade.

c) To examine, in the case of selected areas like environment, industry, trade and commerce, housing and real estate, specific changes in existing rules and procedures so as to make them objective, transparent and predictable.

d) To make, on the basis of this exercise, recommendations for repeal/amendments of laws, regulations and procedures, legislative process etc.
3.1.11 The Jain Commission undertook and completed a detailed exercise of examining what could be considered administrative laws relating to each Ministry of the Government of India. They also reviewed the work of simplification and consolidation that was on the anvil in some of the Ministries. Drawing from this detailed study, the Jain Commission made specific recommendations for alteration/deletion/simplification of many laws. Follow-up action is understood to be in progress in the different Ministries of the Central Government.
CHAPTER - 4

RECOMMENDATIONS

4.1 While giving final shape to its recommendations, Administrative Reforms Committee faced a serious dilemma. On the one hand, the Committee had, as stated, reached the inference that a State Law Commission is warranted. On the other, it was clearly aware of the need to avoid creation of new and costly organisations in its quest for administrative reform. It was pointed out to the Administrative Reforms Committee that some of the eminent personalities of the judiciary now retired from active court work and helping in the administration of major State policies like fighting corruption, ensuring human rights etc. could perhaps be requested to help in this context. The Committee considered this idea and came to the view that it is a more feasible solution to institutionalise a relatively less costly arrangement which should, over the years, produce results of long standing impact and benefit to the people of the State.

4.1.2 Taking all relevant aspects into consideration, the Administrative Reforms Committee recommends that a State Law Commission may be constituted with the following structure.

**Chairman:** The Chairman of the Law Commission may be one of the retired Chief Justices now functioning in Thiruvananthapuram heading bodies viz., Lok Ayukta, Human Rights Commission, etc.
ii. Members:

a. Two members may be nominated from any of the willing retired High Court Judges now functioning in Thiruvananthapuram, namely: Upa-Lokayukthas, Chair-person Kerala State Legal Services Authority, President of the State Consumer Redressal Forum, Chairman of the Backward Classes Commission etc.

b. Advocate General

c. Registrar of the High Court.

d. Law Secretary who can also be Member in charge of administration of the office of the Law Commission.

e. Secretary to Government (Personnel and Administrative Reforms Department)

f. One Secretary to Government having an aptitude for the task, to be nominated by the Government.

iii. Part-time Members:

Law Commission may enlist consultant members not exceeding two at a time depending upon the nature of the subjects considered by the Law Commission.

iv. Secretary:

Secretary of the Commission can be an officer of the Law Department not below the rank of Deputy Secretary (who may be put in additional charge of this work or by ex-officio posting), who will function under the control of the Law Secretary.

v. Staff:

The Chairman and members may be requested to utilise the services of their present staff so that no separate creation of staff will be required. For the functioning of the office of the Secretary the Law Department may make available supporting staff from the existing staff strength.
vi. **Headquarters:**

The Law Commission may be located at Thiruvananthapuram for easy interaction with government functionaries.

4.1.3 Based on the study made by the Administrative Reforms Committee and summarised earlier in the report, indicative Terms of Reference for the proposed Law Commission are also given below:

(a) To identify laws which are no longer needed or relevant and which are liable to be repealed.

(b) To identify laws which are not in harmony with the changing times or modern times and which need change.

(c) To identify laws which require changes or amendments in the normal course and to make suggestions for their amendment.

(d) To consider in a wider perspective the suggestions for revision/amendment suggested by Supreme Court or High Court or by Expert Groups in various Departments with a view to coordinate and harmonise them.

(e) To consider reference made to it by Departments in respect of legislation having bearing on the working of more than one Department.

(f) To examine the existing laws in the light of generally accepted objectives of State Policy like social and economic justice to the weaker sections of society and to suggest such legislation as might be necessary to implement those policies.

(g) To revise the State Acts and Rules framed under various Acts of general importance so as to simplify them by consolidation of amendments or otherwise and to remove anomalies and ambiguities.

(h) To consider and to convey to the Government its views on any other subject relating to laws and allied matters that may be referred to it.
4.1.4 These are only suggestions arising from the Administrative Reforms Committee's own study of this matter. These terms could be suitably modified or widened by Government in consultation with eminent jurists.

4.1.5 The one point that remains is the tenure of the Commission. In the nature of the work that Administrative Reforms Committee has envisaged for the Commission, what is indicated is a permanent Law Commission. However, as in other recommendations made, Administrative Reforms Committee would suggest a cautious approach while dealing with important areas of new ideas and proposals. For the time being, the State Law Commission may be given a tenure of five years. The experience of this initial term may be assessed by the Government and appropriate decision taken whether the Commission may be made permanent, and the Chairman and Members given specific tenures.

E.K.NAYANAR
Chief Minister of Kerala & Chairman

V.J.THANKAPPAN
Vice Chairman

K.V.RABINDRAN NAIR
Member

C.J.JOSEPH
Member

Dr.K.K.SUBRAHMANIAN
Member

S.M.VIJAYANAND
Member Secretary
## LIST OF ENACTMENTS APPLICABLE TO KERALA STATE

### 1. ENACTMENTS APPLICABLE TO TRAVALCORE ONLY

(Arranged alphabetically)

<table>
<thead>
<tr>
<th>No.</th>
<th>Act Title</th>
<th>Proclamation Date</th>
</tr>
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<tr>
<td>1.</td>
<td>Anjinad Kannan Devan Hills Proclamation</td>
<td>1075</td>
</tr>
<tr>
<td>2.</td>
<td>Christian Guardianship Act, 11 of 1116</td>
<td>1116</td>
</tr>
<tr>
<td>3.</td>
<td>Christian Succession Act, 2 of 1092</td>
<td>1092</td>
</tr>
<tr>
<td>4.</td>
<td>Credit Bank Act, 4 of 1113</td>
<td>1113</td>
</tr>
<tr>
<td>5.</td>
<td>Edavagal Rights acquisition Act, 27 of 1955</td>
<td>1955</td>
</tr>
<tr>
<td>6.</td>
<td>Enfranchisement of Sirkar, Pattom Lands Proclamation</td>
<td>1040, 1073</td>
</tr>
<tr>
<td>7.</td>
<td>Game and Fish Protection Act, 12 of 1089</td>
<td>1089</td>
</tr>
<tr>
<td>8.</td>
<td>Hindu Widows' Remarriage Act, 4 of 1114</td>
<td>1114</td>
</tr>
<tr>
<td>10.</td>
<td>Kandukrishi Proclamation of 1124</td>
<td>1124</td>
</tr>
<tr>
<td>11.</td>
<td>Law Reforms (Miscellaneous Provisions), Act 12 of 1124</td>
<td>1124</td>
</tr>
<tr>
<td>12.</td>
<td>Markets Act, 7 of 1092</td>
<td>1092</td>
</tr>
<tr>
<td>13.</td>
<td>Metals and Minerals Proclamation of 1056</td>
<td>1056</td>
</tr>
<tr>
<td>14.</td>
<td>Munroe Islands Proclamation of 1105</td>
<td>1105</td>
</tr>
<tr>
<td>15.</td>
<td>Oodukur Settlement Proclamation of 1122</td>
<td>1122</td>
</tr>
<tr>
<td>16.</td>
<td>Palliport Farm Proclamation of 1085</td>
<td>1085</td>
</tr>
<tr>
<td>17.</td>
<td>Pattazhi Devaswam Land (Vesting and Enfranchisement) Act 21 of 1961</td>
<td>1961</td>
</tr>
<tr>
<td>18.</td>
<td>Payment of Allowances to Janmis Proclamation of 1093</td>
<td>1093</td>
</tr>
<tr>
<td>19.</td>
<td>Prevention of Begging Act, 13, of 1120</td>
<td>1120</td>
</tr>
<tr>
<td>20.</td>
<td>Public Canals and Public Ferries Act, 6 of 1096</td>
<td>1096</td>
</tr>
<tr>
<td>21.</td>
<td>Public Debt Act, 20, of 1112 (see also Central Act, 57 of 1956)</td>
<td>1956</td>
</tr>
<tr>
<td>22.</td>
<td>Pulinthuruthu Kuthakapattom Land Proclamation of 1118</td>
<td>1118</td>
</tr>
<tr>
<td>23.</td>
<td>Revenue Settlement Proclamation of 1061</td>
<td>1061</td>
</tr>
<tr>
<td>24.</td>
<td>Service Inam Lands, (Mathilakom) Proclamation of 1110</td>
<td>1110</td>
</tr>
<tr>
<td>25.</td>
<td>Sirkar Relinquishing Claims to Properties Descending on convert heirs of Hindu Proclamation of 1044</td>
<td>1044</td>
</tr>
<tr>
<td>26.</td>
<td>Styling of Regulations as Acts Proclamation of 1114</td>
<td>1114</td>
</tr>
<tr>
<td>27.</td>
<td>Tax on Lands Granted for Coffee or Tea cultivation Proclamation of 1086</td>
<td>1086</td>
</tr>
<tr>
<td>28.</td>
<td>Tolls recovery Act, 4, of 1088</td>
<td>1088</td>
</tr>
<tr>
<td>29.</td>
<td>Town and Country Planning Act, 21 of 1120</td>
<td>1120</td>
</tr>
</tbody>
</table>

### 2. ENACTMENTS APPLICABLE TO COCHIN ONLY
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30.</td>
<td>Amending Act, 1 of 1109</td>
<td>1109</td>
</tr>
<tr>
<td>31.</td>
<td>Amending Proclamation, 15 of 1118</td>
<td>1118</td>
</tr>
<tr>
<td>32.</td>
<td>Assumption of Cheranelur Swaroopam Proclamation, 5 of 1117</td>
<td>1117</td>
</tr>
<tr>
<td>34.</td>
<td>Assumption of Paliam Estate Proclamation, 1 of 1123</td>
<td>1123</td>
</tr>
<tr>
<td>35.</td>
<td>Carriers Act, 16 of 1112</td>
<td>1112</td>
</tr>
<tr>
<td>36.</td>
<td>Chittur Cess Recovery Act, 2 of 1123</td>
<td>1123</td>
</tr>
<tr>
<td>37.</td>
<td>Christian Civil Marriage Act, 5 of 1095</td>
<td>1095</td>
</tr>
<tr>
<td>38.</td>
<td>Collective Fines Proclamation, 23 of 1117</td>
<td>1117</td>
</tr>
<tr>
<td>39.</td>
<td>Cultivable Lands left Uncultivated-Penalising of Proclamation, 19 of 1110</td>
<td>1110</td>
</tr>
<tr>
<td>40.</td>
<td>Debt Conciliation Act, 26 of 1112</td>
<td>1112</td>
</tr>
<tr>
<td>41.</td>
<td>Denial of Value of Improvements under Food Production Scheme Proclamation, 18 of 1117</td>
<td>1117</td>
</tr>
<tr>
<td>42.</td>
<td>Devaswom Proclamation of 1085</td>
<td>1085</td>
</tr>
<tr>
<td>43.</td>
<td>Devaswom Verumpattom Settlement Proclamation, 23 of 1118</td>
<td>1118</td>
</tr>
<tr>
<td>44.</td>
<td>Epidemic Diseases Act, 1 of 1072</td>
<td>1072</td>
</tr>
<tr>
<td>45.</td>
<td>Ferries and Tolls Act, 3 of 1082</td>
<td>1082</td>
</tr>
<tr>
<td>46.</td>
<td>Forest Stream Tramway Act, 5 of 1082</td>
<td>1082</td>
</tr>
<tr>
<td>47.</td>
<td>Joint Land Registration Act, 2 of 1103</td>
<td>1103</td>
</tr>
<tr>
<td>48.</td>
<td>Juvenile Smoking Act, 2 of 1096</td>
<td>1096</td>
</tr>
<tr>
<td>49.</td>
<td>Kanams and Panayams Proclamation, 3 of 1112</td>
<td>1112</td>
</tr>
<tr>
<td>50.</td>
<td>Koodalmanickam Temple Proclamation, 9 of 1115</td>
<td>1115</td>
</tr>
<tr>
<td>51.</td>
<td>Landing and Shipping Fees Proclamation, 3 of 1113</td>
<td>1113</td>
</tr>
<tr>
<td>52.</td>
<td>Loans Proclamation of 1109</td>
<td>1109</td>
</tr>
<tr>
<td>53.</td>
<td>Mulamkunnathukave Tuberculosis Sanatorium (Regulation of Buildings) Act, 25 of 1123</td>
<td>1123</td>
</tr>
<tr>
<td>54.</td>
<td>Naduvil Madam-Provisions of Revenue Recovery Act made applicable proclamation, 2 of 1114</td>
<td>1114</td>
</tr>
<tr>
<td>55.</td>
<td>Obstruction in fairways Act, 14 of 1112</td>
<td>1112</td>
</tr>
<tr>
<td>56.</td>
<td>Paliyam Proclamation, 8 of 1124</td>
<td>1124</td>
</tr>
<tr>
<td>57.</td>
<td>Palliyaramuthelpiddi Estate-Making applicable the Revenue Recovery Act, Proclamation, 7 of 1115</td>
<td>1115</td>
</tr>
<tr>
<td>58.</td>
<td>Pallippurathu Pazhur Illam Assumption of-Proclamation, 12 of 1118</td>
<td>1118</td>
</tr>
<tr>
<td>59.</td>
<td>Penalties Enhancement Proclamation, 15 of 1117</td>
<td>1117</td>
</tr>
<tr>
<td>60.</td>
<td>Prot Roads Control Act, 10 of 1117</td>
<td>1117</td>
</tr>
<tr>
<td>61.</td>
<td>Prevention of Dedication Act, 26 of 1111</td>
<td>1111</td>
</tr>
<tr>
<td>62.</td>
<td>Prevention of Rubber Theft Act, 7 of 1089.</td>
<td>1089</td>
</tr>
<tr>
<td>63.</td>
<td>Public Canals and Backwaters Navigation Act, 2 of 1092</td>
<td>1092</td>
</tr>
<tr>
<td>64.</td>
<td>Relief to Curies Subscribers Proclamation of 1111 Extending Proclamation, 1 of 1112</td>
<td>1112</td>
</tr>
<tr>
<td>No.</td>
<td>Enactment</td>
<td>Year</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>65</td>
<td>Settlement Proclamation of 1980</td>
<td>1980</td>
</tr>
<tr>
<td>66</td>
<td>Statistics Act, 34 of 1924 (See also Central Collection of Statistics Act)</td>
<td>1924</td>
</tr>
<tr>
<td>67</td>
<td>Styling of Enactments as Acts proclamation, 5 of 1912</td>
<td>1912</td>
</tr>
<tr>
<td>68</td>
<td>Town Councils Act, 26 of 1914 (Kept in abeyance by Proclamation 9 of 1924)</td>
<td>1914</td>
</tr>
<tr>
<td>69</td>
<td>Vagrancy Act, 21 of 1920</td>
<td>1920</td>
</tr>
<tr>
<td>70</td>
<td>Valiamma Thampuran Kovilakom Estate and Palace Fund Proclamation 9 of 1924</td>
<td>1924</td>
</tr>
<tr>
<td>71</td>
<td>Valiamma Thampuran Kovilakom Estate and the Palace Fund (Partition) act, 1961 (Kerala Act 16 of 1961)</td>
<td>1961</td>
</tr>
<tr>
<td>72</td>
<td>Validating and Indemnity Act, 10 of 1109</td>
<td>1109</td>
</tr>
<tr>
<td>73</td>
<td>Vesting the Management of the Kerala Varma College in the Devaswom Commissioner Proclamation, 2 of 1924</td>
<td>1924</td>
</tr>
<tr>
<td>74</td>
<td>Adaptation of Laws Act, 29 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>75</td>
<td>Administration and Application of Laws Act, 6 of 1125</td>
<td>1125</td>
</tr>
<tr>
<td>76</td>
<td>Drugs Control Act, 23 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>77</td>
<td>Electricity Supply Surcharges (Repeal) Act, 37 of 1971</td>
<td>1971</td>
</tr>
<tr>
<td>78</td>
<td>Entertainment Tax (Validation of Levy and Collection) Act, 26 of 1955</td>
<td>1955</td>
</tr>
<tr>
<td>79</td>
<td>Evacuee Interest (Separation) Travancore-Cochin Supplementary Act, 4 of 1954 (Adapted by A.L.O. (Kerala) 1956</td>
<td>1956</td>
</tr>
<tr>
<td>80</td>
<td>Fisheries Act, 34 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>81</td>
<td>Hindu Religious Institutions Act, 15 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>82</td>
<td>Irrigation Act, 7 of 1956</td>
<td>1956</td>
</tr>
<tr>
<td>83</td>
<td>Irrigation Tanks (Preservation and Improvement) Act, 23 of 1952</td>
<td>1952</td>
</tr>
<tr>
<td>84</td>
<td>Literary, Scientific and Charitable Societies Registration Act, 12 of 1955</td>
<td>1955</td>
</tr>
<tr>
<td>85</td>
<td>Local Authorities (Alteration of Financial Year) Act, 13 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>86</td>
<td>Luxury Tax on Tobacco Validation Act, 9 of 1964</td>
<td>1964</td>
</tr>
<tr>
<td>87</td>
<td>Medical Practitioners' Act, 9 of 1953</td>
<td>1953</td>
</tr>
<tr>
<td>88</td>
<td>Motor Vehicles Act, 10 of 1125 (See also Central Acts 4 of 1939, 3 of 1951 and 5 of 1960)</td>
<td>1125</td>
</tr>
<tr>
<td>89</td>
<td>Municipal (Temporary Provisions) Act, 3 of 1953</td>
<td>1953</td>
</tr>
<tr>
<td>90</td>
<td>Fisheries Act, 17 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>91</td>
<td>Prisons Act, 18 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>92</td>
<td>Public Health Act, 16 of 1955</td>
<td>1955</td>
</tr>
<tr>
<td>93</td>
<td>Public Safety Measures Act, 5 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>94</td>
<td>Sale of Khadar Act, 20 of 1951</td>
<td>1951</td>
</tr>
<tr>
<td>No.</td>
<td>Enactment</td>
<td>Year</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>95</td>
<td>Town Planning Act, 4 of 1108</td>
<td>1108</td>
</tr>
<tr>
<td>96</td>
<td>Transfer of Property (Agriculture Lands) Act, 11 of 1955</td>
<td>1955</td>
</tr>
<tr>
<td>97</td>
<td>Vehicles Taxation Act, 14 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>98</td>
<td>Administration of Estates Regulation, 3 of 1802</td>
<td>1802</td>
</tr>
<tr>
<td>99</td>
<td>Aided Institutions (Prohibition of Transfers of Property) Act, 14 of 1948</td>
<td>1948</td>
</tr>
<tr>
<td>100</td>
<td>Betting Tax Act, 20 of 1935</td>
<td>1935</td>
</tr>
<tr>
<td>101</td>
<td>Canals and Public Ferries Act, 2 of 1890</td>
<td>1890</td>
</tr>
<tr>
<td>102</td>
<td>Coffee stealing Prevention Act, 8 of 1878</td>
<td>1878</td>
</tr>
<tr>
<td>103</td>
<td>Commercial Crops markets Act, 20 of 1933</td>
<td>1933</td>
</tr>
<tr>
<td>104</td>
<td>Cotton Control Act, 15 of 1952</td>
<td>1952</td>
</tr>
<tr>
<td>105</td>
<td>Cotton (Trade Stocks) Census Act, 47 of 1949</td>
<td>1949</td>
</tr>
<tr>
<td>106</td>
<td>Debt Conciliation Act, 11 of 1936</td>
<td>1936</td>
</tr>
<tr>
<td>107</td>
<td>Debtor's Protection Act, 7 of 1935</td>
<td>1935</td>
</tr>
<tr>
<td>108</td>
<td>Decentralisation Act, 8 of 1914</td>
<td>1914</td>
</tr>
<tr>
<td>110</td>
<td>District Limits (Madras) Act, 1 of 1865</td>
<td>1865</td>
</tr>
<tr>
<td>111</td>
<td>Drugs (Control) Act, 30 of 1949</td>
<td>1949</td>
</tr>
<tr>
<td>112</td>
<td>Educational Institutions (Temporary Control of Property) Act, 48 of 1949</td>
<td>1949</td>
</tr>
<tr>
<td>113</td>
<td>Electricity Undertakings (Aquisition) Act, 29 of 1954.</td>
<td>1954</td>
</tr>
<tr>
<td>114</td>
<td>Enfranchised Inams Act, 4 of 1862</td>
<td>1862</td>
</tr>
<tr>
<td>115</td>
<td>Enfranchised Inams Act, 4 of 1866</td>
<td>1866</td>
</tr>
<tr>
<td>116</td>
<td>Equitable Assurance Society's Act, 6 of 1869</td>
<td>1869</td>
</tr>
<tr>
<td>117</td>
<td>Estate, Communal, Forest and Private Lands (Prohibition of Alienation) Act, 14 of 1947</td>
<td>1947</td>
</tr>
<tr>
<td>118</td>
<td>Estates Land Act, 1 of 1908</td>
<td>1908</td>
</tr>
<tr>
<td>119</td>
<td>Estates Land (Reduction of Rent) Act, 30 of 1947</td>
<td>1947</td>
</tr>
<tr>
<td>120</td>
<td>Madras General Sales Tax (Revival and Special provisions) Act, 14 of 1971</td>
<td>1971</td>
</tr>
<tr>
<td>121</td>
<td>Madras General Sales Tax (Turnover and Assessment) Rules Validation Act, 1963</td>
<td>1963</td>
</tr>
<tr>
<td>123</td>
<td>Hill Stations (Preservation of Trees) Act, 17 of 1955</td>
<td>1955</td>
</tr>
<tr>
<td>124</td>
<td>Hindus Religious and Charitable Endowments Act, 19 of 1951</td>
<td>1951</td>
</tr>
<tr>
<td>125</td>
<td>Hindu Wills Regulation, 5 of 1829</td>
<td>1829</td>
</tr>
<tr>
<td>126</td>
<td>Inams Act, 8 of 1869</td>
<td>1869</td>
</tr>
<tr>
<td>127</td>
<td>Indian Civil Service (Madras) Loans Prohibition Regulation, 19 of 1802</td>
<td>1802</td>
</tr>
<tr>
<td>128</td>
<td>Installation of Oil Engines Temporary Permission Act, 23 of 1954</td>
<td>1954</td>
</tr>
<tr>
<td>129</td>
<td>Irrigation Cess Act, 7 of 1865</td>
<td>1865</td>
</tr>
<tr>
<td>No.</td>
<td>Act Title</td>
<td>Year</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>130</td>
<td>Irrigation (Levy of Betterment Contribution) Act, 3 of 1955</td>
<td>1955</td>
</tr>
<tr>
<td>131</td>
<td>Irrigation Tanks (Improvement) Act, 19 of 1949</td>
<td>1949</td>
</tr>
<tr>
<td>132</td>
<td>Irrigation (Voluntary Cess) Act, 13 of 1942</td>
<td>1942</td>
</tr>
<tr>
<td>133</td>
<td>Irrigation Works (Repairs, Improvement and Construction) Act, 18 of 1943</td>
<td>1943</td>
</tr>
<tr>
<td>134</td>
<td>Jute (Control of Prices and Sales) Act, 5 of 1950</td>
<td>1950</td>
</tr>
<tr>
<td>135</td>
<td>Jute Goods Control Act, 28 of 1949</td>
<td>1949</td>
</tr>
<tr>
<td>136</td>
<td>Land Registration Regulation, 26 of 1802</td>
<td>1802</td>
</tr>
<tr>
<td>137</td>
<td>Lapsed Acts Removal of Doubts Act, 5 of 1948</td>
<td>1948</td>
</tr>
<tr>
<td>138</td>
<td>Limited Proprietors Act, 4 of 1911</td>
<td>1911</td>
</tr>
<tr>
<td>139</td>
<td>Malabar Irrigation Works (Construction and Levy of Cess) Act, 7 of 1947</td>
<td>1947</td>
</tr>
<tr>
<td>140</td>
<td>Malabar Land Registration Act, 3 of 1896</td>
<td>1896</td>
</tr>
<tr>
<td>141</td>
<td>Malabar Wills Act, 5 of 1898</td>
<td>1898</td>
</tr>
<tr>
<td>142</td>
<td>Mappila Marumakkathayam Act, 17 of 1939</td>
<td>1939</td>
</tr>
<tr>
<td>143</td>
<td>Mappila Succession Act, 1 of 1918</td>
<td>1918</td>
</tr>
<tr>
<td>144</td>
<td>Mappila Wills Act, 7 of 1928</td>
<td>1928</td>
</tr>
<tr>
<td>145</td>
<td>Medical Registration Act, 4 of 1914</td>
<td>1914</td>
</tr>
<tr>
<td>146</td>
<td>Minor Ports Fund Act, 19 of 1938</td>
<td>1938</td>
</tr>
<tr>
<td>147</td>
<td>Minors Estates (Sale of) Regulation, 10 of 1831</td>
<td>1831</td>
</tr>
<tr>
<td>148</td>
<td>Mulgeni Rent Enhancement Act, 13 of 1920</td>
<td>1920</td>
</tr>
<tr>
<td>149</td>
<td>Official Seats Act, 6 of 1865</td>
<td>1865</td>
</tr>
<tr>
<td>150</td>
<td>Out Ports Landing and Shipping Fees Act, 3 of 1885</td>
<td>1885</td>
</tr>
<tr>
<td>151</td>
<td>Permanent Settlement Regulation ,25 of 1802 (See Regulation 4 of 1822)</td>
<td>1802</td>
</tr>
<tr>
<td>152</td>
<td>Ports Police Act, 1 of 1881</td>
<td>1881</td>
</tr>
<tr>
<td>153</td>
<td>Prevention of begging Act, 13 of 1945</td>
<td>1945</td>
</tr>
<tr>
<td>154</td>
<td>Prevention of Coughing Act, 12 of 1945</td>
<td>1945</td>
</tr>
<tr>
<td>155</td>
<td>Public Health Act, 3 of 1939</td>
<td>1939</td>
</tr>
<tr>
<td>156</td>
<td>Railway Protection Act, 4 of 1886</td>
<td>1886</td>
</tr>
<tr>
<td>157</td>
<td>The Kerala Restriction on Transfer by and Restoration of lands</td>
<td></td>
</tr>
<tr>
<td></td>
<td>to Scheduled Tribes Act, 12 of 1999</td>
<td>1999</td>
</tr>
<tr>
<td>158</td>
<td>Re-enacting and Repealing (No.1) Act, 7 of 1948</td>
<td>1948</td>
</tr>
<tr>
<td>159</td>
<td>Re-enacting (No.II) Act, 8 of 1948</td>
<td>1948</td>
</tr>
<tr>
<td>160</td>
<td>Re-enacting (No.III) Act 9 of 1948</td>
<td>1948</td>
</tr>
<tr>
<td>161</td>
<td>Re-enacting Act, 10 of 1949</td>
<td>1949</td>
</tr>
<tr>
<td>162</td>
<td>Re-enacting Act, 3 of 1950</td>
<td>1950</td>
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<td>163</td>
<td>Repealing and Amending Act, 14 of 1951</td>
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<td>Repealing and Amending Act, II of 1952</td>
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<td>Repealing and Amending Act, 36 of 1955</td>
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<td>166</td>
<td>Regulation of the Sale of Cloth (Repeal) Act, 9 of 1944</td>
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<td>167</td>
<td>Removal of Civil Disabilities Act, 21 of 1938</td>
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<td>168</td>
<td>Revenue Recovery (Military Proprietors) Regulation, 8 of 1917</td>
<td>1917</td>
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<td>No.</td>
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<tr>
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<td>169</td>
<td>Rivers Conservency Act, 6 of 1884</td>
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<td>170</td>
<td>Sati Regulation, 1 of 1830</td>
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<td>171</td>
<td>Silk Worm Seed (Production, Supply, and Distribution) Act, 23 of 1956</td>
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<td>172</td>
<td>Sugar Factories Control Act, 20 of 1949</td>
<td>1949</td>
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<td>173</td>
<td>Suppression of Disturbances Act, 3 of 1948</td>
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<td>174</td>
<td>Towns Nuisances Act, 3 of 1889</td>
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</tr>
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<td>175</td>
<td>Town Planning Act, 7 of 1920</td>
<td>1920</td>
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<td>176</td>
<td>Traffic Control Act, 5 of 1938</td>
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<tr>
<td>177</td>
<td>Tuberculosis Sanatoria Regulation of Buildings Act, 16 of 1947</td>
<td>1947</td>
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<td>178</td>
<td>Vexatious Litigation (Prevention) Act, 8 of 1949</td>
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<td>179</td>
<td>Village Lands Disputes Regulation, 12 of 1816</td>
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<td>180</td>
<td>Village Police Regulation, 11 of 1816</td>
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### 5. STATE ENACTMENTS APPLICABLE TO WHOLE OF KERALA

<table>
<thead>
<tr>
<th>No.</th>
<th>Act Title</th>
<th>Year</th>
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<tbody>
<tr>
<td>181</td>
<td>Abkari Act, 1 of 1077</td>
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<tr>
<td>182</td>
<td>Abkari Workers Welfare Fund Act, 1 of 1989</td>
<td>1989</td>
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<td>183</td>
<td>Additional Sales Tax Act, 20 of 1978</td>
<td>1978</td>
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<td>184</td>
<td>Additional Tax on Entertainments and Surcharge on Show Tax Act, 22 of 1963</td>
<td>1963</td>
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<td>188</td>
<td>Agriculturists Debt Relief Act, 11 of 1970 (Not now in force)</td>
<td>1970</td>
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<td>189</td>
<td>Agriculturists Loans Act, 27 of 1961</td>
<td>1961</td>
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<td>190</td>
<td>Agricultural/University Act, 33 of 1971</td>
<td>1971</td>
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<td>191</td>
<td>Agricultural Workers Act, 8 of 1974</td>
<td>1974</td>
</tr>
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<td>192</td>
<td>Anatomy Act, 17 of 1957</td>
<td>1957</td>
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<tr>
<td>193</td>
<td>Ancient Monuments and Archaeological Sites and Remains Act, 26 of 1969</td>
<td>1969</td>
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<td>194</td>
<td>Animal Diseases Act, 1967</td>
<td>1967</td>
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<tr>
<td>195</td>
<td>Animals and Bird Sacrifices Prohibition Act, 20 of 1968</td>
<td>1968</td>
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<td>196</td>
<td>Apartment Ownership Act, 5 of 1984</td>
<td>1984</td>
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<td>197</td>
<td>Beedi and Cigar Industrial premises (Regulation of conditions of works) Act, 8 of 1962</td>
<td>1962</td>
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<td>198</td>
<td>Beedi and Cigar Workers Welfare Fund Act, 18 of 1995</td>
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<td>199</td>
<td>Bonded Labour System (Abolition) Act, 29 of 1975</td>
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<td>200</td>
<td>Buildings (Lease and Rent Control) Act, 2 of 1965</td>
<td>1965</td>
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<td>201</td>
<td>Building Tax Act, 7 of 1975</td>
<td>1975</td>
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<td>202</td>
<td>Backward Classes (Reservation of Appointment of posts in the service under the State) Act, 16 of 1995</td>
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<td>203</td>
<td>Calicut University Act, 5 of 1975</td>
<td>1975</td>
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<td>204</td>
<td>Cashew Factories (Acquisition) Act, 29 of 1974</td>
<td>1974</td>
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<td>No.</td>
<td>Title of Act</td>
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<td>205</td>
<td>Cashew Factories (Requisitioning) Act, 6 of 1979</td>
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<td>206</td>
<td>Cashew Workers Relief and Welfare Fund Act, 1984</td>
<td>1984</td>
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<td>207</td>
<td>Casual, Temporary and Badli Workers (Wages) Act, 1989, 1 of 1990</td>
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<td>208</td>
<td>Cattle Trespass Act, 26 of 1961</td>
<td>1961</td>
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<td>209</td>
<td>Chalakkudy and Malappuram Municipal Councils (Extension of term of Councillors) Act, 5 of 1977</td>
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<td>210</td>
<td>Cinemas (Regulation) Act, 32 of 1958</td>
<td>1958</td>
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<td>211</td>
<td>Civil Courts Act, 1 of 1957</td>
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<td>212</td>
<td>Cochin University of Science and Technology Act, 31 of 1986</td>
<td>1986</td>
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<td>213</td>
<td>Coir Workers' Welfare Fund Act, 34 of 1987</td>
<td>1987</td>
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<td>214</td>
<td>Compensation for Tenants' Improvement Act, 29 of 1958</td>
<td>1958</td>
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<td>215</td>
<td>Command Areas Development Act, 37 of 1986</td>
<td>1986</td>
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<tr>
<td>216</td>
<td>Commission for Backward Classes Act, 11 of 1993</td>
<td>1993</td>
</tr>
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<td>217</td>
<td>Contingency Fund Act, 6 of 1957</td>
<td>1957</td>
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<td>218</td>
<td>Control of Poison Contaminated Articles (Validation) Act, 42 of 1958</td>
<td>1958</td>
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<td>219</td>
<td>Co-operative Agricultural Development Banks Act, 20 of 1984</td>
<td>1984</td>
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<td>220</td>
<td>Co-operative Hospital Complex and the Academy of Medical Sciences (Taking over the management) Act, 6 of 1997</td>
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<td>221</td>
<td>Co-operative Societies Act, 21 of 1969</td>
<td>1969</td>
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<tr>
<td>222</td>
<td>Court Fees and Suits Valuation Act, 10 of 1960</td>
<td>1960</td>
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<td>223</td>
<td>Court of Wards Act, 3 of 1967</td>
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<td>Destruction of Records Act, 2 of 1962</td>
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<td>225</td>
<td>Dramatic Performances Act, 41 of 1961</td>
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### 6. ENACTMENTS APPLICABLE TO WHOLE OF KERALA

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<tr>
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<th>Title of Act</th>
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<tbody>
<tr>
<td>226</td>
<td>Drugs and Other Stores (Unlawful Possession) Act, 17 of 1971</td>
<td>1971</td>
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<td>227</td>
<td>Education Act, 6 of 1959</td>
<td>1959</td>
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<td>228</td>
<td>Electricity Duty Act, 23 of 1963</td>
<td>1963</td>
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<td>229</td>
<td>Electricity Duty (Validation) Act, 3 of 1965</td>
<td>1965</td>
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<td>Electricity Surcharge Levy and Collection Act, 22 of 1989</td>
<td>1989</td>
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<td>231</td>
<td>Engineering Technicians Co-operative Societies (Acquisition and Transfer of Undertakings) Act, 20 of 1977</td>
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<td>232</td>
<td>Enquiries and Summons Act, 24 of 1960</td>
<td>1960</td>
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<td>233</td>
<td>Escheats and Forfeitures Act, 4 of 1964</td>
<td>1964</td>
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<td>234</td>
<td>Essential Articles Control Act, 13 of 1986</td>
<td>1986</td>
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<td>235</td>
<td>Essential Services (Maintenance) Act, 6 of 1994</td>
<td>1994</td>
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<td>236</td>
<td>Evacuee Interest (Separation) Kerala Supplementary Act, 19 of 1960</td>
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<td>237</td>
<td>Eviction of Unauthorised Occupants Act, 1968</td>
<td>1968</td>
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<td>238</td>
<td>Fire Force Act, 20 of 1962</td>
<td>1962</td>
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<td>239</td>
<td>Fishermen's Welfare Fund Act, 30 of 1985</td>
<td>1985</td>
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<td>241</td>
<td>Forest Act, 1961 (4 of 1962)</td>
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<td>Forest Produce (Fixation of Selling) Price Act, 29 of 1978</td>
<td>1978</td>
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<td>243</td>
<td>Gaming Act, 20 of 1960</td>
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<td>244</td>
<td>General Sales-tax Act, 15 of 1963</td>
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<td>General Sales-tax (Amendment and Validation) Act, 10 of 1963</td>
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<td>General Sales Tax (Levy and Validation) Act, 4 of 1965</td>
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<td>General Sales Tax (Validation) Act, 8 of 1964</td>
<td>1964</td>
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<td>248</td>
<td>Gifts Goods (Unlawful Possession) Act, 6 of 1963</td>
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<td>249</td>
<td>Government Land Assignment Act, 30 of 1960</td>
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<td>250</td>
<td>Grants and Leases (modification of Rights) Act, 16 of 1980</td>
<td>1980</td>
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<td>251</td>
<td>Guruvayoor Devaswom Act, 14 of 1978</td>
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<td>Habitual Offenders Act, 28 of 1960</td>
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<td>Hackney Carriage Act, 18 of 1963</td>
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<td>Head Load Workers' Act 20 of 1980</td>
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<td>High Court Act, 5 of 1959</td>
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<td>257</td>
<td>Hindu Places of Public Worship (Authorisation of Entry) Act, 7 of 1965</td>
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<td>258</td>
<td>Homeguards Act, 16 of 1960</td>
<td>1960</td>
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<td>Identification of Prisoners Act, 39 of 1963</td>
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<td>Indian Easements (Extension Act, 5 of 1962)</td>
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<td>Industrial Establishments (National and Festival Holidays) Act, 47 of 1958</td>
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<td>Industrial Infrastructure Development Act, 3 of 1993</td>
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<td>263</td>
<td>Insolvency Act, 2 of 1956</td>
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<td>Interpretation and General Clauses Act, 7 of 1125</td>
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<td>The Kerala Industrial Revitalisation Fund Act, 18 of 1999</td>
<td>1999</td>
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<td>266</td>
<td>Irrigation Laws (Amendment) Act, 3 of 1978</td>
<td>1978</td>
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<td>267</td>
<td>Irrigation Works (Execution by Joint Labour) Act, 20 of 1967</td>
<td>1967</td>
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<td>Judicial Officers Protection Act, 4 of 1963</td>
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<td>Judicial Proceedings (Validation) Act, 33 of 1958</td>
<td>1958</td>
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<td>Judicial Proceedings (Validation) Act, 24 of 1971</td>
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<td>272</td>
<td>Kannan Tenancy Abolition Act, 16 of 1976</td>
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<td>273</td>
<td>Kannan Devan Hills (Resumption of Lands) Act, of 1971</td>
<td>1971</td>
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<td>274</td>
<td>Kannur University Act, 22 of 1996</td>
<td>1996</td>
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<td>Kerala University Act, 17 of 1974</td>
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<td>276</td>
<td>Khadi and Village Industries Board Act, 9 of 1957</td>
<td>1957</td>
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<td>Khadi Workers Welfare Fund Act, 1 of 1989</td>
<td>1989</td>
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<td>278</td>
<td>Koodalmanickam Devaswom Act, 7 of 1971</td>
<td>1971</td>
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<td>279</td>
<td>Kottayam Electric Supply Agency (Undertaking) Acquisition Act, 3 of 1980</td>
<td>1980</td>
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<td>Act Number</td>
<td>Act Name</td>
<td>Year</td>
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<td>281</td>
<td>Land Acquisition (Amendment and Validation) Act, 28 of 1985</td>
<td>1985</td>
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<td>Land Conservancy Act, 8 of 1958</td>
<td>1958</td>
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<td>283</td>
<td>Land Development Act, 17 of 1964</td>
<td>1964</td>
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<td>284</td>
<td>Land Development Corporation Limited (Special Powers) Act, 5 of 1974</td>
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<td>285</td>
<td>Land Relinquishment Act, 38 of 1958</td>
<td>1958</td>
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<td>286</td>
<td>Land Assignment Act, 1960</td>
<td>1960</td>
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<td>287</td>
<td>Land Reforms Act, 1 of 1964</td>
<td>1964</td>
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<td>288</td>
<td>The Kerala Lokayukta Act, 8 of 1999</td>
<td>1999</td>
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<td>289</td>
<td>Land Tax Act, 13 of 1961</td>
<td>1961</td>
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<td>290</td>
<td>Legislative Assembly (Removal of Disqualifications) Act, 15 of 1951</td>
<td>1951</td>
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<td>291</td>
<td>Lime Shells (Control) Act, 18 of 1958</td>
<td>1958</td>
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<td>292</td>
<td>Live Stock Improvement Act, 17 of 1961</td>
<td>1961</td>
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<td>293</td>
<td>The Kerala Local Authorities (Prohibition of Defection) Act, 11 of 1999</td>
<td>1999</td>
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<td>294</td>
<td>Local Authorities Entertainments Tax Act, 20 of 1961</td>
<td>1961</td>
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<td>295</td>
<td>Local Authorities Loans Act, 30 of 1963</td>
<td>1963</td>
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<td>296</td>
<td>Local Fund Audit Act, 14 of 1994</td>
<td>1994</td>
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<td>297</td>
<td>Mappila Marumakkathayam Act, XVII of 1939</td>
<td>1939</td>
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<td>298</td>
<td>Mahatma Gandhi University Act, 12 of 1985</td>
<td>1985</td>
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<td>Money Lenders act, 35 of 1958</td>
<td>1958</td>
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<td>Motor Transport Workers Payment of Fair Wages Act, 23 of 1971</td>
<td>1971</td>
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<td>Motor Vehicles Taxation Act, 19 of 1976</td>
<td>1976</td>
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<td>305</td>
<td>Municipalities Act, 20 of 1994</td>
<td>1994</td>
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<td>306</td>
<td>Muslim Personal Law (Shariat) Application (Kerala Amendment) Act, 42 of 1963</td>
<td>1963</td>
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<td>Non-trading Companies Act, 42 of 1961</td>
<td>1961</td>
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<td>308</td>
<td>Nurses and Midwives Act, 10 of 1953</td>
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<td>Panchayat Raj Act, 13 of 1994</td>
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<td>Parks, Playfields and Open Spaces (Preservation and Regulation) Act, 1968 (2 of 1969)</td>
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<td>Payment of Arrears of Rent in Instalments Act, 29 of 1979</td>
<td>1979</td>
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<td>313</td>
<td>Payment of Pension to the Members of Legislature Act, 46 of 1976</td>
<td>1976</td>
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<td>Payment of Salaries and Allowances Act, 14 of 1951</td>
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<td>Payment of subsistence Allowance Act, 27 of 1973</td>
<td>1973</td>
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<td>Places of Public Resort Act, 40 of 1963</td>
<td>1963</td>
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<td>Places of Public Resort (Validation of Levy and Collection of License Fee) Act, 27 of 1971</td>
<td>1971</td>
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<td>Plantation Tax Act, 17 of 1960</td>
<td>1960</td>
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<td>320</td>
<td>Plant Diseases and Pests Act, 25 of 1972</td>
<td>1972</td>
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<td>321</td>
<td>Police Act, 5 of 1961</td>
<td>1961</td>
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<td>Preservation of Private Forests Act, 16 of 1972</td>
<td>1972</td>
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<td>324</td>
<td>Preservation of Trees Act, 35 of 1966</td>
<td>1966</td>
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<td>325</td>
<td>Prevention and Control of Animal Diseases Act, 4 of 1967</td>
<td>1967</td>
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<td>326</td>
<td>Prevention of Disturbances of Public Meetings Act, 35 of 1961</td>
<td>1961</td>
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<td>327</td>
<td>Prevention of Eviction Act, 12 of 1966</td>
<td>1966</td>
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<td>328</td>
<td>Private Forests (Vesting and Assignment) Act, 26 of 1971</td>
<td>1971</td>
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<td>Profession Tax (Validation and Reassessment) Act, 26 of 1971</td>
<td>1971</td>
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<td>331</td>
<td>Prohibition Act, 13 of 1950</td>
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<td>332</td>
<td>Public Accountants Acts, 37 of 1963</td>
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<td>Public Servants (Inquiries) Act, 31 of 1963</td>
<td>1963</td>
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<td>Public Service Commission (Additional Functions) Act, 16 of 1964</td>
<td>1964</td>
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<tr>
<td>338</td>
<td>Public Service Commission (Additional Functions as respects the Kerala State Road Transport Corporation) Act, 3 of 1970</td>
<td>1970</td>
</tr>
<tr>
<td>339</td>
<td>Public Service Commission (Additional Functions as respects the services under Local Authorities) Act, 23 of 1973</td>
<td>1973</td>
</tr>
<tr>
<td>340</td>
<td>Public Service Commission (Additional Functions as respects certain Societies Act, 5 of 1996)</td>
<td>1996</td>
</tr>
<tr>
<td>341</td>
<td>Public Services Act, 19 of 1968, Public Works (Extension of Limitation) Kerala Amendment Act, 8 of 1971</td>
<td>1971</td>
</tr>
<tr>
<td>342</td>
<td>Raw Cashew Nuts (Marketing and Transport and Fixation of minimum price) Act, 14 of 1981</td>
<td>1981</td>
</tr>
<tr>
<td>344</td>
<td>Record of Rights Act, 26 of 1968</td>
<td>1968</td>
</tr>
<tr>
<td>346</td>
<td>Re-enacting Act, 11 of 1958</td>
<td>1958</td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
<td>Year</td>
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<tr>
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</tr>
<tr>
<td>347</td>
<td>The Kerala Revenue Card Act, 20 of 1997*</td>
<td>1997</td>
</tr>
<tr>
<td>348</td>
<td>Re-enacting Act, 23 of 1958</td>
<td>1958</td>
</tr>
<tr>
<td>349</td>
<td>Re-enacting Act, 33 of 1960</td>
<td>1960</td>
</tr>
<tr>
<td>350</td>
<td>Re-enacting Act, 8 of 1968</td>
<td>1968</td>
</tr>
<tr>
<td>351</td>
<td>Registration of Tourists Trade Act, 17 of 1991</td>
<td>1991</td>
</tr>
<tr>
<td>352</td>
<td>Relief Undertakings (Special Provisions) Act, 6 of 1962</td>
<td>1962</td>
</tr>
<tr>
<td>353</td>
<td>Revenue Recovery Act, 15 of 1968</td>
<td>1968</td>
</tr>
<tr>
<td>355</td>
<td>Road Transport Services (Validation) Act, 6 of 1957</td>
<td>1957</td>
</tr>
<tr>
<td>356</td>
<td>Sales Tax (Levy and Validation) Act, 4 of 1965</td>
<td>1965</td>
</tr>
<tr>
<td>357</td>
<td>(Scheduled Castes and Scheduled Tribes) Regulation of issue of Community Certificate Act, 11 of 1996</td>
<td>1996</td>
</tr>
<tr>
<td>358</td>
<td>Scheduled Tribes (Restriction on Transfer of Lands and Restoration of Alienated lands) Act, 31 of 1975</td>
<td>1975</td>
</tr>
<tr>
<td>360</td>
<td>Shops and Commercial Establishment Act, 34 of 1960</td>
<td>1960</td>
</tr>
<tr>
<td>361</td>
<td>Silent Valley Protected Area (Protection of Ecological Balance) Act, 14 of 1979</td>
<td>1979</td>
</tr>
<tr>
<td>362</td>
<td>Sick Textiles Undertakings (Acquisition and Transfer of Undertaking) Act, 27 of 1985</td>
<td>1985</td>
</tr>
<tr>
<td>365</td>
<td>Slum Areas (Improvement and Clearance) Act, 24 of 1981</td>
<td>1981</td>
</tr>
<tr>
<td>366</td>
<td>Small Cause Courts Act, 8 of 1957</td>
<td>1957</td>
</tr>
<tr>
<td>367</td>
<td>Sreepadam Land Enfranchisement Act, 20 of 1969</td>
<td>1969</td>
</tr>
<tr>
<td>368</td>
<td>Sree Pandaravaka Lands (Vesting and Enfranchisement) Act, 20 of 1971</td>
<td>1971</td>
</tr>
<tr>
<td>369</td>
<td>Stamp Act, 17 of 1959</td>
<td>1959</td>
</tr>
<tr>
<td>370</td>
<td>State Aid to Industries Act, 34 of 1963</td>
<td>1963</td>
</tr>
<tr>
<td>371</td>
<td>State Handlooms Weavers Co-operative Society (Special Provisions) Act, 6 of 1960</td>
<td>1960</td>
</tr>
<tr>
<td>372</td>
<td>State Housing Board Act, 19 of 1971</td>
<td>1971</td>
</tr>
<tr>
<td>373</td>
<td>State Legislature (Continuance of the use of the English Language) Act, 1 of 1965</td>
<td>1965</td>
</tr>
<tr>
<td>374</td>
<td>State Rural Development Board Act, 15 of 1971</td>
<td>1971</td>
</tr>
<tr>
<td>375</td>
<td>State Transport Authority and the Regional Transport Authorities (Continuance of the term of Office) Validation Act, 26 of 1960</td>
<td>1960</td>
</tr>
<tr>
<td>376</td>
<td>Sthanam Proprieties (Assumption of Temporary Management and Control) and Hindu Succession (Amendment) Act, 28 of 1958</td>
<td>1958</td>
</tr>
<tr>
<td>Act Number</td>
<td>Description</td>
<td></td>
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<tr>
<td>377</td>
<td>Suite for possession and Injunction (Re-transfer) Act, 9 of 1963</td>
<td></td>
</tr>
<tr>
<td>378</td>
<td>Supply of Paddy and Rice to Travancore Palace (Extinguishment of Rights and Liabilities) Act, 31 of 1976</td>
<td></td>
</tr>
<tr>
<td>379</td>
<td>Sree Sankaracharya University of Sanskrit Act, 5 of 1994</td>
<td></td>
</tr>
<tr>
<td>380</td>
<td>Surcharge on Taxes Act, 11 of 1957</td>
<td></td>
</tr>
<tr>
<td>381</td>
<td>Survey and Boundaries Act, 37 of 1961</td>
<td></td>
</tr>
<tr>
<td>382</td>
<td>Tailoring Workers' Welfare Fund Act, 16 of 1994</td>
<td></td>
</tr>
<tr>
<td>383</td>
<td>Taxation Laws (Continuation and Validation of Recovery Proceedings) Act, 23 of 1967</td>
<td></td>
</tr>
<tr>
<td>384</td>
<td>Tax on Employment Act, 14 of 1976</td>
<td></td>
</tr>
<tr>
<td>385</td>
<td>Tax on Entry of goods in Local Areas Act, 15 of 1994</td>
<td></td>
</tr>
<tr>
<td>386</td>
<td>Taxes on Luxuries in Hotels and Lodging Houses Act, 32 of 1976</td>
<td></td>
</tr>
<tr>
<td>387</td>
<td>Thiruppuvaram Payment (Abolition) Act, 19 of 1969</td>
<td></td>
</tr>
<tr>
<td>388</td>
<td>Tirur Municipal Council (Extension of Term of Office of Councillors) Act, 12 of 1979</td>
<td></td>
</tr>
<tr>
<td>389</td>
<td>Toddy Workers' Welfare Fund Act, 22 of 1969</td>
<td></td>
</tr>
<tr>
<td>390</td>
<td>Tolls Act, 6 of 1977</td>
<td></td>
</tr>
<tr>
<td>391</td>
<td>Torts (Miscellaneous Provisions) Act, 8 of 1977</td>
<td></td>
</tr>
<tr>
<td>392</td>
<td>Treasure Trove Act, 30 of 1968</td>
<td></td>
</tr>
<tr>
<td>393</td>
<td>Trivandrum Municipal Corporation (Dissolution) Act, 8 of 1976</td>
<td></td>
</tr>
<tr>
<td>394</td>
<td>University (Validation of Proceedings of Vice-chancellor) Act, 5 of 1963</td>
<td></td>
</tr>
<tr>
<td>395</td>
<td>Unregistered Cashew nut Factories prohibition Act, 11 of 1967</td>
<td></td>
</tr>
<tr>
<td>396</td>
<td>Village Courts Act, 6 of 1961</td>
<td></td>
</tr>
<tr>
<td>397</td>
<td>Warehouses Act, 2 of 1960</td>
<td></td>
</tr>
<tr>
<td>398</td>
<td>Water Supply and Sewerage Act, 14 of 1986</td>
<td></td>
</tr>
<tr>
<td>399</td>
<td>Weights and Measures (Enforcement) Act, 45 of 1958</td>
<td></td>
</tr>
<tr>
<td>400</td>
<td>Women's Commissions Act, 17 of 1995</td>
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</tr>
</tbody>
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COPY OF THE GOVERNMENT ORDER
APPOINTING A LAW COMMISSION FOR KERLA (1966)

GOVERNMENT OF KERALA

ABSTRACT

Law Commission for Kerala – Appointment – Ordered.

LAW DEPARTMENT
G.O. (MS) NO.5/66/Law.
Dated, Trivandrum, 14-1-1966.

ORDER

The Government of Kerala have for some time been considering the question of setting up a Law Commission for the purpose of advising the Government on the lines on which the State laws are to be simplified, consolidated, amended, revised and brought up-to-date in the light of judicial pronouncements on those laws and in conformity with the provisions of the Constitution and by removing therefrom anomalies and ambiguities which come to notice. The Government are convinced that setting up a Law Commission will go a long way in bringing the laws up-to-date as aforementioned and in plugging the loopholes in the laws.

2. Accordingly, the Government of Kerala are pleased to constitute a Law Commission for the State of Kerala and to appoint Shri. T.R. Balakrishna Iyer, District and Sessions Judge, Palghat, as its Chairman. The names of the other members of the Commission will be notified separately.

3: The terms of reference to the Commission will be –

(i) to examine the State laws in detail; and
(ii) to recommend, as a result of such examination, the lines on which the State laws should be simplified, consolidated, amended, revised or otherwise brought up-to-date.

4. In making its recommendations the principal objectives of the Commission will be –
(a) to simplify the State laws in general, and the procedural laws in particular;
(b) to ascertain if any of the provisions are inconsistent with the Constitution and suggest the necessary alterations or omissions;
(c) to remove anomalies and ambiguities brought to light by decisions of Courts of Law or otherwise;
(d) to consider local variations introduced by State legislation in the Concurrent Field, with a view to re-introducing and maintaining uniformity;
(e) to suggest modifications wherever necessary for implementing the directive principles of State Policy laid down in the Constitution;
(f) to suggest a general policy in revising the laws; and
(g) to examine such other matters relating to legislation as may be referred to the Commission from time to time by the Government in the Law Department.

5. The Commission is appointed in the first instance for a period of two years with effect from the date on which the Chairman assumes charge of his office.

6. The Headquarters of the Commission will be at Trivandrum.

7. The Chairman of the Commission, who will be a full time Chairman will be allowed a remuneration of Rs.2,000/- (Rupees two thousand only) per month. On superannuation Shri. T.R. Balakrishnan Iyer will be considered to have been re-employed in the post of the Chairman, Law Commission and his re-employment pay fixed as provided in Rule 119 – Part III, Kerala Service Rules.

8. The Commission may get the necessary stationery from the Controller of Stationery.

9. The Commission shall be assisted by a Secretary and such other officers and staff as may be considered necessary for its proper functioning, The Secretary shall be appointed by transfer from among Deputy Secretaries in the Law Department. Orders regarding the other staff will be issued separately.

10. The expenditure involved will be debited under a separate sub-head, namely “(iv) B. State Law Commission” to be opened under “19 General Administration – C. Secretariat sub-head “(iv) Law Department” will be denominated as “(iv) A Law Department”. Orders regarding opening the new sub-head and the essential units of appropriation thereunder will be issued from the Finance Department.

11. The constitution of the Law Commission will constitute a New Service. Pending the vote of the Legislature, funds required for incurring the expenditure will be provided by an advance out of the State Contingency Fund, orders regarding which will be issued separately.
By Order of the Governor,

P.UNNIKRISHNA KURUP,
Law Secretary.

To

The Registrar, High Court of Kerala (with C.L.)
Shri.T.R.Balakrishna Iyer, District Judge, Palghat
(through the Registrar, High Court of Kerala)
The Accountant General, Trivandrum (through Finance Department)
The Finance Department (vide para 10)
The Director of Treasuries, Trivandrum
The Public (Special) Department.
The Law (A) Department.
The Controller of Stationery.
The Director of Public Relations.
The Home Department.

Forwarded /By Order

Superintendent
The Tamil Nadu State Law Commission, was constituted first in 1994, as per an executive order of the Government of Tamil Nadu in G.O (Ms) No.216 dated, 9-5-94 by the Law Department, which is very similar to the Central Law Commission. When the government changed in 1996 the State Law Commission was dissolved, by the new Government, and the second Law Commission was constituted by an order of the Government of Tamil Nadu in G.O. (Ms) No.33/Law Department dated, 28th January 1997. Copies of the above orders are enclosed. The terms of reference of the State Law Commission are given in the Orders constituting the Law Commission. The tenure of the State Law Commission is also for a period of three years from the date of assumption of charge by the Chairman.

(2) Altogether three reports were given by the State Law Commission, Tamil Nadu, in which only one was on a reference by the Government. They are as follows:

1. Report on un-repealed Tamil Nadu regulations relating to the 19th century.
2. Report on Central acts and regulations having local application in Tamil Nadu (relating to 19th century).
3. Report on rendering justice to Villages (deals with constitution of Village courts)

None of the three reports have been approved by Government or placed in the Assembly.

The present setup of the State Law Commission, Tamil Nadu is as follows.

**Chairman**

Justice, M.M. Ismail

**Full Time Members**

1. Justice Padmiini Jesu durai (Retd. High Court Judge)
2. M.Muni Raman (Retd. Law Secretary)
Part Time Members

1. Vacant (Expired)
2. Mohan Das (Retd. District Judge)

Full time Member Secretary

S. Loordu Saami, Additional Secretary of Law Department

In addition to the Member Secretary, one Deputy Secretary from the Law Department, two Section Officers and three Assistants from Law Department are also working in the State Law Commission.
ABSTRACT
LAW COMMISSION- State Law Commission- Tamil Nadu- Reconstitution- Orders- Issued.

LAW (LAW COMMISSION) DEPARTMENT

Read: G.O.Ms. No.216, Law, dated 9-5-94

ORDER
In the Government order read above, the Government had originally constituted the State Law Commission. The Government hereby reconstitute the State Law Commission, Tamil Nadu as given below:-

1. Chairman
   Hone’ble Thiru Justice M.M.Ismail.

   2. Thiru M.Muniraman,
      Former Secretary to Government, Law Department.

3. Part-time Members - 1. Thiru N.Mohandoss,
   Retired District Judge.
   2. Thiru.C.Ramakrishnan
      Retired District Judge.

4. Full-time Member Secretary- Additional Secretary to Government
   Law Department, Chennai-9

2. The functions of the State Law Commission shall be as specified in G.O Ms. No.216, Law, dated 9-5-94.

3. Orders regarding the terms and conditions of appointment of Chairman, Full-time Members, Part-time Members and Full-time Member Secretary will be issued separately.

4. This order issues with the concurrence of the Finance Department vide its U.O.No.394/FS/P/97, dated, 28-01-1997

   (BY ORDER OF THE GOVERNOR)
   K.A.NAMBIAR
   CHIEF SECRETARY TO GOVERNMENT.

To
The Hon’ble Thiru Justice M.M.Ismail,
No.8, Justice Sundaram Iyer Road, Mylapore, Chennai- 600 004

The Hon’ble Tmt. Justice Padmini Jesudurai,
No.19, Akbarabad I Street, Kodambakkam, Chennai- 600 024
Thiru M.Muniraman, Former Secretary to Government, Law Department,
No.62, 3rd Street, 'W' Block, Anna Nagar, Chennai-600 040

Thiru N.Mohandoss, Retired District Judge,
No.7-B, Old Tower Block, Nandanam, Chennai – 600 035.

Thiru C.Ramakrishnan, Retired District Judge,
Kural Ilam, No.16 Karaneswarar Koil I Lane, Mylapore, Chennai-600 004

The Additional Secretary to Government, Law Department, Chennai- 600 009

All Secretaries to Government, Secretariat, Chennai-600 009
The Public (Special A/B) Department, Chennai- 600 009
The Home Department, Chennai-600 009
The Departments of Secretariat, Chennai-600009
The Registrar, High Court Chennai-600014
The Registrar Supreme Court, New Delhi.
All Heads of Departments.
All Collectors.
The Principal Accountant-General., Chennai-600018
The Accountant-General, Chennai-600009
The Pay and Accounts Officer, Chennai-600 009
The Director General of Police, Chennai –600 004
The Commissioner of Police, Chennai – 600 008.
The Chief Engineer (Buildings), Public Works Department, Chennai- 600 005
The Secretary to Government of India,
Ministry of Home Affairs, New Delhi.
The Secretary to Government of India,
Ministry of Law and Justice, Legislative Department, New Delhi.
The Secretary to Government of India,
Ministry of Law and Justice (Department of Justice) New Delhi.
The Member Secretary, Law Commission,
Government of India, Shastri Bhavan, New Delhi
The Secretary to Governor, Chennai – 600022
The Secretary to Chief Minister, Chennai-600009
The Senior Personal Assistant to Minister for Law, Chennai –600 009
The Secretary, Bar Council of India, New Delhi.
The Secretary, Tamil Nadu Bar Council, Chennai-600 104
The Senior Personal Assistants to all Ministers, Chennai-600009

Forwarded/By order

K.Kumaran,
SECTION OFFICER.
GOVERNMENT OF TAMIL NADU

ABSTRACT.

LAW COMMISSION- State Law Commission- Tamil Nadu- Reconstitution- Orders- Issued.

LAW DEPARTMENT

G.O.Ms.No.216

Dated the 9th May 1994.
Pava, Chithirai 26,
Thiruvalluvar Aandu 2025.

ORDER

The Government hereby constitute the State Law Commission to be called the State Law Commission, Tamil Nadu (hereinafter referred to as the “the Law Commission”).

2. The Law Commission shall consist of –
   1) a Chair person;
   2) two Full-time Members;
   3) two Part-time Members; and
   4) one Full-time Member Secretary.

3. The Government appoint Justice Thiru V.Ramaswami, retired Judge of the Supreme Court, as the Chairman of the Law Commission.

4. The tenure of the Law Commission shall be for a period of three years from the date of assumption of charge by the Chairman.

5. The Functions of the Law Commission are to examine each and every law that was enacted during the British regime and the laws that were enacted subsequently and give its opinion whether they are suitable or not, to the present day situation and also to suggest modifications or amendments to those laws accordingly, to the Government. The Law Commission shall examine whether the said laws are in consonance with the various decisions of the Supreme Court and High Court and to advise the Government on the changes that should be made in those laws. The Law Commission shall also—

(a) suggest suitable modifications or amendments to plug loopholes in the existing laws;
(b) suggest suitable-social, economic legislative, measures;
(c) suggest ways and means for the inter-State Relations and Centre-State Relations;
(d) make suggestions and recommendations for better and expeditious procedures on the judicial administrative reforms; and
(e) suggest modifications or amendments not only to State Laws but also to Central laws having application to this State.

6. The Law Commission shall endeavour to present the reports to the Government at the appropriate periods.

7. Orders regarding the terms and conditions of appointment of Chairman will be issued separately.

8. The Office of the Law Commission shall be located at Madras.

9. Orders regarding the appointment of Full-time Members, Part-time Members, Full-time Member Secretary and other staff of the Law Commission and Office accommodation etc., will be issued separately.

10. This order issues with the concurrence of the Finance Department vide its U.O.No.72/JS(K)/94-1, dated 9-5-94.

(BY ORDER OF THE GOVERNOR)

T.V.VENKATARAMAN
CHIEF SECRETARY TO GOVERNMENT.

To

Justice Thiru V.Ramaswami, Retired Judge,
Supreme Court,
No.54, Justice.V.Ramaswami Road, Kamaraj Avenue.

All Secretaries to Government, Secretariat, Madras – 600 009
The Public (Special A/B) Department, Madras-600009.
Home Department, Madras-600009
All Departments of Secretariat, Madras-600009
The Registrar, High Court, Madras-600104
The Registrar, Supreme Court, New Delhi.
All Heads of Departments.
All Collectors.
The Principal Accountant-General, Madras – 600018
The Accountant General, Madras-600009
The Pay and Accounts Office, Madras-600009
The Director General of Police, Madras-600004
The Commissioner of Police, Madras-600008.
The Chief Engineer (Buildings)
Public Work's Department, Madras-600005
The Secretary to Government of India, Ministry of Home Affairs, New Delhi.
The Secretary to Government of India, Ministry of Law and Justice, Legislative Department, New Delhi.
The Secretary to Government of India, Ministry of Law and Justice, (Department of Justice), New Delhi.
The Member Secretary, Law Commission, Government of India, Shastri Bhavan, New Delhi.
The Secretary to Governor, Madras-600002
The Secretary to Chief Minister, Madras-600009
The Senior Personal Assistant to Minister for Law, Madras-600009
The Secretary, Tamil Nadu bar Council, Madras-600014
Senior Personal Assistants to all Ministers-600 009

Forwarded / By Order

Section Officer
BRIEF HISTORY OF THE CENTRAL LAW COMMISSION

EARLY BEGINNINGS:

Law Reform has been a continuing process particularly during the last 200 years or more in Indian history. In the ancient period, religious and customary practices constituted law. However, since the third decade of the nineteenth century, Law Commissions were constituted by the Government from time to time and were empowered to recommend legislative reforms with a view to clarify, consolidate and codify particular branches of law where the Government felt the necessity for it. The first such Commission was established in 1834 under the Charter Act of 1833 under the Chairmanship of Lord Macaulay which recommended codification of the Penal Code, the Criminal Procedure Code and few other matters. Thereafter, the second, third and fourth Law Commissions were constituted in 1853, 1861 and 1879 respectively which, during a span of fifty years contributed a great deal to enrich the Indian Statute Book which a large variety of legislation as on the pattern of the then prevailing English Laws adapted to Indian conditions. The Indian Code of Civil Procedure, the Indian Contract Act, the Indian Evidence Act, the Transfer of Property Act etc. are products of the labour of the first four Law Commissions.

POST-INDEPENDENCE DEVELOPMENTS:

After independence, the Constitution of India with its Fundamental Rights and Directive Principles of State Policy gave a new direction to legal reform geared to the needs of a democratic order in a plural society. Though the Constitution stipulated the continuation of pre-Constitution Laws (Article 372) till they are amended or repealed, there were demands in Parliament and outside for establishing a Central Law Commission to recommend revision and updating of the inherited laws to serve the changing needs of the country. The Government of India responded favourably and established the First Law Commission of Independent India in 1955 with the then Attorney-General of India, Mr. M.C. Setalvad, as its Chairman.

So far fifteen more Law Commissions have been appointed, each with a three-year term and with different terms of reference. The names of Chairmen who presided over these Commissions are given below:

<table>
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<tr>
<th>Commission</th>
<th>Term</th>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Law Commission</td>
<td>1958-61</td>
<td>Mr. Justice T.V. Venkatarama Aiyer</td>
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<tr>
<td>Third Law Commission</td>
<td>1961-64</td>
<td>Mr. Justice J.L. Kapur</td>
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<td>Fourth Law Commission</td>
<td>1964-68</td>
<td>Mr. Justice J.L. Kapur</td>
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<tr>
<td>Fifth Law Commission</td>
<td>1968-71</td>
<td>Mr. K.V.K. Sundaram, I.C.S.</td>
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Sixth Law Commission 1971-74 Mr. Justice Dr. P.B. Gajendragadkar
Seventh Law Commission 1974-77 Mr. Justice Dr. P.B. Gajendragadkar
Eighth Law Commission 1977-79 Mr. Justice H.R. Khanna
Ninth Law Commission 1979-80 Mr. Justice P.V. Dixit
Tenth Law Commission 1981-85 Mr. Justice K.K. Mathew
Eleventh Law Commission 1985-88 Mr. Justice D.A. Desai
Twelfth Law Commission 1988-91 Mr. Justice M.P. Thakkar
Thirteenth Law Commission 1991-94 Mr. Justice K.N. Singh
Fourteenth Law Commission 1995-97 Mr. Justice K. Jayachandra Reddy
Fifteenth Law Commission 1997-2000 Mr. Justice B.P. Jeevan Reddy

The List of reports the earlier Law Commissions including present Law Commission have forwarded to the government during the past four decades is given at the end of this monograph.

THE FIFTEENTH LAW COMMISSION

The Fifteenth Law Commission was constituted through a Government order with effect from September 1, 1997. It will have a three-year term ending August 31, 2000. Besides the Member-Secretary, Dr. Subhash C. Jain, who has rank of Secretary to the Government of India in the Ministry of Law, Justice & Company Affairs, the Commission comprises of the following:

| Hon'ble Mr. Justice B.P. Jeevan Reddy, Former Judge Supreme Court of India | CHAIRMAN |
| Hon'ble Ms. Justice Leila Seth, Former Chief Justice Himachal Pradesh High Court | MEMBER |
| Dr. N.M. Ghatate, Senior Advocate | MEMBER |
| Professor (Dr.) N.R. Madhava Menon, Former Director, National Law School of India University | PART TIME MEMBER |

The Commission is empowered to have a few part-time Members and/or Consultants depending upon the need and on the approval of the Government. The Terms of Reference of the Fifteenth Law Commission are as follows:

I. Review/Repeal of obsolete laws:

(a) to identify laws which are no longer needed or relevant and can be immediately repealed;
(b) to identify laws which are in harmony with the existing climate of economic liberalisation which need no change;
(c) to identify laws which require changes or amendments and to make suggestions for their amendment;
(d) to consider in a wider perspective the suggestions for revision/amendment given by Expert Groups in various Ministries/Departments with a view to co-ordinating and harmonising them;
(e) to consider references made to it by Ministries/Departments in respect of legislation having bearing on the working of more than one Ministry Department;
(f) to suggest suitable measures for quick redressal of citizens grievances, in the field of law;

II. Law and Poverty

(a) to examine the law which affect the poor and carry out post-audit for socio-economic legislation;
(b) to take all such measures as may be necessary to harness law and the legal process in the service of the poor;

III. To keep under review the system of judicial administration to ensure that it is responsive to the reasonable demands of the times and in particular to secure:

(a) elimination of delays, speedy clearance of arrears and reduction in costs so as to secure quick and economical disposal of cases without affecting the cardinal principles that decisions should be just and fair
(b) simplification of procedure to reduce and eliminate technicalities and devices for delay so that it operates not as an end in itself but a means of achieving justice
(c) improvement of standards of all concerned with the administration of justice

IV. To examine the existing laws in the light of Directive Principles of State Policy and to suggest ways of improvement and reform and also to suggest such Legislation as might be necessary to implement Directive Principles and to attain the objective set out in the Preamble to the Constitution.

V. To revise the Central Acts of general importance so as to simplify them and to remove anomalies, ambiguities and inequities.

VI. To recommend to the Government measures for bringing the statute book up-to-date by repealing obsolete laws and enactments or parts thereof, which have out-lived their utility.

VII. To consider and to convey to the Government its views on any other object relating to law and judicial administration that may be referred to it;
FOLLOW-UP

The reports of the Law Commission are considered by the Ministry of Law in consultation with the concerned administrative Ministries and are submitted to Parliament from time to time. They are cited in Courts, in academic and public discourses and are acted upon by concerned Government Departments.

Out of 166 Reports so far submitted on different subjects, recommendations contained in 80 reports have been fully implemented by the Government. 17 Reports have not been implemented and 69 Reports are in different stages of consideration. This is fairly indicative of the importance that the Government of India attaches to the recommendations and the status the Commission enjoys in the scheme of legal reform in the country.

HOW DOES THE COMMISSION FUNCTION?

The Commission's regular staff consists of about a dozen research personnel of different ranks and varied experience. A small group of secretarial staff looks after the administration side of the Commission's operations.

Basically the projects undertaken by the Commission are initiated in the Commission's meetings which take place frequently. Priorities are discussed, topics are identified and preparatory work is assigned to each member of the Commission. Depending upon the nature and scope of the topic, different methodologies for collection of data and research are adopted keeping the scope of the proposal for reform in mind.

Discussion at Commission meetings helps not only in articulating the issues and focussing the research, but also evolving a consensus among members of the Commission. What emerges out of this preparatory work in the Commission is usually a working paper outlining the problem and suggesting matters deserving reform. The paper is then sent out for circulation in the public and concerned interest groups with a view to eliciting reactions and suggestions. Usually a carefully prepared questionnaire is also sent with the document.

The Law Commission has been particular to ensure that the widest sections of people are consulted in formulating proposals for reforms. In this process, partnerships are established with professional bodies and academic institutions. Seminars and workshops are organised in different parts of the country to elicit critical opinion on proposed strategies for reform.
Setting up of a Law Commission for Kerala State

The Commission welcomes suggestions from any person, institution or organisation on the issues under consideration of the Commission, which may be sent to the Member Secretary.

Once the data and informed views are assembled, the Commission's staff evaluates them and organises the information for appropriate introduction in the report which is written either by the Member-Secretary or one of the Members or the Chairman of the Commission. It is then subjected to close scrutiny by the full Commission in prolonged meetings. Once the Report and summary are finalised, the Commission may decide to prepare a draft amendment or a new bill which may be appended to its report. Thereafter, the final report is forwarded to the Government.

It is obvious that the success of the Commission's Work in legal reform is dependent upon its capacity to assemble the widest possible inputs from the public and concerned interest groups. The Commission is constantly on the lookout for strategies to accomplish this goal within the limited resources available to it. In this regard the media plays an important role which the Commission proposes to tap more frequently than before.
LAW COMMISSION OF INDIA

LIST OF REPORTS FORWARDED (1955-1999)

<table>
<thead>
<tr>
<th>No. of the Report</th>
<th>Subject</th>
<th>Year of Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Liability of the State in Torts.</td>
<td>1956</td>
</tr>
<tr>
<td>2.</td>
<td>Parliamentary Legislation</td>
<td>1956</td>
</tr>
<tr>
<td>3.</td>
<td>Limitation Act.</td>
<td>1956</td>
</tr>
<tr>
<td>4.</td>
<td>On the proposal that High Courts should sit in Benches at different places in a State.</td>
<td>1956</td>
</tr>
<tr>
<td>5.</td>
<td>British Statutes applicable to India</td>
<td>1957</td>
</tr>
<tr>
<td>6.</td>
<td>Registration Act</td>
<td>1957</td>
</tr>
<tr>
<td>7.</td>
<td>Partnership Act</td>
<td>1957</td>
</tr>
<tr>
<td>9.</td>
<td>Specific Relief Act</td>
<td>1958</td>
</tr>
<tr>
<td>10.</td>
<td>Law of Acquisition and Requisitioning of Land</td>
<td>1958</td>
</tr>
<tr>
<td>14.</td>
<td>Reform of Judicial Administration</td>
<td>1958</td>
</tr>
<tr>
<td>15.</td>
<td>Law relating to Marriage and Divorce amongst Christians in India</td>
<td>1960</td>
</tr>
<tr>
<td>16.</td>
<td>Official Trustees Act, 1913</td>
<td>1960</td>
</tr>
<tr>
<td>17.</td>
<td>Trusts Act, 1882</td>
<td>1961</td>
</tr>
<tr>
<td>18.</td>
<td>Converts Marriage Dissolution Act, 1886</td>
<td>1961</td>
</tr>
<tr>
<td>19.</td>
<td>Administrator-General’s Act 1918</td>
<td>1961</td>
</tr>
<tr>
<td>20.</td>
<td>Law of Hire Purchase.</td>
<td>1961</td>
</tr>
</tbody>
</table>

First Law Commission
(Chairman Mr. K.C. Sathe 1955-1958)

Second Law Commission
(Chairman Mr. Justice T.L. Venkatrama Aiyer 1958-1961)

Third Law Commission
### Fourth Law Commission
(Chairman Mr. Justice J.L. Kapur 1964-1968)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Proposal to include certain Social and Economic Offences in the Indian Penal Code</td>
<td>1966</td>
</tr>
<tr>
<td>30</td>
<td>Section 5 of the Central Sales Tax Act, 1956</td>
<td>1967</td>
</tr>
<tr>
<td>31</td>
<td>On Section 30(2) of the Indian Registration Act, 1908-extension to Delhi.</td>
<td>1967</td>
</tr>
<tr>
<td>32</td>
<td>On Section 9 of the Code of Criminal Procedure, 1878 appointment and transfer of Sessions Judges and Assistant Sessions Judges</td>
<td>1967</td>
</tr>
<tr>
<td>33</td>
<td>Section 45 of the Code of Criminal Procedure, 1878 suggestions to add provision relating to reporting of and disclosure in evidence about offences relating to Bribery.</td>
<td>1967</td>
</tr>
<tr>
<td>34</td>
<td>Indian Registration Act, 1908</td>
<td>1967</td>
</tr>
<tr>
<td>35</td>
<td>Capital Punishment</td>
<td>1967</td>
</tr>
<tr>
<td>36</td>
<td>Section 497, 498 and 499 of the code of Criminal Procedure, 1898</td>
<td>1967</td>
</tr>
<tr>
<td>37</td>
<td>Code of Criminal Procedure, 1898</td>
<td>1967</td>
</tr>
<tr>
<td>38</td>
<td>Indian Post Office Act, 1898</td>
<td>1968</td>
</tr>
</tbody>
</table>

### Fifth Law Commission
(Chairman Mr. K.V.K. Sundaram 1968-1971)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>39</td>
<td>Punishment of imprisonment for life under the Indian Penal Code</td>
<td>1968</td>
</tr>
<tr>
<td>40</td>
<td>Law relating to attendance of Prisoners in Courts</td>
<td>1969</td>
</tr>
<tr>
<td>41</td>
<td>Code of Criminal Procedure, 1898</td>
<td>1969</td>
</tr>
<tr>
<td>42</td>
<td>Indian Penal Code, 1860</td>
<td>1971</td>
</tr>
<tr>
<td>43</td>
<td>Offences against the National Security</td>
<td>1971</td>
</tr>
<tr>
<td>44</td>
<td>Appellate jurisdiction of the Supreme Court in Civil Matters</td>
<td>1971</td>
</tr>
</tbody>
</table>

### Sixth Law Commission

7th Report - KARC
## Seventh Law Commission
### (Chairman Mr.Justice Dr.P.B.Gajendragadkar 1974-1977)

<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>62.</td>
<td>Workman’s Compensation Act, 1923.</td>
<td>1974</td>
</tr>
<tr>
<td>63.</td>
<td>Interest Act, 1839</td>
<td>1975</td>
</tr>
<tr>
<td>64.</td>
<td>Suppression of Immoral Traffic in Women and Girls Act, 1956</td>
<td>1975</td>
</tr>
<tr>
<td>65.</td>
<td>Recognition of Foreign Divorce</td>
<td>1976</td>
</tr>
<tr>
<td>66.</td>
<td>Married Women’s Property Act, 1874</td>
<td>1976</td>
</tr>
<tr>
<td>67.</td>
<td>The Indian Stamp Act, 1899</td>
<td>1977</td>
</tr>
<tr>
<td>68.</td>
<td>The Powers of Attorney Act, 1882</td>
<td>1977</td>
</tr>
<tr>
<td>69.</td>
<td>The Indian Evidence Act, 1872</td>
<td>1977</td>
</tr>
<tr>
<td>70.</td>
<td>The Transfer of Property Act, 1882</td>
<td>1977</td>
</tr>
</tbody>
</table>
### Eighth Law Commission

*(Chairman Mr. Justice H.R. Khanna, 1977-1979)*

<table>
<thead>
<tr>
<th>No.</th>
<th>Topic</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>The Hindu Marriage Act, 1955 - Irretrievable breakdown of marriage as a ground of divorce</td>
<td>1978</td>
</tr>
<tr>
<td>72</td>
<td>Article 220 of the Constitution - restriction of practice after being a permanent Judge</td>
<td>1978</td>
</tr>
<tr>
<td>73</td>
<td>Criminal liability for failure by Husband to pay maintenance or permanent alimony granted to the wife by the court under certain enactments or rules of law</td>
<td>1978</td>
</tr>
<tr>
<td>74</td>
<td>Proposal to amend the Indian Evidence Act, 1972 so as to render Admissible certain statements made by witnesses before Commission of Enquiry and other statutory authorities</td>
<td>1978</td>
</tr>
<tr>
<td>75</td>
<td>Disciplinary Jurisdiction under the Advocates Act, 1961</td>
<td>1978</td>
</tr>
<tr>
<td>76</td>
<td>Arbitration Act, 1940</td>
<td>1978</td>
</tr>
<tr>
<td>77</td>
<td>Delay and arrears in trial courts</td>
<td>1979</td>
</tr>
<tr>
<td>78</td>
<td>Congestion of under trial prisoners in jails</td>
<td>1979</td>
</tr>
<tr>
<td>79</td>
<td>Delay and Arrears in High Courts and other Appellate Courts</td>
<td>1979</td>
</tr>
<tr>
<td>80</td>
<td>Method of Appointment of Judges</td>
<td>1979</td>
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</tbody>
</table>

### Ninth Law Commission

*(Chairman Mr. Justice P.V. Dixit 1979-1980)*

<table>
<thead>
<tr>
<th>No.</th>
<th>Topic</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>81</td>
<td>Hindu Widows Re-marriage Act, 1856</td>
<td>1979</td>
</tr>
<tr>
<td>82</td>
<td>Effect of nomination under section 39, Insurance Act, 1938</td>
<td>1980</td>
</tr>
<tr>
<td>83</td>
<td>The Guardians and Wards Act, 1890 and certain provisions of the Hindu Minority and Guardianship Act, 1956</td>
<td>1980</td>
</tr>
<tr>
<td>84</td>
<td>Rape and allied offences - some questions of substantive law, procedure and evidence</td>
<td>1980</td>
</tr>
<tr>
<td>85</td>
<td>Claims for compensation under Chapter 8 of the Motor Vehicles Act, 1939</td>
<td>1980</td>
</tr>
<tr>
<td>86</td>
<td>The Partition Act, 1893</td>
<td>1980</td>
</tr>
<tr>
<td>87</td>
<td>Identification of Prisoners Act; 1920</td>
<td>1980</td>
</tr>
</tbody>
</table>

### Tenth Law Commission

*(Chairman Mr. Justice K.K. Mathew 1981-1985)*

<table>
<thead>
<tr>
<th>No.</th>
<th>Topic</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>88</td>
<td>Governmental Privilege in Evidence: Section 123-124 and 162, Indian Evidence Act, 1872 and Articles 74 and 163 of the Constitution</td>
<td>1983</td>
</tr>
<tr>
<td>89</td>
<td>The Limitation Act, 1963</td>
<td>1983</td>
</tr>
<tr>
<td>90</td>
<td>The Grounds of Divorce amongst Christians in India: section 10 of the Indian Divorce Act, 1869</td>
<td>1983</td>
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<tr>
<td>91.</td>
<td>Dowry deaths and law reform: Amending the Hindu Marriage Act, 1955, the Indian Penal Code, 1860 and the Indian Evidence Act, 1872</td>
<td></td>
</tr>
<tr>
<td>93.</td>
<td>Disclosure of sources of information by mass media</td>
<td></td>
</tr>
<tr>
<td>94.</td>
<td>Evidence obtained illegally or improperly: proposed section 166A, Indian Evidence Act, 1872</td>
<td></td>
</tr>
<tr>
<td>95.</td>
<td>Constitutional Division within the Supreme Court-A proposal</td>
<td></td>
</tr>
<tr>
<td>96.</td>
<td>Repeal of certain obsolete Central Acts</td>
<td></td>
</tr>
<tr>
<td>97.</td>
<td>Section 28, Indian Contract Act, 1872: prescriptive clauses in contracts</td>
<td></td>
</tr>
<tr>
<td>98.</td>
<td>Section 24 to 26, Hindu Marriage Act, 1955: Orders for interim maintenance and orders for the maintenance of children in matrimonial proceedings</td>
<td></td>
</tr>
<tr>
<td>99.</td>
<td>Oral and written arguments in the Higher Courts</td>
<td></td>
</tr>
<tr>
<td>100.</td>
<td>Litigation by and against the Government: some recommendations for reforms</td>
<td></td>
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<tr>
<td>101.</td>
<td>Freedom of Speech and Expression under Article 19 of the Constitution: recommendation to extend it to Indian Corporations</td>
<td></td>
</tr>
<tr>
<td>102.</td>
<td>Section 122(1) of the Code of Criminal Procedure, 1973: imprisonment for breach of bond for keeping the peace with sureties</td>
<td></td>
</tr>
<tr>
<td>103.</td>
<td>Unfair Terms in Contract</td>
<td></td>
</tr>
<tr>
<td>104.</td>
<td>The Judicial Officer’s Protection Act, 1850</td>
<td></td>
</tr>
<tr>
<td>105.</td>
<td>Quality Control and Inspection of consumer goods</td>
<td></td>
</tr>
<tr>
<td>106.</td>
<td>Section 103A, Motor Vehicles Act, 1939: effect of Transfer of a Motor Vehicle on Insurance</td>
<td></td>
</tr>
<tr>
<td>107.</td>
<td>Law of Citizenship</td>
<td></td>
</tr>
<tr>
<td>108.</td>
<td>Promissory Estoppel</td>
<td></td>
</tr>
<tr>
<td>109.</td>
<td>Obscene and Indecent advertisements and Displays: section 292-293, Indian Penal Code</td>
<td></td>
</tr>
<tr>
<td>110.</td>
<td>The Indian Succession Act, 1925</td>
<td></td>
</tr>
<tr>
<td>111.</td>
<td>Fatal Accidents Act, 1855</td>
<td></td>
</tr>
<tr>
<td>112.</td>
<td>Section 45 of the Insurance Act, 1938</td>
<td></td>
</tr>
<tr>
<td>113.</td>
<td>Injuries in Police Custody- Suggested section 114B, Evidence Act</td>
<td></td>
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</table>
### Eleventh Law Commission  
*(Chairman Mr. Justice D.A. Desai 1985-1988)*

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>114</td>
<td>Gram Nyayalaya</td>
<td>1986</td>
</tr>
<tr>
<td>115</td>
<td>Tax Courts.</td>
<td>1986</td>
</tr>
<tr>
<td>116</td>
<td>Formation of an All India Judicial Service</td>
<td>1986</td>
</tr>
<tr>
<td>117</td>
<td>Training of Judicial Officers</td>
<td>1986</td>
</tr>
<tr>
<td>118</td>
<td>Method of appointment to subordinate courts/subordinate judiciary</td>
<td>1986</td>
</tr>
<tr>
<td>119</td>
<td>Access to Exclusive Forum for Victims of Motor Accidents under Motor Vehicles Act, 1939</td>
<td>1987</td>
</tr>
<tr>
<td>120</td>
<td>Manpower Planning in Judiciary</td>
<td>1987</td>
</tr>
<tr>
<td>121</td>
<td>A New Forum for Judicial Appointments</td>
<td>1987</td>
</tr>
<tr>
<td>122</td>
<td>Forum for National Uniformity in Labour Adjudication</td>
<td>1987</td>
</tr>
<tr>
<td>123</td>
<td>Decentralisation of Administration of Justice: Disputes involving Centres of Higher Education</td>
<td>1988</td>
</tr>
<tr>
<td>124</td>
<td>The High Court Arrears- A Fresh Look</td>
<td>1988</td>
</tr>
<tr>
<td>125</td>
<td>The Supreme Court - A Fresh Look</td>
<td>1988</td>
</tr>
<tr>
<td>126</td>
<td>Government and Public Sector Undertaking Litigation Policy and Strategies.</td>
<td>1988</td>
</tr>
<tr>
<td>128</td>
<td>Cost of Litigation.</td>
<td>1988</td>
</tr>
<tr>
<td>129</td>
<td>Urban Litigation- Mediation as alternative to Adjudication</td>
<td>1988</td>
</tr>
<tr>
<td>130</td>
<td>Benami Transactions: A Continuum</td>
<td>1988</td>
</tr>
<tr>
<td>131</td>
<td>Role of Legal Profession in Administration of Justice</td>
<td>1988</td>
</tr>
</tbody>
</table>

### Twelfth Law Commission  
*(Chairman Mr. Justice M.P. Thakkar 1988-1991)*

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>132</td>
<td>Need for Amendment of the Provisions of the Chapter IX of the Code of Criminal Procedure, 1973 in order to ameliorate the hardship of Neglected Women, Children and Parents.</td>
<td>1989</td>
</tr>
<tr>
<td>134</td>
<td>Removing Deficiencies in certain Provisions of the Workmen's Compensation Act, 1923</td>
<td>1989</td>
</tr>
<tr>
<td>135</td>
<td>Women in Custody</td>
<td>1989</td>
</tr>
<tr>
<td>136</td>
<td>Conflicts in High Court Decisions on Central Laws- How to foreclose and how to resolve</td>
<td>1990</td>
</tr>
<tr>
<td>137</td>
<td>Need for creating office of Ombudsman and for evolving</td>
<td>1990</td>
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<tr>
<td>legislative and administrative measure inter-alia to relieve hardships caused by inordinate delays in settling Provident Fund claims of beneficiaries.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>138.</strong></td>
<td>Legislative Protection for slum and Pavement Dwellers</td>
<td>1990</td>
</tr>
<tr>
<td><strong>139.</strong></td>
<td>Urgent need to amend Order XXI, Rule 92(2), Code of Civil Procedure to remove an anomaly which nullifies The benevolent intention of the Legislature and occasions of injustice to judgement-debtors sought to be benefits.</td>
<td>1991</td>
</tr>
<tr>
<td><strong>140.</strong></td>
<td>Need to amend order V, Rule 19 A of the Code of Civil Procedure, 1908, relating to service of summons by registered post with a view to foreclose likely injustice.</td>
<td>1991</td>
</tr>
<tr>
<td><strong>141.</strong></td>
<td>Need for amending the law as regards power of courts to restore criminal revision applications and criminal cases dismissed for default in appearance.</td>
<td>1991</td>
</tr>
<tr>
<td><strong>142.</strong></td>
<td>Concessional treatment for offenders who on their own initiative choose to plead guilty without any bargaining</td>
<td>1991</td>
</tr>
<tr>
<td><strong>143.</strong></td>
<td>Legislative safeguards for protecting the small depositors from exploitation</td>
<td>1991</td>
</tr>
</tbody>
</table>

**Thirteenth Law Commission**

*(Chairman Mr. Justice K. N. Singh 1991-1994)*

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<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>144.</strong></td>
<td>Conflicting Judicial decision pertaining to the Code of Civil Procedure, 1908</td>
</tr>
<tr>
<td><strong>145.</strong></td>
<td>Article 12 of the Constitution and Public Sector Undertakings</td>
</tr>
<tr>
<td><strong>146.</strong></td>
<td>Sale of Women and Children: Proposed Section 373A, Indian Penal Code.</td>
</tr>
<tr>
<td><strong>147.</strong></td>
<td>Specific Relief Act, 1963</td>
</tr>
<tr>
<td><strong>148.</strong></td>
<td>Repeal of Certain Pre-1947 Central Acts</td>
</tr>
<tr>
<td><strong>150.</strong></td>
<td>Suggesting some Amendments to the Code of Civil Procedure (Act No. V of 1908)</td>
</tr>
<tr>
<td><strong>151.</strong></td>
<td>Admiralty Jurisdiction</td>
</tr>
<tr>
<td><strong>152.</strong></td>
<td>Custodial Crimes</td>
</tr>
<tr>
<td><strong>153.</strong></td>
<td>Inter-Country Adoption</td>
</tr>
</tbody>
</table>
Setting up of a Law Commission for Kerala State

Fourteenth Law Commission  
(Chairman Mr. Justice K.J. Reddy 1995-1997)

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>155</td>
<td>The Narcotics Drugs and Psychotropic Substances Act 1985 (Act No.61 of 1985)</td>
<td>1997</td>
</tr>
<tr>
<td>156</td>
<td>The Indian Penal Code</td>
<td>1997</td>
</tr>
</tbody>
</table>

Fifteenth Law Commission  
(Chairman Mr. Justice B.P. Jeevan Reddy 1997)

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>157</td>
<td>Section 52: Transfer of Property Act, 1882 and its amendment</td>
<td>1998</td>
</tr>
<tr>
<td>158</td>
<td>The Amendment of the Industries (Development and Regulation) Act, 1951</td>
<td>1998</td>
</tr>
<tr>
<td>159</td>
<td>Repeal and Amendment of Laws: Part I</td>
<td>1998</td>
</tr>
<tr>
<td>161</td>
<td>Central Vigilance Commission and Allied Bodies</td>
<td>1998</td>
</tr>
<tr>
<td>162</td>
<td>Review of functioning of Central Administrative Tribunal, Customs, Excise and Gold (Control) Appellate Tribunal and Income-Tax Appellate Tribunal</td>
<td>1998</td>
</tr>
<tr>
<td>164</td>
<td>The Indian Divorce Act, 1869 (Act 4 of 1869)</td>
<td>1998</td>
</tr>
<tr>
<td>165</td>
<td>Free and Compulsory Education for Children</td>
<td>1998</td>
</tr>
<tr>
<td>166</td>
<td>The Corrupt Public Servants (Forfeiture of Property) Bill</td>
<td>1998</td>
</tr>
</tbody>
</table>

Working Papers issued by the 15th Law Commission

1. Working Paper on Reform of the Electoral Laws
COPY OF
GOVERNMENT OF INDIA ORDER
CONSTITUTING 15TH LAW COMMISSION

N.A-45012 (1)/97-Admin. III (LA)

Government of India
Ministry of Law & Justice
Department of Legal Affairs

New Delhi, 16 September, 1997

ORDER


In constitution of Ministry of Law, Justice and Company Affairs (Department of Legal Affairs) sanction order No. A-45012 (1)/97-Admin. III (LA) dated 3rd October, 1994 as amended from time to time, the sanction of the President is hereby accorded to the constitution of the fifteenth Law commission for a period of three years from the 1st September, 1997 to the 31st August, 2000, consisting of:

i) Chairman One
ii) Full-time Members Three
iii) Member Secretary One
iv) Three or more part-time Members/Consultants depending on the nature of the topics referred to the Commission for study.

2. The Headquarters of the Law Commission will be at New Delhi.

3. The sanction of the President is also accorded to the following terms and conditions for appointment of the above mentioned Chairman, Members, Member-Secretary and part-time Members/Consultants:
FULL TIME CHAIRMAN/MEMBERS

(A) SERVING JUDGES OF SUPREME COURT/HIGH COURT

(i) He will perform the functions of Chairman/member of the Law Commission on a whole-time basis up to the date of his retirement from the Supreme Court/High Court or expiry of the term of the Commission whichever be earlier.

(ii) The time spent by him in the performance of such functions as Chairman/member of the Commission will be treated as "actual service" for purposes of provision 11:(b) (i) of Para D of Second Schedule of the Constitution and

(a) in the case of a Supreme Court Judge, Section 2 (b) (1) of the Supreme Court Judges (Conditions of Service) Act, 1958 as amended from time to time;

(b) in the case of a High Court Judge, Section 2 (c) (i) of the High Court Judges (Conditions of Service) Act, 1954, as amended from time to time.

No additional remuneration apart from the salary etc. as a Judge of the Supreme Court/High Court, as the case may be, will be admissible to him for performing the functions and duties of Chairman/Member of the Commission.

(iii) For journeys performed in connection with the work of the Commission during the period of his assignment he will be entitled to draw travelling allowance and daily allowance at the same rate as admissible to him as a Judge of the Supreme Court or High Court as the case may be.

In all other matters, he will be governed

(a) in the case of a Judge of the Supreme Court, by the Supreme Court Judges (Conditions of Service) Act, 1958 and the Supreme Court Judges (Travelling Allowance) Rules, 1959 both as amended from time to time.

(b) In the case of Judge of High Court, by the High Court Judges (Conditions of Service) Act, 1954 and the High Court Judges (Travelling Allowance) Rules, 1956 both as amended from time to time.

(iv) He will be his own Controlling Officer for the purpose of Travelling Allowance.

(v) His headquarters will be at New Delhi.
(B) RETIRED JUDGES OF SUPREME COURT/HIGH COURT RE-EMPLOYED ON WHOLE-TIME BASIS.

(i) He will perform the functions of Chairman/Member on a whole time basis from the date of his appointment.

(ii) The terms and conditions of his appointment as Chairman/Member shall be as under:

(a) The Pay, Dearness Allowance and City Compensatory Allowance will be in accordance with the Ministry of Finance (Department of Expenditure) O.M.No. 19048/7/80-E.IV dated the 8th October 1987, as amended by their O.M. No.19048/1/88-E.IV dated, 27th December 1988.

(b) He will be permitted to subscribe to the Contributory provident Fund (India) from the date of his appointment in accordance with the orders contained in Para (h) of Ministry of Finance O.M.No.8(34)-Estt.III/57 dated the 25th November, 1958 as clarified by their O.M.No.57/11/E.V/60dated the 3rd August, 1960 as amended from time to time.

(c) He will be entitled to conveyance facility, residential accommodation/house rent allowance free electricity and water charges, sumptuary allowance, leave travel concession, travelling allowance, daily allowance, transfer T.A. medical facilities and any other perks/privileges or amenities and facilities as are admissible to serving Supreme Court/High Court Judges from time to time.

(iii) He will be his own Controlling Officer for the purpose of travelling allowance.

(iv) His Headquarters will be at New Delhi.

(C) JURIST/LEGAL EXPERT

(i) He will perform the functions of Chairman/Member of the Law Commission on a whole-time basis from the date of his appointment.

(ii) He will be allowed a pay of Rs.8,000/- fixed per month. In the case of a retired Government Servant, he will be allowed pay (including pension and pension equivalent of gratuity and other forms of retirement benefits) not exceeding Rs.8000/- per month.

(iii) No H.R.A will be admissible if he lives in his own house or a house owned by his wife or son.

(iv) He will be eligible for government accommodation from the general pool. If he is not provided with such accommodation and if he hires private residential accommodation, he may be allowed to do so up to a ceiling rental of 30% of his pay, which will be inclusive of the rent he would have been required to pay under FR 45 - A if it were Government accommodation. The difference between the rent payable in accordance
with FR-45-A and the rent paid subject to the above ceiling will be reimbursed by Government.

(v) Travelling and Daily Allowance in respect of the journeys performed in connection with the work of the commission will be regulated in accordance with the provisions of the Ministry of Finance (Department of Expenditure) O.M. No. F6(26)/E.IV/59 dated, 5.9.1960 as amended from time to time.

(vi) He will be permitted to subscribe to the Contributory Provident Fund (India) with effect from the date of his appointment as member of the Commission, in accordance with the orders contained in Para 1 (h) of Ministry of Finance O.M.No.8(34)-Estt/111/57 dated 25.11.1958, as clarified in their O.M. No.F.57/11/E.V/60 dated 3.8.1960 as amended from time to time.

(vii) He will be allowed travelling allowance at the rates and as per the rules admissible to Government servants of the highest grade for joining first appointment in New Delhi as a Member of the Commission from the place of his ordinary residence to New Delhi plus an allowance of actual cost of transportation by rail at owner's risk, of motor car by rail from the place of his ordinary residence to New Delhi and a similar facility will be extended on the expiry of his terms as Member of the Commission.

(viii) He will be his own Controlling Officer for the purpose of Travelling Allowance.

(ix) With effect from the date of his appointment as a Member of the Commission, he will be entitled to leave as admissible to a temporary Government servant under the Central Civil Services (leave) Rules, 1972.

(x) His Headquarters will be at New Delhi.

(D) PROFESSOR OF LAW OF A UNIVERSITY

(i) He will perform the functions of Chairman/member of the Commission on a whole-time basis from the date of his appointment.

(ii) He will be allowed a fixed pay of Rs:8000/- per month. In case of a retired Government servant or retired Professor of Law of a University he will be allowed pay (including pension and pension equivalent of gratuity and other forms of retirement benefits) not exceeding Rs.8000/- per month.

(iii) While holding the appointment as Member he will be treated as on deputation from the University.

(iv) No house rent allowance will be admissible if he lives in his own house or a house owned by his wife or son.

(v) He will be eligible for Government residential accommodation from the general pool; otherwise he may be provided with private accommodation at a
ceiling rental of 30% of his pay for which he will be required to pay rent under F.R. 45-A.

(vi) Travelling and daily allowance in connection with the journeys performed in connection with the work of the Commission will be regulated in accordance with the provisions of the Ministry of Finance (Department of Expenditure) O.M. No.F (26)-E.IV/59 dated 5-9-1960, as amended from time to time.

(vii) He will be allowed leave as admissible to temporary Government servants under the central Civil Services (leave) Rules, 1972.

(viii) He will be allowed travelling allowance at the rates and as per the rules as admissible to Government servant of the highest grade for joining first appointment in New Delhi as a Member of the Commission from the place of his ordinary residence to New Delhi plus an allowance of actual cost of transportation by rail at owners risk of a motor car by rail from the place of his ordinary residence to New Delhi and similar facility will be extended on the expiry of his term as Member of the Commission.

(ix) During the period he remains a Member of the commission he will be governed by the rules of the Contributory Provident Fund of the University and the Government of India's contribution to his Contributory Provident Fund in the University will be subject to the ceiling of 8-1/3% of the emoluments drawn by him as Member of the Commission.

(x) He will be his own Controlling Officer for the purpose of Travelling Allowance.

(xi) His Headquarters will be at New Delhi.

(E) FULL TIME MEMBER-SECRETARY

(i) The pay and other terms of appointment of a full-time Member-Secretary will be the same as those admissible to a Secretary to the Government of India.

(ii) His Headquarters will be at New Delhi

(F) IN CASE THE CHAIRMAN OF THE COMMISSION IS APPOINTED ON AN HONORARY BASIS

(i) He will be retired Chief Justice of India and will head the Commission as Chairman appointed honorary and will perform his functions on a whole-time basis.

(ii) As Honorary Chairman, he will not be entitled to any salary or allowance but will be entitled to the status which he enjoyed as Chief Justice of India and to all other facilities, amenities and rights which he enjoyed as Chief Justice in matters such as medical assistance, travel etc.

(iii) The Honorary Chairman will be entitled to the following perquisites:

(a) An Honorarium amounting to Rs.5000/- p.m
(b) Travelling Allowance and Daily Allowance on the same basis as was admissible to him as Chief Justice under the Supreme Court Judges (Travelling Allowance) Rules, 1959, as at the time of his retirement as Chief Justice and as may be amended from time to time, provided that he will be entitled at outstations to the reimbursement of actual expenses on board and lodging, suitable to his status, when he is not a State Guest.

(c) 1. Rent free furnished accommodation as admissible to the serving Chief Justice of India.
   2. Benefit of free electricity and water charges as admissible to the serving judges of Supreme Court

(d) A chauffeur-driven car will be placed at his disposal. The expenditure on account of the salary of the chauffeur as well as maintenance and repairs of the car will be borne by the Government.

(e) A sumptuary allowance of Rs.1250/- per month.

(f) His Headquarters will be at New Delhi.

(G) PART TIME MEMBERS/CONSULTANTS

(i) The part-time Member/Consultant will be paid an honorarium, of Rs.4,000/- per month. If a Member of parliament or a State Legislature is appointed as part-time Member/Consultant of the Law Commission, he will not be entitled to draw the above mentioned honorarium.

(ii) For the journeys performed in connection with the work of the Commission, the travelling and daily allowance of the part-time Member/Consultants who are non-officials will be regulated in accordance with provision of the Ministry of Finance (Department of Expenditure) O.M.No.F.6(26)-E/IV/59 dated 5th September, 1960 as amended from time to time. A Member of parliament appointed as a part-time Member/Consultant of Law Commission will be expected to use his free railway pass when he travels by rail for the work of the Law Commission. A Member of Parliament or a State Legislature appointed as a part-time Member will not draw any T.A. or D.A. (including conveyance allowance) which will disqualify him for being chosen as or for being a Member of Parliament or for a State Legislature. In the case of part-time Members/Consultants who are Government servants, the travelling and daily allowance for journeys in respect of the work of the Commission will be governed by the relevant rules applicable to them.

(iii) The Chairman of the Commission will be the Controlling Officer for the purpose of the travelling allowance of the part-time Members/Consultants.

(iv) In the case of part-time Members/Consultants of the Commission the ordinary places of their residence to be named in advance, will be their headquarters for the purpose of travelling allowance. For the part-time Member/Consultant in respect of the work of the Commission the headquarters will be New Delhi.
The terms of reference of the Law Commission will be as under:

I. **Reviews/Repeal of obsolete laws:**
   a) To identify laws which are no longer needed or relevant and can be immediately repealed.
   b) To identify laws which are in harmony with the existing climate of economic liberalization which need no change;
   c) To identify laws which require changes or amendments and to make suggestions for their amendment;
   d) To consider in a wider perspective the suggestions for revision/amendment given by Expert Groups in various Ministries/Department's with a view to coordinating and harmonising them;
   e) To consider references made to it by Ministries/Departments in respect of legislation having bearing on the working of more than one Ministry/Department;
   f) To suggest suitable measures for quick redressal of citizens' grievances, in the field of law.

II. **Law and Poverty:**
   a. To examine the laws which affect the poor and carry out post-audit for socio-economic legislation.
   b. To take all such measures as may be necessary to harness law and the legal process in the service of the poor.

III. To keep under reviews the system of judicial administration to ensure that it is responsive to the reasonable demands of the times and in particular to secure:

   a. Elimination of delays, speedy clearance of arrears and reduction in costs so as to secure quick and economical disposal of cases without affecting the cardinal principle that decisions should be just and fair.
   b. Simplification of procedure to reduce and eliminate technicalities and devices for delay so that it operates not as an end in itself but as a means of achieving justice.
   c. Improvement of standards of all concerned with the administration of justice.

IV. To examine the existing laws in the light of Directive Principles of State Policy and to suggest ways of improvement and reform and also to suggest such legislation as might be necessary to implement the Directive principles and to attain the objective set out in the Preamble to the Constitution.

V. To revise the Central Acts of General Importance so as to simplify them and to remove anomalies, ambiguities and inequities.

VI. To recommend to the Government measure for bringing the statute book up-to-date by repealing obsolete laws and enactments or parts thereof which have outlived their utility.

VII. To consider and to convey to the Government its views on any other objects relating to law and judicial administration that may be referred to it.

5. The Law Commission shall devote its time-bound attention to all issues relating to item (I) of the terms of reference as indicated above, viz., review of obsolete laws, examination of the laws which affect the poor and carry out post-audit for socio-economic legislation.
laws and shall make its recommendations to Government for repeal of obsolete laws and for appropriate amendments in others as may be found necessary ON TOP PRIORITY BASIS. The recommendations of the Commission in this regard shall be made to Government within a period of one year.

6. The expenditure involved is debitable to the major Head "2070"—Other Administrative Services, 00.105—Special Commissions of Enquiry, 01—Law Commission under demand No. 59, Ministry of Law and Justice in so far as the current financial year 1997-98 is concerned. As regards the financial years 1998-99, 1999-2000 and 2000-2001, the expenditure will be met from the corresponding grants that may be voted by Parliament for these years.

7. This sanction issues with the concurrence of the Ministry of Finance (Department of Expenditure) vide AS & FA Dy.No.452/L/97 dated, 1.7.1997.

(D.P.SHARMA)

JOINT SECRETARY TO THE GOVT. OF INDIA

No.A-45012 (1)/97- Admn. III (LA) dated September 1997

Copy to:

2. The Pay and Accounts Officer, Dept. of Legal Affairs, New Delhi (with 2 spare copies).
3. B & A Section, Ministry of Law and Justice, New Delhi (with 5 spare copies) w.r.t. their Dy.No.919/97-B & A dated 30-6-97
5. Directorate of Estates, New Delhi
6. Law Commission (with 10 spare copies)
7. Additional Secretary & Financial Adviser (with 2 spare copies).
8. I.F Section (with one spare copy).
9. Admn. I (LA)/Admn. II (LA)/Admn.IV (LA)/Admn. I(LD)/Admn. II (LD)/Leg. I/Leg. II Sections.
10. Admn. III(LA) Section (with 50 spare copies).
11. PS to MSLS.
12. PS to Law Secretary/Secretary, Legislative Department
13. Deputy Secretary (F).
EIGHTH REPORT OF
THE KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON

DEPARTMENT-SPECIFIC ADMINISTRATIVE REFORMS

REPORT ON GROUP III

Scheduled Castes Development Department
Scheduled Tribes Development Department
KIRTADS
Social Welfare Department

THIRUVANANTHAPURAM
JULY 2000

CHAPTER 1
INTRODUCTION
1.1 The Kerala Administrative Reforms Committee in its Fifth Report submitted to Government in December 1999 started its series of Reports on Department Specific Administrative Reforms. In the second part of the Fifth Report, two groups of Departments were covered - Group I consisting of Land Revenue Department, the Land Board, the Registration Department and Survey and Land Records Department and Group II covering the Civil Supplies Department and the Legal Metrology Department.

1.2 This Report covers Group III consisting of the Scheduled Castes Development Department, the Scheduled Tribes Development Department, KIRTADS and the Social Welfare Department. These departments have been grouped on the basis of the similarity of their functions. All of them deal with disadvantaged groups of people and they have a vital role in discharging the social functions of Government.

1.3 The roles of these departments have radically changed in two ways. Firstly, the old idea of a paternalistic top-down provision of welfare is changing with more central role being given to the key stakeholders i.e., the people for whom the programmes and benefits are intended. Even the concept of care of the disabled has changed considerably. Secondly, almost all the functions and most of the personnel of these departments except KIRTADS have been transferred to the local governments.

1.4 The report intends to focus on the reforms required in the changed scenario.
CHAPTER 2

SCHEDULED CASTES DEVELOPMENT DEPARTMENT

2.1 The Scheduled Castes Development Department is headed by the Directorate. It has two regional offices of Deputy Directors with the specific function of monitoring the representation of the Scheduled Castes/Scheduled Tribes Students in Colleges and the payment of grants and stipends to students. At the district level the focus is on distribution of educational concessions to Scheduled Caste and Backward Community Students and overseeing the running of post-matric hostels. At the taluk level, the Taluk Development Offices (which are there in all taluks except in Nilambur and Thirurangadi) deal primarily with educational concessions to school students belonging to Scheduled Castes and Other Backward Communities. A relatively new set of Block Extension Officers have been introduced in 64 Blocks who have been assigned more of developmental functions.

2.2. As is evident from the structural features of the department, bulk of its activities deals with administering educational concessions and related activities like running Industrial Training Centres, Hostels, and Model Residential Schools. Though the innovative Special Component Plan (SCP) was introduced in 1980 resulting in a radical departure from past practice by earmarking a fixed percentage Plan allocation more or less equivalent to the percentage of Scheduled Caste population for schemes meant for the sole benefit of Scheduled Castes, the Scheduled Castes Development Department has not been playing a nodal role in operationalising the SCP. Even though, at the State level, recently the full responsibility of SCP has been given to the Scheduled Castes Development Department, at the field level the District Planning Officer continues to play the co-ordinating role. With the massive decentralisation efforts of the State Government, planning for the development of Scheduled Castes and
running of institutions meant for their benefit as well as administering various concessions has passed down to the local governments. This has fundamentally altered the departmental functions and has challenged the existing organisational structure.

2.3. Though development of the excluded sections of society is a difficult task calling for high level of professional abilities, the department is organised to suit generalist functions with promotion being solely on the basis of seniority and all posts except the Block Extension Officers being filled by promotion from the lowest level. This coupled with the absence of proper training has had a negative effect on the capacity of the department. In the decentralised set up nearly 2/3 of the SCP funds of the State are devolved to the local governments with the Village Panchayats and Municipalities getting the larger share. However, since the Scheduled Castes Development Department does not have presence at the level of the Village Panchayat or Municipality, there is no organic link at the grassroots with the higher levels.

**Recommendations.**

2.4. The Committee on Decentralisation of Powers has made the following recommendation regarding the restructuring of Scheduled Castes Development Department in the context of decentralisation:

"In respect of the Scheduled Castes Development Department, the District Officers and staff could be transferred to the District Panchayat. As regards Taluk Development Officers and Personal Assistants to DDOs, they could be transferred to urban local bodies and block panchayats in accordance with the strength of the Scheduled Caste population. Since there are only 61 Taluk Development Officers, 13 PAs and 64 Block Extension Officers, only 138 urban local bodies and Block Panchayats out of a total of 210 can be covered. It is suggested that all urban local
bodies having at least 5% SC population may be covered, using Taluk Development Officers and Block Extension Officers based on SC population and in the case of Block Panchayats which cannot be covered, the General Extension Officer could be put in charge of SC Development."

2.5. The Administrative Reforms Committee fully endorses this recommendation and calls for its speedy operationalisation.

2.6. The Scheduled Castes Development Department should take up the nodal role in monitoring and evaluation of Special Component Plan programmes in the State including those taken up by the local governments. Through their Block level and District level offices, they should collect and consolidate data on implementation of various programmes by the local governments and by sister departments.

2.7. Management Committees may be constituted for hostels and other institutions (other than schools) like ITCs run by the department or transferred by the department to local governments. Ideally the Committee should consist of \( \frac{1}{3} \) Officials and elected representatives, \( \frac{1}{3} \) representatives of benefitted groups and \( \frac{1}{3} \) non-government organisations and other eminent persons actively involved in the cause of the uplift of the Scheduled Castes. On the whole this Committee should have at least \( \frac{1}{3} \) women in its total strength. This committee should meet at least once in a quarter.

2.8. At present the pre-matric hostels have been transferred to the Block Panchayats or Urban Local Governments based on their location. It is recommended that the post-matric hostels may be transferred to the District Panchayats or to the Municipal Corporations based on their location.

2.9. The management of hostels leaves much to be desired. The Wardens are generally junior personnel and in the case of post-matric hostels there is no system of the Warden remaining in the hostels after office hours. Hostels for such groups of people are not envisaged as mere lodges. They are expected to offer a conducive environment for personality development and educational
improvement. Therefore in the case of post-matric hostels a panel of three College Lecturers may be identified who will share duties by staying in the hostels by turn. Suitable honorarium could be given to the persons. The present system of Resident Tutor is not very successful. In the case of Girls' Hostels, the Special Rules for posting Watchmen should be amended to ensure that only ladies are posted.

2.10. As mentioned above, managing hostels is a sensitive activity, which calls for lot of attitudinal and management skills. Since at present the post of Warden is more or less equal to clerical posts, there is need for special training. Educational institutions having expertise in providing training for social work may be commissioned to conduct thorough induction as well as refresher courses. Socially committed persons from the academic field could be appointed as honorary guardians for hostels to interact closely with students and shape their personality.

2.11. In order to provide quality education and good environment, it is suggested that Government may identify reputed private educational institutions and admit very poor but intelligent Scheduled Caste students in such institutions meeting their full cost. In the case of students speaking Tamil and Kannada belonging to Scheduled Castes, they may even be sent to institutions in Tamil Nadu and Karnataka.

2.12. The department now has 41 Industrial Training Centres, which are headed by Training Superintendents, with Regional Inspectors of training doing supervisory work. For the smooth conduct of the institutions, it is suggested that these officials be given the powers of the Principal and Inspector of Training of the Technical Education Department respectively. Likewise, the Director of Scheduled Castes Development may be delegated the powers of the Director of Technical Education for the purpose of running the Industrial Training Centres.
2.13. In the context of decentralisation the office of the District Development Officer for Scheduled Castes has become quite important. With a view to streamlining the distribution of educational concessions, it is suggested that the post of the senior Superintendent may be re-designated as Assistant District Development Officer with delegated powers to manage his area of work. In order to smoothen the distribution of educational concessions like lump sum grants and stipends, it is suggested that this item of work may be computerised.

2.14. All expenses regarding hostels should be published openly every month showing each item including purchases. In the case of purchases, the quantity, quality, source and rate of each item has to be published.

2.15. In order to help the local governments, management manuals need to be prepared for running the various institutions transferred to local governments particularly the hostels. Existing Government Rules and Guidelines may be included in this manual which should have two parts - one the obligatory part incorporating the rules and procedures which have to be compulsorily followed and the other the advisory part incorporating managerial guidelines which are desirable from the point of view of efficiency and accountability.

2.16. Payment of educational concessions like lump sum grant and stipends to students should be excluded from Ways and Means restrictions. They should be treated as entitlements on par with salary of government staff. This would protect these concessions from being delayed due to insufficient allocation or Ways and Means difficulties.

2.17. A crash training programme covering every development functionality of the department needs to be undertaken immediately. All officers of and above the rank of Block Extension Officer should be given at least two weeks' training in
institutions like KILA, SIRD or IMG. The department may be permitted to use 1/2 per cent of the SCP allocation for this purpose.

2.18. In future, it should be ensured that at the level of Taluk Development Officers, at least 2/3rd of the posts are filled by direct recruitment with MSW or MA (Sociology) or MBA (Rural Management) being the essential qualification.
CHAPTER 3

SCHEDULED TRIBES DEVELOPMENT DEPARTMENT

3.1. The Scheduled Tribes Development Department was set up in 1975 when a new strategy of tribal development by way of Tribal Sub Plan (TSP) operationalised through Integrated Tribal Development Projects was launched all over the country. The Tribal Development Department has seven Integrated Tribal Development Projects in districts with relatively larger tribal population and Tribal Development Offices in other districts except Alappuzha.

3.2. Scheduled Tribes constitute only about 1% of Kerala's population and they are scattered over several small settlements all over the Western Ghats. Undoubtedly they can be called the outliers of Kerala's developmental scenario. The human development indicators are very low in respect of most of the tribal groups. In a sense tribal settlements constitute islands of poverty and exploitation in the State. In such a context the responsibility of the Scheduled Tribes Development Department is very heavy.

3.3. As in the case of Scheduled Castes Development Department the focus of activity is educational concession. It is in this context, the Department runs 115 pre-matric hostels. Unlike the Scheduled Castes Development Department, the Scheduled Tribes Development Department runs 17 Ayurveda Dispensaries, two Allopathic Dispensaries, four Midwifery centres and two mobile Medical Units.

3.4. Though the Integrated Tribal Development Projects have not been formally transferred to the local governments, practically the whole of Tribal Sub Plan has been decentralised. Interestingly, the Integrated Tribal Development Project, Attappady which is a compact tribal development project, is in an anomalous position and more by default than design, has been functioning as the Attappady Block Panchayat.
3.5. The objective of creating Integrated Tribal Development Projects and the concept behind Tribal Sub Plan is to provide for integrated micro level planning for the social and economic uplift of the tribal population. But in the departmentalised set up of Kerala the Scheduled Tribes Development Department has ended up as one of the departments dealing with tribal development schemes.

Recommendations

3.6. The Committee on Decentralisation of Powers has made certain basic recommendations concerning the deployment of personnel from the Scheduled Tribes Development Department to Local Governments and the consequent restructuring of the Department at levels below the State. The recommendations are extracted below:

"In the Scheduled Tribes Development Department, there are seven Integrated Tribal Development Projects and eight Tribal Development Officers in the State. It is recommended that the ITDPs and TDOs be brought under the District Panchayats other than Alappuzha and Ernakulam. Three TDOs may be posted to the Block Panchayats of Sultanbathy, Mananthavady and Attappady, which have tribal population of more than 20,000. In the case of the 48 Tribal Extension Officers, 43 among them should be placed under the following village panchayats, which have a tribal population of about 2500 or more.

1. Peringamala
2. Vithura
3. Melukavu
4. Moonnilavu
5. Mundakayam
6. Adimaly

Thiruvananthapuram District
Kottayam District
Idukki District
7. Kuttampuzha
8. Marayoor
9. Kanthalloor
10. Chinnakkanal
11. Vannapuram
12. Udumbannur
13. Vellaiyamattom
14. Idukki - Kanjikuzhi
15. Arakkulam
16. Kokkayar
17. Agali
18. Pudur
19. Sholayur
20. Muthalamada
21. Mannanthovady
22. Vellamunda
23. Thirunelli
24. Thondernad
25. Edavaka
26. Thavinchal
27. Panamaram
28. Meenangadi
29. Nenmeni
30. Ambalavayal
31. Poothadi
32. Sulthanbathery
33. Noolpuzha
34. Pulpally
35. Kottathara
36. Mutttil

11. Vannapuram - do-
12. Udumbannur - do-
13. Vellaiyamattom - do-
14. Idukki - Kanjikuzhi - do-
15. Arakkulam - do-
16. Kokkayar - do-
17. Agali - Palakkad District
18. Pudur - do-
19. Sholayur - do-
20. Muthalamada - do-
21. Mannanthovady - Wayanad District
22. Vellamunda - do-
23. Thirunelli - do-
24. Thondernad - do-
25. Edavaka - do-
26. Thavinchal - do-
27. Panamaram - do-
28. Meenangadi - do-
29. Nenmeni - do-
30. Ambalavayal - do-
31. Poothadi - do-
32. Sulthanbathery - do-
33. Noolpuzha - do-
34. Pulpally - do-
35. Kottathara - do-
36. Mutttil - do-
The other Tribal Extension Officers may be placed under the Kalpetta Municipality and the following Block Panchayats, which have a tribal population of more than 10,000.

1. Idukki Idukki District
2. Elamdesom -do-
3. Devikulam -do-
4. Manjeswaram Kasaragode District

The Administrative Reforms Committee fully supports these recommendations and suggests that they be implemented at the earliest.

3.7. The Scheduled Tribes Development Department should play the nodal role in monitoring and evaluation of Tribal Sub-Plan programmes in the State including those taken up by the Local Governments. Through their field level and district level offices, they should collect and consolidate data on implementation of various programmes by the Local Governments as well as by sister departments relating to tribal development.

3.8. The hostels run by the Scheduled Tribes Development Department have not been transferred to Local Governments. The pre-matric hostels may be transferred to Block Panchayats or urban local governments. For such hostels
minimum physical standards like provision of cots, recreation facilities, learning aids etc., may be prescribed.

3.9. It is seen that men are often posted to Girls' hostels as wardens. This practice should be stopped forthwith. Only women should be posted as wardens of Girls' hostels. In all tribal hostels two social animators drawn from among the local tribes and paid a suitable honorarium may be posted after suitable training, to be changed every year.

3.10. Post-matric hostels exclusively for tribals may be started in Kozhikode, Palakkad and Thiruvananthapuram to cater to the needs of tribal boys and girls. Since they are new institutions their management could be entrusted to non-government agencies of repute having experience in running educational institutions.

3.11. Management Committees may be constituted for hostels and other institutions (other than schools) run by the department or transferred by the department to local governments. Ideally the Committee should consist of 1/3rd Officials and elected representatives, 1/3rd representatives of benefited groups and 1/3rd non-government organisations and other eminent persons actively involved in the cause of the uplift of the scheduled tribes. On the whole, this Committee should have at least 1/3rd women in its total strength. This committee should meet at least once in a quarter.

3.12. As mentioned above, managing hostels is a sensitive activity, which calls for lot of attitudinal and management skills. Since at present the post of Warden is more or less equal to clerical posts, there is need for special training. Educational institutions having expertise in providing training for social work may be commissioned to conduct thorough induction as well as refresher courses. Socially committed persons from the academic field could be appointed as
honorary guardians for hostels to interact closely with students and shape their personality.

3.13. In order to provide quality education and good environment, it is suggested that Government may identify reputed private educational institutions and admit very poor but intelligent Scheduled Caste students in such institutions meeting their full cost. In the case of students speaking Tamil and Kannada belonging to Scheduled Castes, they may even be sent to institutions in Tamil Nadu and Karnataka.

3.14. All expenses regarding hostels should be published openly every month showing each item including purchases. In the case of purchases, the quantity, quality, source and rate of each item has to be published.

3.15. In order to help the local governments, management manuals need to be prepared for running the various institutions transferred to local governments particularly the hostels. Existing Government rules and guidelines may be included in this manual which should have two parts - one the obligatory part incorporating the rules and procedures which have to be compulsorily followed and the other the advisory part incorporating managerial guidelines which are desirable from the point of view of efficiency and accountability.

3.16. Payment of educational concessions like lump sum grants and stipends to students should be excluded from Ways and Means restrictions. They should be treated as entitlements on par with salary of government staff. This would protect these concessions from being delayed due to insufficient allocation or Ways and Means difficulties.

3.17. The distribution of educational concessions may be computerised.

3.18. The Hospitals and Dispensaries run by the Tribal Development Department may be transferred to the concerned Local Governments either at the Village Panchayat or Block Panchayat level depending on the spread of the tribal population covered by that institution.
3.19. Integrated Tribal Development Project, Attappady may be transferred to the District Panchayat, Palakkad. The Block component may be integrated with the Block Panchayat, Attappady.

3.20. The Director of Scheduled Tribes Development should be provided with a telephone having STD facilities.

3.21. A crash training programme covering every development functionary of the department needs to be undertaken immediately. All officers of and above the rank of Tribal Extension Officer should be given at least two weeks' training in institutions like KILA, SIRD or IMG. The department may be permitted to use 1/2 per cent of the TSP allocation for this purpose.

3.22. In future, it should be ensured that at the level of Tribal Extension Officers, at least 2/3rd of the posts are filled by direct recruitment with MSW or MA (Sociology) being the essential qualification.

3.23. Experience shows that in spite of decentralisation the quality of planning and implementation of tribal development schemes has not improved significantly. In order to formulate programmes for tribal development, Expert Groups may be constituted for various sectors to actually visit tribal areas, discuss with the people and come out with schemes appropriate to the needs and the locality. These groups could be constituted for Wayanad, Idukki, Palakkad and Kasaragode Districts and they could assist the Local Governments in formulating programmes for tribal development.

3.24. To provide feedback on the quality of implementation of tribal development schemes a High Power Social Audit Team may be constituted at the State level with the following composition:-

(1) Two officials serving or retired having a track record of good experience in tribal development.

(2) Two academicians having done work in matters relating to tribal development.
(3) Two Journalists who have produced insightful articles on tribal development.

(4) Representatives of two NGOs with proven service to tribal communities.

(5) A serving District Judge nominated to the Committee by the High Court.

(6) One representative of the Ruling Parties.

(7) One representative of the Opposition Parties.

(8) Director, KIRTADS

3.25. This Committee may form sub groups of not less than three persons and visit various tribal locations and submit reports to Government. These groups should have access to all records relating to Tribal Development.
CHAPTER 4

KERALA INSTITUTE FOR RESEARCH, TRAINING AND DEVELOPMENT
STUDIES FOR SCHEDULED CASTES & SCHEDULED TRIBES
(KIRTADS)

4.1. This is an organisation meant to conduct ethnographic research on problems of Scheduled Castes and Scheduled Tribes and also evaluatory research on development programmes. It is also expected to sensitize officials and local governments on the subtle nuances of the development problems of Scheduled Castes and Scheduled Tribes. It is an Expert Agency consisting mostly of specialists with a single office at Kozhikode.

(a) Recommendations

4.2. KIRTADS may be converted into an autonomous agency with adequate powers to carry out evaluation studies, action research and conduct related activities like seminars and workshops.

4.3. Using the institutional base of existing training organisations like KILA, SIRD and IMG, KIRTADS could conduct training programmes on Scheduled Castes/Scheduled Tribes Development to various officials and elected representatives of Local Governments.

4.4. A Fellowship programme may be introduced in KIRTADS to encourage applied research on topics relevant for SC/ST Development.
CHAPTER 5
SOCIAL WELFARE DEPARTMENT

5.1. The Social Welfare Department basically performs four kinds of functions:

i. Provide child development services and also health and nutrition interventions for certain categories of women.

ii. Perform statutory functions under the Juvenile Justice Act, Dowry Prohibition Act, Probation of Offenders Rules, etc.

iii. Manage institutions for care of the disabled as well as destitutes.

iv. Perform miscellaneous functions relating to development of women and children particularly in recommending institutions to Government of India Grant-in-aid.

5.2. On the development side, Social Welfare Department is recognised for its relatively successful running of the Integrated Child Development Services Scheme for the past quarter of a century. This scheme is now being universalised in the State.

5.3. Most of the functions performed by the Social Welfare Department have been transferred to Local Governments along with the staff. Only the statutory functions and their functionaries remain under departmental control.

Recommendations

5.4. The Committee on Decentralisation of Powers has made the following recommendations with regard to the Social Welfare Department:
The District Social Welfare Officer may be transferred to the District Panchayat. The District Programme Officer may also be transferred to the District Panchayat. The Child Development Programme Officers (CDPOs) could be placed under the Block Panchayat. The ICDS Supervisor should be placed under the Village Panchayat. A rearrangement should be done to ensure that the three Corporations get a senior officer of the Social Welfare Department. Similarly, Assistant Child Development Officers could be redeployed to the urban local bodies.

It should be clearly laid down that these officers transferred from the Social Welfare Department would look after the following areas of work:

(i) Women and child development including Kudumbashree.
(ii) Care of the disabled.
(iii) Programmes meant to fight social evils.

5.5. The Administrative Reforms Committee fully agrees with this and would recommend its immediate translation into practice.

5.6. With the universalisation of Integrated Child Development Services Scheme, it is possible that, in smaller urban local governments, the administrative control could be with the Child Development Project Officer of the adjoining Block Panchayat. In the context of the management of Anganwadis being transferred to Local Governments this would create a lot of practical problems. Therefore it is recommended that the territorial jurisdiction of urban Local Government should be recognised while carving out administrative units for running ICDS. In the case of smaller urban local governments, probably an ACDPO or even a Senior Supervisor would do.

5.7. The service area of ICDS Supervisors in rural areas may be made co-terminous with that of the Village Panchayat. The excess posts may be redistributed to
Village Panchayats having large number of Anganwadis or Village Panchayats having more than 75 sq. KM in area. In such cases, it must be ensured that the Supervisor who is the senior person should be the 'Implementing Officer' of the Village Panchayats.

5.8. All Village Panchayats and urban local governments would provide facilities for ICDS Supervisors to be located in their office. They could be provided a room and necessary furniture.

5.9. The Social Welfare Department runs about 72 institutions. All these institutions could be brought under the management of the District Panchayats.

5.10. Considering the special needs of each institution, it is necessary to train the persons managing these institutions. For this, the service of expert academic institutions teaching social work could be utilised.

5.11. For these institutions and other institutions, neighbourhood support systems in the form of 'Suhrid Samithis' have been constituted. 'Suhrid Samithis' which are purely of advisory nature now may be empowered to function as a kind of management committee functioning in support of the local self government.

5.12. Government may appoint a team of three to five specialists in the field as honorary guardians for each of the institutions. These persons can participate in the meetings of the 'Suhrid Samithis' and provide regular reports to them as well as to the concerned Local Self Governments.

5.13. All details of functioning of these institutions including accounts should be made public.

5.14. Gradually the management of the institutions should be left to non-government organisations of repute, selected through a transparent process to verify the credentials.

5.15. The various skill formation activities taken up in the institutions of the department like Juvenile Homes, Special Homes, Vocational Training Centres etc., may be re-assessed and modern skills particularly those related to Information Technology may be imparted. For this, outsourcing to get expert services may be resorted to.
5.16. The regional set up of the department may be modified and the regional officers could be used for monitoring and internal auditing.

5.17. Delegation of powers to district level officers and CDPOs may be increased. The ICDS Supervisors at the Village Panchayat/Urban Local Government level who act as implementing officers should also be given adequate powers to discharge their functions.

5.18. In the context of decentralisation, Social Welfare Department should focus on Women and Child Development as well as rehabilitation of various kinds of physically and mentally challenged people. The officers of the department transferred to Local Governments should be made the implementing officers of the women's component of the decentralised development programmes.

5.19. As regards rehabilitation measures for various kinds of disability at the district level, virtual organisations can be created to converge the services of Local Governments, Health Department, Autonomous Societies like District Locomotor Society and public sector organisations like Kerala State Handicapped Persons Welfare Corporation Ltd. The nodal role should be played by the District Social Welfare Officer.

5.20. A management manual should be prepared for Anganwadis with focus on Child Services for the use of the Local Governments.

5.21. Minimum facilities as well as desirable facilities in a model Anganwadi in terms of requirement of space, equipment, teaching aids etc. may be prepared so that Local Governments could take up a phased programme of development of Anganwadis.

5.22. For training, the department may support training units which can be located in KILA and SIRD for taking care of the training needs of departmental personnel as well as the sector covered by the department.
CONCLUSION

6.1. The Departments dealt with in this Report belong to the category whose functions have been transferred to Local Governments almost in their totality along with staff below the State level. There is need for redefining the role of the Directorates of these departments. Kerala Administrative Reforms Committee would recommend the following roles for the Directorates:

1. Lay down guidelines and set standards for the sector concerned.
2. Develop and disseminate project ideas, which can be picked up by Local Governments.
3. Initiate action research to try out new ideas.
4. Monitor development programmes implemented by the Departments and by the Local Governments.
5. Conduct evaluatory research to provide feedback for policy making.
6. Intermediary with Government of India as well as Aid Agencies to mobilise support for the concerned sectors.

6.2. The Local Governments have to be motivated and facilitated to act not merely as planners and implementors of schemes, but more as protectors of the legitimate entitlements and interests of disadvantaged groups of people, be they Scheduled Castes, Scheduled Tribes or other groups of disadvantaged people. Here they have to play the watchdog functions effectively to ensure that various forms of assistance earmarked for these sections of society actually reach them and benefit them.

6.3. It is a recognised fact that most of the tribals of Kerala are exploited. A mechanism has been suggested in the form of a High Power Social Audit Team, which could act as a protector of the tribal interests. But the poor communities
themselves have to be aware of their rights and of the benefits due to them. The policy of creating Self Help Groups particularly through women would go a long way in empowering the poor groups belonging to Scheduled Castes and Scheduled Tribes. Government should actively encourage the setting up of such Self-help Groups and networking them and build up their capacity to intervene in the development process and access their due entitlements. This would act as a demand pull mechanism which can tone up the delivery of services by the concerned Government Departments and Local Governments. For this to happen, social animators having well demarcated service areas should be groomed from the SC/ST groups which are very poor and under developed.

E.K.NAYANAR
Chief Minister of Kerala & Chairman

V.J.THANKAPPAN
Vice Chairman

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Member

C.J.JOSEPH
Member

S.M.VIJAYANAND
Member Secretary
NINTH REPORT OF

THE KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON

PERSONNEL REFORMS

PART II

THIRUVANANTHAPURAM

MAY 2001
CHAPTER 1

INTRODUCTION

1.1.1 The Kerala Administrative Reforms Committee in its IVth Report had identified Personnel Reforms as the core of Administrative Reforms, as reforms in other areas basically revolve around this central point. The Committee had specially noted that effective implementation of Personnel Reforms could become the prime mover in making governance more efficient and responsive.

1.1.2 In the IVth Report submitted to Government in May 1999, the Committee had identified the following areas, which are relevant for bringing about Personnel Reforms.

- (a) Recruitment
- (b) Placement
- (c) Discipline
- (d) Working environment and facilities
- (e) Capacity building
- (f) Performance appraisal
- (g) Cadre issues
- (h) Retirement, and
- (i) Institutional changes and legal reforms.

In Part I of the Report on Personnel Reforms which constituted the IVth Report of the Kerala Administrative Reforms Committee, issues relating to recruitment, placement, discipline and capacity building have been dealt with. This report seeks to cover the remaining areas.
1.2 **Methodology followed.**

1.2.1 The Methodology followed by the Committee in identifying the areas for reforms in the personnel sector and formulating suitable recommendations has already been explained in the IV\textsuperscript{th} Report. It is reproduced below:

i. Close interaction with Secretaries to Government, Heads of Department and other senior officials to get a general feedback.

ii. Interaction with Chairman and Members of the Kerala Public Service Commission.

iii. Discussions with selected organisations of the employees. (List enclosed as Annexure I)

iv. Analysis of the Reports of the first two Administrative Reforms Committees with a view to ensuring continuity.

v. Assessment of Government of India's initiatives, by perusing relevant papers and documents.


After this, the Committee sent teams to Tamil Nadu, Gujarat, Madhya Pradesh and Karnataka and benefited from learning the reform initiatives in these States. The Committee has also subjected the themes highlighted in this Report to more rounds of discussion than usual considering their critical but sensitive nature.
CHAPTER 2

IMPROVING THE WORKING ENVIRONMENT IN GOVERNMENT OFFICES.

2.1.1 It is axiomatic that a clean and pleasant physical environment in an office contributes significantly to the efficiency of the staff working there. Traditionally public offices are associated with untidiness, congestion, disorderliness and lack of friendliness. These attributes have become identified with "Sirkar Office" functioning. Unfortunately in Government offices, often, the wood enters the soul, the steel pierces the heart, the paper clutters the mind and the dust dulls the spirit. In a sense the physical environment can be dehumanizing.

2.1.2 The Kerala Administrative Reforms Committee is convinced that with effort and without much expense, public offices can be tidied up considerably and the neat environment would motivate the people working in it and also radiate friendliness to the people approaching the office for help. The Committee would like to classify recommendations for improving working environments into two - those calling for immediate implementation and others involving planned, phased, operationalisation.

2.2 Reforms for immediate implementation:

2.2.1 A spatial rearrangement should be done in all public offices, especially the bigger ones at the State and District levels to ensure that there is a logical spatial ordering in the location of sections related to flow of work. This would mean, for example, in Secretariat the seating arrangements would be in such a way that each department is allotted a definite area and the sections function contiguously. A similar rationalisation is called for in the offices of the Heads of Department as well as in the District Offices. Though this would involve a bit of inconvenience, it would be only
Personnel Reforms - Part II

temporary and it is better to push ahead with the rearrangement for operational efficiency.

2.2.2 There are many unserviceable articles lying strewn in public offices and their compounds. They give an ungainly look to the whole office. Government would not lose much if disposal of unserviceable items is effected in the next six months with the head of office being delegated the powers to dispose off the articles subject to the only condition that he shall submit a proforma statement to the Head of Department on the articles sold off and the cost realised. The process of assessing scrap value may be fixed by a common government order followed by Circulars from Heads of Departments. A transparent system of auction can be prescribed. Each level of officer may be given powers to sell unserviceable articles up to the value specified below without recourse to formal tender notice through news papers.

- Officers at the Taluk level or below: Rs.50,000
- Officers at the District level: Rs.1,00,000
- Heads of Department: Rs.2,50,000
  (In the case of Hospitals the above ceiling could be doubled)

2.2.3 Similarly, freedom may be given to the Head of Office to purchase new items in the place of articles sold off subject only to the budgetary limits without asking for prior permission; just by informing the head of department or government as the case may be.

2.2.4 In all cases where Record rooms exist, a stock taking has to be done before the end of this year. The District level officer may be authorised to weed out and destroy unwanted records. Each department should issue operational instructions for identifying such superfluous records. Thereafter, arrangements should be made to transfer disposals to the record room within one month. The existing records and the newly arrived records should be arranged properly and indexed for easy reference.
2.2.5 In offices which do not have Record Rooms, suitable portions of the office could be earmarked with proper separation to serve as the record storage space. In order to present an orderly appearance and ward off gathering of dust it is suggested that the records may be wrapped in coloured cloth in the manner dhobies wrap up washed clothes. This arrangement could be done in such a manner that the colour of the cloth indicates the type/period of the record. In order to avoid a chaotic situation each department may issue consolidated instructions on the colour code.

2.2.6 In order to create a pleasant setting, beautification of surrounding space both within and outside office buildings may be encouraged. This has to be achieved within available funds or using local sponsorships.

2.3 Reforms for planned, phased implementation.

2.3.1 **Toilet** and **drinking water facilities** have to be provided in every office both for the staff and the public. Of course in most of the offices toilets do exist. But majority of them are seen to be in highly deplorable conditions. First of all such toilets will have to be cleaned up and made presentable. As far as drinking water is concerned, till such time coolers are provided and in the case of offices whose size does not call for water cooler, the traditional system of **earthen filters** may be resorted to.

2.3.2 All offices which are frequented by the public should have some minimum facilities for the visitors - at least **seats while waiting in the office**. **Visitors' corners** may be earmarked in larger offices. Offices of the Heads of Department and the district offices should have **recreation room for staff**. There should also be reasonably well furnished meeting rooms.

2.3.3 It is strongly recommended that Government may prepare a department-wise status paper of the infrastructure required for offices, infrastructure available and quantify the gap. An action plan may be prepared for each
department to fill this gap indicating the priority of works to be taken up within available resources. While preparing such a plan special consideration has to be given to the requirements of future computerisation. As a general principle every office which is not of a temporary nature may have its own building.

2.3.4 Similarly an action plan for construction of staff quarters needs to be prepared. The most difficult areas may be identified and the requirement of quarters determined. They can again be provided in a phased manner within the budgetary allocation.
3.1.1 Within the personnel sector there are certain structural issues, which need a relook. However, it has to be cautioned that while touching the core issues, they are quite sensitive and a pragmatic and rational approach is advocated. But that does not mean that these issues can be skirted. They have to be faced squarely and feasible solutions identified and implemented with resolve. Such issues as identified by the Committee are summarised below along with the recommendations.

3.2 Age of entry into State service.

3.2.1 The upper age limit for entry into State services till 1972 was 25 years for general categories with a grace period of three years for the Other Backward Classes and five years for the Scheduled Castes and Scheduled Tribes. In 1972 the limit was enhanced by five years and in 1977 it was further pushed up by another five years. Thus the upper age limit except for those in the uniformed services stands at 35 years for the general categories, 38 for the OBCs and 40 for the Scheduled Castes and Scheduled Tribes. This is the age limit, below which one is eligible to apply for a post through the Kerala Public Service Commission. Considering the fact that considerable time elapses between the advertisement of a post and issue of advice by the PSC, the actual age on the joining of government service could be much higher.

3.2.2 Though the higher age limit could be justified in view of the large number of unemployed people and taking into account the strong preference for a government job, it cannot but be noted that late entry into service
affects the possibility of moulding a person through induction training and reduces the opportunities for imbibing experience. Even proper career planning could be difficult in such circumstances. It has also other implications like unwillingness to serve in difficult areas, as even junior level staff would be encumbered with natural burdens associated with early middle age like looking after the family, education of children and so on.

3.2.3 It is more than a quarter of a century since the age limit was increased. At that time educational attainments of the poorer sections of society were rather limited and they had to be given time to acclimatize themselves to the competitive environment. But now such a situation does not prevail. The spread of education, increase in awareness and better chances for self improvement and preparation for competitive job entry exams, have contributed to improved access to job opportunities.

3.3 Recommendation:

3.3.1 It is recommended that the upper age limit for entry in to service may be reduced by five years in phases. In the interest of natural justice so as not to harm those in the affected age bracket, it is suggested that every year the limit may be brought down by one year. However it is recommended that for Scheduled Tribes the upper age limit for recruitment may be specially fixed at 40 years in view of the extremely disadvantaged nature of that group.

3.4 State Civil Service.

3.4.1 Unlike most States of the country, Kerala does not have a full-fledged Provincial Civil Service at the higher level. Most of the departments in
Kerala follow a system, where the recruitment is made to the lowest levels and thereafter the higher level posts in the administrative hierarchy are filled up through promotions based on seniority. By a strange quirk of administrative history, the Kerala State Civil Service is equated to the service of the Deputy Collector in the Revenue Department. When this equation was made in the early 60s there was justification; for, Revenue Department controlled a large chunk of administration including Treasury, Commercial Taxes, Motor Vehicles, Civil Supplies, Survey and Community Development. But over the last three and a half decades it has shrunk and its functions are limited to revenue matters. In this context the direct entry of Deputy Collectors into the Indian Administrative Service by promotion looks rather iniquitous.

3.4.2 During discussions by KARC, the question of a common higher Civil Service cropped up time and again. There are several points justifying the creation of an expanded Kerala Civil Service and the important ones are summarized below:

(1) Almost all the States in the country have a Provincial Civil Service at the higher level. The experience of these States shows that the members of the Provincial Civil Service have been able to discharge the functions of higher civil service in a relatively better manner, particularly those dealing with development.

(2) There is need to attract talented youngsters to government service. Of course there is a limit to the monetary compensation which government can offer; but the varied job challenges and the high social status would more than compensate for low remuneration. Therefore, a higher Civil
Service at the State level would certainly get bright and capable people. This has been proved by the experience of the State in the case of directly recruited Deputy Collectors.

(3) Public management is fast becoming a complex task calling for agile minds having the capacity for continuous learning. In a context where new technologies and new managerial challenges pose a tough test to Civil Servants, it would be worthwhile to have young and intelligent people manning important posts.

(4) Bringing in young people can contribute to increasing efficiency. It will open up the possibilities of better coverage of difficult areas where youngsters can be posted.

(5) There is a need to build a strong public service culture. This implies moulding the mind and motivating the spirit. This can be achieved better in the case of youngsters through vigorous induction training.

(6) In the developmental field there are several challenges and they call for high levels of commitment and competence to counter. This again requires enthusiastic young people.

(7) In the specific context of Kerala, there is an urgent need to counteract departmental insularity. A State Civil Service could provide the unifying common thread. It could build partnerships and create networks much more easily than compartmentalized systems. It can go a long way in providing
lateral and vertical linkages for convergence, and create possibilities for synergies.

3.4.3 The KARC feel that there is felt need for a steel-frame at the State level also and this can be set up through a strong and vibrant cadre of Kerala Civil Service.

3.5 **Recommendations:**

3.5.1 The Kerala Administrative Reforms Committee recommends the constitution of a Kerala Civil Service with a cadre strength equal to 25% of the number of non-technical posts which exists at and above the level of the first gazetted post. The lists of departments to which this recommendation is applicable and the departments to which this recommendation is not applicable are given as Annexures II and III respectively.

3.5.2 The Kerala Civil Service may have categories of posts having the following five scales of pay.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Scale of Pay (Rs)</th>
<th>Comparable post in State Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>7800-225-8475-250-12975</td>
<td>Under Secretary/Assistant Development Commissioner/Deputy Collector</td>
</tr>
<tr>
<td>2.</td>
<td>10000-300-10600-325-15150</td>
<td>Deputy Secretary / Deputy Development Commissioner</td>
</tr>
<tr>
<td>3.</td>
<td>12600 - 375 - 15600</td>
<td>Joint Secretary/Joint Development Commissioner/Higher Grade Deputy Collector</td>
</tr>
<tr>
<td>4.</td>
<td>14400 - 400 - 18000</td>
<td>Additional Secretary / Additional Development Commissioner</td>
</tr>
<tr>
<td>5.</td>
<td>16300-450-19900</td>
<td>Special Secretary (Law), Chief Engineer (Administration)</td>
</tr>
</tbody>
</table>

On recruitment, the officer in the State Civil Service will have to work for at least two years in first level Gazetted posts like
B.D.O./Tahsildar/Taluk Supply Officer/Sales Tax Officer etc., against the quota to be reserved for State Civil Service recruits.

3.5.3 The cadre strength in each scale may be determined at the time of constituting the service and it may be reviewed every five years.

3.5.4 Recruitment of the State Civil Service may be made through the following three channels in the ratio mentioned below:
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Method of Recruitment</th>
<th>Percentage to the total strength of the cadre</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>Direct recruitment. Direct recruitment may be made by open competition. The upper age limit be fixed as 25, 28 and 30 in this recruitment for the General, OBC and SC/ST categories respectively.</td>
<td>50% (Fifty)</td>
</tr>
<tr>
<td>II.</td>
<td>Selection from employees. Selection from persons occupying non-technical posts immediately below the first level gazetted posts.</td>
<td>25% (Twenty five)</td>
</tr>
<tr>
<td>III.</td>
<td>By competition from employees. Those who are already in employment, irrespective of the category of the post held, will be allowed to compete for the direct recruitment with an age relaxation of eight years.</td>
<td>25% (Twenty five)</td>
</tr>
</tbody>
</table>

Recruitment through channels I and III would be done by the Public Service Commission through open competition from among graduates in any discipline. As regards recruitment through channel II, it could be through a two stage process; first a screening and short-listing based on verification of past performance and then an interview to select the required number of officers. The interview could be conducted by a Board consisting of the Chairman of the Public Service Commission, Chief Secretary and two Experts from outside the State representing academic institutions of excellence.

3.5.5 The entry-level post may be equated to that of an Under Secretary and the highest post to that of Special Secretary to Government. There should be time scale of pay and promotions should be based on common pool strength with a condition that promotion from one scale to the higher scale would be by selection in relation to performance and integrity. For this purpose a Promotion Committee chaired by the Chairperson of the Public Service Commission, with Chief Secretary, Additional Chief
Secretary and Secretary (P&ARD) as members may be constituted. Promotion to the highest level may be based on performance in the job as well as performance in the interview to be conducted for the purpose.

3.5.6 In the case of **direct recruitment**, (i.e., through channels I and III) normal Government policy regarding **reservation for different communities** should be followed.

3.5.7 After recruitment through channels I and III a **one year induction training would be mandatory.** This would include field attachment for **nine months** and institutional training in two spells of two months at the beginning and one month at the end. For category II only a three-month induction training is suggested which would consist of one month institutional training and two months field attachment. A **final test for persons recruited through all channels** may be conducted and those who fail to qualify may not be selected.

3.5.8 Officers with a **minimum of eight years service in the State Civil Service may be considered for promotion to the IAS.**

3.6 **Performance Assessment and Promotion.**

3.6.1 It goes to the credit of the Government that the system of Departmental Promotion Committee has been revived. Though it is an important first step there is still a long way to go before the idea of merit based promotion enunciated by the First Administrative Reforms Committee is realised. The Performance Appraisal Forms are quite primitive and they cannot be considered as assessment of a person's performance. The system of having probation is also not effectively utilised. The prescription of departmental tests again has not been very rational in ensuring merit.
3.7 Recommendations:

3.7.1 The Committee would recommend a two-fold strategy to ensure merit-based promotions:

(1) **Departmental tests** which are for determining minimum eligibility may have two parts. One a general part dealing with office management and financial management including accounting. The other part should be department specific. Tests for each department can be conducted by State level expert institutions like IIM, IMG, KILA, SIRD, CWRDM, KFRI, selected University departments etc.

(2) The **Performance Appraisal system has to be thoroughly overhauled**. Each Department has to have a separate system in tune with its functions. However, an illustrative list of items to be included in the format for Performance Appraisal is enclosed as Annexure IV. At each level expected performance outputs should be indicated through a general order by the concerned controlling officer. For identification of such indicators a participatory methodology is suggested giving an opportunity to the officers involved to make their suggestion. This can be revised if and when required.
CHAPTER 4

TRAVEL AND MEDICAL BENEFITS

4.1.1 Two items of immediate concern to government servants are Travelling Allowance and Medical allowance. In a situation of tight ways and means position the scope for liberalising these items is rather limited. However rationalization is possible. The issues relating to these two items and the recommendations are summarised below.

4.2 Travelling Allowance:

4.2.1 The rates of travelling allowance are fixed by the Government normally in relation to the recommendations of the Pay Commission. However, due to financial difficulties there have been severe restrictions on incurring expenditure by way of travel. Even in cases of unavoidable journeys being performed on official duty, payments are much delayed. Therefore the Committee would suggest not an enhancement of the budgetary allocation for travel but a method for prioritising. The recommendations are summarised below:

i. Each Secretary to Government should prepare a T.A. estimate for the departments under his control. This should be sent to the Finance Department by October of the financial year preceding the year for which that assessment is made.

ii. For making the assessment, each Head of Department should be asked to give a statement indicating the arrears of T.A. in his Department and the requirement for the coming year. Both these figures should be split into the following categories.
a) For tours related to defending government cases in various courts of law.

b) For tours which, if not undertaken, will directly result in financial loss to Government.

c) For tours of inspection as per standing orders laying down such inspections.

d) For journeys for training purposes.

e) For other tours.

Roughly ten percent of the requirement as assessed for the coming year should be added for tours related to unexpected developments.

iii The Finance Department should prepare the budget estimates based on such assessments made by Secretaries and should try to accommodate them to the maximum possible extent. When the final budget allocation is known, from available funds, Secretary of the Administrative Department should set apart requirements for items (a), (b), (c) and (d) (proportionately, if budget allocation is substantially less than requirement) and issue orders disallowing any diversion of those funds for item (e).

iv For the different Departments in the Secretariat, such an exercise should be done by the Chief Secretary or Additional Chief Secretary. It should be the endeavour to minimise tour expenses of Secretariat Officers as they are not supposed to be touring officers. In any case, tours involving no substantive work (eg. Attending formal ceremonies like inauguration, laying of foundation stones etc.) should be the lowest priority.
4.3 Medical Benefits.

4.3.1 Government servants are entitled to get free treatment in Government Hospitals. But over the last few years, many of the Government Hospitals are not a position to dispense the drugs required for treatment and prescription of drugs is resorted to. Thus, medical reimbursement tends to increase. With the massive involvement of the private sector in provision of health services a commercial bias has set in pushing up the cost of treatment. At the same time in response to market demand, private medical institutions try to provide superior technology and equipment rarely or not available at all in government medical institutions. Thus many facilities not available in government hospitals are available in private sector hospitals. Since the health of the government staff is deemed to be a concern of the Government, there is a growing demand that, for the entitlement to be real and full, the best forms of curative treatment should be accessed by government servants.

4.4 Recommendations:

i) In order to avoid cumbersome procedures, government may reimburse medical expenses, the amount of which is less than Rs.500/- per month on the basis of a declaration by the employee and the accompanying cash bills signed by the Doctor who has actually prescribed them irrespective of whether he is in government service or not.

ii) For certain types of specialised treatment, which are not available or not widespread in Government Hospitals, Government may negotiate with private providers of
health and work out a reimbursement system subject to agreed cost ceilings for each type of treatment.

iii) A medical insurance scheme is suggested with equal contribution from Government and the Employees. A Committee consisting of Principal Secretary (Finance), Secretary (P & ARD), Secretary (Health) and two experts in insurance may be constituted to evolve a master policy scheme.
CHAPTER 5

RETIREMENT AND POST-RETIREMENT SCENARIO

5.1 Age of Retirement

5.1.1 Kerala has the youngest retirement age in the country. In spite of its apparent contradiction in the context of the State having the highest life-expectancy levels in the country, the question had been treated as more or less a settled one. This is so, only for the reason that the levels of educated unemployed are highest in the State, and job opportunities have been rather restricted. This is compounded by the fact that there is a marked cultural preference for government jobs both for reasons of security and status. The recent raising of age of retirement for Central Government employees followed by similar increases in some States has raised a debate on the question in the State.

5.1.2 The Administrative Reforms Committee is aware of the various dimensions of the issue. It feels that the question can not be settled by argument alone. Yet, it would be helpful to list out the arguments for and against raising of retirement age.

5.2 Arguments For

5.2.1 The strongest argument for raising of retirement age is that improvement in health levels of the State has resulted in a very high life expectancy. Also, old age sets in later when general health improves.

5.2.2 Though it is not axiomatic, it still holds good that at senior levels the experience and expertise is higher and it is certainly cost efficient to utilise the available services for a longer time than replacing them with new blood. It is particularly so because in the State lateral recruitment is very limited and a large number of posts are promotion based.
5.2.3 Age of recruitment is quite high in the State. This results in people entering government service very late and having very few years of service resulting in higher cost of training and lower levels of experience.

5.2.4 Throughout the country, age of retirement is higher. The situation where Kerala alone is paying pension when the services of similarly aged persons are being used in other States is quite anomalous. There is a need to lower the proportion of pensioners vis-à-vis the serving employees.

5.2.5 A common argument advanced for pushing up the retirement age is the huge savings likely to accrue to the government by way of postponed payment of retirement benefits. But taking into account the reality of government spending, there is no guarantee that the savings would be invested in such a manner as to produce high returns. In fact, there is danger of complacency prompting government to indulge in liberal spending. Therefore, this should not be taken as a very valid argument.

5.3 Argument Against

5.3.1 The sole but powerful argument against raising of retirement age is the high level of unemployment particularly among educated people. Even though the number of jobs may be small, the demand is very high and not satisfying the demand would create problems.

5.3.2 From a purely administrative point of view, late retirement would be ideally suited to Government as it would be able to utilise the services of an experienced and trained person for some more time. On the contrary, once a person retires and a new employee is appointed in his place, apart from paying pension to the retired person, the administrative system has to pay for the new recruit and also incur costs in training him and providing him sufficient practical exposure. In this context, the critical
question is how late can the retirement be. Theoretically, the answer to this would be the point in an individual's life at which his productivity starts declining. This again is a function of several other socio-cultural factors. In Kerala, the retirement age was fixed at 55, possibly taking into account all these factors at that point of time. Purely from an academic point of view, given the fact that most of these socio-cultural factors have undergone a rapid change, there is a case for reassessing the sanctity of this age boundary and consider shifting it upwards.

5.4 Recommendation.

5.4.1 However, the Committee is well aware of the fact that a purely academic or administrative view cannot be taken in this matter. In Kerala an upward revision of retirement age would have many social consequences. The Committee would only request the Government to take an early decision on this matter taking into account the various practical issues involved.

5.5 Problems of Pensioners.

5.5.1 The most serious problem faced by the Pensioners is delay in sanction of pensionary benefits. It has to be noted that pension is not a welfarist charity by government but is a recompense as a condition of service, for years of service for the government. Though there are provisions in Part III of KSR to ensure timely sanction of pensionary benefits and strict instructions have been issued by Government from time to time and even Court rulings have reinforced the need for timely settlement of pension-related matters, in actual practice, there are delays, particularly in the payment of DCRG. At the same time, there should be a foolproof system to ensure that those who cause loss to government do not escape scot-free, taking advantage of slow-moving bureaucratic procedures in determining past liabilities.
5.5.2 Though Government have simplified disbursement of pension by allowing payment through Nationalised Banks and by money order, for social reasons, several pensioners prefer to go to the Treasuries for direct encashment. These pensioners have harrowing tales to relate particularly of rude behaviour from the staff, slow payments and poor facilities for the waiting pensioners.

5.5.3 The health care of pensioners is another issue, which requires sympathetic consideration.

5.5.4 The conditions of service of government employees are regulated by the rules issued under the Public Service Act 1968. However there is no State law regulating the payment of pension and the related benefits of State Pensioners. The Pension Act of 1871, which is in force throughout the country, has become quite anachronistic.

5.6 Recommendations:

5.6.1 Considering the above problems, the KARC would recommend the following measures to tackle them:

i. **Provisional/Anticipatory pensionery benefits** as envisaged in Rules 3-A and 116 of KSR should be sanctioned in all cases within two months of the date of retirement when regular pensionery benefits, including DCRG cannot be sanctioned within that period.

ii. **Action**, if any, under Rule 3 should be finalised at any rate within one year of the date of retirement. The time limit may be extended by another year with the approval of Government. **Regular pensionery benefits should be sanctioned** in the above mentioned cases within one
month of the completion of Rule 3 proceedings or within one month of expiry of the period of one year/two years fixed for completing Rule 3 proceedings, whichever is earlier.

iii. Regular pension should be sanctioned in all other cases within two months from the date of retirement.

iv. Normally, pension and DCRG should be assessed immediately. However, a change in rules is recommended to ensure that if any liabilities are fixed after retirement the Revenue Recovery Act would be applicable for a period of five years from the date of retirement. Of course this period would exclude time lost due to court orders, if any.

v. Interest at market rate may be paid for delayed sanction/payment of pensionary benefits beyond the time limit mentioned earlier. The amount paid as interest should be recovered from the persons responsible.

vi. As has been done by the Government of Maharashtra, special arrangements may be made for pensioners in the Treasuries like waiting rooms, drinking water and toilet facilities and easy access including special provisions for handicapped pensioners. Pension payment Treasuries should function only in the ground floor of buildings.

vii. Though computerisation should speed up disbursement of pension on the spot, it can not take care of insensitive and rude behaviour. Special training on behavioural aspects needs to be given to the Treasury staff and strict action should be taken against persons indulging in rude behaviour.
viii. At the **Treasury level** there could be **Advisory Committees** consisting of officials and representatives of organisations of pensioners selected by them from among themselves.

ix. A demand survey may be conducted for the existing pensioners and based on their preference, the **expansion of the existing modes of disbursement** i.e. through Treasuries, through Banks and through money order may be decided.

x. A **health care scheme for the pensioners** may be formulated and implemented as master policy scheme. A Committee consisting of Principal Secretary (Finance), Secretary (Health), Secretary (P&ARD) and two experts in insurance may be constituted to evolve a scheme.

xi. A **State level Advisory Committee** may be constituted under the Chairmanship of the Minister for Finance with the Minister for Education, Secretary (Finance), Secretary (General Education), Secretary (Higher Education) and Director of Treasuries as official members and five representatives of Pensioners of whom two shall be women.

xii. A similar **Committee** may be constituted **at the District level** under the chairmanship of the District Collector.

xiii. A **Kerala State Pension Act may be brought into force** using the principles enunciated by the Supreme Court in the Nakara case in its judgement dated 17-12-1982 as the basis.
CHAPTER 6
LEGAL AND INSTITUTIONAL ISSUES

6.1.1 The Administrative Reforms Committee after studying the experience of States like Tamil Nadu, Gujarat and Madhya Pradesh and the Central Government, and after discussions with the concerned people in Kerala feel that certain institutional mechanisms as well as legal provisions need to be brought into effect to improve matters relating to personnel administration. The recommendations of the Committee are given below:

6.2 Restructuring the Public Services Act.

6.2.1 The present Public Services Act is a very sketchy one and contains only general enabling provisions. Though a number of notifications are issued under the Act as subordinate legislation it is seen that no basic framework is provided in the Act. KARC is of opinion that the framework for running the public services should be laid down by the Act itself. It is better that the guidelines for subordinate legislation is laid down by the Legislature itself. The following points could be incorporated in the Act.

i) There should be clear provisions incorporating the essence of the general rules of the Kerala State and Subordinate Services Rules. This will ensure that the basic principles are adhered to while framing special rules.

ii) Now that the Supreme Court has given the final verdict on the quantum of reservation in jobs, it is better to lay down the rules of reservation and the percentage allotted to each community in the Act itself, for it is only appropriate that any change, which would have wide ramifications, is made only after debate in the Legislature.
iii) General guidelines regarding the constitution of new services and creation of new categories of posts may be included. This will ensure that disparities in the cadre are reduced.

iv) The role and rights of the members of public services should be defined in the statute. The conduct rules could be recast on the basis of these legislative provisions.

6.3 Joint Consultative Machinery (JCM).

6.3.1 The KARC would recommend setting up of a Joint Consultative Machinery in the State on the lines of the system existing at the central Government level. In fact what is suggested is only an improved version of the Staff Councils which have become more or less defunct now. It is felt that JCM may be organised at three levels with the membership as suggested below:

<table>
<thead>
<tr>
<th>Level</th>
<th>Government nominees</th>
<th>Employees Representatives</th>
<th>Representative of Government pensioners</th>
</tr>
</thead>
<tbody>
<tr>
<td>State level</td>
<td>10</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Department level</td>
<td>5</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>District level</td>
<td>7</td>
<td>14</td>
<td>2</td>
</tr>
</tbody>
</table>

The chairperson and convener would be nominated by the State Government. The representatives of employees may be elected from among the staff of and below the rank of Under Secretary to Government or equivalent posts. The armed and the judicial services need not be included in this. However, the ministerial staff of these departments can be included. Elections can be held for each department constituting an electoral college according to the strength of the department. This electoral college could in turn elect the members at the three levels.

6.3.2 The following subjects could be matters of consultation in JCM.
1) Remuneration.
2) Holidays.
3) Service rules
4) General principles of transfer
5) Working environment
6) Administrative Reforms.
7) Any other matter on which government desires to obtain
the opinion of the employees.

6.3.3 JCM meetings may be held at least once in six months and the record of
discussions as well as decisions followed up by the department in charge
of public services.

6.4 Civil Services Board (CSB).
6.4.1 A Civil Services Board may be constituted with the following
membership.
1) Additional Chief Secretary - Chairperson.
2) Secretary (P & ARD) - Member Secretary
3) Finance Secretary
4) Two other Secretaries to Government
5) The concerned Secretary to Government to be co-opted as Member.
6) Two representatives of employees to be decided by the JCM at the
State level.

6.4.2 CSB may be assigned a two fold function: One with regard to
appointing of officers where the Government is the appointing
authority and the other regarding transfers to ensure that the
government guidelines are followed in letter and spirit. In the case of
appointments their function is expected to be on the lines of the
Appointments Committee at the central government level. Proposals for
postings of officers wherever the government is the appointing authority
would be placed before the Board by the concerned Secretary. This will be
processed by the Board and the approved list would be sent back to the
Secretary of the concerned department for issuing of posting orders with the approval of the Minister or the Council of Ministers as the case may be. As regards transfers the person affected may file an appeal within one month of issue of the transfer order and the Board will take a decision as quickly as possible, at any rate within 45 days from the date of receipt of the appeal. The P&ARD would provide the necessary administrative support for the functioning of the CSB.

6.5 State Administrative Tribunal.

6.5.1 The Administrative Tribunals Act 1985 (Central Act 13 of 1985) provides for setting up of Administrative Tribunals at the State level. It is recommended that Kerala may constitute an Administrative Tribunal for the State. The membership of the Administrative Tribunal could be as follows:

(1) Chairman
(2) Administrative Member
(3) Judicial Member

6.5.2 The Headquarters of the Tribunal may be Thiruvananthapuram with regular sittings at Ernakulam and Kozhikode.

E.K. NAYANAR
Chief Minister of Kerala & Chairman

V.J. THANKAPPAN
Vice Chairman

C.J. JOSEPH
Member

Dr. K.K. SUBRAHMANIAN
Member

S.M. VIJAYANAND
Member Secretary
### ANNEXURE -I

**LIST OF EMPLOYEES’ ORGANISATIONS WITH WHOM ARC HAD DISCUSSIONS ON PERSONNEL REFORMS**

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of Organisation</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Federation of State Employees and Teachers Organisation</td>
<td>N.G.O Union Office, P.M.G. Junction, Thiruvananthapuram.</td>
</tr>
<tr>
<td>2.</td>
<td>Federation of State Employees and Teachers Front</td>
<td>614, Darsan Nagar, Peroorkada, P.O Thiruvananthapuram</td>
</tr>
<tr>
<td>3.</td>
<td>Kerala State Teachers &amp; Employees Front</td>
<td>R.C Street, Balaramapuram, Thiruvananthapuram</td>
</tr>
<tr>
<td>4.</td>
<td>Adhyapaka Service Sanghadana Samara Samithi</td>
<td>Joint Council Office, Near Press Club, Thiruvananthapuram</td>
</tr>
<tr>
<td>5.</td>
<td>Federation of Employees-and Teachers Organisations</td>
<td>Utsavamator Building, T.C.37/258, Fort, Thiruvananthapuram</td>
</tr>
<tr>
<td>6.</td>
<td>Adhyapaka Service Sanghadana Iykyaa Vedi</td>
<td>Revenue Staff Association Building, Vanchiyoor, Thiruvananthapuram</td>
</tr>
<tr>
<td>7.</td>
<td>State Employees &amp; Teachers Organisation</td>
<td>N.G.O Association office, Bakery Jn., Thiruvananthapuram</td>
</tr>
<tr>
<td>8.</td>
<td>Kerala State Service Pensioners Union</td>
<td>Pension Bhavan, Kesavadasapuram, Thiruvananthapuram-4</td>
</tr>
<tr>
<td>9.</td>
<td>Kerala Secretariat Association</td>
<td>Near Secretariat, Thiruvananthapuram-1</td>
</tr>
<tr>
<td>10.</td>
<td>Kerala Secretariat Employees Association</td>
<td>Near Secretariat, Thiruvananthapuram-1</td>
</tr>
<tr>
<td>11.</td>
<td>Kerala Gazetted Officers Association</td>
<td>KGOA Office, Thiruvananthapuram-1</td>
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</tbody>
</table>
### ANNEXURE II

**LIST OF DEPARTMENTS INCLUDED IN THE KERALA CIVIL SERVICE**

<table>
<thead>
<tr>
<th>No</th>
<th>Name of Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agricultural Income Tax and Sales Tax</td>
</tr>
<tr>
<td>2</td>
<td>Civil Supplies</td>
</tr>
<tr>
<td>3</td>
<td>Common Category Posts in all Departments</td>
</tr>
<tr>
<td>4</td>
<td>Co-Operation</td>
</tr>
<tr>
<td>5</td>
<td>Cultural Publications</td>
</tr>
<tr>
<td>6</td>
<td>Entrance Examinations Commissionerate</td>
</tr>
<tr>
<td>7</td>
<td>Industries and Commerce</td>
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<tr>
<td>8</td>
<td>Labour</td>
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<td>9</td>
<td>Land Board</td>
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<td>10</td>
<td>Land Revenue</td>
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<td>11</td>
<td>Local Fund Audit</td>
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<td>12</td>
<td>Municipal Administration</td>
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<td>13</td>
<td>National Employment Service</td>
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<td>14</td>
<td>National Savings</td>
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<tr>
<td>15</td>
<td>Panchayats</td>
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<tr>
<td>16</td>
<td>Registration</td>
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<tr>
<td>17</td>
<td>Rural Development</td>
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<tr>
<td>18</td>
<td>Sainik Welfare</td>
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<tr>
<td>19</td>
<td>Scheduled Caste Development</td>
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<tr>
<td>20</td>
<td>Scheduled Tribe Development</td>
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<tr>
<td>21</td>
<td>Secretariat - Administrative</td>
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<tr>
<td>22</td>
<td>Secretariat - Finance</td>
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<tr>
<td>23</td>
<td>Social Welfare</td>
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<td>24</td>
<td>State Insurance</td>
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<td>25</td>
<td>State Lotteries</td>
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<tr>
<td>26</td>
<td>Stationery</td>
</tr>
<tr>
<td>27</td>
<td>Survey and Land Records</td>
</tr>
<tr>
<td>28</td>
<td>Tourism</td>
</tr>
<tr>
<td>29</td>
<td>Treasuries</td>
</tr>
</tbody>
</table>
## ANNEXURE III

### DEPARTMENTS NOT INCLUDED IN KERALA CIVIL SERVICE

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>Name of Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agriculture</td>
</tr>
<tr>
<td>2.</td>
<td>Animal Husbandry</td>
</tr>
<tr>
<td>3.</td>
<td>Archeology</td>
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<tr>
<td>4.</td>
<td>Ayurveda Colleges</td>
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<tr>
<td>5.</td>
<td>Chemical Examiners Laboratory</td>
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<tr>
<td>6.</td>
<td>Collegiate Education</td>
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<td>7.</td>
<td>Dairy Development</td>
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<td>8.</td>
<td>Drugs Control</td>
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<tr>
<td>9.</td>
<td>Economics and Statistics</td>
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<td>10.</td>
<td>Electrical Inspectorate</td>
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<tr>
<td>11.</td>
<td>Excise</td>
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<td>12.</td>
<td>Factories and Boilers</td>
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<td>13.</td>
<td>Fire Force</td>
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<td>14.</td>
<td>Fisheries</td>
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<td>15.</td>
<td>Forests</td>
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<td>16.</td>
<td>General Education</td>
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<td>17.</td>
<td>Ground Water</td>
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<td>18.</td>
<td>Harbour Engineering</td>
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<td>19.</td>
<td>Health Services</td>
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<tr>
<td>20.</td>
<td>Higher Secondary Education</td>
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<tr>
<td>21.</td>
<td>Hindu Religious and Charitable Endowment (Administration)</td>
</tr>
<tr>
<td>22.</td>
<td>Homoeopathic Medical Colleges</td>
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<tr>
<td>23.</td>
<td>Homoeopathy</td>
</tr>
<tr>
<td>24.</td>
<td>Housing</td>
</tr>
<tr>
<td>25.</td>
<td>Hydrographic Survey</td>
</tr>
<tr>
<td>26.</td>
<td>Indian Systems of Medicines</td>
</tr>
<tr>
<td>27.</td>
<td>Insurance Medical Service</td>
</tr>
<tr>
<td>28.</td>
<td>Irrigation</td>
</tr>
<tr>
<td>29.</td>
<td>Kerala Gazetteers</td>
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<tr>
<td>30.</td>
<td>KIRTADS</td>
</tr>
<tr>
<td>31.</td>
<td>Land Use Board</td>
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<tr>
<td>32.</td>
<td>Law Colleges</td>
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<tr>
<td>33.</td>
<td>Law Secretariat</td>
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<tr>
<td>34.</td>
<td>Legal Metrology</td>
</tr>
<tr>
<td>35.</td>
<td>Medical Education</td>
</tr>
<tr>
<td>36.</td>
<td>Mining and Geology</td>
</tr>
</tbody>
</table>
37. Motor Vehicles
38. Museums and Zoos
39. National Cadet Corps
40. Public Works Department
41. Police
42. Ports
43. Printing
44. Prisons
45. Public Relations
46. Soil Conservation
47. Sports and Youth Affairs
48. State Archives
49. State Central Library
50. State Planning Board
51. Technical Education
52. Town Planning
53. Vigilance
54. Vocational Higher Secondary Education
ILLUSTRATIVE LIST OF ITEMS TO BE INCLUDED IN THE FORMAT FOR
PERFORMANCE APPRAISAL OF GOVERNMENT EMPLOYEES

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Factors</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Integrity</td>
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<td>2.</td>
<td>Intelligence</td>
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<td>3.</td>
<td>State of health</td>
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<td>4.</td>
<td>Interest in taking up responsibility</td>
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<td>5.</td>
<td>Dependability of the Officer</td>
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<td>6.</td>
<td>Aptitude and Potential</td>
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<td>7.</td>
<td>Attitude to work</td>
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<td>8.</td>
<td>Attitude towards Scheduled Castes/Scheduled Tribes/Weaker Sections of Society</td>
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<td>9.</td>
<td>Discipline</td>
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<td>10.</td>
<td>Interest in the assignment</td>
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<td>11.</td>
<td>Interest taken for the welfare of Women and Children</td>
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<td>12.</td>
<td>Public acceptance</td>
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<td>13.</td>
<td>Conscientiousness towards duty</td>
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<td>14.</td>
<td>Use of delegated powers</td>
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<tr>
<td>15.</td>
<td>Job knowledge - General knowledge about the job he is doing</td>
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<tr>
<td>16.</td>
<td>Job knowledge - Technical knowledge about the job he is doing</td>
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<td>17.</td>
<td>Job knowledge - Up-to-dateness</td>
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<td>18.</td>
<td>Ability to involve people's representatives in programmes</td>
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<td>19.</td>
<td>Ability for Innovation</td>
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<td>20.</td>
<td>Ability in monitoring and follow-up</td>
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<td>21.</td>
<td>Ability in organising Social and cultural activities</td>
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<td>22.</td>
<td>Receptiveness to ideas of others</td>
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<td>23.</td>
<td>Ability to inspire and motivate</td>
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<td>24.</td>
<td>Appraising ability</td>
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<td>25.</td>
<td>Communication skill (oral)</td>
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<td>26.</td>
<td>Communication skill (written) - noting, drafting and correspondence</td>
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<td>27.</td>
<td>Co-operation with superiors and colleagues</td>
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<td>28.</td>
<td>Relations with public (wherever relevant)</td>
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<td>29.</td>
<td>Co-ordination ability</td>
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<td>30.</td>
<td>Co-ordination with other Departments and Agencies</td>
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<td>31.</td>
<td>Decision making ability</td>
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<td>32.</td>
<td>Has the officer any special characteristics, and/ or any abilities, which would justify his/her selection for special assignment or/out of turn promotion? If so, specify.</td>
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<tr>
<td>33.</td>
<td>Ability to plan and organise</td>
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<td>34.</td>
<td>Initiative and Resourcefulness</td>
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<tr>
<td>35.</td>
<td>Inter-personal relationships and team work</td>
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</tbody>
</table>
36. Leadership & drive
37. Management qualities
38. Nature and Quality of Work
39. Performance under Welfare/Development Programmes
40. Capacity to analyse problems and ability to arrive at sound conclusions
41. Quantum of work done, (quantum actually done, and the promptness with which it is done)
42. Ability to supervise and control
43. Skill in maintaining the morale of his staff
44. Capacity to train subordinates
45. Capacity to help, advise and handle subordinates
46. Achievement of targets fixed, if any
TENTH REPORT OF

THE KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON

EXECUTION OF PUBLIC WORKS

THIRUVANANTHAPURAM

May 2001
CHAPTER 1

INTRODUCTION

1.1. Background

1.1.1. Execution of Public Works whether it be for creation of new infrastructure, rehabilitation of old infrastructure or maintenance of current infrastructure, is a very important area of Government activity. Government spends roughly 24% of development budget on an average for executing various kinds of public works every year. Though it is a heavy burden on the budget, as the bulk of such investment lays the foundation for economic development, it is essential. From the point of view of the citizen, provision of infrastructure is often equated with development itself and there is a heavy public demand for construction of roads, bridges, buildings, irrigation structures and so on. Often Government performance is judged by the claims and counter claims on creation of infrastructure. It is certainly a visible and concrete form of development activity.

1.1.2. Unfortunately execution of public works has been affected by poor planning. Responding the public pressure, Government takes up more works than it can afford to, resulting in several problems. “Token Provision” and “Special Sanction” have become two important terms in the
lexicon of public administration. There is the need for exercise of restraint and use of rationality in the management of public works, more so in the context of the acute financial crisis.

1.1.3. Execution of Public Works is often associated with corruption, all over the world, both in developing countries and developed countries. The Contractor-raj is so firmly in place, that the principles of competition and openness have been submerged by cartelisation and bribery. Kerala also has its share of problems in these areas.

1.1.4. In this context the Kerala Administrative Reforms Committee decided to give special importance to the subject and this Report is a product of its concerns for introducing probity and efficiency in the execution of Public Works.

1.2. Scope of the Report

1.2.1. The Report focuses on certain key issues in the management of public works execution in the State and offers suggestions on the directions for change. It has a broad canvas and deals more with larger issues. The KARC feels that there are no quick-fix or short-cut solutions; a fundamental and persevering commitment to basic change is required and the change will take quite some time and face severe resistance.

1.3. Methodology

1.3.1. The methodology of preparing this Report has been quite exhaustive. The basic issues were identified during discussions with heads of departments, Secretaries and local governments. Taking into account the importance of the topic and the complexity of the issues involved, KARC deviated from its normal practice and decided to utilise the expert services of National Transportation Planning and Research Centre (NATPAC). It commissioned
NATPAC to conduct a study on the execution of Public Works and come up with suggestions for reform after identifying the important problems as revealed by field study. NATPAC conducted an exhaustive study. The methodology followed by them is explained in Annexure I.

1.3.2. The KARC also profited from the output of the workshop of Beneficiary Committees executing Public Works for local governments which was organised by the State Planning Board. This workshop highlighted the key problems faced by the local governments in the execution of public works.

1.3.3. The Committee had also access to a Report prepared by a team from Kerala Water Authority on certain reforms brought in by Andhra Pradesh and Tamil Nadu, especially in the tendering process.

1.4. Structure of the Report

1.4.1. This Report is structured in four Chapters. Chapter I introduces the topics. Chapter II, is a descriptive one dealing with the functioning of the departments, delegation of powers aspects related to the formulation and implementation of works and general work flow processes and is taken from the study done by NATPAC. It gives an idea of how public works are planned and implemented in the State. Chapter III outlines the issues relating to the execution of public works and Chapter IV gives the recommendations of the KARC.
CHAPTER 2

EXECUTION OF PUBLIC WORKS

2.1.1. Public Works are executed by various agencies in the State – Public Works Department (PWD), Irrigation Department, Local governments, Kerala Water Authority and Public Sector Corporations like Kerala Construction Corporation, Kerala Land Development Corporation and Kerala Roads and Bridges Corporation. Since the mother department is the PWD, the procedures and systems of all agencies are similar to that of the PWD. Hence the PWD system is described in detail and is more or less common to the execution of public works by any of the agencies mentioned above.

2.2. OPERATIONS OF PUBLIC WORKS DEPARTMENT

2.2.1. The Public Works Department undertakes primarily works of all classes like civil works (civil buildings, roads, bridges and highways) irrigation, inland navigation, embankment drainage schemes and local works, required for all departments of Government.

2.2.2. The operations of the Department can be divided primarily into two classes – Original Works and Repairs and Maintenance. Original Works include all new constructions, whether of entirely new works or of additions and alterations to existing works. The term 'Repairs' or 'Maintenance' includes all operations required to maintain in proper condition or to replace the wear and tear of buildings and works in ordinary use.

*Summarised from the report prepared by NATPAC for KARC
2.2.3. There are certain other operations of the Public Works Department, which fall under both the categories. They are operations, which have the nature of both like the substitution of a terraced roof for tiled roofing, substitution of steel beams for damaged teak wood beams and dismantling and extending a verandah.

2.3. POWERS AND RESPONSIBILITIES OF OFFICERS

2.3.1. Powers and responsibilities of officers in Public Work Departments are clearly defined. The powers and responsibilities of Chief Engineer, Superintending Engineer and Executive Engineer are as given below:

**Chief Engineer**

2.3.2. The Chief Engineer (CE) is the administrative and technical head of that branch of the department of which he is in charge. CE is responsible to the Government for the efficient working of that branch. Each Chief Engineer is the responsible professional adviser of Government in all matters relating to his branch. It is the duty of the Chief Engineer to recommend to the State Government transfers and postings of Superintending and Executive Engineers and Subdivisional Officers within the state.

2.3.3. The Chief Engineer exercises a concurrent control, with the audit Officer, over the duties of the officers of the department concerning the maintenance of accounts. The Chief Engineer prepares annually the portion of the budget estimates relating to the works under his control. It is also the duty of the Chief Engineer to observe that the budget allotments of the year are fully expended.
Superintending Engineer

2.3.4. The Superintending Engineer is in charge of the administrative unit of the department called circle or region and reports to the Chief Engineer on matters of administrative and general professional aspects. It is the duty of the Superintending Engineer to inspect all the important works in his Circle or Region, and to satisfy himself that the system of management is efficient and economical. He has to ensure that the regulations regarding works, stock and accounts are strictly followed and that the executive and administrative work of the circle is satisfactorily performed.

2.3.5. In the case of large contracts, the Superintending Engineer is responsible for the general quality of the works in relation to specifications upto finish. There are limits prescribed for the works under him. The Superintending Engineer concerned inspects the works personally. After completion, the Superintending Engineer has to certify that the work is complete. He records the completion certificate in the specified format. This certificate has to be attached to the office copy of the final bill for the final payment to be effected.

2.3.6. The Superintending Engineer has to observe and control the rates to be paid for the work. The capabilities of the employees are to be assessed and certified as satisfactory by the Superintending Engineer. He also has to inspect each divisional office at least once a year and make a report to the Chief Engineer on various matters noted during such inspection.

2.3.7. The Superintending Engineer also has to assist the Audit Officer in preparing and managing the accounts of the department as smoothly as
possible. He is also expected to communicate and advise the subordinates regarding their duties and performances.

**Executive Engineer**

2.3.8. The executive unit of the department is called a Division, which functions under the Executive Engineer (EE). The EE reports to the Superintending Engineer regarding the execution and management of all the works in the division.

2.3.9. The Executive Engineer is responsible for the measures that are taken to preserve all the buildings and works in his division and prevents encroachment on Government lands in his charge. He keeps accurate plans of all Government lands of the Public Works Department. He cannot commence any work or expend any public funds, without the sanction of the competent authority. The Executive Engineer cannot make any deviations from the sanctioned designs in the course of execution except in extreme cases of emergency.

2.3.10. The Executive Engineer has to close the accounts once the execution of the work is complete. He also prepares the Completion Report as per the rules. He then forwards the accounts to the Audit Officer as per the rules and has to control the accounts of his division. He has to be alert that arrears do not arise in his division.

2.3.11. The Executive Engineer is responsible for the purchase, manufacture, care and disposal of all store items required for his division.

2.3.12. The Executive Engineer is the professional advisor of all departments of Government within the limits of his charge.
2.4. TYPE OF WORKS UNDERTAKEN

2.4.1. In the case of the works undertaken by Public Works Department, they are of three types: Budgeted works, Deposit works and Maintenance works. Budgeted works are the original works taken up by the departments. It includes all the works of State Government both within and outside the State with an estimate amount above Rs. 50 lakhs. Deposit works are those, which are entrusted to the PWD, where they do not have a separate engineering wing for construction works. In the case of such works 12.5% of the estimate is charged for the services of the department. Tender excess is also paid by the client organisation.

2.5. PREPARATION OF ESTIMATES

2.5.1. The preliminary requirement for the preparation of the Rough Cost Estimate is an outline of the Project. Once, the project has been formulated, the Estimates are prepared. The estimates are based on the Current schedule of rates. This is essential for the preparation of the Tender schedule.

2.5.2. There are different levels for the sanctioning of the revised estimates. The sanctioning authorities for these different levels are as follows:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Sanctioning Authority</th>
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<tbody>
<tr>
<td>Estimate rate + 5%</td>
<td>Assistant Engineer</td>
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<tr>
<td>Estimate rate + 10%</td>
<td>Assistant Executive Engineer</td>
</tr>
<tr>
<td>Estimate rate + 15%</td>
<td>Executive Engineer</td>
</tr>
<tr>
<td>Estimate rate + 25%</td>
<td>Superintending Engineer</td>
</tr>
<tr>
<td>Estimate rate + 35%</td>
<td>Chief Engineer</td>
</tr>
<tr>
<td>Above 35%</td>
<td>Government</td>
</tr>
</tbody>
</table>
2.6. ADMINISTRATIVE APPROVAL AND TECHNICAL SANCTION OF WORKS

2.6.1. For every work proposed to be carried out, except petty works and repairs the cost of which does not exceed a specified amount, a detailed estimate must be prepared by the PWD for the sanction of the competent authority. This sanction is known as the Technical Sanction to the Estimate. Except where definite provision is made, sanction can only be accorded by Government or, by officers of that Department when power has been delegated to them. Sanction accorded to the construction of work by any other department of Government is merely an administrative approval of the work, which is in effect an order to the P.W.D to execute a certain specified work for the department at a stated cost.

2.6.2. It is a waste of public money to prepare detailed plans and estimates for schemes, which do not have provision of funds. For this reason, in complying with requests from other departments for approximate estimates and preliminary plans for the purpose of administrative approval, the Public Works Department submits only sketch plans and statements of probable costs. On receipt of these, the requisitioning Officer takes steps for obtaining the necessary administrative approval.

2.6.3. Except to the extent delegated, as per code, all works require the administrative approval of Government in the department concerned in consultation with the Finance Department. Any authority can not accord administrative approval until the Finance Department has stated that there is a reasonable prospect of funds being provided in the current or succeeding year.
2.6.4. In the case of works costing more than Rs.50,000 the procedure to be followed is detailed below. As soon as possible after the administrative approval, the detailed plans and estimates will have to be prepared with lump sum provision for electrical, sanitary and water supply fittings. When the detailed preliminary plans are ready, the Architect to the Government consults the Head of the Department who in turn obtains the advice of the concerned officers of his Department. The Head of the Department then considers specifically points such as layout and orientation of the buildings on the site with an eye to sanitation, water and electric supplies and the suitability and economy of arrangement of the building. The Architect has to ascertain the exact requirements from the Head of the Department and incorporate them in the building plans, which are then to be countersigned. Such approved plans cannot be altered subsequently without the sanction of Government. As soon as the plans are countersigned, the Executive Engineer proceeds as soon as possible to obtain the Technical Sanction.

2.6.5. If in the preparation of the detailed estimate, it is found that the cost would exceed the administratively approved estimate by more than 10%, then revised administrative approval must be obtained before Technical Sanction can be accorded.

2.7. STARTING OF WORKS

2.7.1. It is a fundamental rule that no work can be started unless the following conditions are satisfied:

- A detailed design and estimate have been sanctioned
- Allotment of funds made
- Orders to begin issued by competent authority.

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1 Kerala Public Works Department Code
2.7.2. A provision in the budget conveys no authority for outlay. The exception to this are petty works, repairs due to natural forces and calamity, and cases of real emergency which must be reported immediately to the authorities competent to accord Administrative approval and Technical Sanction.

2.7.3. Similarly, the sanction of either a design or estimate or both by any authority conveys no permission to incur expenditure unless funds have been provided for the expenditure by the competent authority.

2.7.4. Further no liability may be incurred and no officer may accept a contract for a work, until an assurance has been received from the authority competent to provide funds that such funds will be allotted before the liability matures.

2.7.5. No formal agreement is necessary concerning petty works and repairs, the estimated cost of which is as specified. Even in these cases, there should be some written understanding though not in any prescribed form, specifying rates and prices.

2.7.6. Revision of rates in accepted agreement of any kind during the currency of such agreements is normally prohibited. In cases however where the Executive Engineer finds that there are sufficient reasons for revision of rates in current agreement, the rates may be revised based on the sanction from the Government. For the sanction, the agreement has to be placed along with the reasons for such a revision.

2.7.7. In all cases in which work not covered by the original agreement is ordered, the rates for such items of work will have to be settled as laid down in the conditions enumerated in printed forms of agreement or
clause of the schedule contract. Such extra items of work cannot be ordered by the Executive Engineer on his own responsibility, if the revised estimate or deviation statement providing for them requires the sanction of a higher authority.

2.7.8. In exceptional cases where it is desirable to begin work on a project, which has been administratively approved before the detailed estimate for the whole project has been prepared, it is permissible for the authority competent to sanction the final technical estimate as a whole. The final estimate as a whole can be sanctioned to accord sanction for detailed estimates for component parts of the project subject to the following conditions:

a) For each such work or component part there must be a fully prepared detailed estimate and the Administrative Approval as a whole.

b) The amount of the detailed estimate must not exceed the amount included in the administrative approval by more than 10%.

c) The sanctioning authority must be satisfied, before sanction that the amount of the technical sanction for the whole project is not likely to exceed the amount of administrative approval

2.7.9. Where important structural alterations are contemplated, though not necessarily involving an increased outlay, orders of the original sanctioning authority will have to be obtained. A revised estimate has to be submitted for technical sanction, if the alterations involve any substantial change in the cost of work.
2.8. TENDERING OF WORKS

2.8.1. Tenders, which should always be sealed, should invariably be invited in the most open and public manner possible, whether by advertisement in the Government Gazette or local newspapers, or by notice in English and the vernacular posted in public places. Tenderers should have free access to the contract documents.

2.8.2. There is a specified amount, above which tenders have to be called for. This applies to -

i) Contracts for the execution of works including the supply of materials for such works by the contractors themselves

ii) Contracts for the supply of road quarry materials.

Any departure from this rule requires the prior sanction of the Superintending Engineer or the Chief Engineer as the case may be.

2.8.3. When tenders have been called for as per rules and there is no response or in case all the tenders received are unsatisfactory and have to be rejected, then the officer concerned may allot the work to any contractor selected by him with the sanction of his superior authority.

2.8.4. In selecting the tender to be accepted, the financial status of the tenderers, their capacity, the security offered by them or the record of execution of other similar works executed by them are to be taken into consideration. There are specific procedures to be followed in case of all conditions being equal in the tenders.
2.9. TENDERING PROCESS

2.9.1. The first step in the tendering process is the preparation of the Tender schedule. This is prepared based on the estimate, which in turn is prepared based on the current schedule of rates. In general the quoted rates will be higher than the estimate rates resulting in an increase in the total amount of contract. This increase is called as tender excess and this is referred to in terms of the specified percentage above the estimate rates. This resulting total amount is called the 'Probable Amount of Contract' (PAC). The tender excess has to be sanctioned by the authority empowered to do so. Different amounts of the tender excess need sanction from different levels of authorities.

2.9.2. Generally, sanctioning authorities that can approve the tender excesses are:

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<td>Superintending Engineer</td>
</tr>
<tr>
<td>Estimate Rate + 35%</td>
<td>Chief Engineer</td>
</tr>
<tr>
<td>Above 35%</td>
<td>Tender Committee</td>
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</tbody>
</table>

2.9.3. The Tender committee is approached only in cases of very high tender excesses of the range of 35% above the estimate rates. The committee is of two types - Tender Committee of Chief Engineer and Tender Committee of Government. When the tender excess is less than Rs. 15 lakhs, the Tender Committee of the Chief Engineer is approached. If the excess is
above Rs. 15 lakhs, Tender Committee of the Government is approached for according sanction.

2.9.4. For accepting a tender, the tender excess quoted should be acceptable to the authorities approving the tender. Sometimes the contractors quote very high rates. In such cases, the Executive Engineer calls the Contractor for a negotiation so that the contractor can agree for a reduction in the quoted rates. If such negotiations are not successful in reducing the rates, the work is re-tendered.

2.10. EXECUTION OF WORKS

2.10.1. The works executed by a department are carried out by one of the following three methods:

a) Departmentally, by the employment of daily labour.
b) By piecework arrangement.
c) By schedule contract.

2.10.2. Departmental method of execution is adopted in case where no contractors are available or where, for other reasons, it is found more economical. Under this method, the department manufactures or purchases its own materials. The purchase of materials or tools and plant and machinery is governed by the Stores Purchase Rules.

2.10.3. In piecework arrangements, the piece worker merely agrees to execute a specified work at specified rates without reference to quantity or time. The piece worker usually possesses little professional knowledge and employs no supervising staff. The department arranges for the supervision, the setting out and the measuring of all work. The
piecework system is ordinarily confined to works (including improvements and repairs), which do not cost more than Rs. 2500/-.

2.10.4. In Schedule Contracts, the contractor undertakes to execute the work at specified rates. The sum he is to receive depends on the quantities and specifications of work done or materials supplied. The work will also have to be completed within a specified time limit from the date of commencement of work.

2.10.5. In cases where the department has to supply certain materials to the contractor for use in work, a description of every such material, the rate and place at which it will be supplied will be specified in the notice calling for tenders. It is also to be given in the schedule forming part of the Agreement.

2.10.6. In cases where the contractors are allowed to supply the required articles themselves, the descriptions of such articles are clearly defined by the governing departmental specifications. When test certificates are demanded, full particulars of such tests will be given in the tender notice and the agreement. The cost of furnishing such certificates are to be borne by the contractors.
2.11. COMPLETION REPORTS

2.11.1. A consolidated completion report of all the completed works in the specified form is prepared on a monthly basis with certain exceptions. The actual expenditure, the excess from the sanctioned amount, which the Executive Engineer is empowered to pass, is to be mentioned in the report. This report shows for each work or group of works the estimated cost, the outlay and the excess.

2.11.2. The Superintending Engineer concerned inspects the works and the work is considered complete only after he records his remarks in Completion Certificate in the prescribed form.

2.12. PROCESS FOLLOWED IN THE PUBLIC WORK DEPARTMENTS

2.12.1. Based on the study of different departments undertaking public works in Kerala, a broad framework regarding the general process is given below:

**Step 1:** Based on the need, a project is identified. Assistant Engineer prepares the Rough Cost Estimate and puts it up for obtaining Administrative Sanction.

**Step 2:** Granting of Administrative Sanction.

**Step 3:** An investigation estimate is prepared by Assistant Engineer and sent for sanction, if soil investigation is to be done. If land acquisition is involved, the Revenue Department is addressed.

**Step 4:** Approval of investigation estimate
Step 5: Soil investigation done by PWD or any other technical agency. Revenue Department hands over the land after paying compensation to the owners.

Step 6: Soil details are sent to DRIQ Board or Government Architect through Chief Engineer.

Step 7: DRIQ Board or Government Architect prepares the architectural design and drawings.

Step 8: The drawings are sent to the Chief Engineer. The Chief Engineer's office forwards the drawings to the subordinate officers for preparing the estimate.

Step 9: The concerned Assistant Engineer prepares the detailed cost estimate based on the current schedule of rates.

Step 10: The detailed estimate is sent for approval and for according Technical Sanction.

Step 11: On approval of the estimate, tender for the work is invited.

Step 12: On receipt of tenders, the tenderer who is to be entrusted with the construction work is selected. Generally, the lowest tenderer is selected.

Step 13: Agreement with the selected contractor is entered into and site is handed over to him.

Step 14: The contractor starts executing the work. The site engineer including the Assistant Executive Engineer supervises the work.
**Step 15:** The Engineers also take measurements of completed works, check the bills and make necessary arrangements for the payment to the contractor. They also submit necessary reports on completion of the work including the completion report.

**Step 16:** The work is handed over to the concerned department for use.

2.12.2. The sixteen steps identified above give a general picture of the workflow process. The communication channels in the departments encounter various levels of hierarchy. Sometimes revision of estimates will become necessary and the workflow process will have to incorporate additional steps for revised sanction. In case the department supplies materials, there will be an additional process for receiving the materials from the State central store of the department, issuing such materials for use in the work and keeping correct accounts of such transactions.
CHAPTER 3
EXECUTION OF PUBLIC WORKS

ISSUES OF CONCERN

3.1. Based on the study done by National Transportation Planning and Research Centre (NATPAC) and based on the discussions held by KARC, the major issues of concern have been identified and they are summarized below:

3.1.1. The most critical issue is the one related to planning of new public works as well as prioritization of maintenance works. As of now in the case of National Highways to some extent prioritization of works is ad hoc and casual. In the absence of a plan based on definite criteria, all kinds of pressures build up and government is forced to respond to them on a case to case basis. This has resulted in the habit of taking up works many more than the budget allows. On the face of it, it gives a feeling of plenty with lot of activity going on costing several times the budget provision. But actually this induces grave distortions. Anticipating delayed payments the Contractors mark up the quoted rates. Since they are operating under uncertainty they push up their bid rates to unconscionably high levels. As there is a delay in the payment of bills it opens opportunities for unhealthy practices to get payment out-of-turn. As several works are on going and part bills cannot be paid due to want of funds there is a general slowing down of works. Since it is a problem affecting every work the original priorities get lost and often the unimportant work by design or accident gets preference. Of late this has been the subject of judicial examination and the High Court has come down heavily on the practice of delayed payments and has ordered following strict adherence to priorities
in payment. All these have contributed to the erosion of budget discipline and added to the State's woes in the fiscal field.

3.1.2. The Standards and Specifications governing execution of public works by Government agencies including local governments were prepared years ago. Costs and effort saving technologies, which were developed later have not been incorporated into the instructions governing practice. The present system often results in wastage of materials and ignores the strengths of appropriate technology using local materials. Since the data on work outturn and the actual outturn do not often match, there is ample space for discretion for encouraging corruption.

3.1.3. The estimates are based on the schedule of rates notified periodically. Since regular updation of values to reflect the prevailing prices does not take place, the estimates have no relation to the actual cost. Spatial variations are also not reflected. This affects proper budgeting and gives opportunities to Contractors to jack up their quotes to artificially high levels.

3.1.4. The idiom used by the executing agencies while preparing estimates or issuing technical sanctions or recording measurements and paying bills is something which is far removed from layman's understanding. The various documents are couched in unnecessary jargon. This needs be demystified. Also, while transparency provisions are insisted on for local government works no such right to know exists in the case of public works executed by other agencies.

3.1.5. In the perception of the public as well as of the elected representatives, malfeasance is rampant in the execution of public works. The institution of Chief Technical Examiner has not been very successful and inspections
often get routinised. The reasonableness of cost, good quality of materials and construction, are not investigated by the field officers of the Chief Technical Examiner.

3.1.6. The open competitive bidding system has, in practice, not been able to realize the intended objectives of competition, fair play and efficiency. Cartelisation and incompetent persons bidding have become quite common.

3.1.7. The Tendering system has not been subject to much scrutiny. There is no proper procedure for evaluating the competence of Contractors. Also there is no foolproof system for penalising poor performance or punishing failures. This has affected the very basis of the contractual system i.e. solemn application to carry out the terms of the contract.

3.1.8. It is seen that realistic time limits are not set for execution of works. This dimension in the execution of public works, which has important ramifications relating to cost, quality, need satisfaction etc., is generally ignored using the pretext of either workload or insufficiency of funds. This has rendered monitoring system very weak, and has severely affected accountability.

3.1.9. There are certain procedural issues, which need mention.

a) The initial Administrative Sanction is based on rough cost estimate, which often does not include the provision for detailed investigation, in its cost estimate. This results in considerable delay as separate sanction has to be obtained for investigation. The financial ceiling on sanctioning of investigation also needs to be rationalised.
b) In the case of projects where land acquisition is involved, preparation of estimates before even starting land acquisition process leads to their becoming irrelevant with the passage of time due to the time consuming land acquisition process.

3.1.10. There is no accepted system for proper outsourcing of certain services like architectural or structural design, quality assurance etc.

3.1.11. There are a number of public sector organisations executing public works like Kerala Construction Corporation, Kerala Roads and Bridges Corporation and Kerala Land Development Corporation. The relevance of these three such public sector agencies needs examination.

3.1.12. There are several issues related to the execution of public works by local governments. The important ones are listed below.

(a) The present procedures related to preparation of cost estimates and measuring of works are not very amenable to works being executed through community contracting by beneficiary groups.
(b) The Technical sanction is given by Expert Committees at the Block level / Urban Local Body level and the District level. The system needs rationalisation.
(c) Human Resource Development in Engineering Departments is relatively weak. Of course there are agencies like the Kerala Highway Research Institute, CWRDM, and the HRD Cell of KWA, to assess the capacity building needs and train persons but nothing much has been achieved. Also enough importance is not given to applied research.
4.1. In order to address the issues identified in the earlier Chapter, the KARC would make the following recommendations.

4.1.1. There has to be a meticulous planning of Public Works. For each work detailed estimates have to be taken and PERT charts showing the intended progress of work and expected flow of funds must be made compulsory. The annual action plan should be integrated so that the priorities of works are clearly laid down. The budget should reflect the actual cost of works and only the budgeted works should be taken up. For issue of Administrative Sanction reasonably accurate estimates need to be used. Only if funds are available should Administrative Sanction be given. In order to ensure that the annual funds are fully spent works costing 150% of the annual allotment after providing for spillover works may be allowed to be taken.

4.1.2. In order to operationalise this suggestion, the tendering authority should be communicated his annual allotment either lump sum or for specified works. He should be personally made responsible for adhering to the budget ceiling. Similarly flow of funds for payment of bills should be based on a computerized system at the level of the Chief Engineer which keeps track of bills prepared according to their date. In the interest of fairness it is suggested that work stages at which bills have to be prepared may be specified for different kinds of works as also the time limit for preparing them after that stage is completed and intimation received.

4.1.3. The standards and specifications may be thoroughly revised providing for various cost effective as well as mechanical technologies. A Committee
consisting of experts from Government, leading NGOs in the field of
collection, experts from academic institutions and representatives of
the premier national research institutions viz., Central Road Research
Institute and Central Building Research Institute may be constituted to go
into this question.

4.1.4. The Schedule of Rates should be updated every year and made applicable
from the 1st of April. In case some items experience sudden spurt in cost,
there should be a mechanism for immediate enhancement. The Schedule
also has to take care of regional variation in costs.

4.1.5. The right to information should be operationalised in respect of Public
Works. All the worksites should have boards showing various details like
materials to be used, funds intended to be spent, schedule of major
activities etc.

4.1.6. The Chief Technical Examiner should be given a key role. The CTE should
be allowed to outsource some of the inspections and quality tests. A
complaints procedure may be prescribed and wide publicity given to it.

4.1.7. For works costing Rs.25 lakhs and more a third-party quality assurance
system may be introduced. Academic institutions may be involved in this.

4.1.8. Computer based monitoring system is suggested both to watch the
physical as well as financial progress. The PERT charts could enable
accurate tracking of works.

4.1.9. In order to take care of some procedural issues, the following
recommendations are made:
a) The cost for investigation should be included in the estimate for the work. Powers of sanction for the investigation may be based on percentage ceilings rather than amounts.
b) In case of works requiring land acquisition, the detailed estimate may be prepared only at the time of taking possession of the land.

4.1.10. For getting architectural designs as well as structural designs a panel of professional consultants, individual as well as institutional may be prepared and the departments allowed to utilise the services on payment of a prescribed fee fixed as percentage of the costs subject to monetary ceilings.

4.1.11. The Contractor registration system may be made more elaborate. In addition to financial capacity, the capacity of executing works should also be considered. For large works costing more than Rs. One crore, the EPCM method may be resorted to. The details of this method are given in Annexure II.

4.1.12. Before drastic reforms are introduced in the execution of works a few directions in which some experiment can be done for execution of works in an effective manner with least delay and competitive cost need to be explored. For this, it will be good if the departments take up some pilot projects with some amount of autonomy and flexibility in the execution, on the lines suggested below:

i. The planning and preparation of the project should start with a reasonable, workable estimate using real market rates and a realistically assessed time of completion.
ii. On the basis of the reasonable estimate, department can invite contractors for taking up the work, at the estimate cost, plus a percentage of fixed profit, which may vary from 10% to 25%, according to the size of investment and period of waiting for payment.

iii. In the next step the credentials of the participating contractors may be scrutinized thoroughly particularly with reference to their previous performance, technical competency and financial ability through a points system for various qualifying criteria. The results should be published. This scrutiny can be entrusted to a Committee consisting of engineers, the administrative authority concerned and financial experts. But this Committee should not normally have members more than five or less than three.

iv. From among the short-listed panel of qualified contractors, one may be selected by drawing lots and the work awarded with direction to complete the project within the time of completion set out in the project and included in the contract agreement.

v. It is necessary to impose a penalty for delay in completion of the project at a percentage rate on the amount due for payment on a par with CPWD or Railways.

4.1.13. The system of maintenance contracts may be tried out for a group of roads, buildings etc.

4.1.14. KLDC and the Kerala Construction Corporation may be wound up and the engineers deployed to local governments. In the case of Roads and Bridges Corporation also winding up is suggested as the organisation is not viable in the present form. If the objective is to borrow funds and execute public works since no returns are envisaged from the works there is no difference between the institutional borrowing and
government borrowing. Ultimately the liabilities of the Corporation would have to be discharged by the Government. So there is no significant gain from setting up of the corporation.

4.1.15. As regards Local Self Governments separate Public Works Manual may be designed to facilitate execution of Public Works through Community Contracting. For Technical Sanction the Committee endorses the recommendations of the Committee on Decentralisation of Powers. (Annexure III)

4.1.16. Training needs assessment may be prepared and a capacity building plan chalked out especially a modular continuing engineering education systems. This could be done by respected agencies like IIM. The existing institutions could be strengthened to impart high quality training. Tie ups may be sought with national institutions. It is suggested that one percent of the Plan Funds may be set apart for training. These institutions should also start R & D particularly with reference to technology adoption.

4.1.17. In order to control flagrant violation of procedures it is suggested that a legislation be made covering key points like prioritization of works, financial discipline, due process in tendering and payment of bills, complaints system, transparency requirements etc.

E.K.NAYANAR
Chief Minister of Kerala & Chairman

V.J.THANKAPPAN
Vice Chairman

Dr. K.K.SUBRAHMANIAN
Member

C.J.JOSEPH
Member

S.M.VIJAYANAND
Member Secretary
Methodology adopted by NATPAC

1. The main objective of the present study was to analyse the factors causing inefficiency in the execution of Public Works by Government agencies and departments, resulting in delays and financial loss, through a thorough examination of individual cases and to suggest remedial actions to reduce delays and losses. The public works in the state are now being implemented by several agencies, both public and private in several sectors. This study was however confined to only certain selected sectors and selected agencies.

2. The scope of this study was also limited to recently completed projects, projects taken up in the recent past and in advanced stage of completion, and projects recently taken up. The study could not cover projects completed long time back as the relevant records were not readily available. The approach of the study was to scrutinise systematically the various files, project reports and other documents pertaining to each project, to identify deviations causing delays and increased costs.

3. The following aspects of the projects were given importance while collecting the material for case studies:

(i) Estimated project cost, schedule of rates adopted for the estimate and date of preparation of estimate;

(ii) Authority according sanctions like Administrative Sanction, Technical Sanction and Special Sanctions required in certain cases;
(iii) Procedure for acquiring the Administrative Sanction and time taken for the same;

(iv) Procedure for acquiring the Technical Sanction and time taken for the same;

(v) Relevance of the estimate with respect to time taken for completion and other details;

(vi) Records of work kept by executing officers as regards progress and other periodical reports,

(vii) Revisions required if any and the details of revised Administrative Sanction sought; and

(viii) Actual date of completion and the actual cost incurred.

Having studied the general background of the implementation of Public Works in Kerala, the Consultants held discussions with the members of the Administrative Reforms Committee regarding selection of cases for the study. Access to the required information was felt to be the most difficult part. Though the agencies maintain records on the progress and proceedings of the work during the execution stage, these records are often transferred to other offices or for audit purposes. The Administrative Reforms Committee instructed the Heads of concerned Departments to furnish the requisite information to the Consultants.

4. The Consultants contacted the following departments for collection of necessary data for the case studies:

- PWD (Special Buildings)
- PWD (Roads & Bridges)
5. While collecting the data, information like name of the project and sponsoring Department were taken note of. The Agency, which prepared the feasibility report and related aspects, was first identified. The date of preparation of such reports and points like whether it was a new proposal or modified estimate or a revised cost estimate etc. was also recorded. The history involved in various stages of activities before finalising the proposal was also examined. It was examined whether it was included in the Five-Year Plan. If not, the justification for taking up the project was enquired into. Investigation was also made as to whether any revision in the Annual Plan had been made affecting the work. The construction schedule and year-wise break up of time schedule for supply of construction materials, equipment and human resources and for the construction programme were also noted.

6. When Rough Cost Estimate proposals were considered, the date of approval of original cost or firmed up cost was also checked. If an evaluation of the project was done at any stage, that was also examined. Factors like economic yield from the project, present status, matching of physical and financial targets etc. were also considered. Reliability of cost estimates and other parameters were verified.

7. A checklist was prepared for the collection of data and this is presented in the report.
8. From the data collected, sample cases were selected. There were several cases where no problems were encountered during planning and execution phases. However, these samples were taken to provide an insight into the various problems encountered in the works undertaken by Engineering Departments. The samples were selected taking into account the homogeneity in the work process. There was the problem of non-availability of systematic records of projects at one place and because of this, convenience sampling was found most appropriate.

9. The study was of an exploratory nature. Moreover, in such studies, selection of samples need not have much influence on the findings. All the agencies more or less follow a comparable procedure for undertaking works. The objective of the present study was to explore the bottlenecks in this procedure. For this, much depended on the availability of incidences affecting the smooth progress of public works selected. In some departments there was a classification of the works into minor and major categories, in which case samples were chosen to represent both. In other cases, all the works were grouped into major and minor works by considering the average investment for the work in that department for a specific time period.

10. For the purpose of analysis, based on the file notes, project diaries were prepared. Most of the file notes represented the communication between the different hierarchical levels within the organisation. The dates of these communications and the subject referred formed the basis for preparing the project diaries.

11. Based on these project diaries, network analysis was carried out. This analysis was done using the software package Microsoft Project.

12. The task list was created based on the data collected. The start and finish dates of each of the tasks in the task lists were noted and their dependencies
established. Suitable constraints were assigned to each of the tasks based on their dependencies. A 'must finish on' constraint was given to all completed tasks to reflect the actual time spent for the project. The analysis used a calendar with 42 hours of working time per week. Duration of each of the task excluded holidays. The Schedule of major tasks and the Gantt chart showing them were also obtained based on which the various stages of the projects and the delays were identified.

13. The whole duration of the project was divided into two phases depending on the activities – Planning stage and the Execution stage. The Planning stage involved activities like preparation of Rough Cost Estimate, obtaining Administrative, Special and Technical Sanction, Tendering etc. In certain specific cases, there were also activities like soil investigation, land acquisition, preparation of structural drawings and so on. On the other hand, the Execution Stage comprised activities like the issue of work order and actual execution. Then the delays found in both these stages were also analysed. The delays were classified into System Delays and Work Delays. System delays are those, which arise as a result of the various practices being presently followed by the departments. On the other hand, Work delays are those that occur during the actual execution of the work. Reasons for the delays were analysed and presented for the cases studied.

14. Discussions were held with the concerned authorities of the various departments. These were done during the course of review meetings. The suggestions put forward by them were also taken into consideration while carrying out the detailed analysis.

15. About 37 cases were selected as samples from various departments and local bodies. They included four cases each from PWD (Special Buildings), Minor Irrigation, and Kerala Water Authority, two from PWD (Roads & Bridges) and
Kerala State Construction Corporation and 21 cases from the Local Bodies (Nedumangadu Block Panchayat).
Note on Engineering, Procurement, Construction Management (EPCM) Contract.

1. For any engineering work turnkey contracts would be advisable. The basic investigation, planning and design may be done in-house. Thereafter the tender of the work would require the contractor to produce the designs. The designs should be prepared by or cleared by institutions approved by the Government like I.I.Ts, Regional Engineering Colleges and other specified institutions.

2. In such a system a three-cover bid is suggested. The first cover would contain EMD and pre-qualification details. The second cover would contain the technical bid including the designs and the third cover would contain the price bid. Detailed qualification criteria may be prescribed for pre-qualification. Joint ventures could also be permitted. For all the major works pre-bid conferences may be held and site visits allowed on predetermined dates. The evaluation of the technical bid may be done by a Committee consisting of experts from within the organization as well as at least one from a reputed academic institution. Once the tender is finalized the Contractor has to provide a detailed PERT Chart and also provide performance guarantee for fixed period of time. Both incentives as well as disincentives may be built in to ensure timely completion – i.e. damages have to be paid for delay and incentive would be paid for early completion.

Based on the study done by Kerala Water Authority on the system prevailing in Tamilnadu, Karnataka and Gujarat.
TECHNICAL VETTING AND TECHNICAL SANCTION

Recommendations of the Committee on Decentralisation of Powers
(vide Final Report, Volume III, Part A)

5.3. Technical vetting and technical sanction - Present system

5.3.1. At a time when local governments particularly at the village Panchayat level did not have much professional support, Government came out with an innovative system of creating Expert Committees at the Block, Municipal, Corporation and District levels. These Committees have rendered yeomen service by harnessing the services of technical experts in diverse fields as volunteers. These volunteer experts along with professionals from the Government have made substantial contribution in keeping the system going. Now that the Committee has recommended elaborate restructuring of development departments to provide professional support to local governments, it is necessary to reappraise the role of the Expert Committees and make suggestions for the future with reference to their position, constitution and functions.

5.3.2. Essentially the Expert committees were constituted to perform a three-fold function:

i. To render necessary technical assistance to the local governments in plan formulation.

ii. To vet project proposals of local governments on behalf of the DPC to ensure that they are in keeping with statutory provisions and governmental instructions, before they are formally cleared by the DPC.

iii. After the clearance of projects by the DPC to give formal technical sanction for projects which require such approval.

5.4. Recommendations for restructuring

5.4.1. The Committee strongly believes that the professional staff as recommended in this report would be transferred to the various tiers of
local government in their full complement. In such a context Expert Committees in the present form would need to be, restructured and modified versions for different functions would have to be provided for, with the objective of pooling various kinds of expertise available in the district. But it should be cautioned that any change in the present system should be attempted only after implementing the transfer proposals in full and would require a transition period.

5.4.2 After the full redeployment is achieved, expert services from Government and non-government sources would still need to be channeled for which the following manner is suggested.

(1) For various subjects and sectors of development, district-wise panels of experts should be drawn up by the District Collectors based on clear government guidelines regarding qualifications, experience etc. This would include engineering subjects like public works, irrigation and water supply. The panel would be prepared from among the following categories of experts.

i. Ex-officio members from various categories drawn from the Government and the Public Sector.

ii. Professionals from government educational and research institutions.

iii. Professionals from non-government educational and research institutions.

iv. Other professionals from among retired government servants, activists of non-government organisations and employees in the private sector and qualified individuals.

In the case of categories (i) and (ii) membership of expert panels should be made compulsory through a government directive; from among categories (iii) and (iv) membership of panels should be based on willingness and clear eligibility criteria relating to professional qualification and experience. There should also be exclusion criteria relating to disciplinary action in the case of government and public sector officials (both serving and retired), relationship with those having any pecuniary interest or contractual role vis-a-vis the local governments etc.

(2) From the above panel the District Planning Committee if it so decides may constitute Subject Advisory Committees in accordance with general guidelines to be issued by the Government, to advise it on laying down guidelines for district plan preparation, on plan integration
and on vetting of projects of local governments other than the District Panchayats and Corporations, before formal clearance, to ensure that they are in keeping with Government guidelines on subsidy, technical standards etc.

(3) The local governments may constitute Functional Committees as per rules for which they may draw experts from different sectors from the district panel, to help its technical officer prepare projects.

(4) For non engineering projects which are not in the nature of works, no formal technical sanction need be insisted on. It is the duty of the technical officer/body preparing the project to ensure that accepted technical standards are followed. Functional Committees have an important role in this. Once administrative sanction is given by the local government, the project can be implemented.

(5) It is recommended that for the purpose of issue of technical sanction for engineering projects relating to various sectors like roads, bridges, buildings, irrigation, water supply, etc. Technical Committees have to be constituted by each local government for each technical sector - water supply, irrigation, bridges, roads and buildings, low cost construction etc. The rationale behind this recommendation is given below:

   i. Technical Committees would take the TS giving process out of a technical hierarchy and de-bureaucratise the process.

   ii. They would be faster than the traditional system.

   iii. They facilitate collective decision making based on cumulative expertise and experience of the group.

   iv. They serve to harness expertise outside the government.

   v. Their mode of functioning would be more transparent than the earlier system.

   vi. The cost of their services would be relatively cheap.

(6) For the constitution of the Technical Committee which would be empowered to accord technical sanction based on the TS giving powers of the senior-most engineer, the local government may pick up five members from the panel prepared of whom at least two should preferably be from educational/research institution or from the non-
government volunteers. The convener of this committee would be the senior most engineer of the local government in that discipline.

(7) For the issue of technical sanction certain other conditions may be prescribed.

(i) The process of giving technical sanction should be demystified. TS should be given within a time limit strictly on first-come-first served basis. Powers of the Technical Committee should be clearly laid down.

(ii) There should be an independent appellate group for each district to be constituted by the Government to sort out things when there is a dispute between the local government and the technical committee.

(iii) Non-government engineers should bind themselves to professional standards and personal responsibilities for items of work being done by them.

(iv) In addition to Technical Committees, expert institutions may be identified for giving Technical Sanction.

(8) Institutions like ITIs, Polytechnics, Engineering Colleges should be involved in the design and technical approval process. Government may also nominate expert institutions both within and outside the State who could be approached for getting certain types of complicated designs prepared on payment of a prescribed fee. Likewise for certain categories of works to be specified by Government, consultancy provisions may be allowed. In order to speed up execution of works, the Engineering Procurement Construction Management (EPCM) system of contracting which basically means turnkey works contract; may be allowed for specified kinds of works. Similarly, standard engineering designs may be prepared for common types of public works like buildings, culverts, side protection works etc and circulated among the local governments.

5.4.3. The Committee feels that these measures would strengthen the technical capability of local governments considerably.
REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

VOLUME III

♦ ELEVENTH REPORT - INTERFACE BETWEEN GOVERNMENT AND PUBLIC SECTOR UNITS
♦ TWELFTH REPORT - HEALTH SERVICES DELIVERY
♦ THIRTEENTH REPORT - DECENTRALISATION INITIATIVES IN KERALA
  INSTITUTIONALISATION ISSUES
♦ FOURTEENTH REPORT - SECRETARIAT REFORMS
♦ FIFTEENTH AND FINAL REPORT - REFORMING THE GOVERNMENT - AN OVERVIEW

THIRUVANANTHAPURAM
MAY 2001
THIRTEENTH REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON
DECENTRALISATION INITIATIVES IN KERALA

INSTITUTIONALISATION ISSUES

Thiruvananthapuram
May 2001

GCPT. 3/2549/2009/TP.
# TABLE OF CONTENTS

## ELEVENTH REPORT

**INTERFACE BETWEEN GOVERNMENT AND PUBLIC SECTOR UNITS**

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Introduction</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Issues in Government-PSU Relationship</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Recommendations</td>
</tr>
<tr>
<td>Annexure</td>
<td>Recommendations of the Administrative Reforms Committee (Government of India 1967 which are <em>Mutatis Mutandis</em> relevant to this report of KARC)</td>
</tr>
</tbody>
</table>

## TWELFTH REPORT

**HEALTH SERVICES DELIVERY**

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Introduction</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Issues in the Health Care Reform</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Recommendations</td>
</tr>
<tr>
<td>Annexure I</td>
<td>Health Infrastructure of Kerala</td>
</tr>
<tr>
<td>Annexure II</td>
<td>Guidelines on Pay Clinic in Government Hospitals</td>
</tr>
<tr>
<td>Annexure III</td>
<td>Extract from the Report of One Man Commission (Pratapan Commission) - 1994</td>
</tr>
</tbody>
</table>

## THIRTEENTH REPORT

**DECENTRALISATION INITIATIVES IN KERALA INSTITUTIONALISATION ISSUES**

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Introduction</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Issues Related to Institutionalisation</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Recommendations</td>
</tr>
<tr>
<td>Annexure I</td>
<td>Delegation functions to Local Governments</td>
</tr>
<tr>
<td>Annexure II</td>
<td>Institutions and functionaries transferred to Local Governments</td>
</tr>
</tbody>
</table>

## FOURTEENTH REPORT

**SECRETARIAT REFORMS**

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>Introduction</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>The Need for Reform</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Allocation of Business</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Budgetary Control</td>
</tr>
<tr>
<td>Chapter 5</td>
<td>Decentralisation and Secretariat</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>Secretariat and Heads of Departments</td>
</tr>
<tr>
<td>Chapter 7</td>
<td>Use of Information Technology in the Secretariat</td>
</tr>
<tr>
<td>Chapter 8</td>
<td>Other Important Issues</td>
</tr>
<tr>
<td>Chapter 9</td>
<td>Conclusion</td>
</tr>
<tr>
<td>Annexure I</td>
<td>Comparative Picture of Departments and Number of Sections in the Secretariat</td>
</tr>
<tr>
<td>Annexure II</td>
<td>Draft of the Amendment proposed to the Part I of the Rules of Business</td>
</tr>
<tr>
<td>Annexure III</td>
<td>Reconstitution of Secretariat Departments</td>
</tr>
<tr>
<td>Annexure IV</td>
<td>Model Allocation of Business among the Departments of the Secretariat</td>
</tr>
<tr>
<td>Annexure V</td>
<td>Proposed Delegation of Additional Powers to the Officers of the Secretariat</td>
</tr>
<tr>
<td>Annexure VI</td>
<td>List of departments to which exchange Programme for officers of the Secretariat and field departments is proposed</td>
</tr>
</tbody>
</table>

FIFTEENTH & FINAL REPORT

REFORMING THE GOVERNMENT — AN OVERVIEW

| Chapter 1 | Introduction | 180 |
| Chapter 2 | The role of Government | 187 |
| Chapter 3 | The Changing role of Civil Servants | 190 |
| Chapter 4 | Government functioning - A few issues of general importance | 194 |
| Chapter 5 | Towards more Democratic functioning | 203 |
| Chapter 6 | Ethics in Government | 207 |
| Chapter 7 | Integrity Systems and Corruption control | 210 |
| Chapter 8 | Concluding Remarks | 217 |
ELEVENTH REPORT OF THE

KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON

INTERFACE BETWEEN

GOVERNMENT AND PUBLIC SECTOR UNITS

Thiruvananthapuram
May 2001
ELEVENTH REPORT OF THE
ADMINISTRATIVE REFORMS COMMITTEE

INTERFACE BETWEEN
GOVERNMENT AND PUBLIC SECTOR UNITS

CHAPTER 1
INTRODUCTION

1.1. Background.

1.1.1. The Kerala Administrative Reforms Committee was constituted with broad Terms of Reference (TOR) aimed at improving administration in all its aspects. The focus of the TOR is on making the administration efficient and effective in shaping a developmental state. Since there is no specific reference to Public Sector Units (PSUs) and since the earlier Administrative Reforms Committees also did not cover the subject in detail, it was decided that the Committee need not deal with public sector units per se. However, during discussions with officials particularly of the Industries and Finance Departments, the question of the interface between Government and Public Sector Units came up several times. Internal deliberations of the Committee also led to the conclusion that there is need to smoothen the interface, which would help the Public Sector Units perform better.

1.1.2. Public Enterprises have always had the pride of place in India. They were launched with the broad objective of holding the commanding heights of the economy and specific objectives like taking up critical activities where there were no private investments, providing employment and acting as the model employer, providing strategic goods and services, and generating resources from the government investments. But of late their role and rationale have come under challenge. The larger question of the role and relevance of public enterprises involves ideological positions but it cannot be gainsaid that
mismanagement and lack of commitment on the part of the public sector units combined with interference of government in operational matters have been largely responsible for putting the whole philosophy of State owned enterprises on the defensive.

1.1.3. Kerala has the largest number of State public sector units. One of the reasons for this large number is the State taking on the role of a pioneering entrepreneur to enthuse private entrepreneurs to follow suit. As of now there are 111 number of State Government enterprises of which 9 are statutory Corporations and 102 are Companies including 6 holding Companies and 23 subsidiaries. Of the State owned enterprises 63 are manufacturing units. Most of the enterprises were started in the 1970’s, which account for 44 units. In 80’s only 18 State owned enterprises were started and in the 90’s the number came down to 10.

1.1.4. Some of the present features of these public enterprises are summarized below:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital invested</td>
<td>Rs.13770.40 crores</td>
</tr>
<tr>
<td>Total employment</td>
<td>125814 persons</td>
</tr>
<tr>
<td>Total turnover</td>
<td>Rs.5703.60 crores in 1999-2000</td>
</tr>
<tr>
<td>Number of enterprises making profit</td>
<td>45</td>
</tr>
<tr>
<td>Total profit of profit making units</td>
<td>Rs.285.44 crores</td>
</tr>
<tr>
<td>Number of enterprises making losses</td>
<td>50</td>
</tr>
<tr>
<td>Total losses of loss making units</td>
<td>Rs.331.66 crores</td>
</tr>
<tr>
<td>Total accumulated losses</td>
<td>Rs.2670.91 crores</td>
</tr>
<tr>
<td>*No. of enterprises having accumulated losses</td>
<td>65</td>
</tr>
<tr>
<td>Average number of audit years in arrears</td>
<td>2½ years</td>
</tr>
</tbody>
</table>

(Source: BPE Review 1999-2000)

* Including Kerala Pipe Factory, Jakhroth Refractories Ltd., Kerala Special Refractories Ltd., KSNFL, Kerala State Coconut Dev. Corp. Ltd
1.1.5. Of these the figures relating to manufacturing industries are:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital invested</td>
<td>Rs.1515.02 crores</td>
</tr>
<tr>
<td>Total employment</td>
<td>52629 persons</td>
</tr>
<tr>
<td>Total turnover</td>
<td>Rs.1550.4 crores</td>
</tr>
<tr>
<td>Total turnover (1999-2000)</td>
<td></td>
</tr>
<tr>
<td>Number of enterprises making profit</td>
<td>21</td>
</tr>
<tr>
<td>Total profit of profit making units</td>
<td>Rs.19.56 crores</td>
</tr>
<tr>
<td>Number of enterprises making losses</td>
<td>38</td>
</tr>
<tr>
<td>Total losses of loss making units</td>
<td>Rs.117.77 crores</td>
</tr>
<tr>
<td>Total accumulated losses</td>
<td>Rs.1117.73 crores</td>
</tr>
<tr>
<td>No. of enterprises having accumulated losses</td>
<td>48</td>
</tr>
<tr>
<td>Average number of audit years in arrears</td>
<td>1 1/2 years</td>
</tr>
</tbody>
</table>

1.1.6. This Report of the KARC is more relevant to the manufacturing units. It is pertinent to note the industrial policy of the state over the years has been to attempt to improve the performance of the PSUs. There has been recognition of the need to grant functional autonomy and to ensure accountability and to strengthen and professionalise the management and improve the interface with Government. This Report would deal with some of these issues in particular.

1.2. Objectives of the Report.

1.2.1 Essentially this report is intended to analyse the interface between Government and PSUs and suggest measures for making it smooth and meaningful. While the focus would be on administrative systems and procedures governing Government-PSU relationship, some of the larger issues related to public sector functioning from the point of view of administration would also be touched upon. While formulating the recommendations the Committee has tried to relate them to the policy and practice concerning the public sector units of the State.

1.3. Methodology.

1.3.1. For preparing this Report the Committee adopted the following methodology.
1. The Committee had a very close interaction with the Minister for Industries. This was preceded by general discussions with the Secretary of the Department. It is to be noted that only in respect of this subject the Committee sought appointment with the Minister concerned.

2. Detailed discussions were held with RIAB. The Committee had access to some of the reports prepared by RIAB.

3. The Committee studied earlier reports related to the topic especially the Steering Committee Report on Industries prepared by the State Planning Board for the VIIIth Plan, the Report of the Task Force on Public Sector, set up by the State Planning Board for the IXth Plan, and the White Paper on Public Sector Enterprises under the Industries Department.

4. The Committee set up a Task Force in the Industries Department and benefited from its feedback.


1.4.1. This brief report has three Chapters including this introductory first chapter. The second chapter deals with various issues in Government-PSU relationship and the third and final chapter gives the recommendations of the KARC.
CHAPTER 2

ISSUES IN GOVERNMENT-PSU RELATIONSHIP

2.1.1. As mentioned earlier there has been a sharp questioning of the role and performance of the public sector particularly in manufacturing industries. With WTO having been implemented, and the country being exposed to globalisation, any future decision with respect to public sector, has to consider their competitiveness in the changed scenario. All over the world there has been a rethinking on this issue based partly on ideological considerations and partly on pragmatic reasons. The failure of State owned enterprises to realise in full their lofty original objectives -- like avoidance of market failure, regional balance in investment, creation of jobs, reduction of external dependence, controlling natural monopolies, filling entrepreneurial gap, etc., -- has strengthened the case for a reappraisal.

2.1.2. Most PSUs suffer from technological obsolescence and this has made their operations unviable. PSUs need to be dynamic organisations capable of acquiring and absorbing technological advancements in an ongoing manner as technology can almost be equated to competitiveness in the coming days.

2.1.3. In India too, at the national level there has been a conscious decision to confine public sector to certain strategic industries, to move away from certain monopolies like telecom and even withdraw from certain commercial ventures. In this overall context the State cannot insulate itself and follow the old practices and have the same attitudes towards the public sector and rely primarily on the strategy of public sector-led industrialization. Also treating public sector units as existing primarily to provide jobs is no longer tenable. The heavy fiscal stress on the State has further reduced the capacity of the State in pursuing the pro-public sector policy. All that the State can do is to follow a rational approach within the constraints -- i.e. considering the heavy investment made in a State with deficient entrepreneurship and the jobs at stake in a State with heavy unemployment, it has to endeavour to set right its public sector units with minimum outgo from
public resources. At the same time the State will have to take radical steps to ensure that the public sector becomes competitive to survive in the new era. Only when all reasonable attempts fail can the State hope to close down its enterprises.

2.1.4. Therefore a new approach to PSUs is inevitable, an approach characterized by creating conditions for them to stand on their own feet. This implies a greater autonomy to PSUs with Government moving on to a role of an active facilitator and monitor. Against this background certain important issues which need to be tackled are outlined below:

2.2. Government Control in practice.

2.2.1. Since public funds are involved, Government control over public sector units is inevitable. But there is no clarity on the nature and manner of control. Often controls are prescribed and directions given in one context. When they don't yield the expected results, they are supplemented with another set, often without repealing the earlier set. Thus a welter of instructions and directions exist. So procedures to cut the red tape have failed as may be seen from the following description:

i. At present the PSUs are required to take prior approval of the Government whenever there is a proposal for expansion or diversification as in most cases financial help from Government would be required either in the form of equity contribution or by way of Government guarantee for institutional finance. The direct point of interaction is the Industries Department in the Secretariat. The papers received from a PSU are put together by the Section Assistant and pushed up various levels through Section Officer, Under Secretary, Joint/Additional Secretary. Thereafter it is referred to RIAB for technical comments and then to the Finance Department for various concurrences. Normally at this stage several clarifications are required and more often than not, they are never sought at one go. The files crawl vertically within department and horizontally...
from department to department. Some times they are pushed back and forth with queries, some of them genuine and most of them silly.

ii. By the time some kind of consensus is reached considerable time and effort would have been taken. Some times lengthy correspondences and multiple queries and clarifications tend to clutter the whole issue, making decision taking difficult. Even after this stage Cabinet clearance is required and the decision of the Council of Ministers be brought out in the form of a Government order. Both in the case of guarantees as well as release of funds the concurrence of the Finance Department is required. Even if no public fund is to be transferred, drawing of funds from the Treasury requires the Ways and Means clearance of the Finance Department.

2.2.2. The above description shows that there is too much emphasis on trivial detail and the critical issues get blurred. So much so when the Annual Plan and Five Year Plan are formulated by the State Planning Board, the units prepare and ad hoc plans which may have nothing to do with the final shape of the plan which will emerge later for detailed analysis. In a business situation, a commercial decision for investment is relevant at a point of time. The decision itself may lose viability if there is too much delay in the decision-making. Hence, there needs to be a mechanism that would ensure that decisions are taken quickly and purely on principles relevant to enterprise interest without extraneous considerations.

2.2.3. A major point of irritation for PSUs is the tendency of government to direct them to maintain their accounts in the treasury. While this may be justifiable from the point of view of liquidity management of the State Government, restrictions and requirements of prior permission for withdrawals seriously affect the financial management of PSUs. Similarly, since many PSUs cater to Government requirements/other PSUs/ Government related agencies, the payments they receive from the other PSUs are also in form of treasury cheques. However, the payment they have to make to their suppliers is through bank cheque/draft. Cases have been reported when the PSUs have been paying interest to creditors...
for delayed payments while they hold crores of rupees in their treasury accounts. If PSUs have to function in a market situation, the timely availability of funds is essential. Besides, progressively the PSUs have to look into the possibility of marketing their products and services in the open market and reduce dependency on Government alone for orders. Also several government orders relating to purchase of cars, gadgets etc., are routinely made applicable to PSUs and, in practice, they are violated. This affects the credibility of government directions. Similarly, Government funds are released to PSUs, irrespective of the purpose for which they are required, as loan with interest as high as 19.5%. As a result, funds meant for OTS with banks/ VRS etc. are released at 19.5%. This is apparently done to improve the State Government’s balance sheet. But, when the primary lending rate hovers around 12%, Government releasing funds at 19.5% only ensures non repayment of dues by the PSUs as also their balance sheet remaining in perpetual red.

2.2.4. In this regime of control, PSUs shrink into government departments differentiated only by the perks for the senior staff. Over-direction results in dilution of self-responsibility as well. Thus PSUs tend to have neither autonomy nor accountability.

2.3. Management of PSUs.

2.3.1. The management of PSUs within the autonomy granted to them is vested in the Board of Directors all of whom are nominated by Government. The Chairman is often a political leader or a generalist Civil servant. The Managing Directors are mostly professionals. But management systems tend to be weak with the result there is over-dependency on the M.D. The composition of the Board is such that it has two or three representatives from the Government, normally from middle levels like Joint Secretary or Deputy Secretary. These government nominees are often changed due to their transfer or promotion. Thus the top decision making body of the PSU becomes a weak structure lacking in professional expertise and management capacity and not even having reasonable continuity.
2.3.2 When the Chief executives are to be selected, a rigorous and transparent procedure does not exist to objectively assess competence and suitability. Once selected, they are not assured of a tenure. Nor is there a system to evaluate their performance. The selection process of various personnel at other levels is slow and opaque. Once selected, they remain frozen in those positions and are rarely exposed to good quality training. Even if they become redundant with the growth of the Company, there is no policy of retraining and redeployment. This contributes to inefficiency.

2.3.3 There have been complaints from PSUs that they are sometimes burdened with unnecessary casual staff who invariably seek to get permanent and get government support. Thus there is a danger that PSUs could be used as vehicles for backdoor job-giving.

2.3.4 The emphasis in PSUs seem to be on the number of jobs created and not the quality of manpower employed. There is a heavy proportion of lower end workers in any PSU with only a limited number of managers. The salary structure in most PSUs has also become totally unattractive for a highly qualified person to be interested in employment in the PSUs. This situation has to change and PSUs need to attract good talent at the managerial level.

2.4. Capacity Building.

2.4.1 Though Government set up the Institute for Management in Government (IMG) and later the Centre for Management Development (CMD) with the objective of training public sector personnel in latest management techniques, the actual training has been very limited and sporadic with hardly any planning behind it. There is no well thought out policy for capacity building to upgrade the human resource component of the public sector units though RIAB has initiated some action in this regard.

2.5. Accountability of PSUs.

2.5.1 Since public funds are invested, the PSUs are accountable to the Government and through it to the public. The accountability mechanism operates through submission of annual reports to the Legislature, examination by the Committee on Public Undertakings, and monitoring by the concerned department in the
Secretariat. In addition there is the audit process, which has been thrown badly out of gear through huge delays in finalising of accounts in spite of the efforts of RIAB. The present position vis-a-vis audit is as follows:

<table>
<thead>
<tr>
<th>No. of Companies where audit is up to date:</th>
<th>35</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Companies where the pendency is one year:</td>
<td>24</td>
</tr>
<tr>
<td>No. of companies where the pendency is two years:</td>
<td>19</td>
</tr>
<tr>
<td>No. of companies where the pendency is between 2 years and 5 years:</td>
<td>16</td>
</tr>
<tr>
<td>No. of companies where the pendency is more than 5 years:</td>
<td>7</td>
</tr>
</tbody>
</table>

(Source: BPE Review 1999-2000 - Includes all SLPES)

2.5.2. One of the reasons for delay in the finalisation of audit is lack of availability of good personnel in the finance departments of most PSUs. The main reason for this is non-availability of personnel at the salaries offered by PSUs. Also many PSUs do not finalise their accounts to avoid various adverse consequences like reference to BIFR. Meanwhile, they seek various Government concessions like conversion of loan to equity or settlement of bank dues through one-time settlements. Speedy decision by Government in such cases could go a long way in finalising the audit of such companies.

2.5.3. Non-finalisation of audited accounts has been a major cause for losses in PSUs. Non-finalisation of accounts allows senior management to manipulate accounts to suit their immediate ends. And by the time the irregularities are discovered, the persons responsible would have already left the organisations.

2.6. Functioning of institutions mediating government's interface with PSUs.

2.6.1. Basically three institutions are involved in the interface between Government and the PSUs. They are Bureau of Public Enterprises, Public Enterprises Board and RIAB.
2.6.2 The Bureau of Public Enterprises is the traditional institution for monitoring the performance of public enterprises and intermediating with Government. The Bureau is under the overall control of the Secretary, (Public Enterprises) who is normally the Secretary (Industries.) The BPE looks after all the 111 State level Public Enterprises. It has got a Director who is a senior officer of the Government and has three Joint Directors, looking after technical, financial and company law matters. The functions of BPE are:

- Scrutinise all new investment proposals and make appropriate recommendations to Government.
- Release of budgetary funds and funds from other sources released through Government to Public Sector Undertakings.
- Reorganisation of Public Sector Undertakings including diversification, merger, liquidation etc.
- Appointment of nominee-Directors.
- Tackling operational problems relating to production, finance, marketing, personnel etc.
- Recruitment and management of personnel, including maintenance of a common management cadre, appointments to key managerial posts, wage and bonus settlements etc.
- Monitoring performance and taking corrective measures.
- Advising Government on all matters relating to disinvestments.
- Carry out such other functions as are entrusted to the BPE by Government from time to time.

2.6.3 In 1979, Government set up a Public Enterprise Board consisting of various Government Secretaries to facilitate co-ordination especially in matters relating to proposals concerning investment, project estimates, expansion, diversification, merger, liquidation etc. The idea was that once the Board clears a proposal there is no need for circulating files to the Secretariat departments.

2.6.4 In practice, BPE has ended up as a government department not having the professional capacity and autonomy to perform its functions. The objectives
behind setting up PEB have not been realized and it has become more or less redundant.

2.6.5. With the failure of these institutional mechanisms a new mechanism was set up viz., the Public Sector Restructuring and Internal Audit Board (RIAB). Actually it started as an Internal Audit Board constituted with the objective of keeping watch on the regular auditing of PSUs besides toning up accounting. Later, this was developed into the existing form with focus on analysis of performance and recommendation for financial restructuring. The specific purposes of RIAB are:

1. To act as a watchdog over PSUs in respect of audit matters and will ensure quick clearance of backlog in audit.
2. To tone up the system of accounting in PSUs and see that the accounts of all PSUs are made up-to-date within as short a time as possible.
3. To ensure timely realization of full income tax benefits and other benefits that accrue to the company.
4. To advise PSUs on corrective measures needed in the areas of audit, accounts and related matters etc. etc.

2.6.6. RIAB emerged out of the need for urgent action to professionalize governmental control over PSUs with a view to enabling them to function effectively in the changed circumstances. What makes RIAB different from BPE and PEB is its relatively autonomous functioning and its attempt to take a professional view. Some of the initiatives taken by RIAB are:

(1) A statutory Body viz. Kerala Industrial Revitalization Fund Board was set up and it is being managed by RIAB. Flow of funds is monitored and recovery is closely watched.

(2) Auditing has been speeded up.

(3) Performance contract has been evolved for 20 PSUs in the context of providing working capital support. A kind of management audit of these PSUs have also been taken up.
(4) A pilot programme for restructuring of three PSUs has been taken up with UNDP support and it has interesting implications for future programmes.

(5) A Bankers' working group has been set up to watch use of funds borrowed from banks by PSUs.

2.6.7. There is a need to rationalize these institutional mechanisms.
CHAPTER 3

RECOMMENDATIONS

3.1.1. The interface between government and the enterprises run by it has been a policy concern for a very long time. But efforts to rationalize it have been very few and disjointed. It is both interesting and revealing to recall the recommendations which the Administrative Reforms Commission appointed by the Government of India made regarding PSUs, more than 33 years ago, at a time when the paramount role of the public sector in national development was unchallenged. Those recommendations, which KARC feels are still relevant mutatis mutandis in the context of the topic dealt with in this report, are extracted in Annexure I.

3.1.2. Against the background of the issues delineated in the previous Chapter, KARC would make the following recommendations:

3.2. Government Control.

3.2.1. The crux of Government control is achieving a balance between the autonomy of the State-owned enterprise and its accountability. This calls for clear delineation of issues that are of concern to the Government. In U.K. the Mikardo Committee recommended the following guiding principles for ministerial powers in relation to public enterprises, which are relevant to the Indian context as well. They are:

"(i) Ministers should be concerned with securing that the industries operate in the public interest.

(ii) Ministers should seek to ensure the efficiency of industries by exercising a broad oversight of them, but should not become involved in management.

(iii) The industries should otherwise be left as free as possible to carry out the policies required of them as efficiently as possible.

(iv) There should be clear demarcation of responsibility both between government departments and between ministers and boards."
(v) The methods of ministerial control should be mainly strategic rather than tactical. The industries can have a clearer idea of what the government requires of them if they are not subject to frequent, ad hoc, tactical control.

(vi) The nature of government control need not be wholly formal. Although informality has its dangers, a close, intimate and informal relationship cannot be avoided and is even beneficial.

(vii) The minister and the industries should be publicly accountable.

(viii) The measurement of management should not be purely commercial success or social achievement, but the efficiency with which the industries carry out the joint commercial/social duties given to them.

(ix) The ultimate sanction for bad management may be dismissal or non-reappointment to post, but improvement in management should be the first objective.

(x) Proper and fruitful exercise of ministerial control depends on the attitude and ability of both ministers and members of the Board.”

3.2.2. In the Indian context the Arjun Sengupta Committee to review Policy for Public Enterprises, had the following points to make:

“(i) Government should be primarily concerned with overall strategic planning and policy rather than with day-to-day functioning of the public enterprises.

(ii) Government's responsibility is to ensure that public money invested in these enterprises earns an appropriate rate of return and that the functioning of these enterprises is consistent with plan objectives, including with those related to employment, fair pricing, regional dispersal of industries and efficient use of scarce resources.

(iii) The enterprises should be held strictly accountable for their performance in relation to the goals set and there should be an appropriate mechanism for evaluation of their performance.

(iv) The Ministry should be responsible for the formulation of policy and the management should be responsible for implementation of that policy, and the interaction between them should be such as to facilitate the exercise of overall Government supervision, without impairing the efficiency of the operations of an enterprise at “arms length” from Government and promote decentralized decision-making within an enterprise.”
3.2.3. From the two sets of guidelines it is clear that the question of Government Control is a vexed one. Experience shows that too much of control and too much of freedom can both be unproductive. What is important is the spirit behind the relationship between Government and PSUs. Shared interests and mutual dependence can result in a horizontal relationship as partners instead of a hierarchical one of controllers and controlled.

3.2.4. It is recommended that in the light of the above philosophy, existing controls most of which have grown on ad hoc basis emerging administratively in response to some local temporal problem may be reviewed and the controls brought down to required levels. The guiding test to be adopted by Government in following any control or regulation may be how the said control or regulation would affect the functioning of the PSU in a competitive environment.

3.3. Corporate Plans.

3.3.1. All PSUs should be directed to prepare Corporate Plans within 18 months and be given the necessary guidance and support. Corporate Plans essentially set out the objectives both social and economic as well as the medium term strategy of the enterprises. A typical Corporate Plan would analyse the business environment of the enterprise, clarify the constraints and explain the strategies for the future indicating the risks and assumptions. The Plan should specifically indicate the criteria for measuring the performance both from the social angle as well as the business angle. The Plan should indicate targets as well as benchmarks for monitoring the achievements besides giving an idea of the investment programme. A good Corporate Plan should be a blend of the management's vision as well as the government's commitments, serving as a basis of sound enterprise-government relations.

3.3.2. The Corporate Plan should be the result of negotiated agreement between the government and the enterprise. To be successful, there are certain preconditions.
a) The Corporate Plan which would form the basis of a performance contract should have the acceptance of the political executive for it would define the limits of political control while delineating the area of autonomy.

b) The targets and figures should be realistic taking into account the physical, financial, political and business constraints.

c) The contract must be flexible allowing for re-negotiation if there are basic changes in the assumptions. But a Plan must never be allowed to drift or be left ignored.

d) There has to be clear procedures for monitoring the results of the plan. A structure of incentives and disincentives needs to be built in.

e) A good Corporate Plan requires high quality technical skill and professional input.

3.3.3. The Corporate Plan should not end up as making claims to justify government support. It should be based on operational and action plans reflecting the commitment and capability of the management. Within the Corporate Plan there should be clear annual plans. Such a plan should then be studied by the proposed professional body, the Public Enterprise Authority before government accepts it.

3.4. Performance Contracts.

3.4.1. Already some steps have been taken in this regard by RIAB. There is need for massive upscaling. Performance Contracts with PSUs is recommended in the sense of finalizing and approving Corporate Plans by government for implementation. While Corporate Plans are predominantly the result of enterprise activity, the contracts can be finalized only after a dialogue between the Government and the PSU resulting in a pledge to meet the obligations. While government guarantees freedom of action within the agreed framework, the enterprise in return accepts the negotiated performance targets. The performance contract should have certain clear performance indices, which
reflect both economic as well as social performance of the PSU. Since public sector units have larger objectives the indices should be able to capture both the outputs as well as the outcomes. The process of preparing and finalizing the contract is as important as the final quantified targets. It should ensure removal of all doubts and pave the way for a clear understanding of the issues involved.

3.4.2. A typical performance contract could have the following sections:

1) Giving the background of creation of the PSU, regulations concerning it, its performance in the past etc.

2) Setting out the objectives of future action and delineate the strategies.

3) Indicating the achievements to be made during the contract period.

4) Spelling out the performance criteria for measuring the performance.

5) Explaining Government's commitments.

6) Describing how the monitoring would be done and how issues arising out of the contract are to be resolved.

3.5. Monitoring System.

3.5.1. Corporate plans and performance contracts would end up as pious documents unless there is a rigorous monitoring system in place. The monitoring should be on the basis of the deliverables brought out in the performance contract. A regular reporting system should be evolved on the basis of this and the proposed Public Enterprise Authority (PEA) could be entrusted with the task of monitoring. Also Annual Reports based on certain general guidelines need to be prepared by PSUs and submitted to Government. A signalling system must be put in place so that warning signals are detected at the earliest. The sum and substance of the monitoring exercise should be presented to the legislature by the concerned Department every year before 30th June.
3.5.2. To assess the relative strengths and weaknesses of various PSUs, benchmarking of the industry needs to be carried out. The PEA may be asked to carry out necessary benchmarking studies with the help of relevant industry experts.

3.6. Ensuring Accountability.

3.6.1. In addition to performance reviews, the regular audit system both internal and external needs to be strengthened. For all the major PSUs internal audit cells may be activated by giving proper training and drawing up manuals for internal audit. The PEA could monitor the updation of accounts required for auditing. As in the case of local Governments there should be a time limit for preparing of accounts for the purpose of audit failing which punitive action should be taken against the management.

Presently, the audit of a particular year is taken up only after the audit of the previous year is completed. Since completion of audit requires that after the accounts are audited they have to be approved by the Annual General Body meeting, then sent for comments of the Finance Department and later for Accountant General’s Audit, the whole process takes around 6 to 8 months. Therefore, it would not be possible for companies having arrears of audit to come up to the current stage in a short period. Government may consider allowing companies having more than two years of audit arrears to proceed with next years audit once the Annual General Body has approved the same. This one-time concession may be allowed to all companies having audit arrears of two years or more to become up to date within a year failing which the Managing Director is to be held personally responsible.

3.6.2. In addition to the regular audit, value for money auditing may be done to ensure that the effectiveness, efficiency and economy are brought out. This is very important for public sector organizations.

3.7. Grouping of Companies.

3.7.1. In order to rationalize the interaction with Government and also to attain strength of grouping it is suggested that Sector Commissions or Enterprise Groups may be
set up for groups of similar industries. This concept outlined by the Steering Committee for the VIII Plan is worthy of experimentation; as the holding company concept does not seem to have achieved the desired results. Each Sector Commission or Enterprise Group would have its own professional support systems in the form of technical advisory groups. It would have representatives of the Companies under it, experts in the sector, representatives of private groups and even workers and consumers. The system would not affect the autonomy of the individual company while giving it necessary collective strength and facilitating infrastructural synergies.

3.7.2. Even for individual units an optimum size may be prescribed. There should be no PSUs below that level of investment, which may vary, with the nature of the industry.

3.7.3. A consensus may be evolved on the future of PSUs which are not viable after infusion of reasonable quantum of funds commensurate with their size and potential and the PSUs which have been having little or no operations for quite some time.


3.8.1. All Companies should have professional Chairmen – full time or part time, according to availability and need. They should have full time functional Directors from the Company and the number can be decided according to the size of the Company. Besides having a representative of the workers, the Director Board should have at least a fourth of its membership from experts in the sector including from the private sector. Governmental representation should be limited to two, representing the concerned administrative department and the Finance department. For identified key units a two-tier system of Management Board can be tried out – a top policy making body with an active Executive Committee under it. Directors should be given proper training for which a tailor made course could be designed by a top-notch management institute.

3.8.2. There should be an independent Selection Board for selecting various senior personnel including the Managing Director. An autonomous selection agency for
other staff also needs to be set up through a core unit, which can outsource its service requirements.

3.8.3. Managing Directors of PSUs should have a fixed tenure and should be under contractual obligation to make up for losses incurred through misappropriation/defalcation etc. even after their tenure.

3.8.4. The proposed PEA should undertake a detailed study of the existing staff and wherever there is a surplus, redeployment should be done and wherever there is lack of skill retraining has to be arranged. Redundant or under-utilised or under-qualified staff should in no case be allowed to exist in public sector units.

3.8.5. Besides, the pre-dominance of lower level staff in most PSUs should be checked. Higher managerial positions in the PSUs should be made attractive and performance linked salary structure for the top management may be evolved.

3.8.6. In selected cases contracting out management can be tried which will facilitate better use of assets without diluting ownership pattern; even while fetching some royalty.


3.9.1. In the rapidly changing environment in which PSUs are functioning, to face the tough management challenges, it is necessary to have a comprehensive and coherent management training and development programme for PSU staff. RIAB has already taken steps for covering 3000 executives through a training needs assessment. Based on such assessment by an expert agency and integrating the training components of the Corporate Plans, a manpower development plan for PSUs may be drawn up and supported by Government. Big PSUs should have an internal training cell and all PSUs should have a training Co-ordinator. As far as possible, training skills may be nurtured in-house. Also, a Training Network may be developed in the State including IIM, Kozhikode, IMG, CMD and CDS. The training should provide opportunities for:

1) Improving knowledge of specific functions of the organization like production, maintenance, marketing etc.
2) Upgrading skill is the important management tasks like work organization, personnel management, behavioral change etc.

3) Developing capacity for quantifying and measuring enterprise performance.

4) Enhancing technical knowledge relevant to the unit.

5) Understanding the business environment to enable forecasting of changes.

3.9.2. Up to junior-middle - management level, the training may be conducted within the unit and above that in institutions.

3.9.3. Government may encourage setting up of a Public Sector Management Association for sharing skills. Wherever possible twining of enterprises with similar units in the public or private sector may be attempted for management development.

3.9.4. Also an expert panel may be set up to draw up a research agenda, which can contribute, to improving public enterprise performance.

3.9.5. Apart from general management training, specific industry related training and awareness of latest developments needs to be emphasized. Suitable rewards should be given for PSU employees presenting papers in national and international technical seminars. Companies should also evolve systems to encourage its personnel to acquire higher and latest technical knowledge.

3.10. Information Technology

3.10.1 Information Technology should be used as a tool to improve the productivity and competitiveness of all PSUs. Therefore, all PSUs should be brought under a uniform IT network in a time bound manner. Such an exercise can be implemented through a joint funding from PSUs and partially from Government. While profit-making PSUs can be expected to meet the full cost of
computerisation, the loss-making PSUs may be asked to meet partial cost of the computerisation. It is relevant to mention that while IT as an industry is being developed in the state, industry has hardly used IT to improve its productivity, efficiency and competitive edge. This is where the real strength of IT lies and PSUs should necessarily be asked to take advantage of this.

3.11. Institutional set up

3.11.1. The Public Enterprise system should consist of three layers viz., the Government, a professional body for facilitation and co-ordination and the enterprise group and their units with their management boards. In order to enable efficient functioning of PSUs, it is necessary to redefine the roles of the components of the system as clearly as possible, in writing. Based on this the rules, Government orders, directions etc., may be recast so that new operating procedures come into being. The roles of the top two layers are suggested below:

(1) The Government Departments, which have a role in supervising the PSUs, are the Industries Department, the Finance Department and the Planning Department. The roles of these three government agencies could be:

a) **Industries Department.**
   - Lay down Sector Policy
   - Approve Corporate Plans and sign Performance contracts
   - Monitor performance
   - Ensure accountability through audit
   - Clear new investments, expansions, mergers, disinvestments etc.
   - Approve borrowing
   - Decide on the management structure
   - Appoint Chief Executive / Directors

b) **Finance Department.**
   - Be consulted on and approve matters involving flow of funds from government, guarantees by government, new investments.
Monitor of financial performance.

c) Planning Department

Be consulted on all matters involving flow of plan funds.

(2) At the next level would come an organization, which serves as a professional intermediary between the PSUs and Government. At this level it is recommended that a statutory Public Enterprise Authority (PEA) may be set up in the place of the existing institutions. It can have separate groups for public utilities, welfare organizations and manufacturing units. The PEA could be an autonomous professional organization with the staff support being initially provided by the abolition of BPE, PEB and RIAB; the Authority proper may consist of:

- Chief Secretary
- Secretary (Industries)
- Secretary (Finance)
- Secretary (Planning)
- Secretary of concerned administrative Department.
- One expert on financial management & audit
- Heads of Sector Commissions/Enterprises Groups
- Representative of an academic institution involved in management development training
- National level experts on key sectors
- Two representatives of Financial Institutions:
- Professional head of PEA

- Chairman
- Vice-Chairman
- Member
- Member
- Part-time Member
- Member
- Members
- Member
- Special Invitees/Part-time Members
- Members
- Convener

(For those who are not ex-officio members, a tenure of five years is suggested)

3.11.2. At present institutions like RIAB intervene either in the decline phase of an enterprise or mostly at the decay phase. The PEA is expected to be involved in the stabilization phase itself. It can set up early warning systems to prevent
decline. Acting as owner's representatives it can push, co-ordinate and even implement initiatives for revitalization. Gradually it could develop competence to function as a policy support unit for promoting enterprise competitiveness.

3.11.3. The PEA could set up expert committees for going into questions of revitalization, upgradation, diversification etc. The Industries, Planning and Finance Departments should be represented in these committees. The expert committees could make a presentation of the proposals before the Public Enterprise Authority and the representatives of the concerned Departments could attend this presentation. The concerned Government Departments could raise the issue of clarification as well as ask queries in this forum. The Public Enterprise Authority should facilitate direct tripartite interaction among the experts, the PSU and the Government Departments. Based on this interaction and the replies furnished to the queries, the departments could jointly formulate their response and in case of deadlock the Chairman of the Public Enterprise Authority could review and recommend an appropriate course of action to the Council of Ministers.

3.11.4. The whole process should have the following schedule:

Day 1 - Presentation
Day 7 - Raising of queries, clarification and issues for queries.
Day 20 - Tripartite interaction.
Day 30 - Finalisation of views.
Day 45 - Presentation for Council of Ministers.

(Wherever review by the Chairman of the Public Enterprise Authority is required another 15 days could be added to the Schedule)

3.12. Fund flow to PSUs.

3.12.1 Once the decision of the Council of Ministers is made, funds would automatically flow to the concerned public sector unit. In case there is no flow of money from the consolidated fund the ways & means restrictions should not be made applicable.
3.12.2 All funds both from the government coffers and from the market should be managed by a fund management group in the Public Enterprise Authority. And funds should be released only against clear action plans incorporated in the performance contract and diversions should be penalized.

3.12.3 From a long-term point of view and with a view to reducing friction with government, it is suggested that as a government policy, all loans may be converted into equity. And in future loans should have an interest rate reflecting the cost of that money to government.

E.K.NAYANAR
Chief Minister of Kerala & Chairman

V.J.THANKAPPAN
Vice Chairman

Dr. K.K.SUBRAHMANIAN
Member

C.JJOSEPH
Member

S.M.VIJAYANAND
Member Secretary
ANNEXURE

RECOMMENDATIONS OF THE
ADMINISTRATIVE REFORMS COMMISSION (GOVERNMENT OF INDIA), 1967
WHICH ARE MUTATIS MUTANDIS RELEVANT TO THIS REPORT OF
KERALA ADMINISTRATIVE REFORMS COMMITTEE

CHAPTER III - ORGANISATIONAL STRUCTURE

2.

(1) All the industrial and manufacturing concerns in the areas mentioned in paragraph 12 and the concerns in the fields of air transport, shipping and hotels and tourism should be grouped into sector corporations as indicated in Annexure. The State-owned shares in an undertaking in which there is private participation should be transferred to the Sector Corporation.

(2) A sector corporation should also be set up in the field of Electronics when a programme for a large-scale expansion in this field is decided upon.

3.

(1) The powers of the Government vis-a-vis the sector corporations and the functions of the corporations should in general be as follows:

Powers reserved to the government:

(i) to appoint the Chairman of the Corporation and Government representatives on the board of the corporation;

(ii) to appoint in consultation with the Chairman, other members of the board of the corporation;

(iii) to give directions to the corporation as to the exercise and performance of its functions in matters involving national security or substantial public interest and to ensure that the corporation gives effect to such directions;

(iv) to call for such returns, accounts and other information with respect to the property and activities of the corporation as may be required from time to time;

(v) to authorise the amount of capital to be raised and the terms and conditions on which it may be raised;

(vi) to approve the corporation's five-year and annual plans of development and the corporation's capital budget;

(vii) to approve the corporation's revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government; and

(viii) to approve agreements involving foreign collaboration proposed to be entered into by the corporation and to approve purchases and contracts of a major nature involving substantial capital outlay which are in excess of the powers vested in the corporation.
Functions of the Sector Corporations:

(i) to advise the Government on general matters affecting industry in the public sector;
(ii) to promote and develop industry in the public sector including the setting up of new projects in accordance with the Plan;
(iii) to promote, provide or coordinate activities relating to- 
(a) training of personnel;
(b) research and consultancy;
(c) sales promotions; and
(d) such other common services as the constituent units may agree to be provided by the corporation;
(iv) to evolve a common policy for the wages and salaries and other terms and conditions of service of the employees of the corporation;
(v) to approve the revenue budgets of the constituent units;
(vi) to scrutinise the capital budgets of the constituent units and submit a consolidated budget to the Government;
(vii) to make appointments to posts below the board level in the sector corporation;
(viii) to appoint the chief executive of the constituent units in consultation with Government;
(ix) to appoint heads of departments in the constituent units in consultation with the chief executive of the unit concerned;
(x) to call for such returns, accounts and other information with respect to properties and activities of each of the constituent units as the corporation may require from time to time;
(xi) to secure the largest degree of decentralisation consistent with the proper discharge by the corporation of their duties and functions; and
(xii) to set up an effective machinery for the speedy disposal of grievances and complaints pertaining to maladministration and abuse of authority by officers subordinate to the corporation.

(2) Subject to the above, all the necessary powers required by the constituent units to discharge their duties and functions should be conferred on the managements at the unit level.

4. The boards of management of sector corporations should be of a mixed type. The board should consist of -

(a) a full-time Chairman-cum-Managing Director;
(b) full-time functional directors, their number depending on the needs of the case;
(c) not more than two part-time Government representatives; and
(d) two or three part-time members from outside the Government.
(2) The Government representatives should be selected on the basis of their qualifications and experience and not by virtue of the office which they hold in a particular Ministry.

(3) Part-time members from outside the Government should be persons with proven ability in the fields of industrial, commercial or financial enterprise or in administration or in trade union organisation. These qualifications should be laid down in the Act, or, in the case of government companies in the Articles of Association. These members should have faith in public enterprise and should not have such business or other interests as may affect their objectivity in the discharge of their duties on the board.

* * * * * * *

CHAPTER IV

PUBLIC ENTERPRISES, PARLIAMENT AND GOVERNMENT

8. Parliament may be approached to agree to earmark a number of days for discussion of the working of public sector undertakings.

9. The Committee on Public Undertakings may consider taking up for examination a group of undertakings falling within one major area of enterprise and bringing out a consolidated report thereon.

10. (1) The Bureau of Public Enterprises, in consultation with the Ministries and public undertakings, should work out a model form for the Annual Reports of public undertakings. Standard operational indices should also be prepared for use by the public undertakings in order that essential information relating to their working is brought out in the Annual Reports in a readily intelligible form.

(2) Each Annual Report should cover interalia the following points:
   (a) information about the adequacy of the quantity and quality of output and reduction in cost;
   (b) information relating to the utilisation of the principal ingredients of production, viz., labour, materials and installed capacity; in the case of undertakings not concerned with manufacture like transport and trading concerns the corresponding information should relate to factors relevant to such concerns;
   (c) comparative performance between different parts of the undertaking, between one undertaking and another, and in relation to similar undertakings abroad;
   (d) a brief report of the future plans indicating the extent of demand for the product proposed to be met, the variations in the quantity and quality of the supply and the steps planned to reduce costs; and
   (e) a brief summary of the past operational results with comparisons of the results achieved during a specified period in order to bring out long-term trends.

* * * * * * *
12. (1) No officer of a Ministry should be made Chairman of a public undertaking, nor should the Secretary of a Ministry be included in its board of management.

(2) The top management posts, like those of the Chairman or full-time members of the board, should be filled by officers on deputation only when there is no suitable alternative available. As a general rule, Government servants selected for appointment to these posts should, on appointment thereto, opt out permanently for service in the public sector.

(3) The Government officers appointed as part-time members of the board should be fairly senior and not below the rank of a Joint Secretary. These officers should not be taken as representing any particular Ministry so that even when they are transferred, they continue on the boards, the Ministry concerned making the necessary arrangements to keep the officers informed of its views.

(4) The chairman of the sector corporations should be accorded a status consistent with the requirements and importance of their functions without the limitations as to emoluments as exist at present.

(5) All appointments below the board level should be made by the board itself. However, in the case of the chief executive of a constituent unit and its Financial Adviser, the appointment should be made by the board in consultation with the Government.

(6) The power vested in the managements for sanctioning capital expenditure should be reviewed with a view to making upward revisions in the case of the larger undertakings.

(7) The board should have full freedom in delegating its powers to its executive officers whenever necessary.

(8) Any suggestion from Government to a public undertaking asking it to act in a manner different from that dictated by economic considerations should invariably be in the shape of a formal directive and it should be duly brought out in the Annual Report of the undertaking.

13. (1) The Bureau of Public Enterprises should be invested with authority appropriate to its responsibilities. It should be headed by a person of the status of a Secretary who should hold a full-time charge of it.

(2) The person heading the Bureau should be acquainted with the working of public undertakings and should be competent to deal with problems of economic and statistical nature.

(3) The work at present being looked after by the Project Coordination Division of the Ministry of Industrial Development and Company Affairs and the Management Division (CPP) of the Planning commission and the work of the Home Ministry relating to the Industrial Management Pool should be transferred to the Bureau of Public Enterprises.

(4) The functions of the Bureau, in broad terms, should be:

(a) to maintain panels of suitable persons with a view to assisting the administrative Ministries in making appointments to the boards of public
undertakings and providing consultation for such senior posts, under the corporations as may be prescribed;
(b) to furnish periodical reports to Parliament and Government on the working of public undertakings;
(c) to act as a data bank and as a clearing house of information in respect of important matters of common interest including information about organisational structure and pricing policies in public sector undertakings in other countries of the world;
(d) to coordinate the work relating to the examination of public undertakings by Parliamentary Committees;
(e) to compile information on the terms and conditions of service of employees and to advise public undertakings with a view to ensuring desirable uniformities in these matters;
(f) to maintain liaison with the Department of Administrative Reforms in respect of matters like work-study, operation research and improved reporting systems;
(g) to assist the concerned Ministries and Finance Ministry in making a more expert scrutiny and evaluation of feasibility studies/DPRs;
(h) to assist the Ministries in controlling expenditure on residential and administrative buildings, residences of senior executives, townships and ancillary facilities; and
(i) to advise public undertakings on matters on which advice is sought.

* * * * * *

CHAPTER VII
FINANCIAL AND MATERIALS MANAGEMENT

1. Budget should be viewed as embodying a programme of action which enables those who are responsible for the use of resources to project their ideas into the future, and concurrently to look back and review actual performance and progress as compared with promise and intentions. It should not be looked upon merely as a devise for obtaining funds and as an instrument of control over those who are authorised to spend.

2. Public undertakings should prepare comprehensive budgets to embrace the entire organisation and to cover *inter-alia* the following range of budgeting activities:

(a) Production Estimates;
(b) Sales Estimates;
(c) Cost of Production Budget with its necessary subdivisions, e.g.,
   - Materials Purchase Estimates,
   - Labour and Personnel Estimates,
   - Overheads Estimates,
   - Plant Maintenance Estimates, etc.
(d) Manpower Budget;
(1) The preparation of the revenue budget should be taken as an opportunity to make a comprehensive and forward-looking review of plans and standards. The work of budget preparation should begin sufficiently in advance to enable every part of the enterprise to be associated in the preparation of estimates and to have their own separate budgets within the overall budget of the enterprise.

(2) The comparison of performance data with budget estimates should be undertaken periodically during the currency of the budget itself. Expenditure budgets in the general may be reviewed at least twice a year to enable the management to obtain some mid-year knowledge of how expenditure is faring so that they may take corrective steps, where necessary, before the year has ended.

(3) Monthly reviews should be undertaken of sales, production, consumption and yield figures at each plant and unit. Profit and loss accounts and balance sheets as well as cost statements should also be prepared every month.

(4) All management levels required to submit reports and returns should themselves be encouraged to analyse and make use of the data, with the assistance that the finance and accounts organization of the undertaking can provide.

39.

(1) Every public undertaking should have a fairly long-term capital expenditure budget to serve as a framework within which individual schemes can be planned, approved by the Government and taken in hand.

(2) To enable public enterprises to undertake long-term capital planning on a realistic basis, Government should each year discuss with the enterprises and approve its plans for development and capital expenditure for the next five years, agreeing to appropriate long-term commitments as well.

(3) Proper controls may be prescribed to keep public sector investment generally within the Government's resources. For instance, government may each year fix an upper limit on the expenditure to be incurred on capital account by the enterprises during a shorter period ahead say, 2 years.

40. The cash budget and the periodical budget-performance comparison statements and cash flow statements should be treated as an integral part of the budgetary process.

41. (1) Improvement in budgetary and financial control should be accompanied by a greater delegation of Authority as well as reduction in the number of cases
Interface Between Government and Public Sector Units

requiring prior financial concurrence. The need for prior financial concurrence can be further reduced or eliminated by increasing the financial powers of managers, purchase officers, etc. and providing for inter-branch standing committees for such purposes as review of tenders, purchase of equipment and stores.

(2) Each public enterprise should be asked to compile a comprehensive budget manual to cover the various forms for compiling information for the budget, the time schedule for its preparation, the responsibility/cost centers and the financial powers related to budgetary levels at each responsibility centre, budget committees and the procedures for carrying out periodical budgetary reviews.

42. (1) Internal audit should be effectively organised in every public enterprise as a staff function.

(2) The principal tasks of internal audit should be-
(a) to review the soundness, adequacy and application of accounting, financial and operational controls;
(b) to ascertain the extent of compliance with prescribed plans and procedures and accuracy of accounts and other data developed within the organisation;
(c) to make constructive suggestions for improvement; and
(d) to review and report the action taken by line authorities on the points brought out in previous audit reports of internal as well as external auditors.

(3) Other duties that may be assigned to the internal audit organisation are-
(a) to verify that proper authorisations exist for the acquisition and disposal of assets of the enterprise; and
(b) to test-check a certain percentage of transactions and verify inventories with a view to helping in the prevention and detection of frauds, misappropriation and pilferage.
TWELFTH REPORT OF THE

KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON

HEALTH SERVICES DELIVERY

Thiruvananthapuram
May 2001
TWELFTH REPORT
OF THE KERALA ADMINISTRATIVE REFORMS COMMITTEE

HEALTH SERVICES DELIVERY

CHAPTER 1

INTRODUCTION

1.1.1 The Kerala experience in development which is marked by a relatively high quality of life in spite of moderate economic growth, has been pushed mainly by the twin engines of education and health. In the field of health, Kerala had a head start compared with other States, as from the early days, the Government took an activist role in providing health care to the citizens and tried to be as inclusive as possible by reaching out to all sections of society. These efforts have resulted in the good performance of the State as far as health is concerned and this is evidenced by the indicators encapsulated in Table I.
Table 1.

<table>
<thead>
<tr>
<th></th>
<th>Infant mortality rate (1998)</th>
<th>16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Life expectancy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>68.23 Years</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>73.62 Years</td>
</tr>
<tr>
<td>3.</td>
<td>Birth rate</td>
<td>18.3</td>
</tr>
<tr>
<td>4.</td>
<td>Sex ratio</td>
<td>1058</td>
</tr>
<tr>
<td>5.</td>
<td>Population Growth rate (decadal)</td>
<td>9.42%</td>
</tr>
</tbody>
</table>

6. Immunization Coverage:

<table>
<thead>
<tr>
<th></th>
<th>Polio, BCG &amp; measles, TT for children aged 5 years and DPT</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td>T.T. for Pregnant women</td>
<td>94.5%</td>
</tr>
<tr>
<td>c)</td>
<td>T.T. for children aged 10 years</td>
<td>87.7%</td>
</tr>
<tr>
<td>d)</td>
<td>T.T. for Persons aged 16 years</td>
<td>91.1%</td>
</tr>
</tbody>
</table>

7. No. of deaths per 1000 population. - 6.4

8. No. of Doctors per 1000 population. 1.04 (Allopathy), 1.87 (All Systems)

9. Percentage of deliveries in institutions: 99.08%

These achievements have been largely due to the excellent health infrastructure built up over the years. The status of health infrastructure is summarised in ANNEXURE-I.

1.1.2. In order to create the infrastructure and to ensure their functioning, substantial funds have been set apart in the Budget for health as is seen from Table 2.
Table 2.

Funds set apart for health in Kerala
(as percentage of budget)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of funds earmarked for health</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>10.45%</td>
</tr>
<tr>
<td>1970-71</td>
<td>9.58%</td>
</tr>
<tr>
<td>1980-81</td>
<td>8.19%</td>
</tr>
<tr>
<td>1990-91</td>
<td>9.86%</td>
</tr>
<tr>
<td>2000-01</td>
<td>5.75%</td>
</tr>
</tbody>
</table>

As the share of the health budget is declining, maintaining the level of facilities and achieving the required upgradation become very difficult. Therefore the big question is about the sustainability of the achievements and the capacity to face new challenges.

1.2. Scope of the Report

1.2.1. In the recent past Government have been following a gradualist and incrementalist approach in providing health care to the citizens. Now for various reasons even this approach is getting stalled. Time is ripe for a comprehensive attempt at reform to break through the obstacles and take the State forward.

In this background the KARC intends to go beyond mere reform of departmental functioning to touch upon the basic issues in the health sector and to offer broad suggestions for proceeding with reforming the sector. Though the report deals primarily with the allopathic system of medicine, the recommendations are mutatis mutandis applicable to the sister systems of medicine, viz. Indian Systems of Medicine and Homoeopathy, as well.
1.3. Methodology

1.3.1. The Methodology adopted by KARC for this Report is explained below:

1) There was close interaction with Secretary (Health), the Directors of the three systems of medicine and other senior professionals.

2) Some Members of the KARC had a dialogue with prominent NGOs functioning in the field of health especially the Kerala Sasthra Sahitya Parishad and Health Action for People.

3) The KARC exchanged views with selected representatives of local governments.

4) Task Forces were constituted for the three systems of medicine and reports obtained.

5) The Committee perused earlier studies and reports having relevance to the health sector.

6) The Committee was particularly profited by a paper on health sector reforms prepared by the Secretary (Health).

7) The Committee visited a representative Primary Health Centre, Community Health Centre and Taluk Hospital to get a firsthand idea of the problems at the field level.

1.4. Structure of the Report

1.4.1. The report is presented in three chapters. This introductory first Chapter gives the background and the methodology of the study. The second Chapter focuses on various issues in the health sector, which call for reform, and the final third Chapter presents the recommendations of the KARC.

A note on reforms in the Government Health Sector by Shri Rajeev Sadanandan, Secretary, (Health).
CHAPTER 2

ISSUES IN HEALTH CARE REFORM

2.1.1. As mentioned in the earlier Chapter, the health sector is facing various problems of sustainability. There is need for urgent attention on some basic issues, which are summarized below:

2.2. Impact of fiscal stress

2.2.1. Kerala has always stood first in terms of per-capita public investment on health as well as share of the budget earmarked for health services. But in the 80's and 90's the gap between Kerala and the other States, especially the neighbouring southern States, has narrowed down very fast. In fact the public expenditure on health as percentage of gross state domestic product has been on the decline. It fell from 1.5 % of S.D.P. in 1991-92 to 1.36% in 1996-97.

2.2.3. Because of the fiscal stress even within the limited budget the share of medicines and other facilities to patients has come down while the share of pay and allowances of the personnel has been steadily increasing. In 1960 the share of medicines and diet was 39.14 % whereas the corresponding share for salaries was only 36.6 % but by 1995 this plummeted to 18.11 % while the latter rose to 62.7 %. With the rise in salaries in 1997 this has been further distorted. Salaries accounted for 72% of the health budget in 2000 while medicines and diet fell to less than 14%. The percentage share of expenditure on hospital equipment has remained more or less at the 1960 level indicating there has not been any increase commensurate with the requirements necessitated by advances in technology.
2.3. Changing pattern of investment

2.3.1. Kerala has always been commended for its avoidance of the urban bias and for its emphasis on primary health care. But this position is getting gradually undermined due to various forces at work. With the onset of financial difficulties, it appears that the more vocal and powerful stakeholders like health personnel and the professionals of the tertiary hospitals have managed to get a greater share at the expense of others. Since the tertiary hospitals are located in urban areas and since the urban population is relatively more powerful than the rural population, an urban bias also has crept in. The note mentioned earlier shows that the number of teaching doctors has increased 12.63 times in the last four decades and the subsidy for medical education has increased manifold. Also the share of medical colleges and medical education in the health budget of Kerala has increased from 12.27% in 1960 to 33.34% in 1995, whereas the share of other hospitals has fallen from 82.8 to 53.72%. Linked to this is a fact that 67% of Government Doctors and 75% of bed strength in Government hospitals are in urban areas.

2.3.2. Probably the distortion has crept in due to the health budget not growing enough to maintain its earlier share of the total budget and there being no chance of mobilizing resources to address new needs arising from new disease profile, public demand and technological change.

2.4. The role of private sector

2.4.1. Traditionally the non-government sector has been very active in the State. But for a long time they all belonged to the non-profit making category sponsored by various medical missions. But of late commercial health
institutions in the private sector are mushrooming with profit as the chief motive. Probably they are exploiting the gaps and deficiencies in the government coverage. While the Government sector accounted for 53.32% of the institutions and 58.82% of the beds in 1976, it only accounted for 22.7% of the institutions and 36.32% of the beds in 1995. It is interesting to note that 66% of the private institutions are in rural areas accounting for 53% of the beds and 49% of the doctors. However, all the private hospitals focus on the curative side. It is to be noted that there is no regulation existing in the State regarding the minimum facilities required for a hospital in the private sector. Since most of them run on commercial principles, the cost of health care has been pushed up; as government hospitals lack basic facilities in several rural areas, even poor people are forced to foot considerable personal health expenses. Thus slowly the equity element is getting affected.

2.5. Peculiarities of the Kerala situation

2.5.1. There are certain characteristics of the Kerala situation, which are pertinent to the health sector. They are –

a) A good portion of the health infrastructure in Kerala was created long time ago and there is an urgent need for rehabilitation and upgradation. At this point of time, when the finances are weak, this is a serious concern for there is a real danger of rapid deterioration.

b) The changing demographic profile with the number of old people on the increase has several implications for the provision of health care. It has also to be noted that a good number of old people may not be able to pay for their health care.
c) The changing epidemiological scenario in the State with increase in life style diseases like cardio-vascular disease, diabetes and cancer also calls for adjustment in the provision of health care.

d) A literate and aware population of the State long used to availing of hospital services has a tendency to visit hospitals even for minor ailments. This has increased the number of non-serious patients in the secondary and tertiary hospitals consuming considerable share of professional time. Also because of this tendency many people tend to bypass lower level facilities and rush to the tertiary hospitals in the hope of getting better care and thereby place an avoidable burden on these facilities.

2.6. Management problems

2.6.1. In the light of the issues outlined above like deteriorating infrastructure, lack of facilities and medicines and public pressure, improved management of the existing system within the constraints is very important. But there is very little expertise in general management of hospitals among doctors who are specialized or who focus on aspects related to treatment. This issue needs special attention.

2.7. Lack of Managerial Expertise

2.7.1. Kerala has managed to move on to the latter part of the health transition curve, without the economic capacity to deal with the results of the transition. This requires considerable management capacity to draw up innovative cost-effective solutions. Health Services in Kerala has not built up such capacity.
2.8. Doctor-Patient relationship

2.8.1. The increased expectations of the people and the decrease in facilities has resulted in a gross mismatch creating tension between doctors and patients. This is further fuelled by the existence here and there of unethical private practice. It needs no emphasis that trust in doctor on the part of the patient and tender care on the part of the doctor are essential ingredients in the management of health problem. They contribute significantly to the benign placebo effect, which can take care of a considerable part of the curative process. The growing feeling of suspicion has very dangerous portents for the future.

2.9. Lack of inter disciplinary co-operation

2.9.1. Kerala is one of the first States in the country to give importance to the other systems of medicines like Ayurveda (ISM) and Homoeopathy. It has created reasonably good infrastructure in these systems. In the overall health care systems ISM and Homoeopathy also have a niche but the absence of any horizontal linkages among the systems is a major deficiency.

2.10. Local governments and Hospitals

2.10.1. The entire Primary and Secondary health infrastructure has been brought under the management of local governments. While local governments through decentralized planning have produced viable models in several sectors of development, Health is one sector where there have not been any noticeable achievements. While the physical infrastructure has improved considerably due to investments by local governments, there has not been any visible improvement in the management of service delivery. In other words the local governments have not been very effective in managing the health professionals. This is an area of major
concern. Another point to be noted is that the existing health infrastructure has been transferred on an as is where is basis to the local governments with the result that inter-local government disparities are fairly wide with the backward areas having lesser facilities. This has compounded by the fact that the present personnel placement policy in the health department has not been very effective in ensuring availability of health personnel in difficult areas particularly in districts like Wayanad, Idukki and Kasaragode. Also the non-plan allotments to local governments, so necessary for the maintenance functions, have been proportionately less and the local government role in meeting the running costs of hospitals have not been clarified.

2.11. Administrative issues in the health department

2.11.1. The Task Forces set up by KARC have identified certain points relating to the administration of the departments. They are outlined below:

a) The time of functioning of various hospitals and dispensaries is fixed more or less uniformly throughout the State. It does not take into account the convenience of the local people, which may vary depending on their occupation.

b) Indian System of Medicine and Homoeopathy Departments have several administrative problems, which need to be tackled.
CHAPTER 3

RECOMMENDATIONS

3.1.1. From the analysis of various issues involved in the provision of health care by Government, it is clear that there is urgent need for a comprehensive relook at the health sector in its totality. The existing drift has to be halted immediately; adhoc solutions and emergency patchworks cannot ensure sustainability. It has to be noted that the Government role in provision of health care is paramount. It cannot be left to the market forces to provide the essential health care. At best the private sector can provide curative services to the better off sections of the society. Increased allocation for the health sector is necessary. Since public resources are limited there is need to prioritise in favour of primary health care and patient facilities. It is recommended that a White Paper be immediately brought out on the status of health care provision in the State. Based on discussions on the White Paper a strategic vision for the next 15 to 20 years needs to be developed and this has to be translated into action points which can further be prioritized according to resource availability as well as potential additional resource mobilization within the sector or from outside.

3.1.2. Against the background of this general recommendation a few other recommendations are given below:

3.2. Offsetting the financial stress

3.2.1. The financial limitation on provision of health care by Government cannot be wished away. A realistic assessment of available resources has to be made. In order to eke out these resources, the following suggestions are made.
(a) The Hospital Development Committees could be further activated. They may be given ideas for local resource raising and be given the freedom to utilise the resources subject to general guidelines. In fact the heads of the Hospital Development Committee along with the Doctors could be given joint training on improved hospital management with focus on community participation in management of hospitals.

(b) In all secondary and tertiary hospitals Pay Clinics may be started. In the case of secondary hospitals the local governments may be given the freedom to start Pay Clinics. Essentially, Pay Clinics would be on a voluntary basis for the specialists and would be conducted outside office hours. Fees may be charged as decided by the local government or Government and 80% of it given to the doctor and staff and the remaining portion set apart for improving the hospital functioning. The receipts should be kept as a separate fund and should not go into the general government revenue. The guidelines for setting up of model Pay Clinics may be seen in Annexure II.

(c) The local governments may be given the freedom to upgrade hospitals or provide special services subject to the condition that the additional cost would be raised locally either through donations or through imposition of cess by the Village Panchayat or Municipality or through user charges.

(d) In all hospitals where there is scope, a three-type self-targetting inpatient facility can be provided. A free general ward for poor patients, a cost-recovering pay ward for a small group of four to six patients and a cost-plus pay room facility for individuals who can afford to pay. (The additional income can be used for cross subsidizing the general ward).
(e) In order to reduce the cost of drugs which is fast increasing due to the new trade regime, it is suggested that a Drug Formulary system for the whole State be designed starting with tertiary hospitals. The drugs should be prescribed as per the formulary with the essential drugs being given free and the non-essential drugs being given on payment. Companies can be asked to produce non-patented drugs without brand names for the exclusive use of the Government Hospitals. The quality can be assured through vigorous quality assurance checks as well as third party checks with severe penalties for non-compliance of quality standards. Access to these drugs may be provided to non-government hospitals also.

(f) Ultimately risk policy and pre-payment of some kind will have to be introduced. Unless this is made mandatory, risk pooling cannot be there. To start with groups like government employees, pensioners etc., which are easy to cover from the administrative point of view, may be brought in. After gaining experience, the coverage can be extended.

3.2.2. A three-tier health system has to be designed. The minimum facilities available at each level should be determined and be made available at the earliest. For each level there should be a referral protocol. This would ensure that people do not crowd higher-level hospitals unnecessarily. The referral protocol would have to be made applicable to private hospitals also if they intend to refer patients to the higher levels.

3.2.3. Commensurate with this hierarchy of health facilities, specialization should also be spread rationally in Block/Taluk and District hospitals. KARC endorses the recommendation of the One-Man Commission, 1994 (Prathapan Commission) regarding specialization (Annexure III). There should be reservations in specialist courses for existing doctors subject to
a strict bond for continued service. Facilities may be provided to the Doctors at the cutting edge levels to acquire further qualifications in general medicine. Alongside a cadre of hospital administrators need to be built up by providing specialized courses for volunteers from among doctors. The placement of doctors should be managed in such a way that remote areas get the doctors and other personnel without difficulty. Special incentives are already there for admission to post graduate courses. The system could be rationalized and made more transparent. For doctors working in identified remote hospitals special facilities may be provided for accommodation and additional incentives granted for education of children etc.

3.2.4. There should be regulation of hospitals in the private sector through law. The focus should on minimum infrastructure facilities, basic staffing norms, maintenance of ethical standards, and management of hazardous waste. The regulation should also enable grading of hospitals and prepare reporting systems, which have to be adhered to by the hospitals.

3.2.5. For strengthening the doctor-patient relationship, clear management protocols would have to be prepared at each level. There should be absolute transparency in allotment of beds and in various queuing systems for accessing facilities. Some kind of social audit of hospitals may be arranged through Committees of eminent citizens of the locality. A complaint procedure may be prescribed in hospitals and a clear system for redressing grievances prescribed. Ultimately what is required is a Patients' Charter, which clearly indicates the services, he can expect and the minimum standards assured within existing constraints.

3.2.6. In order to bring about inter-disciplinary linkages Councils may be set up at the State, District and local government levels with representatives of the three systems of medicine. The State Council could be chaired by the
Secretary (Health) and the District Council by the District Collector. The State Council should lay down guidelines for co-ordination and co-operation. The Councils at other levels would facilitate implementation of these guidelines and give feedback to the State Council.

3.2.7. For the hospitals transferred to local self governments the following recommendations are made:

(a) The minimum infrastructure standards required and the desirable level envisaged may be identified and an action plan prepared by the local governments to reach these levels with the resources available in their hands. The medical officers concerned should facilitate preparation of such action plans based on general guidelines to be issued by the Government. For areas which have comparatively deficient facilities, compensatory assistance would be needed to cover existing gaps between them and the developed areas.

(b) A Community Health Planning Handbook may be prepared and training given to local governments for preparation of participatory health plans at the local level.

(c) Management manuals have to be prepared for each kind of hospital. These manuals should have one portion explaining the obligatory aspects relating to hospital running and another portion, which is advisory in nature to promote efficient management.

3.2.8. As regards administrative and other issues raised by the Task Forces, KARC would make the following recommendations:

a) The fixing of the time of functioning of hospitals and dispensaries may be left to the local governments who may
take a decision after seeking the opinion of the Hospital Development Committee.

b) There is tremendous scope for specialized Ayurvedic treatment to people from outside the State as well as outside the country. The department of ISM may link up through the department of Tourism and advertise their facilities widely. This could result in useful additional income to the department.

c) In the case of Homoeopathy department, it is recommended that uniform staff pattern may be fixed for Homoeopathic dispensaries consisting of one Medical Officer, one Pharmacist and one Attender.

d) In the case of pharmacist it must be ensured that only qualified persons are appointed in future. It cannot be considered as a promotion post for non-technical people. For those who are already in service special training may be given and they be asked to pass an examination.

e) A pool of four vehicles may be provided to the department for conducting medical camps. These vehicles could be allotted to the district by the Director of Homoeopathy.

f) More powers of the Director could be delegated to the district level officers both in ISM and Homoeopathy departments.

g) A training programme may be launched both in ISM and Homoeopathy departments. Existing institutions may be utilized for providing inservice training to the professional
staff. At least 2% of the Plan allocation may be set apart for the training expenses. The training programme may be drawn up in consultation with the respective teaching Colleges.

E.K. NAYANAR
Chief Minister of Kerala & Chairman

V.J. THANKAPPAN
Vice Chairman

Dr. K.K. SUBRAHMANIAN
Member

C.J. JOSEPH
Member

S.M. VIJAYANAND
Member Secretary
# ANNEXURE I

## 1. HEALTH INFRASTRUCTURE OF KERALA

### Table 1

**Medical Institutions under Allopathy**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type of Institution</th>
<th>Number of Institutions</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Government Hospitals</td>
<td>143</td>
<td>31819</td>
</tr>
<tr>
<td>2.</td>
<td>Government Dispensary/T.B Clinic</td>
<td>74</td>
<td>432</td>
</tr>
<tr>
<td>3.</td>
<td>Primary Health Centre</td>
<td>944</td>
<td>5009</td>
</tr>
<tr>
<td>4.</td>
<td>Grant in aid Institutions</td>
<td>36</td>
<td>3748</td>
</tr>
<tr>
<td>5.</td>
<td>Community Health Centres and Others</td>
<td>120</td>
<td>4202</td>
</tr>
<tr>
<td>6.</td>
<td>Medical College Hospitals</td>
<td>6</td>
<td>7970</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1323</strong></td>
<td><strong>53180</strong></td>
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</tbody>
</table>

### Table 2

**Medical Institutions and Beds under Ayurvedic System**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type of Institutions</th>
<th>No. of Institutions</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Hospitals (Government)</td>
<td>113</td>
<td>2604</td>
</tr>
<tr>
<td>2.</td>
<td>Dispensaries</td>
<td>679</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>792</strong></td>
<td><strong>2604</strong></td>
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### Table 3

**Medical Institutions and Beds Under Homeopathy**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type of Institutions</th>
<th>No. of Institutions</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Hospitals</td>
<td>31</td>
<td>970</td>
</tr>
<tr>
<td>2.</td>
<td>Dispensaries</td>
<td>524</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>555</strong></td>
<td><strong>970</strong></td>
</tr>
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## II - STRENGTH OF MEDICAL PERSONNEL

### A. Health Services

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Number of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Medical Officers</td>
<td>3421</td>
</tr>
<tr>
<td>2.</td>
<td>Dentists</td>
<td>72</td>
</tr>
<tr>
<td>3.</td>
<td>Senior Nurses</td>
<td>1969</td>
</tr>
<tr>
<td>4.</td>
<td>Junior Nurses</td>
<td>6067</td>
</tr>
<tr>
<td>5.</td>
<td>Lady Health Inspectors</td>
<td>942</td>
</tr>
<tr>
<td>6.</td>
<td>Pharmacists</td>
<td>1728</td>
</tr>
<tr>
<td>7.</td>
<td>Junior PHNs (ANMs)</td>
<td>5547</td>
</tr>
<tr>
<td>8.</td>
<td>Junior Health Inspectors</td>
<td>3642</td>
</tr>
<tr>
<td>9.</td>
<td>Health Inspectors</td>
<td>915</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>24303</strong></td>
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</table>

#### Medical Colleges

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Number of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Director/Principal</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>Professor</td>
<td>228</td>
</tr>
<tr>
<td>3.</td>
<td>Associate professor</td>
<td>279</td>
</tr>
<tr>
<td>4.</td>
<td>Assistant Professor</td>
<td>517</td>
</tr>
<tr>
<td>5.</td>
<td>Tutor/Lecturer</td>
<td>844</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1874</strong></td>
</tr>
</tbody>
</table>

#### Indian System of Medicine

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Number of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Medical Officers</td>
<td>932</td>
</tr>
<tr>
<td>2.</td>
<td>Nurses</td>
<td>776</td>
</tr>
<tr>
<td>3.</td>
<td>Pharmacist, Lab Technicians, Masseurs</td>
<td>707</td>
</tr>
<tr>
<td>4.</td>
<td>Lab Technicians, Pharmacy Attenders and other para medical staff</td>
<td>706</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3121</strong></td>
</tr>
</tbody>
</table>
### Ayurveda Medical Colleges

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>No. of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Principal/Professor/Reader</td>
<td>73</td>
</tr>
<tr>
<td>2.</td>
<td>Sr. Lecturer/Medical Officer/Research Officer</td>
<td>129</td>
</tr>
<tr>
<td>3.</td>
<td>Para Medical Staff</td>
<td>305</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>507</strong></td>
</tr>
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### Homeopathy System

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>No. of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chief Medical Officer/Medical Officer</td>
<td>425</td>
</tr>
<tr>
<td>2.</td>
<td>Nurses</td>
<td>89</td>
</tr>
<tr>
<td>3.</td>
<td>Pharmacist, Lab Technicians</td>
<td>358</td>
</tr>
<tr>
<td>4.</td>
<td>Other Para Medical Staff</td>
<td>422</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1294</strong></td>
</tr>
</tbody>
</table>

### Homeopathy Medical College

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>No. of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Principal/Professor/Reader</td>
<td>12</td>
</tr>
<tr>
<td>2.</td>
<td>Lectures/Tutors</td>
<td>73</td>
</tr>
<tr>
<td>3.</td>
<td>Nurses</td>
<td>18</td>
</tr>
<tr>
<td>4.</td>
<td>Pharmacist, Lab Technicians</td>
<td>20</td>
</tr>
<tr>
<td>5.</td>
<td>Other Para Medical Staff</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>159</strong></td>
</tr>
</tbody>
</table>
ANNEXURE II

Guidelines on

'PAY CLINICS' IN GOVERNMENT HOSPITALS

1. 'Pay clinics' may be started in all Secondary and tertiary Hospitals, including Hospitals of Indian System of Medicine as well as Homeopathic Hospitals. The organisation and running of the 'pay clinics' will be the administrative responsibility of Local Self Government Institutions to which the Hospital concerned is vested. The clinic will be run by a Managing Committee constituted by the local body, and function under the overall supervision of the concerned standing committee of the Panchayat/Municipality/Corporation. The decision to start the clinic and the constitution of the managing committee will be taken as per the resolution of the concerned local body.

2. The managing committee of the pay clinic may consist of the following:

   1) Chairman of the standing committee dealing with health of the concerned local body.
   2) Superintendent/Medical Officer in charge of the Hospital/PHC
   3) One non-official representative of the Hospital Development Committee
   4) One official representative of the Hospital Development Committee other than Medical Officer in charge
   5) One Member of the Health Standing Committee of the local body
   6) Secretary/Executive Officer of the local body
   7) One representative of the Hospital staff (The Nursing Superintendent/The senior most Head Nurse of the Hospital)

3. All the existing infrastructure in the hospital like building, furniture, other equipments of the hospital will be used for running the pay clinic. Additional facilities can be built up/procured by the local body according to actual requirements.
4. The minimum requirements of a 'pay clinic' unit may be the following:-

- One consultation room for Medical Officer.
- Room/space for the visiting patients. (Sufficient seating with comfortable chairs and one bed or cot for very serious/tired patients brought to the clinic for resting or waiting outside the clinic.
- A cash-cum-enquiry counter
- An examination room adjacent to the consultation room or an examination bed with required privacy in the consultation room.
- Nursing cum dispensing room.
- Furniture including chairs for seating the patient/persons accompanying the patient.
- Other ordinary medical equipments required by the doctor for examining the patient. A separate telephone with extension will be provided in the pay clinic.

5. One unit of the pay clinic will be manned by one doctor, one nurse and one attendant in addition to a cashier cum assistant at the counter. Except the doctor, others can service more than one unit.

6. The pay clinics could normally function from 4.30 p.m. to 8.30 p.m. every day; the working time can be increased according to demand/staff availability later, at the discretion of the managing committee.

7. The pay clinics should not in any manner, whatsoever, adversely affect the normal functioning of the hospital and it should not reduce the availability of any service to other patients in terms of quality, quantity, or time.

8. Pay clinics of different specialties may be established in Taluk/District hospitals and above.

9. Attending to patients at the clinics will be based on priority coupons issued at the counter preferably with the help of a computer.

10. The patient will have a choice in selecting the doctor, he/she will be attended by the doctor of his/her choice only.
11. The Doctors, Nurses, attendants, cashier or other persons to be appointed at the pay clinics will be decided by the managing committee of the pay clinic.

12. The Medical Officers/Surgeons/other medical staff of the hospitals concerned will be posted only after ascertaining their willingness and will be given preference as per seniority for being engaged at the pay clinics.

13. If sufficient number of doctors and other medical staff of the hospital are not willing or not available for being engaged in the pay clinics, Doctors or other medical staff retired from the Government Service or from private service may be appointed by the managing committee on contract basis for a specified period.

14. Qualified and registered doctors and medical staff like House surgeons, Nursing trainees can also be appointed in these pay clinics as part of their field attachment/training. Unemployed doctors and nurses with required qualification and registration can also be appointed if medical personnel as mentioned above are not available.

15. The rate of fees charged at the pay clinics will be decided or fixed by the managing committee taking into account the overall expenses including the remuneration to be paid to the doctors so as to ensure that the pay clinics can be run on a no-loss, no-profit basis. Different rates can be fixed for different specialists.

16. The fees collected will be deposited in a separate fund in a savings bank account to be opened in a scheduled/ commercial/co-operative bank. It will be operated jointly by the Chairman and Member Secretary of the Managing committee.

17. Out of the consultation fees charged from the patients up to a maximum of 60% may be paid to the doctors engaged in pay clinic, as their remuneration in proportion to the number of patients attended by them. Out of the consultation fees charged another 20% could be paid to the cashier/nursing staff/attendant sharing on an equal basis. If only one staff is engaged, it could be paid to him/her in full. The remaining 20% may be utilised for the other administrative expenses. The remuneration to the doctors/staff could be paid on a weekly/ fortnightly/monthly basis as fixed by the managing committee. While fixing/charging 'fees', in addition to the consultation fees, service charges, registration fee, etc. can also be charged for meeting other recurring or unforeseen expenses of the clinic (Eg: Salary of the Cashier, etc.)
18. More than one doctor can be engaged for a pay clinic with combined or shared staff. Sharing of the remuneration to the staff will then be on the basis of the total consultation fees collected.

19. Other clinical, para-medical services including X-ray, ECG, Scanning, Lab Services, Ambulance Services etc. can also be made available for these patients at the pay clinics on payment basis at rates fixed for each type of services. Neethi Medical stores or Dhanvanthari Kendra type of medical stores can also be linked with pay clinics. The staff who have to work extra should also be given pro-rata remuneration out of the fees charged from the pay clinic patients. But the entire payment of fees charged should be credited to the same fund account of the pay clinic and shared between the different services according to the due share of each. However the entire management and transactions will be in accordance with the decisions of the managing committee or the rules framed by the managing committee specially for the purpose.

20. The entire transactions of the pay clinic will be accounted on a commercial basis in 'double entry' system. It will also be subjected to audit by the chartered accountant appointed by the managing committee on annual basis.

21. The audited accounts along with status reports should be placed before the executive committee of the local body concerned for scrutiny and approval. Copies of such reports should also be published in the hospital development committees.

22. The entire standards of services at the pay clinic should be fixed in advance and published in a notice board of the pay clinic conspicuously, and updated periodically.

23. Drop-in boxes for depositing complaints/suggestions by the public should be placed in front of the pay clinics, and it should be opened regularly in the presence of the visitors by any one of the members of the managing committee, and action will be taken promptly after placing them in the meetings of the managing committee.

24. The managing committee of the pay clinics will meet as often as possible and on a regular basis on a fixed day every month.

25. Properly printed payee's receipts with carbon duplicates will be issued to the patients for every payment tendered by him at the pay clinics. But duplicates may not be necessary if receipts are generated using computer.
26. The steps taken for ascertaining the willingness of persons for posting as doctors and other medical staff at pay clinics, fixing rates etc., and other procedures and the communications in this behalf should all be open and transparent.

27. All possible steps have to be taken by the managing committee to make the pay clinics attractive-both for the medical staff and the patients/public alike. The managing committee may identify perks in kind and include them as part of the rewards or incentives for the medical staff engaged in the pay clinics. Illustratively they might include the following:-

(i) Reimbursement of cost of fuel charges for the vehicle owned and used by the doctors, on a monthly basis. (Monthly ceiling can be fixed)

(ii) Reimbursement of telephone charges - this can be limited to the rent charges + local call charges (Subject to a fixed limit, say, 500 local calls) including proportionate service tax charged by the BSNL.

(iii) Providing Cell Phone connection, which can be limited to reimbursement of cost of recurring charges or cost of pre-paid mobile phone cards on a monthly or bi-monthly basis as applicable.

(iv) Reimbursement of actual house rent, subject to a ceiling of up to 50% of the rent paid.

(v) Refrigeration charges, say 25% of electricity charges.

(vi) Reimbursement of cost of books, periodicals, news papers, etc. subject to a monthly ceiling of Rs.1000/- or quarterly ceiling of Rs.3000/-

(vii) Mess charges or refreshment charges while on duty in the pay clinic.

(viii) To and fro Air tickets for attending one national conference/seminar on medical profession within India, per year.

(Note:- These items are illustrative and may be added other type of perks and concessions as decided and negotiated by the Managing committee)
28. The pay clinics may in due course honour various types of important credit cards also for treatment and services rendered. Tie-ups with insurance companies for giving treatment on the basis of medical insurance policies and getting reimbursement directly from insurance companies could also be explored and put into effect at the discretion of the managing committees or local bodies concerned.

29. In the pay wards run by KHRWS at least a portion up to 50% of the accommodation available may be set apart for the patients admitted through the pay clinics for which the managing committees will negotiate with the authorities of the KHRWS.
FORMATION OF SPECIALITY CADRE

In the Kerala Health Services, till now, Speciality Cadre does not exist. However, certain Speciality units are created in Major Hospitals like General Hospitals and District Hospitals. Speciality Units sparingly established in other hospitals like Taluk level Hospitals have no uniform pattern.

Many Postgraduates and Super Specialists are available in Kerala Health Services in the general list. Since they are working in a situation where adequate facilities like equipments, technical assistance do not exist, their expertise is not fully utilised by the public. This situation is neither beneficial to the public nor to the specialists.

In the promotional avenue, in vogue, even senior specialists are promoted and posted to purely administrative posts of very high responsibility, merely considering their seniority in the service. Such promotion takes away specialists to administrative posts for which the specialist has no experience at all. Consequently the public suffer, on the one hand due to under utilisation of the expertise and on the other hand, consequent inefficiency in the administration. High Power Committee on Health (Dr. Pai Committee) has recommended creation of speciality units in Taluk level Hospitals, Intermediary Hospitals, District Hospitals and General Hospitals. The Commission is of the same opinion and endorses the recommendation of the "Pai Committee". The Commission recommends to establish speciality cadre in all hospitals having 100 or more beds in a phased manner.

Consequent to the recommendation of the Pai Committee, speciality units have been established in major hospitals like General Hospitals, District Hospitals and in some special hospitals. The Commission also recommends that unit system should be established in all other hospitals having 100 beds and above as early as possible. In establishing such a system in the hospitals the following pattern is recommended,

**UNITS TO BE ESTABLISHED**

1. Medical
2. Surgical
3. Obstetric & Gynaecology
4. Paediatric
5. Eye (Ophthalmic)
6. E.N.T. (Ear, Nose & Throat)
7. Orthopaedic
8. Dermatology & Veneriology (Skin & V.D)
9. Psychiatry, and
One Specialist in Anesthesiology &
One Specialist in Radiology

Considering the general nature and necessity the following specialities should have at least two units each wherever possible.

1. Medical
2. Surgical
3. Obstetric & Gynaecology
4. Paediatric

BED STRENGTH OF UNITS

It is desirable to have a minimum number of 10 beds for each unit in the case of:

1. Medical
2. Surgical
3. Obstetric & Gynaecology
4. Paediatric

In the case of other specialities, the minimum number of beds desirable is 5 (five).

A unit may have up to 30 beds maximum, when the bed strength of the hospital is fixed. Unit bed strength of the units may also be increased proportionately by adding equal number to Medical, Surgical, Obstetrics & Gynaecology and Paediatric Department to make the unit strength up to 30 beds each and there after to other departments.

PATTERN OF A 105 BED HOSPITAL

<table>
<thead>
<tr>
<th></th>
<th>No. of Specialists</th>
<th>No. of Beds Minimum</th>
<th>Maximum</th>
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<tbody>
<tr>
<td>Medical Unit</td>
<td>2</td>
<td>10x2 = 20 2x30 = 60</td>
<td></td>
</tr>
<tr>
<td>Surgical Units</td>
<td>2</td>
<td>10x2 = 20 2x30 = 60</td>
<td></td>
</tr>
<tr>
<td>Obstetric &amp; Gynaecology Units</td>
<td>2</td>
<td>10x2 = 20 2x30 = 60</td>
<td></td>
</tr>
<tr>
<td>Paediatrics Units</td>
<td>2</td>
<td>10x2 = 20 2x30 = 60</td>
<td></td>
</tr>
<tr>
<td>E.N.T. Unit</td>
<td>1</td>
<td>5 x 1 = 5 1 x 30 = 30</td>
<td></td>
</tr>
<tr>
<td>EYE UNIT</td>
<td>1</td>
<td>5 x 1 = 5 1 x 30 = 30</td>
<td></td>
</tr>
<tr>
<td>Ortho. Unit</td>
<td>1</td>
<td>5 x 1 = 5 1 x 30 = 30</td>
<td></td>
</tr>
<tr>
<td>Skin &amp; V.D. Unit</td>
<td>1</td>
<td>5 x 1 = 5 1 x 30 = 30</td>
<td></td>
</tr>
<tr>
<td>Psychiatry Unit</td>
<td>1</td>
<td>5 x 1 = 5 1 x 30 = 30</td>
<td></td>
</tr>
</tbody>
</table>

13

Anesthesiologist       1
Radiologist            1

TOTAL DOCTORS          15 105 390
In Kerala Health Services, at present, there are ample number of specialists and super specialists in many disciplines. On establishing separate speciality cadre the available specialists and super specialists can be placed in the speciality units. The Commission does not recommend to recruit specialists afresh at this stage. While doing these exercises the Commission is of the opinion that the existing Rank Seniority should be given priority when specialists are identified to occupy various posts. The same principles may be applied in the case of super speciality also.

The generalists who might acquire post graduation then and there should also be taken to the speciality, if opted for.

**INITIAL SETTING UP OF SPECIALITY CADRE**

Having established speciality units in hospitals having 105 bed or more, speciality cadres may be established. Available specialists in the services should be identified and suitably placed. For doing this exercise, option from all postgraduate may be obtained as a first step. Only one speciality will be allowed to one person; however he may have postgraduate qualification in more than one discipline. Option once exercised should be final unless he had exercised re-option before he was assigned to a specialist post. Separate seniority list of each speciality discipline should be maintained.

Posting to the speciality units may be strictly according to his existing rank seniority. The time of acquiring post graduation is not taken into consideration at all. No differential treatment is given to Diploma holders and Degree holders, during the first placement to unit system.

**LEVEL OF SPECIALIST CADRE**

A. **SENIOR SPECIALIST**: Specialists having higher seniority will be posted to speciality units in General Hospitals and Special Hospitals. They will be designated as “Senior Specialist”. The proposed scale of pay for them is Rs 4500-7300 with a Specialist pay of Rs 500/- per mensem.

B. **SPECIALIST**: Speciality units in the District Hospitals will be filled-up with “Specialists” in the scale of pay of Rs 3700-5700 with a special pay of Rs 400/- according to their rank seniority.

C. **JUNIOR SPECIALISTS**: Speciality units in the Intermediate level hospitals (Taluk Hospitals, Community Health Centres and other Hospitals) will be created. All speciality units will be filled-up with specialists from the general list strictly according to the seniority in the existing Public Service Commission rank list. They will be designated as “Junior Specialists” and placed in the proposed scale of pay of Rs 3000-5000 with a specialists pay of Rs 300/- per mensem.
PROMOTION WITHIN THE SPECIALITY CADRE

Vacancy linked promotion from Junior Specialist to specialist and Senior Specialist strictly according to the ranking in the specialist cadre seniority is proposed.

DIRECT RECRUITMENT THROUGH PUBLIC SERVICE COMMISSION

When suitable candidates with specific qualification are not available in the Health Services for promotion or placement, fresh recruitment is proposed for such posts.

OPTION AND REOPTION

Option should be obtained from all post-graduates in services to be included in the speciality cadre. Others when acquire post-graduation should exercise option immediately. Option once exercised will be final unless re-option exercised before assigning to a specialist post.

RECOMMENDATIONS

1. The Commission recommends to constitute separate cadres belonging to different specialities.

2. Promotion within the cadres should be done according to the seniority in that particular cadre (discipline) subject to the availability of vacancy.

3. When a non-post-graduate in the general list acquires a post-graduate qualification at any time and opted for speciality cadre he will be placed as the then junior most in the lowest level of speciality cadres subject to availability of vacancy at the same time protecting his original pay and allowances.

4. All post-graduates in the Kerala Health Services Department except those who are posted as specialist may be sanctioned qualification allowance at the rate of Rs 300/- for Degree holders and Rs 200/- for Diploma holders.

5. Three levels of specialists are recommended:
   
   (i) Junior Specialists: in Taluk Hospitals and other Hospitals having 105 beds and above in the scale of pay of Rs 3000-5000.
   (ii) Specialist in the scale of pay of Rs 3700-5700 in District Hospitals,
   (iii) Senior Specialist in the scale of Rs 4500-7300 in General Hospitals and Special Hospitals.

6. Specialists are not entitled to Post Graduate allowance.
7. All specialists who are posted as unit chiefs may be given specialist pay at the rate of Rs 300/- per mensum for Junior Specialist and Rs 400/- per mensem for Specialist and Rs 500/- for Senior Specialist.
8. Option can be exercised for only one Speciality even if one is qualified in more disciplines.

9. A specialist or non-specialist when posted as Superintendent, of a hospital where speciality cadre is established (ie. Hospital having more than 105 beds) may be given a charge allowance of Rs 500/- per mensem.

10. Option to speciality cadre should be obtained from all post-graduates in service and their seniority in the respective discipline (cadre) should be assigned according to their seniority in the existing Public Service Commission list. No differential treatment to Diploma/Degree holders need be considered at this stage.

11. The non-post-graduates in the general list, when acquire post-graduate qualification should exercise option as soon as they acquire post-graduation and they may be posted to the concerned speciality as and when vacancy arises as the then junior-most in the cadre of Junior Specialist.

12. Re-option to go to general list may not be entertained, option had been once exercised, unless opted to become Junior-most in the existing general lists at the same time protecting present pay and allowances.
INTRODUCTION

1.1 Background.

1.1.1 Following the 73rd and 74th amendments to the Indian Constitution, Kerala decided to adopt the classical tenets of decentralisation through the Kerala Panchayat Raj Act and the Kerala Municipality Act initially enacted in 1994 and fundamentally restructured in 1999, and delegated very critical development functions to local governments. A unique feature of the Kerala system is that for Urban Local Governments, more powers than envisaged in the 12th Schedule of the Constitution have been devolved. Both urban and rural local governments enjoy the same powers. In the Kerala model of decentralisation, local governments are partners of the State and Central Governments in performing developmental functions, and, in the case of Village Panchayats and Municipalities certain regulatory functions as well; they are not seen as mere agents implementing certain schemes formulated at the State or Central level.

1.1.2 Along with functions a whole lot of institutions and functionaries have also been transferred to the different levels of local governments (Annexure 2). Almost all the development personnel at the district level and levels below have been brought under the control of the local governments. Along with functions and functionaries the State has transferred substantial funds also to the local governments. More than a third of the Plan Funds is transferred to local
governments in a practically untied form for preparing and implementing locally appropriate development programmes through a participatory planning process.


1.2.1 In going through the process of decentralisation the State has been guided by a clear vision, which has been translated into coherent policy. This is best captured by the Interim Report of the Committee on Decentralisation of Powers (popularly known as the Sen Committee) submitted in August 1996 and accepted by the Government almost in toto. It is worth quoting the relevant portions of the Committee’s Report:

"Local Self-Government is essentially the empowerment of the people by giving them not only the voice, but the power of choice as well in order to shape the development which they feel is appropriate to their situation. It implies maximum decentralization of powers to enable the elected bodies to function as autonomous units with adequate power, authority and resources to discharge the basic responsibility of bringing about "economic development and social justice". It is not enough to formally transfer powers and responsibilities to the Local Self Government Institutions (LSGIs). They have to be vested with the authority to exercise them in full, which requires concordant changes not only in the appropriate rules, manuals, government orders and circulars governing development administration, but also in the conventions, practices and even, the value premises of the governmental agencies. Decentralisation does not mean just deconcentration where a subordinate is allowed to act on behalf of the superior without any real transfer of authority, or delegation where powers are formally conferred on a subordinate without any real transfer of authority. It implies devolution where real power and authority are transferred to enable autonomous functioning with defined areas."
Decentralisation in its true sense would be democratic decentralisation. With the constitutional recognition accorded to Grama sabhas and Wards Committees, the necessary condition for genuine participatory democracy has been created. The greater the involvement of these people's bodies and the more effective their functioning, the fuller would be the realization of the objectives of LSGIs. So power should flow through the elected bodies and its members to the people and should not be blocked at any level, as power ultimately belongs to the people and it is only legitimate that it is handed over to them.

Thus LSGIs would facilitate exercise of legitimate and legal authority by the people and the elected bodies. It should put an end to the various extra-constitutional power centres influencing the development process at the grass roots level. Often power is seen, felt and recognized by its abuse; at times arbitrary, discretionary exercise of power is found attractive. Power denotes separation and distance from the powerless and is distinguished by typical symbols and trappings. It is not this 'power' that is to be transferred to the LSGIs. It is the power to build capabilities, increase production, reduce inequalities and promote harmony that is to be vested in them a facilitative power as development is basically enhancing the capabilities of people and enlarging their choices.

And the transfer of power has to be more in the vertically downward direction than in the horizontally sideways direction. In other words, the powers of the State to bring about development are to be handed over to the LSGIs and not just the powers now exercised by the functionaries of the State at the corresponding level. Horizontally, the power to decide what to be done, how to be done, and the priorities of doing, will move to the
elected institutions. The officials will retain their professional power to advise but they have to act as per the decisions of the elected bodies. The role of the departments henceforth would be, not to take decisions by themselves, but to help the people to take decisions and then carry them out. Their professional role would expand while their administrative role would shrink.

Decentralisation is a process and cannot be achieved in one stroke. It has to undergo a continuous process of redefining, adapting and adjusting. So it is essential to closely monitor the working of the new system and to take measures to improve it as and when required.

1.3. Extent of Decentralisation.

1.3.1 The following statements of fact best capture the breadth and depth of decentralisation in the State.

1. In the Health sector all institutions other than medical colleges and big regional speciality hospitals have been placed under the control of the local governments.

2. In the Education sector, in the case of government schools in rural areas the high schools have been transferred to the District Panchayats and the primary and upper primary schools have been transferred to Village Panchayats; in urban areas, all schools have been transferred to the urban local bodies.

3. The entire responsibility of poverty alleviation has gone to the local governments; all the centrally sponsored anti-poverty programmes are planned and implemented through them.

4. As regards Social welfare, barring statutory functions relating to juvenile justice, the entire functions have gone to local governments. The ICDS is
fully implemented by Village Panchayats and Urban Local Bodies. Care of the disabled, to a substantial degree has become a local government responsibility.

(5) In the agriculture and allied sectors, the following have become the de facto and de jure local government functions.
   a) Agricultural extension including farmer oriented support for increasing production and productivity.
   b) Watershed management and minor irrigation.
   c) Dairy development.
   d) Animal Husbandry including veterinary care.
   e) Inland fisheries.

(6) Barring highways and major district roads, connectivity has become local government responsibility.

(7) The whole of sanitation and almost the entire rural water supply have moved over to local governments.

(8) Promotion of tiny, cottage and small industries is mostly with the local governments.

(9) All the welfare pensions are administered by the local governments.

The above list more than proves that in terms of governance interfacing the citizen, nearly two-thirds is with the local governments.

1.4. Decentralisation Strategy.

1.4.1 Kerala has followed a unique but conscious strategy of “big bang” in transferring powers and resources to local governments. Instead of waiting for local governments to develop capacity a lot of functions and responsibilities were devolved on them; before finalizing procedures and systems a lot of decision
making powers were conferred on them; before perfecting accountability systems substantial funds were transferred to them. It is this deliberate policy of cutting the Gordian knot, which brought about a series of unconventional ‘reversals’ of administrative practice.

1.4.2 The tempo for change was built up through a well-orchestrated social mobilization exercise called the People’s Plan Campaign. This succeeded in building up public opinion for change and in harnessing the positive energies of public action for participatory planning, which was seen as the entry point for bringing about basic reforms through decentralisation. The campaign released a unique combination of forces, which both pushed the government to decentralize and pulled the government to ensure that the right conditions for the exercise of decentralised authority are created at the earliest.

1.4.3 In keeping with the overall state of flux, the Government also responded positively. It started dismantling old and out-worn systems, procedures and practices and replaced them with ad hoc experimental systems and procedures suitable to the new situation. The idea was, through a process of trial and error, to design totally new systems and procedures on a scientific basis. Thus the whole process was based on learning by doing.

1.5. The Experience so far

1.5.1 Decentralisation efforts of the State are now more than five and a half years old. The local governments are familiar with a reasonably good participatory planning methodology and have fairly functional administrative systems. The experience of the last five years has been a mixed and variegated one. Areas of strengths and weaknesses and the problems and potentials are more or less clear. The time is ripe for a changeover from the campaign mode to an institutionalized set up.
1.6. Objectives and scope of the Report

1.6.1 In a sense this report is intended as a post-script to the elaborate recommendations of the Committee on Decentralisation of Powers. It primarily responds to various issues thrown up in the last five and a half years during the operationalisation of the decentralisation policy. More than giving specific recommendations this Report suggests certain areas for focussed action and policy change. These are intended to guide the Government in the process of stabilizing the local governments by switching over from the campaign mode.

1.7. Methodology.

1.7.1 The Committee has relied primarily on the experience and expertise of its Members two of whom, the Vice Chairman and the Member Secretary, have been closely involved in the decentralisation process in their concurrent positions as Vice Chairman and Member Secretary of the Committee on Decentralisation of Powers. The Committee also had interactions with representatives of local governments particularly in the special meetings at Ernakulam and Alappuzha and its Members participated in various experience sharing programmes related to the People's Plan Campaign.


1.8.1. Apart from this Introductory Chapter, which focuses on the State Government's approach to decentralisation, the Report has a second Chapter, which sketches various issues related to institutionalising decentralisation in the State, and concludes with the third Chapter outlining suggestions and recommendations of KARC.
CHAPTER 2

ISSUES RELATED TO INSTITUTIONALISATION

2.1. Based on the lessons of the last five years the critical issues related to institutionalization have been identified. A good number of them relate to administrative operating systems and some of them concern developmental practices with special reference to poverty reduction. The issues could be conceptualized as follows:

a) Needs
b) Concerns

a) Needs. As mentioned before there has been a conscious policy of dismantling old administrative operating systems and bringing in their place interim systems on a trial basis. After five years the need for designing of pucca administrative operating systems is strongly felt. The key needs of such a system are outlined below.

i) Financial management: At present the local governments have financial management systems which are more than five decades old and which have only been partially modified by interim instructions. The budgets are prepared without much rigour with the result that often inflated estimates of revenue are shown. This is a dangerous trend as local governments are allowed to take up programmes according to the budget and the artificial income would enable several programmes to be taken up which can never be implemented in full. The budget also does not reflect the liabilities of the local government. As regards accounting, the practice of executing programmes through implementation officers has complicated matters. The traditional cash accounting system does not reveal the receivables and payables. Even the maintenance of accounts is very weak and often very sketchy. This seriously undermines the basic accountability to the public through the audit system. The audit of local governments is still very traditional. The routine audit which is often delayed by several years has not succeeded in inculcating the respect for audit and concern for prompt
follow up action. In the context of the large area of freedom given to local governments of Kerala, effective audit assumes critical importance.

ii) **Office Management:** With the transfer of important responsibilities and massive resources, office management in local governments has become very critical. Now only very primitive systems are in place. There is need for an efficient office management system relating to maintenance of files, flow of files for decision making, storing and retrieving of data and files, and providing quantitative and qualitative feedback to Government, elected representatives and the public. Actual process of decision making in local Governments is through minuting of decisions and passing of resolutions. Experience show that there is no systematic way of preparing the agenda notes; timely and accurate recording of minutes and drafting of speaking resolutions. Since the resolutions of local governments are equivalent to Government orders, which can be issued only after several consultations and approvals, there is need to create a sense of sanctity in the recording of resolutions.

iii) **Procurement System:** With so much of funds in their hands, local governments have become major purchasers of goods and services. At present an archaic and cumbersome Stores Purchase Manual designed for centralised control is applicable to the local governments along with the State Government. This needs to be totally restructured to make purchases easy and simple even while ensuring complete accountability.

iv) **Responsive Governance:** As most of the developmental functions of the government and a good portion of regulatory functions having interface with the citizen have been transferred to local governments, special attention needs to be paid to the manner in which services to the citizen are rendered and the method by which his grievances are redressed. As the cornerstone of Kerala's decentralization is people's participation, it is necessary to make office procedures and official behaviour people-friendly. The legislative
provision for Citizen’s Charter has to be operationalised. Also Social Audit systems require a clear practical guideline.

v) **Code of Conduct:** With elected local governments becoming the executive authority and with most of the developmental staff both professional as well as generalists being placed under the control of elected bodies, the need for guiding the relationship between elected representatives and officials and between them and the public is very strong. An elaborate code of conduct has to be evolved.

vi) **Refining of the Planning Process.** As of now, a good participatory methodology of planning from the grassroots has been developed. Yet there is a need to upgrade it to take care of the following issues:

a) The Grama Sabha/Ward Sabha discussion is often a general airing of local requirements and a demand for benefits to individuals. Ideally this should be a vehicle for consensus building on local development needs and their priorities depending on resources available from the local government and within the community. The existing practice needs further improvement.

b) Due to the annual planning there is a tendency on the part of local governments to spread the resources thin by investing in all the Wards to satisfy the constituency demand of every elected member. There is a need to enable local governments to develop a strategic vision and prepare an action plan over a longer range of time to realise the vision.

c) Though several earnest attempts have been made, the vertical integration of plans leaves much to be desired. Similarly linking local government’s plan to the State plan has not been attempted so far.
d) There are several state-run schemes existing in the functional areas transferred to local governments. These create parallel investments and are often not productive.

e) Local governments have proved themselves very capable of planning for providing minimum needs like shelter, water supply, sanitation, electricity and connectivity. But their achievement in productive sectors boosting local production and employment paving the way for economic development has been rather limited but for isolated success in certain areas.

f) A good plan is one, which provides seed money for leveraging institutional finance and directing it to priority sectors. Even after the whittling down of priority sector lending by banks the outflow in this regard is still substantial. However formal links have not been established between the local government plans and the local credit plans. There are great opportunities which remain to be exploited in this area.

vii. Redefining of the functional domain. One of the characteristics of the Kerala legislations on local governments is the neat division of responsibilities between the Government and local governments and among the Local Governments. In the area of infrastructure as well as management of institutions, the functional domain is fairly clear and rational but in subjects like agriculture and allied sectors; there is a need to redefine the functional domain of the local governments and the state government based on the experience of the last six years.
b) Concerns:

Based on the experience so far there are some concerns which, if not properly addressed, could undermine the credibility of the local governments and reduce the gains of decentralisation. Some of the major concerns are listed below:

i) Enhancing the quality of participation: The cornerstone of Kerala's decentralisation is people's participation. Several participatory structures have been prescribed through legislation as well as through executive instructions. The most vital participatory structure is the Grama Sabha for Village Panchayats and the Ward Sabha for Urban Local Bodies. These mechanisms for direct, face-to-face democracy have several important functions to perform, particularly developing a social consensus on local development needs and their priorities, selection of beneficiaries for various programmes, deciding location of social infrastructure, participating in the implementation and monitoring of schemes and exercising social control through ensuring transparency and conduct of social audit. However, in practice the quality of participation has not been very satisfactory. The average attendance in Grama Sabhas/Ward Sabhas is only around 12% and the focus has been on selection of beneficiaries rather than on evolving development consensus or exercising social control. Through a process of action research, the initiatives needed for strengthening participation can be identified.

ii) Execution of Public Works: It is estimated that about 60% of local government investment is on public works of various kinds - roads, buildings, irrigation structures and so on. Though there is a strong preference for community contracting and transparent execution of public works, the fact that they are governed by the archaic Public Works Manual designed decades ago has led to several deficiencies and problems, often encouraging malfeasance. Corruption in the execution of public works could wipe out the gains of decentralisation and discredit the process; it has to be nipped in the bud for which it is necessary to redesign the Public Works Manual covering...
standards and specifications, schedule of rates, procedures of estimating, modes of supervision and control and systems for measuring, certification and payment. Government have given the policy clearance for designing separate sub-system for public works execution for local governments. It is imperative that the system be put in place at the earliest.

iii) Resource Mobilization: Experience show that local governments have proved themselves very capable in mobilizing community contribution for developmental works. But since the cutting-edge local governments have to perform certain regulatory functions like solid waste management and all of them have a lot of maintenance functions, they have to raise resources locally, from taxes, fees, user charges and so on. Similarly there is a need for efficiency and economy in local government spending. It is necessary to evolve a code of practice for assessing revenue potential as well as in assessing standard spending requirements.

iv) Management of Public Services: Local Governments have performed creditably in providing minimum needs to the people but there is scope for considerable improvement in the quality of services provided to the public by local governments through institutions transferred to them like schools, hospitals, veterinary institutions, krishi bhavans, hostels, farms etc. Since the capacity to manage such institutions is found wanting, a clear instructional management manual has to be developed for each type of institutions which can be used by lay elected representatives as well as professionals.

v) Involvement of transferred departments and staff: As the decentralisation was pushed by the People's Plan Campaign which harnessed the services of a lot of social activists, the departmental officials who are intended to function as sectoral professionals of the local governments have not yet fully integrated themselves into the local government set up functionally as well as emotionally. Loyalties are still with the vertical hierarchy and most of the transferred officers act only as implementers of
projects in the design of which they have not shown much interest or involvement. This does not augur well for the sustainability of the decentralised set up. Unless the transferred officers utilise their experience and expertise to render necessary advice to local governments in project identification and preparation there will be much wastage of precious human resources. Campaign activists can never be substitutes of regular trained departmental personnel in the long run. They have done their job well and it is time for them to handover the baton to the professional staff transferred to the local governments.

vi) Co-ordination within Local Governments. Experience shows that a major point of weakness in the functioning of local governments is the absence of a Co-ordinator or Chief Executive. The existing Secretaries are not equipped to perform the function of translating local government decisions into action by interacting with the implementing officers and monitoring the progress. This is an area of major concern as far as the efficient functioning of local governments are concerned.

vii) Existence of parallel bodies. The functioning of parallel bodies like the Development Authorities would affect the viability of local governments by acting as separate power centres in the same domain leading to conflict.

viii) Functioning of the new institutional mechanisms. A basic feature of the legislative reforms brought about in 1998 was the near total removal of government control over local governments and replacing it with powers given to new institutions set up for the purpose. Thus the Ombudsman was set up to take care of complaints of malfeasance; Appellate Tribunals were provided for to handle appeals against decisions taken by local governments in exercise of their regulatory powers; and the State Development Council was created to integrate local government concerns in State Plan as well as decide on policy issues. Appellate Tribunals are still to become functional. The SDC has met just once with only partial attendance of members. And the
initial feedback on the performance of Ombudsman is not very encouraging. There are complaints that it is getting tied down in traditional court procedures and it is not perceived as a friend of the ordinary man who can approach it with ease and present his grievance for quick redressal. The functioning of these institutions according to the intention of the legislature is very critical for the credibility of the local government system.
CHAPTER 3

RECOMMENDATIONS

3.1. Criticality of the moment:

3.1.1 As the decentralisation efforts have reached the stage of consolidation, Government have put in place the suitable legal and policy framework for a smooth institutionalization phase. Fortunately the campaign mode has kept things in a flux amenable to change. Routinisation has not set in and this is the right moment for institutionalization for the reasons mentioned below:

1) The new local governments assumed office in October and they are eager to go ahead with reforms for they have five years ahead of them and are willing to put in hard work.

2) The State elections are round the corner and the newly elected State Government would be eager to address the institutionalization issues on a priority as bold decisions can be taken whenever governments emerge fresh from the hustings.

3) The Second State Finance Commission has given its recommendations, which are valid for five years, and these are expected to support the institutionalization measures.

4) The experience of the last five years is fresh and institutions and individual actors can delve into this experience and pick up relevant materials for institutionalization. It would be easy to identify the various stages of the process so far so that they could feed into further reforms.
5) The interim systems cannot sustain for long for they were not designed for permanent use. So delayed institutionalization has inherent dangers.

6) The environment is conducive for fundamental reform and any reform at this stage would naturally be translated into practical procedures and systems. This is an excellent chance for incorporating best practices from within and outside the country so that Kerala has a modern updated local government system. If things are delayed it is possible that the second best options are accepted and once such a choice is made then the opportunity for change and betterment would be lost for a long time.

3.2. Recommendations.

3.2.1 In order to strengthen and speed up the institutionalisation process KARC would offer the following suggestions:

1. The existing Financial Management System has to be revamped and restructured thoroughly. This is the opportunity for bringing in the state-of-the-art practice in local government financial management with reference to budgeting, accounting and auditing. It is understood that the State Finance Commission has commissioned a study by the Institute of Public Auditors of India to prepare detailed Budget Account and Audit Manuals for local governments. It is suggested that the best practices within and outside the country should be built into the system and the revamped system operationalised within one year, after a pilot phase of about six months in selected local governments. This has to be accompanied by a rigorous process of capacity building.

2. In consonance with the recommendations of the Committee on Decentralisation of Powers, it is suggested that an independent Audit Commission be set up for conducting the audit of local governments. To start with, the existing auditors from the Local Fund Audit Department may be absorbed by the Audit Commission. Later on a professional cadre can be built up. The Audit Commission should also be able to outsource some of its work to non-government auditors. The Audit Commission should be autonomous and should report to the Legislature annually. The Commission should be free to advise Government on the financial management aspects of local governments. They should be able to carry out performance audit and efficiency audit. It is suggested that the Audit Commission could be a three-member body led by an officer of the rank of Accountant General with a Chartered Accountant and an officer not below the rank of Joint Secretary.
- both selected through a competitive process. The tenure of the Members of the Audit Commission could be for five years or in the case of government servants till they retire whichever is earlier.

3. As regards Office Management and Procurement it is suggested that internal committees may be set up by the Department of Local Self Government and Department of Finance respectively. These Committees could with the full involvement of selected representatives of local governments and other stakeholders, come out with draft Office Manual as well as Stores Purchase Manual. Comments of local governments can be sought. Later the draft manual be vetted by national level experts and the document accepted by Government for use in local governments.

4. Similarly for the Citizen's Charters, the Local Self Government Department may take the lead in setting up drafting committees for each level of local government and for each major type of service. These committees could be exposed to the principles of Citizen's Charter by experts from within and outside the State. The draft charters could also be examined by these experts and finalized and sent to local governments as models for adaptation.

5. For bringing about people-friendly administration the following recommendations are made.

(a) A booklet on Citizen entitlement vis-a-vis local governments may be prepared and made available to every family. This booklet should explain in simple language the basic rights and duties of the citizen in relation to local government matters and clearly spell out the various kinds of "due process" to be followed by local governments in the exercise of their development as well as regulatory powers. A similar document may be prepared on Councillor entitlements for use of the elected representatives of local governments.

(b) The Kerala Panchayat Raj and the Kerala Municipality Act 1994 provide for a Code of Conduct. Government may call for suggestions from various employees' organizations, local governments, non-government organisations and experts in public administration. Drawing on the suggestions, a draft Code may be prepared which can be finalised after getting the opinion of selected experts. This can be done in about six months.

6. In order to improve the planning quality, the following suggestions are made.

a) An Action Research Project may be launched through NGOs, Local Governments themselves and Government officials to improve the participatory Planning...
process at the Grama Sabha and Ward Sabha level so that there is enough discussion based on collated available data, followed by objective prioritisation based on socially acceptable criteria of preference and need. The results of Action Research can be incorporated into the planning methodology.

b) As regards dropping of redundant state schemes, integration of plans, linkage with credit plans and planning for economic development, the State Planning Board may be asked to set up separate Task Forces for each of these issues. These Task Forces may study the best practices within the State as well as interact with experts and offer suggestions. In the case of linkage with credit plans, it is necessary that the Task Force includes Bankers and the suggestions are got approved by the Reserve Bank of India.

7. The Government may set up sectoral Committees to further define the functional domain. These Committees should consist of departmental experts, representatives of Local Self Government and Planning Departments and selected representatives of local governments. These Committees should analyse the experience of the past five and a half years and arrive at conclusions based on the revealed strengths and weaknesses in performing various functions.

8. For enhancing the quality of participation the Action Research Programme suggested earlier would suffice. It can specially address the question of increasing participation in Grama Sabhas and Ward Sabhas to make it fully representative.

9. In association with NGOs involved in construction like COSTFORD and Habitat Technology Group, Research Institutions like NATPAC, Central Building Research Institute, Roorkee and Central Road Research Institute, New Delhi, as well as selected experts from Engineering Departments, the Public Works Manual may be re-written completely for the use of local governments. The revised manual should aim at simplicity, transparency, accountability and efficiency. The methods of estimating, technical approval, measurement and payment need to be attuned to community contracting.

10. For giving of technical sanction, KARC endorses the recommendation of the Committee on Decentralisation of Powers. The relevant portions are extracted below:

"The Committee strongly believes that the professional staff as recommended in this report would be transferred to the various tiers of local government in their full complement. In such a context Expert Committees in the present form would need to be
restructured and modified versions for different functions would have to be provided for, with the objective of pooling various kinds of expertise available in the district. But it should be cautioned that any change in the present system should be attempted only after implementing the transfer proposals in full and would require a transition period.

After the full redeployment is achieved, expert services from Government and non-government sources would still need to be channeled for which the following manner is suggested.

(1) For various subjects and sectors of development, district-wise panels of experts should be drawn up by the District Collectors based on clear government guidelines regarding qualifications, experience etc. This would include engineering subjects like public works, irrigation and water supply. The panel would be prepared from among the following categories of experts.

i. Ex-officio members from various categories drawn from the Government and the Public Sector.

ii. Professionals from government educational and research institutions.

iii. Professionals from non-government educational and research institutions.

iv. Other professionals from among retired government servants, activists of non-government organizations and employees in the private sector and qualified individuals.

In the case of categories (i) and (ii) membership of expert panels should be made compulsory through a government directive; from among categories (iii) and (iv), membership of panels should be based on willingness and clear eligibility.
criteria relating to professional qualification and experience. There should also be exclusion criteria relating to disciplinary action in the case of government and public sector officials (both serving and retired), relationship with those having any pecuniary interest or contractual role vis-à-vis the local governments etc.

(2) From the above panel the District Planning Committee if it so decides may constitute Subject Advisory Committees in accordance with general guidelines to be issued by the Government, to advise it on laying down guidelines for district plan preparation, on plan integration and on vetting of projects of local governments other than the District Panchayats and Corporations, before formal clearance, to ensure that they are in keeping with Government guidelines on subsidy, technical standards etc.

(3) The local governments may constitute Functional Committees as per rules for which they may draw experts from different sectors from the district panel, to help its technical officer prepare projects.

(4) For non-engineering projects which are not in the nature of works, no formal technical sanction need be insisted on. It is the duty of the technical officer/body preparing the project to ensure that accepted technical standards are followed. Functional Committees have an important role in this. Once administrative sanction is given by the local government, the project can be implemented.

(5) It is recommended that for the purpose of issue of technical sanction for engineering projects relating to various sectors like roads, bridges, buildings, irrigation, water supply etc., Technical Committees have to be constituted by each local government for each technical sector—water supply, irrigation, bridges
roads and buildings, low cost construction etc. The rationale behind this recommendation is given below:

i. Technical Committees would take the TS giving process out of a technical hierarchy and de-bureaucratise the process.

ii. They would be faster than the traditional system.

iii. They facilitate collective decision-making based on cumulative expertise and experience of the group.

iv. They serve to harness expertise outside the Government.

v. Their mode of functioning would be more transparent than the earlier system.

vi. The cost of their services would be relatively cheap.

(6) For the constitution of the Technical Committee which would be empowered to accord technical sanction based on the TS giving powers of the senior-most engineer, the local governments may pick up five members from the panel prepared of whom at least two should preferably be from educational/research institution or from the non-government volunteers. The convener of this Committee would be the seniormost engineer of the local government in that discipline.

(7) For the issue of technical sanction certain other conditions may be prescribed.

(i) The process of giving technical sanction should be demystified. TS should be given within a time limit strictly on first-come-first served basis. Powers of the Technical Committee should be clearly laid down.
(ii) There should be an independent appellate group for each district to be constituted by the Government to sort out things when there is a dispute between the local government and the technical committee.

(iii) Non-government engineers should bind themselves to professional standards and personal responsibilities for items of work being done by them.

(iv) In addition to Technical Committees, expert institutions may be identified for giving Technical Sanction.

(8) Institutions like ITIs, Polytechnics, Engineering Colleges should be involved in the design and technical approval process. Government may also nominate expert institutions both within and outside the State who could be approached for getting certain types of complicated designs prepared on payment of a prescribed fee. Likewise, for certain categories of works to be specified by Government, consultancy provisions may be allowed. In order to speed up execution of works, the Engineering Procurement Construction Management (EPCM) system of contracting which basically means turnkey works contract may be allowed for specified kinds of works. Similarly, standard engineering designs may be prepared for common types of public works like buildings, culverts, side protection works etc and circulated among the local governments.

The Committee feels that these measures would strengthen the technical capability of local governments considerably.”

11. For revenue mobilisation institutions like the Centre for Taxation Studies could be commissioned to conduct real life studies of revenue assessment of selected local governments. The assessment procedures and methodology could then be made applicable to all local governments.
12. It is recommended that elaborate Management Manuals on the lines of the Election Manual may be prepared by Expert teams constituted locally for the following institutions.

(1) Different types of Hospitals.
(2) Different types of Veterinary Institutions.
(3) Primary Schools and High Schools.
(4) Hostels.
(5) Farms

The manual should consist of two parts. The first part should contain all points, which need to be compulsorily followed, and the second part should be more suggestive and advisory in nature. The first part would consolidate all statutory and non-statutory instructions for running of institutions and the second part would bring together the best management ideas for running of those institutions. The draft manuals could be subject to the comments of national level experts before finalisation.

13. In order to integrate various departments with local governments at that level the following course of action is suggested.

a) After analysing the various elements of the level of control by the local governments and mutual relationship, each department should issue detailed orders covering these aspects.

b) Joint training programmes should be arranged for departmental officials and elected representatives.

c) Since local governments are partners of the state government in the development process, their investment and performance in various sectors are relevant to state level planning. Hence it should be made compulsory for departments to monitor local government schemes in the sectors looked after by them. A reporting system by the department to the Local Self Government Department and the Planning Department needs to be prescribed.

d) The State sponsored schemes in areas delegated to the local governments should be stopped forthwith. Such schemes could be identified jointly by the Planning and Local Self Government Departments in consultation with the implementing department.

e) The role of the transferred officers in the planning process should be reclarified. They should compulsorily produce the draft document for discussion and decision at the local government level regarding schemes related to the sector. These officers should fully involve themselves in the concerned Standing Committees.
f) Government should issue clear executive orders explaining the role of the transferred officers as ex-officio Secretary of the local government.

g) The office system should be defined in such a way that all files originate in the office of the transferred officer and move on to the headquarters office of the local government only for recording of the resolution. Thus the work would be shared by all the transferred officers.

14. It is necessary to think of strengthening the co-ordination mechanism in local governments especially the Village Panchayats and Municipalities. A nodal officer capable of following-up on the decisions of local governments would be required, acting as a kind of chief executive. At the same time dangers of bureaucratization, or additional expenditure by way of net addition to staff have to be avoided.

15. The Development Authorities in the five Corporations and in Idukki may be wound up and in their place virtual organizations consisting of local governments may be set up for the purpose of integrated area development planning and taking up joint schemes benefiting a group of local governments.

16. As regards strengthening of institutions, the KARC recommendations are:

a) An expert evaluation may be made of the functioning of Ombudsman and necessary changes brought about.

b) At least four regional Appellate Tribunals may be set up immediately to deal with appeals against local government decisions.

c) Rules of business may be drafted for SDC functioning with special reference to preparing the agenda, attendance, mode of discussions and decision making, follow-up action etc.
KARC is of the opinion that these institutionalization issues need to be tackled by government urgently so that the local government system stabilizes and becomes sustainable developmentally and democratically.

E.K. NAYANAR
Chief Minister of Kerala & Chairman

V.J. THANKAPPAN
Vice Chairman

Dr. K.K. SUBRAHMANIAN
Member

C.J. JOSEPH
Member

S.M. VIJAYANAND
Member Secretary
ANNEXURE I

DELEGATION OF FUNCTIONS TO LOCAL GOVERNMENTS

A. MANDATORY FUNCTIONS OF VILLAGE PANCHAYATS

1. Regulation of building construction.
2. Protection of public land from encroachment
3. Protection of traditional drinking water sources.
4. Presentation of ponds and other water bodies
5. Maintenance of water-ways and canals under their charge
6. Collection and disposal of solid waste and control of liquid waste disposal.
7. Storm water drainage
8. Maintenance of environmental hygiene
9. Management of markets
10. Vector control
11. Regulation of slaughtering of animals and sale of meat, fish and other perishable food items.
12. Regulation of eating establishments
14. Maintenance of roads and other public assets
15. Street lighting and their maintenance.
16. Immunisation
17. Carrying into effect national and State level strategies and programmes for disease prevention and control.
18. Opening and maintenance of burial and burning grounds.
19. Licensing of dangerous and offensive trades
20. Registration of births and deaths.
21. Provide bathing and washing ghats
22. Providing of ferries.
23. Provide parking space for vehicles
24. Provide waiting-sheds for travellers
25. Provide toilet facilities in public places
26. Regulate conduct of fairs and festivals.
27. Licensing of pet dogs and destroying stray dogs.

B. GENERAL FUNCTIONS

2. Organising voluntary labour and contribution for community works.
3. Carrying out campaigns for thrift.
4. Awareness building on control of social evils like drinking, consumption of narcotics, dowry and abuse of women and children.
5. Ensuring maximum people's participation in all stages of development.
6. Organising relief during natural calamities.
7. Inculcating environmental awareness and motivating local action for environmental upgradation.
8. Promoting co-operatives.
9. Enhancing communal harmony.
10. Mobilizing local resources in cash and in kind, including free surrender of land for development purposes.
11. Spreading legal awareness among the weaker sections.
12. Campaigning against economic crimes
13. Organising neighbourhood groups and self-help groups with focus on the poor.
14. Awareness building on civic duties

SECTOR-WISE DISTRIBUTION OF RESPONSIBILITIES

I. AGRICULTURE

1. Bring into cultivation waste lands and marginal lands
2. Bring about an optimum utilisation of land
3. Soil conservation
4. Production of organic manure.
5. Establishment of nurseries.
6. Promotion of co-operative and group farming.
7. Organising self-help groups among cultivators
8. Promotion of horticulture and vegetable cultivation.
9. Fodder development
11. Seed production
12. Farm mechanisation.

II. ANIMAL HUSBANDRY AND DAIRY

1. Cattle improvement programmes.
2. Dairy farming.
3. Poultry farming, bee keeping, piggery development, goat rearing, rabbit rearing.
4. Running or veterinary dispensaries.
5. Running of ICDP sub-centres.
6. Preventive health programmes for animals
7. Prevention of cruelty to animals.
8. Fertility improvement programmes.
9. Control of diseases of animal origin.

III. MINOR IRRIGATION

1. All minor irrigation schemes within the area of a Village Panchayat.
2. All micro irrigation schemes.
IV. FISHERIES

1. Development of fisheries in ponds and fresh water and brackish water fish culture; marine culture.
2. Fish seed production and distribution.
3. Distribution of fishing implements.
4. Fish marketing assistance.
5. Provision of basic minimum services for the families of fishermen.

V. SOCIAL FORESTRY

1. Raising of fodder, fuel and fruit trees
2. Organising campaigns for tree planting and environmental awareness.
3. Afforestation of waste lands.

VI. SMALL SCALE INDUSTRIES

1. Promotion of cottage and village industries
2. Promotion of handicrafts
3. Promotion of traditional and mini industries

VII. HOUSING

1. Identification of homeless people and paramboke dwellers and provide house sites and houses.
2. Implementation of rural housing programmes.

VIII. WATER SUPPLY

1. Running of water supply schemes covering one village panchayat.
2. Setting up of water supply schemes covering one village panchayat.

IX. ELECTRICITY AND ENERGY

1. Street lighting
2. Promotion of bio-gas.

X. EDUCATION

2. Literacy programmes.

May 2001

13th Report - KARC
XI. PUBLIC WORKS

1. Construction and maintenance of village roads within the village panchayat.
2. Construction of buildings for institutions transferred.

XII. PUBLIC HEALTH AND SANITATION

1. Management of dispensaries and primary health centres and sub-centres (in all systems of medicine).
3. Immunization and other preventive measures.
4. Family Welfare
5. Sanitation.

XIII. SOCIAL WELFARE

1. Running of anganwadies.
2. Sanctioning and distribution of pensions to destitute, widows, handicapped and agricultural labourers.
3. Sanctioning and distribution of unemployment assistance.
4. Sanctioning of assistance for marriage of the daughters of widows.
5. Management of group insurance scheme for the poor.

XIV. POVERTY ALLEVIATION

1. Identification of the poor.
2. Self employment and group employment schemes for the poor especially women.
3. Providing community assets of continuing benefit to the poor.

XV. SCHEDULED CASTES AND SCHEDULED TRIBES DEVELOPMENT

1. Beneficiary oriented schemes under SCP and TSP.
2. Management of nursery school for Scheduled Castes and Scheduled Tribes.
3. Provision of basic amenities in Scheduled Castes and Scheduled Tribes habitats.
4. Assistance to Scheduled Castes and Scheduled Tribes students.
5. Discretionary assistance to Scheduled Castes and Scheduled Tribes in need.

XVI. SPORTS AND CULTURAL AFFAIRS

Construction of play grounds.

XVII. PUBLIC DISTRIBUTION SYSTEM

1. Examination of complaints against the public distribution system and taking of remedial measures.
2. Organisation of campaigns against weights and measures offences.
3. General supervision and guidance of ration shops and maveli stores and other public distribution centres and if necessary starting new public distribution centres.

XVIII. NATURAL CALAMITIES RELIEF

1. Management of relief centres
2. Organisation of relief works
   (Repair works to assets will be divided and carried out by the Panchayat in charge of the assets)

XIX. CO-OPERATIVES

1. Organisation of co-operatives within the jurisdiction of the Panchayat.
2. Payment of Government grants and subsidies within the jurisdiction.

A. GENERAL FUNCTIONS OF BLOCK PANCHAYATS

1. Pool technical expertise both Government and non-government at the Block level.
2. Provide technical services to Village Panchayats.
3. Prepare plans after taking into account the plans of Village Panchayat to avoid duplication and provide the backward and forward linkages.

B. SECTOR-WISE DISTRIBUTION OF RESPONSIBILITIES.

I. AGRICULTURE

Farmers' training for the programmes implemented at the village level.
Arrangements of agricultural inputs required for schemes at the village level.
Conduct of agricultural exhibitions.
Integrated watershed management in watersheds falling within Block Panchayat area.
Mobilize agricultural credit.
Sericulture.

II. ANIMAL HUSBANDRY AND DAIRY

1. Running of Veterinary Polyclinics and Regional Artificial Insemination Centres.
2. Provide speciality services in Animal Husbandry.
3. Conduct cattle and poultry shows.

III. MINOR IRRIGATION

All lift irrigation schemes and minor irrigation schemes covering more than one village Panchayat.
IV. FISHERIES

Development of traditional landing centres.

V. SMALL SCALE INDUSTRIES

1. Setting up of mini industrial estates.
2. Promotion of industries with investment limit of one-third of SSI.

VI. HOUSING

1. Popularisation of low cost housing.
2. Promotion of housing co-operative societies.

VII. ELECTRICITY AND ENERGY

Promotion of non-conventional energy sources.

VIII. EDUCATION

Management of Industrial Training Institutes.

VIII. PUBLIC WORKS

1. Construction and maintenance of all village roads connecting more than one Village Panchayat and other District Roads within the block Panchayat.
2. Construction of buildings for institutions transferred.

IX. PUBLIC HEALTH AND SANITATION

Management of community health centres and taluk hospitals within the Block Panchayat area in all systems of medicine.

X. SOCIAL WELFARE

Management of ICDS.

XI. POVERTY ALLEVIATION

1. Planning and implementation of Employment Assurance Schemes in co-ordination with the Village Panchayats.
2. Skill upgradation of the poor for self-employment and wage employment for people below poverty line.

XIII. SCHEDULED CASTES AND SCHEDULED TRIBES DEVELOPMENT

1. Management of pre-matric hostels.
2. Promoting Scheduled Castes and Scheduled Tribes Co-operatives.

XIV. CO-OPERATIVES

1. Organisation of co-operatives within the jurisdiction of Block Panchayat.
2. Payment of Government grants and subsidies within the jurisdiction.

“**A. GENERAL FUNCTIONS OF DISTRICT PANCHAYATS**

1. Mobilize the technical expertise available from Government and non-government institutions.
2. Provide technical service to the Block Panchayats and Village Panchayats and the Municipalities.
3. Prepare plans after taking into account the plans of the Village Panchayats and Block Panchayats to avoid duplication and to provide backward and forward linkage.

**B. SECTOR-WISE DISTRIBUTION OF RESPONSIBILITIES**

1. **AGRICULTURE**
   1. Running of agricultural farms other than regional farms and research centres and establishment of new farms.
   2. Integrated watershed management in watersheds covering more than one Block Panchayat area.
   4. Soil testing.
   5. Pest control.
   7. Cultivation of ornamental plants.
   8. Promotion of agricultural co-operatives.
   9. Promotion of commercial crops.
   10. Biotechnology applications.
   11. Field trials and pilot projects to popularise innovation.
   12. Locally appropriate research and development.

2. **ANIMAL HUSBANDRY AND DAIRY**
   1. Management of district level veterinary hospitals and laboratories.
   2. Management of dairy extension service units.
   3. Promotion of milk co-operatives.
4. Management of farms other than regional farms, breeding farms and research centres.
5. District level training.
7. Field trials and pilot projects on innovative practices.
8. Locally relevant research and development.

3. MINOR IRRIGATION
1. Development of ground water resources.
2. Construction and maintenance of minor irrigation schemes covering more than one Block Panchayat.
3. Command area development.

4. FISHERIES
1. Arrangements for marketing of fish.
2. Management of Fish Farm Development Agency.
3. Management of district level hatcheries, net making units, fish markets, feed mills, ice plants and cold storages.
5. Introduction of new technologies.
6. Provide inputs required for fishermen.
7. Promotion of fishermen's co-operatives.

5. SMALL SCALE INDUSTRIES
1. Management of District Industries Centre.
2. Promotion of small scale industries.
3. Setting up of industrial estates.
4. Arranging exhibitions for sale of products.
5. Entrepreneur development programmes.
7. Training.
8. Input service and common facility centres.
9. Industrial development credit planning.

6. HOUSING
1. Housing complex and infrastructure development.

7. WATER SUPPLY
1. Running of water supply schemes covering more than one Village Panchayat.
2. Taking up of water supply schemes covering more than one Village Panchayat.

8. ELECTRICITY AND ENERGY
1. Taking up of micro-hydel projects.
2. Determining priority areas for extension of electricity.

9. EDUCATION

1. Management of Government high schools (including LP section and UP section attached to high schools)
7. Co-ordinate centrally and State sponsored programmes related to education.

10. PUBLIC WORKS

1. Construction and maintenance of all district roads other than State Highways, National Highways and Major District Roads.
2. Construction of buildings for institutions transferred.

11. PUBLIC HEALTH AND SANITATION

1. Management of district hospital in all systems of medicine.
2. Setting up of centres for care of special categories of disabled and mentally ill people.
3. Co-ordination of centrally and State sponsored programmes at the district level.

12. SOCIAL WELFARE

1. Payment of grants to orphanages.
2. Starting of welfare institutions for the disabled, destitutes etc.

13. POVERTY ALLEVIATION

Providing infrastructure for self-employment programmes.

14. SCHEDULED CASTES AND SCHEDULED TRIBES DEVELOPMENT

1. Management of post matric hostels.
2. Management of vocational training centres for Scheduled Castes and Scheduled Tribes.

15. SPORTS AND CULTURAL AFFAIRS

Construction of stadiums.

16. CO-OPERATIVES

Organisation of co-operatives within the jurisdiction of District Panchayats.
Payment of Government grants and subsidies to co-operatives within the jurisdiction."
ANNEXURE II

INSTITUTIONS AND FUNCTIONARIES
TRANSFERRED TO LOCAL GOVERNMENTS

A. Institutions and posts transferred to Grama Panchayats

1. Agriculture Department
   - Krishi Bhavans of the respective places
   - Veterinary sub-centre, Veterinary Dispensary/Hospitals of respective places
   - One Dairy Extension Officer and Auxiliary posts
     (this unit should be transferred to one of the Grama Panchayats in the Block and this should cover all the Grama Panchayats in the block).
   - One Fisheries Sub Inspector (in the Grama Panchayat wherever necessary)

2. Animal Husbandry Department
   - Veterinary Dispensary/Hospitals of respective places

3. Dairy Development Department
   - One Dairy Extension Officer and Auxiliary posts
     (this unit should be transferred to one of the Grama Panchayats in the Block and this should cover all the Grama Panchayats in the block).

4. Fisheries Department
   - Two Village Extension Officer posts (including lady V.E.O) (if it is not possible to deploy two posts for a Grama Panchayat from a Rural Development Block one post can be deployed for the present and additional post can be deployed as and when necessary subject to availability)
   - Day care centres and Anganwadis of the respective places.

5. Rural Development Department
   - Two Village Extension Officer posts (including lady V.E.O) (if it is not possible to deploy two posts for a Grama Panchayat from a Rural Development Block one post can be deployed for the present and additional post can be deployed as and when necessary subject to availability)
   - Balawadies, Balawady cum feeding centre, seasonal day care centre and dormitories of the respective places.

6. Social Welfare Department
   - Balawadies, Medical unit, Nursery schools, Midwifery centres & Ayurvedic dispensaries of the respective places.
   - Balawadies, Medical unit, Nursery schools, Midwifery centres & Ayurvedic dispensaries of the respective places.

7. SC Development Department
   - Primary Health Centres and Government Dispensaries.
   - Government Ayurvedic Dispensaries and Hospitals of the respective places.
   - Government Homoeo Dispensaries and Hospitals of the respective places.

8. Tribal Development Department
   - Government Lower Primary Schools of the respective places.
   - One Public Works Overseer post (this post should be given to a Grama Panchayat in which there are no engineering posts and the incumbent should work in three similar Grama Panchayats).

9. Health Services Department
   - (Allopathy)
   - Primary Health Centres and Government Dispensaries.

10. Health Department (I.S.M.)
    - Government Ayurvedic Dispensaries and Hospitals of the respective places.

11. Health Department (Homoeo)
    - Government Homoeo Dispensaries and Hospitals of the respective places.

12. General Education Department
    - Government Lower Primary Schools of the respective places.

13. Public Works Department
    - One Public Works Overseer post (this post should be given to a Grama Panchayat in which there are no engineering posts and the incumbent should work in three similar Grama Panchayats).
B. Institutions and Posts transferred to Block Panchayats

1. Agriculture Department - One post of Assistant Director and Auxiliary posts
2. Industries Department - One post of Industries Extension Officer.
3. Rural Development Department - The post of Block Development Officer and posts.
4. Social Welfare Department - Care Homes, Oldage Homes and similar respective places.
5. SC Development Department - (1) Prematric Hostels of the respective places.
   (2) The post of Block Extension Officer (his services should be made available to all Grama Panchayats in the Block)
6. ST Development Department - Tribal Extension Officer (his services should be made available to all Grama Panchayats in the Block)
7. Health Services Department (Allopathy) - Block level Primary Health Centre/Community Health Centre, Taluk Hospitals/Government Hospitals.
8. Health Department (I.S.M.) - Taluk Hospitals of the respective places.
9. Health Department (Homoeo) - Taluk Hospitals of the respective places.

C. Institutions and posts transferred to District Panchayats

1. Agriculture Department - (i) Two posts of Deputy Director and auxiliary posts
   (ii) The post of District Soil Conservation officer and auxiliary posts
   (iii) One Assistant Executive Engineer and connect posts
   (iv) Soil Testing Laboratory of the respective places
   (v) Mobile Soil Testing Laboratory
   (vi) District Sales Counter
   (vii) District Agriculture Farm/Coconut nursery
        (These institutions which are transferred to District Panchayat should serve other districts also where such institutions do not exist)
2. Animal Husbandry Department - Veterinary Polyclinic, ICDP area office, Mobile Veterinary Dispensary, Mobile Farm Unit, Clinical Laboratories not attached to District Veterinary Centres. (the services of mobile units and clinical laboratories should be extended to urban areas also)
3. Fisheries Department - The fisheries Schools of respective places
4. Minor Irrigation Department - One section consisting of one Assistant Engineer and connected staff
5. Industries Department - From the District Industries Centre, one Manager post and connected staff
6. Rural Development Department - One post of Assistant Development Commissioner and the District Women's Welfare Officer and Auxiliary staff
7. General Education Department - (i) The Upper Primary Schools and High Schools of the respective places.
   (ii) One Section from the Deputy Director's Office.
8. Technical Education Department - (i) Tailoring and Garment making Training Centre of the respective places.
   (ii) Tailoring Trade Centres of the respective places.
9. Co-operation Department - One post of Assistant Registrar and one post of Clerk
10. Public Works Department - One division consisting of Executive Engineer and auxiliary staff. (from among Local Works Division, Special Division, Building Division)

(Later the District Hospitals were transferred to the District Panchayats)

D. Institutions and posts transferred to Municipal Councils/Municipal Corporations

1. Agriculture Department - (i) Krishi Bhavanis of respective places.
   (ii) One post of Deputy Director of Agriculture. (this post should be under the Municipality of District headquarters but his services should be extended to all Municipalities of the District)
2. Animal Husbandry Department - The Veterinary Polyclinic, Sub-centre, Dispensary of the respective places.
3. Fisheries Department - One post of Fisheries Sub Inspector. (to the Municipalities wherever necessary)
4. Industries Department - One post of Industries Extension Officer.
5. Health Services Department (Allopathy) - Community Health Centres, Government Hospitals, Taluk Hospitals of the respective places

6. Health Department (I.S.M.) - Taluk Hospitals of the respective places

7. Health Department (Homoeo) - Taluk Hospitals of the respective places

8. General Education Department - Government Primary Schools and High Schools of the respective places

9. Co-operative Department - One post of Senior Co-operative Inspector (this post should be under the Municipal Council of District Head Quarters and the concerned officer will attend to the works in all the Municipalities of the District.)

NB. Through follow-up government orders, majority of beneficiary oriented welfare and development schemes were transferred to the PRIs and Urban Local Bodies. Of special interest is the fact all the centrally-sponsored anti-poverty programmes including SGSY, IAY, and EAS,SJSRY and NSDP have been fully transferred to them. Likewise all the pension/social assistance Schemes - for the Destitutes and Old aged, Handicapped, Widows, Agriculture Labourers, Unemployed – are implemented by the Grama Panchayats, Municipalities and Corporations.

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FOURTEENTH REPORT OF THE

KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON

SECRETARIAT REFORMS

Thiruvananthapuram
May 2001
FOURTEENTH REPORT ON
SECRETARIAT REFORMS

CHAPTER 1

INTRODUCTION

1.1.1. The Kerala Administrative Reforms Committee is breaking new ground in this Report by focussing on reforming the Secretariat. The earlier Administrative Reforms Committees did not deal much with the Secretariat as a distinctive subject for suggesting reform measures. Of course, the earlier Administrative Reforms Committees focussed on different core themes - the first Administrative Reforms Committee attempted to decentralise administration and the second Administrative Reforms Committee sought to tighten administrative functioning with a view to achieving economy and efficiency. As the third Administrative Reforms Committee has a wider mandate it is felt that Secretariat Reforms should be a priority area.

1.1.2. Reforming the Secretariat is obviously a daunting task. It is a test of the capacity of Government to reform; it is a touchstone of its will to change. It would be proof of any Government’s commitment to improve administration. It is definitely a tough challenge. It has to be squarely faced, for even small improvements in the functioning of this apex institution and minor alterations in its structure will radiate downwards. It would send powerful signals that Government means business in its effort to create a responsible administration. It will have high visibility and significant demonstration effect.

1.1.3. Therefore, the Committee feels that there is need for an exclusive report on reforming the Secretariat. Of course, it needs to be clarified that the earlier
general recommendation for improving administration are applicable to the Secretariat as well. In fact a significant reform measure viz., the computerisation of attendance, has already been operationalised to some extent in the Secretariat. This Report is to be seen as an additionality to the earlier recommendations, which are relevant to the Secretariat and also as an exclusively thematic treatment of issues related to the structure and functioning of the Secretariat.

1.2 METHODOLOGY

1.2.1 The Kerala Administrative Reforms Committee has followed a rather elaborate methodology in the preparation and presentation of this Report. Some of the salient points of the methodology are summarized below:

(1) The Committee held detailed discussions with Heads of Department as well as Task Forces set up, in each Department for suggesting administrative reforms. Invariably these discussions dealt with the issue of the Secretariat and the Departments, and highlighted the deficiencies in the functioning of the Secretariat.

(2) The Committee had close interaction with Secretaries of some of the key Departments of the Secretariat and their presentations pointed out the critical areas, where reform needs to be initiated.

(3) The Committee also benefited from comments of Experts and Practitioners both past and present, which were obtained through a questionnaire.

(4) The discussions that the Committee had with the elected heads of local governments brought out the implications of the reordering of the administrative structure brought about by decentralisation.
(5) The Committee sent teams to study the working of the Secretariat in Tamil Nadu, Karnataka, Andhra Pradesh, Madhya Pradesh and Gujarat.

(6) The Committee also sent a team to the Department of Personnel, Training and Administrative Reforms, Government of India to get a first hand idea of administrative reforms taking place in the country as a whole and to get an idea of reform policies being initiated at the national level.

(7) The Committee went into a detailed study of the Report of the national level Administrative Reforms Commission set up in 1966, which dealt exhaustively with reforms to be taken up in the Secretariat system at the State level.

1.3. THE STRUCTURE OF THE REPORT

1.3.1 The Report has nine Chapters. This introductory First Chapter is followed by a Chapter providing the historical background to the growth and functioning of the Secretariat and analysing the need for reform. The next two Chapters deal with the allocation of business in the Secretariat and budgetary control. This is followed by the 5th Chapter dealing with the implications of decentralisation on the functioning of Secretariat. Chapter 6 discusses the relationship between the Secretariat and the Departments and next Chapter is about the use of Information Technology in the Secretariat. Chapter 8 contains certain general issues, some of them very critical for the improvement of Secretariat functioning. Then there is a brief concluding 9th Chapter.
CHAPTER 2

THE NEED FOR REFORM

2.1. Historical Background

2.1.1 The Secretariat system owes its origin to the Madras Presidency whose system as introduced by the British, was passed down to both Travancore and Cochin States. It was Col. Munroe who laid the foundation of the present system in the early 19th Century by organising 'Huzur Cuchery'. Later, when native Dewans were appointed by the Maharaja, they functioned as the Executive Authority and they organised the Secretariat headed by the Chief Secretary and other Secretaries. The departments functioned independently and had considerable delegation of powers. But, all new decisions had to have the approval of the Secretariat. Initially the Chief Secretary was designated as the Chief Secretary to the Dewan and it was in 1897 that this got changed to that of Chief Secretary to Government in Travancore. After independence with the advent of democratically elected Government, the Secretariat system continued. When Kerala State was created in 1956, the Secretariat was organised with 10 Departments.

These departments were:

1) Chief Secretariat (consisting of Public Department and Home Department)
2) Planning and Development Department
3) Education and Health Department
4) Industries Department
5) Public Works Department
6) Revenue Department
7) Labour and Local Administration Department
8) Agriculture Department
9) Finance Department
10) Law Department

1 The Committee has relied substantially on the document "Kerala Government Secretariat: evolution and growth" prepared by the P&ARD in 1992 for the first two sections of this chapter.
The Administrative Secretariat had the first eight Departments.

2.2. Growth of Secretariat.

2.2.1 In the Administrative Secretariat new departments were created and other rearrangements made over a period of time. Some of the important changes are listed below:

1. The Development Department became an independent department in 1967.

2. The Labour and Social Welfare Department was created in 1968.

3. The Land Reforms and Land Revenue Departments were merged into Revenue Department in 1969.

4. Vigilance Department was created bifurcating the Home Department in 1970.

5. The Planning and Economic Affairs Department was formed in 1971.

6. The Taxes Department was formed in 1971.

7. The Education Department was bifurcated into General Education and Higher Education in 1973.

8. The Personnel and Administrative Reforms Department was set up in 1977.

9. The Fisheries and Ports Department was carved out of the Development Department in 1979.

10. An independent Housing Department was organised in 1979.

11. Separate Departments for Culture and Harijan Welfare were set up in 1982.

12. The Non-Resident Keralites Affairs (NORKA) and the Coastal Shipping and Inland Navigation Departments were formed in 1997. A separate Department for Transport was also set up in 1997.

13. The Information Technology Department was created in 1998.

14. The Rural Development Department was merged with the Local Administration Department and the new Department was named as Local Self Government Department in 1999.
2.2.2 The Secretariat has expanded very fast. The ten Departments at the time of the formation of the State has now become 34 Departments. The number of sections in the Secretariat including Finance and Law Departments has also increased as is evident from the following table.

**Growth of Secretariat - 1956-57 to 2000-2001.**

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Sections</th>
<th>No. of Employees</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Gazetted</td>
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<tr>
<td>1956-57</td>
<td>48</td>
<td>94</td>
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<tr>
<td>1960-61</td>
<td>87</td>
<td>145</td>
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<tr>
<td>1965-66</td>
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<td>1970-71</td>
<td>110</td>
<td>221</td>
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<tr>
<td>1975-76</td>
<td>186</td>
<td>330</td>
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<tr>
<td>1981-82</td>
<td>247</td>
<td>413</td>
</tr>
<tr>
<td>1991-92</td>
<td>441</td>
<td>711</td>
</tr>
<tr>
<td>2000-01</td>
<td>455</td>
<td>960</td>
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</table>

2.2.3 An interesting fact comes out of this table. It is in the decade from 1981 to 1991 that there has been a quantum expansion in the size of the Secretariat. This somehow is not congruent with the expansion of the governmental functions, which took place, mostly in the decade and a half since 1960. It is to be noted that the number of posts at the senior level has increased more than the number of posts at the junior level. This can be mainly attributed to the fact that there is a tendency to increase promotion prospects of staff.

2.2.4 Similarly, there has been a growth in the number of IAS Officers in the Secretariat.
IAS Officers in the Secretariat.

<table>
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</thead>
<tbody>
<tr>
<td>Chief Secretary/Addl.CS</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Commissioner &amp; Secretary</td>
<td></td>
<td></td>
<td>8</td>
<td>7</td>
<td>12</td>
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<tr>
<td>(Principal Secretary)</td>
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<td></td>
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<tr>
<td>Secretary</td>
<td>1</td>
<td>8</td>
<td>14</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>Special Secretary/Addl. Sec</td>
<td></td>
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<td>11</td>
<td>11</td>
<td>8</td>
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<tr>
<td>Addl. Secretary</td>
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<td>11</td>
<td>8</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Joint Secretary</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Deputy Secretary</td>
<td>6</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td></td>
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2.2.5. This table gives an idea of, besides the growth in the size of the Secretariat, the change in the career path of IAS officers. In the earlier days after completing the junior scale posts in the field as Sub Collector, IAS officers used to be posted in the Secretariat to serve as Deputy Secretary and later as Joint Secretary or Additional Secretary. This used to give a firm grounding to IAS officers in Secretariat functioning. But now things have changed completely where young IAS officers do not man junior posts in the Secretariat (nor do they seem to prefer it); but are given charge of departments, public sector undertakings and special projects. This again does not appear to be a healthy development.

2.2.6. A comparative picture of the departments and number of sections over a period of three and a half decades is given in Annexure I.

2.3 The Present Scenario.

2.3.1. The phenomenal growth in size of Secretariat as traced above indicates a centralising tendency. It is seen that a lot of functions which need to be dealt with at field office levels and which are better dealt with at those levels have got pushed up to the Secretariat. Of course, there has been an expansion of the role of Government which has contributed to the increase in size of the Secretariat. But
it cannot fully justify the extent of expansion. This can only be explained by the fact that quite a lot of work, which should not be done at the level of the Secretariat, is getting done there. Particularly, a lot of individual issues relating to staff matters, public complaints, disciplinary action etc. are choking the Secretariat and the core functions like policy making, initiation of legislation including subordinate legislation, financial management, monitoring and co-ordination have been pushed to the margin. In a sense, there is some truth when critics say that "Secretariat has dwindled into a glorified Village Office".

2.3.2 Kerala Administrative Reforms Committee feels that the moment of reckoning has come for two important reasons. They are:

(1) With the creation of Local Self Governments at various levels with their own functional responsibilities, the functional domain of the State Government itself gets redefined.

(2) All over the world there is a redefining of the role of Government and this is relevant to Kerala also.

2.4 The Need for Reform.

2.4.1 The foregoing description and analysis point out to the need for reform of the Secretariat. The compelling reasons are given below:

a) The abnormal increase in size of the Secretariat has made it flabby and weak. The over-weight problem has created its own symptoms like lethargy, delays, inefficiency and so on.

b) For various reasons the traditional discipline of a hierarchical structure is no longer there in the Secretariat. This has caused the breakdown of the command structure affecting efficiency.

c) The system overload and weakening of discipline have contributed to deviations from and neglect of procedures and systems. Even the bare
essentials which are required to keep the system going like maintenance of Personal Registers, Stock files, monitoring of Court cases through Registers, retrieval of records etc., have all developed serious cracks.

d) The essential functions of Secretariat have been swamped by preoccupation with individual cases which is totally uncalled for at this level of government. Petitions for transfer, complaints of non-performance of a duty by field level officers, service matters etc., consume a lot of valuable professional time in the Secretariat. The changing role of the office of the Ministers has also contributed to this proliferation of files relating to individual cases where reports are called for from subordinates and directions given. This has created a kind of reverse delegation in which subordinate officers themselves expect their work to be done at the Secretariat.

e) The decentralisation policy of the Government has created a demand factor for reforms giving it a push from below.

f) There is a growing feeling that the Secretariat system has too much of clericalism and too little of professionalism. The kind of challenges, which the modern public administration faces due to the fast changing role of Government and due to new technologies, calls for fundamental retraining and reorientation of staff to enhance professional capabilities.
CHAPTER 3

ALLOCATION OF BUSINESS

3.1.1 The Executive authority of the State Government is vested as per the Indian Constitution in the Governor. In order to manage the working of the Government, Rules of Business have been issued with the approval of the Governor. These Rules are in two parts which relate to the transaction of business and the allocation of business. The Transaction part of Business Rules lays down the procedure for the Council of Ministers, the rights and duties of functionaries, the delegation of powers in the disposal of business etc; the Allocation part of Business Rules classifies government into Departments and lists the subjects which are to be dealt with by them. At present there are 34 departments in the Secretariat as per the Rules of Business and they are listed below:

1. Agriculture Department
2. Coastal Shipping and Inland Navigation Department
3. Co-operation Department
4. Cultural Affairs Department
5. Election Department
6. Finance Department
7. Fisheries and Ports Department
8. Food and Civil Supplies Department
9. Forest and Wild Life Department
10. General Administration Department
11. General Education Department
12. Health and Family Welfare Department
13. Higher Education Department
14. Home Department
15. Housing Department
16. Industries Department
17. Information Technology Department
18. Irrigation Department
19. Labour and Rehabilitation Department
20. Law Department
21. Local Self Government Department
22. Non-Resident Keralites Affairs Department
23. Personnel and Administrative Reforms Department
24. Planning and Economic Affairs Department
3.1.2 Whenever a new ministry assumes office the Governor issues a Notification allocating the portfolios to the Ministers based on the advice of the Chief Minister. A Minister can handle any department or subject and there can be various permutations and combinations of subjects and departments. Every officer of and above the level of Deputy Secretary is defined as Secretary in respect of the subject allotted to him by standing orders. A Secretary can have charge of more than one Department and Subjects relating to different departments; in the same manner a Department can have more than one Secretary.

3.1.3 The Committee feels that both the parts of Rules of Business need modifications - the earlier part with respect to modernisation and the latter part with respect to rationalisation.

3.1.4 At present the expenditure of departments is based on Budget Heads and groups of Budget Heads constitute a Demand for Grant. But there is a mismatch between classification of departments and the grouping of various Heads of Account into a Demand. It is felt if there is greater congruence between a demand for grant and the grouping of subjects, it will lead to better exercise of responsibilities.

3.2 Recommendations.

3.2.1 The transaction part of Business Rules may be modified on the following lines.

a) The administrative departments of the Secretariat are authorised to perform on the basis of delegation of powers issued by the Finance Department. But whenever economy measures are ordered, these
delegated powers are totally withdrawn. In the present proposal there is provision to ensure financial check by the Financial Adviser. Therefore such total withdrawal of delegated powers may not be resorted to.

b) The endorsement prescribed at the end of Government Orders relating to Financial sanctions may be made applicable only in respect of cases, which require consultation with Finance Department.

c) Whenever a new Government assumes charge, the Ministers can delegate specified functions to Secretariat Officers of and above the level of Deputy Secretaries. But such instances are rare. To tide over the situation, it is suggested that standard set of delegation may be issued with a rider that this can be altered as and when necessary.

d) A new section dealing with 'issues relating to the Local Governments' may be introduced in Part 1 of the Rules of Business. The draft is given in Annexure II

3.2.2 The activities of Government may be classified on the basis of relevant Demand for Grants. Revised grouping is attempted and given in Annexure-III.

3.2.3 An updatation of the subjects being dealt in the Allocation of Business Rules is called for. Also functionally similar departments may be grouped and put under the charge of a Secretary, who will be responsible for the budgetary control of the whole department. A model allocation of business on these lines is given in Annexure-IV.

3.2.4 The number of Secretaries to Government may be brought down from the present 27 to 15.

3.2.5 There should be a clear definition department-wise of what should be done in the Secretariat and what should not normally be done. A Committee of Secretaries consisting of Additional Chief Secretary, Principal Secretary (Finance), Principal Secretary (GAD), two Secretaries and two Additional/Joint Secretaries may be set up to list out areas of work which need not be done at the Secretariat level. For example, individual cases should be handled only at the department level. Only if policy advice is required or clarification needed
should it be referred to the Secretariat. The emphasis should be on policy
making, programme development, reporting to legislature, legislation, financial
management, co-ordination, monitoring and limited organisational administrative
work. As far as possible appellate and revisional functions in statutory matters
may be delegated to the Departmental level.

3.2.6 There should be a clear delegation of powers within the Secretariat. The
delegation of powers could be on a permanent basis subject to revision
whenever so decided by the Council of Ministers. The following general
guidelines for delegation of powers are suggested.

a) Matters related to staff like leave, salary, fixation of pay etc. may be
finalised at the level of Deputy Secretary/Joint Secretary.

b) Clarifications may be issued at the level of Joint Secretary/Deputy
Secretary unless they have policy implications.

c) Disciplinary action over the head of Department and his immediate
subordinate alone need be dealt with by the Secretary. In the case of
other officers the power may be delegated to the Additional
Secretary/Joint Secretary.

d) In the few subjects, where cases have to be heard at the Government
level, either due to statutory provisions or as directed by the High
Court, the cases could be disposed of normally at the level of Deputy
Secretary or Joint/Additional Secretary. Only where such cases have
serious policy ramifications, they need to be heard by the Secretary.

e) Files relating to approval of development schemes which are repeated
every year and have been included in the Plan, and release of funds to
such schemes may be done by Additional Secretary/Joint Secretary.

3.2.7 Staff related functions including postings, pension etc. should be done by the
Personnel and Administrative Reforms Department. Proposals should be called
for from the Heads of Department and routed to the Minister concerned
through the Secretary of that Department. The sections dealing with
establishment matters in various departments should be shifted to P&ARD for
this purpose. This will free the departments to concentrate on matters critical
to their functioning.
4.1.1 Developmental functions of Government is to a large extent expressed through the medium of expenditure. Expenditure in Government is from various Heads of Account which are aggregated into 45 Demands. It is seen that there is no link between the organisation of Budget Demands and the organisation of the work of Government in the Secretariat. Though the Secretaries to Government are treated as the chief controlling officers of the Demands they handle, actually they are not in full control and the responsibility and accountability are not clearly fixed. Even the major Heads of Account are operated by several drawing officers.

4.1.2 At present the Secretary of a department is concerned only with expenditure and that too with expenditure of schemes he does not have an overall idea of the resources conceived by the Department. This happens, as he is not fully involved in the formulation of the detailed aspects of non-plan budget.

4.1.3 Due to resource constraints, the Finance Department resorts to severe pruning across the board of department estimates. This often impinges on departmental autonomy in deciding its priorities within the budgetary ceiling fixed for that department. This is particularly true of non-plan expenditure. Now there is a situation where the Finance Department lacks information on departmental matters and has a limited understanding of field realities and the administrative department does not understand or appreciate the principles of macro level financial management. In this context, it is necessary to assign a clear task to the Secretary of a Department in planning his budget and in monitoring its expenditure. This will help increase accountability and define responsibilities of the Secretary vis-à-vis the Demand he controls and operates.

4.1.4 Because of this system of preparing and operating the Budget, the Budget Document tend to be very voluminous when they are presented before the Legislature. It is much more voluminous than the Budget Document presented in
the Parliament. This practice is really not necessary and does not seem to be very efficient.

4.1.5 In this scenario the Kerala Administrative Reforms Committee would like to suggest certain basic changes.

4.2 Recommendation.

4.2.1. Essentially the Secretariat should be reorganised based on the Demand for Grants and a Secretary to Government should be the chief controlling officer as well as the chief executive officer of one or more Demands.

4.2.2. A Financial Advisor of the rank of Additional Secretary or Joint Secretary may be attached to the administrative department for guiding it through preparation of a detailed budget. This officer should be under the dual control of the Administrative department as well as the Finance Department. Depending on the workload one Financial Advisor can be in charge of a group of Departments.

4.2.3. The Finance Department may prepare Budget estimates down to Minor Head level for presentation to the Legislature. The detailed budget estimates may be left to be prepared by the respective Departments with the help and co-ordination of the Financial Advisor and following the general guidelines and specific instructions issued by Finance Department. The Secretary in charge of the particular Demand for Grants will be the officer responsible for the preparation of the detailed budget estimates of the Department. The actual procedure may be worked out after studying the system in Government of India.

4.2.4. After general discussion on budget and passing of Vote on Account, detailed estimates can be presented and referred to Subject Committees. Following the Government of India pattern broadly, the full budget can be passed by first fortnight of the month of May. Of course, these changes can be brought about only with the approval of Legislature.
4.2.5. As the nature of Government functioning get transformed and as development priorities changed, it is necessary to review the structure of each Demand once in ten years.

4.2.6. The financial delegation given to the Administrative Departments may be substantially increased and the financial propriety may be got ensured through the active functioning of the Financial Advisor and the control which Finance Department will have on the Financial Advisor. Here also the Government of India pattern may be studied and keeping that in view, a system suited to the state's needs and environment may be formulated.
CHAPTER 5

DECENTRALISATION AND THE SECRETARIAT

5.1.1. Kerala has followed a unique trajectory of decentralisation. It has attempted to create institutions of genuine Local Self Government - this implies that the governance responsibilities have been shared with local governments. Each tier of local government has been assigned a functional domain. Thus considerable work has moved out of the Secretariat into local governments. The extent of decentralisation can be gauged from the following statements of fact:

1. In the Health sector all institutions other than medical colleges and big regional speciality hospitals have been placed under the control of the local governments.
2. In the Education sector, in rural areas the high schools have been transferred to the District Panchayats and the primary and upper primary schools have been transferred to Village Panchayaţs; in urban areas, all schools have been transferred to the urban local bodies.
3. The entire responsibility of poverty alleviation has gone to the local governments; all the centrally sponsored anti-poverty programmes are planned and implemented through them.
4. As regards Social welfare, barring statutory functions relating to juvenile justice, the entire functions have gone to local governments. The ICDS is fully implemented by Village Panchayats and Urban Local Bodies. Care of the disabled, to a substantial degree has become a local government responsibility.
5. In the Agriculture and allied sectors, the following have become the de facto and de jure local government functions.
   a) Agricultural extension including farmer oriented support for increasing production and productivity.
   b) Watershed management and minor irrigation.
   c) Dairy development.
d) Animal Husbandry including veterinary care.
e) Inland fisheries.

(6) Barring highways and major district roads, connectivity has become local government responsibility.

(7) The whole of sanitation and almost the entire rural water supply have moved over to local governments.

(8) Promotion of tiny, cottage and small industries is mostly with the local governments.

(9) All the welfare pensions are administered by the local governments.

The above list more than proves that in terms of governance, more than half is with the local governments.

5.1.2. In the light of such radical decentralisation of powers, functions and responsibilities there is need to redefine the role of the Secretariat. In most of the sectors described above it has changed from a direct doer to that of a facilitator of local governments. During initial days of decentralisation there is need for a close monitoring and prompt response to problems that crop up.

5.1.3. Decentralisation demands a new set of procedures in various items of work. At present flow of funds and reporting of expenditure, as well as physical progress, all have a centripetal nature. Their flows are designed for a centralised system of Government.

5.1.4. Similarly procurement of goods and services is another area, where local governments need to have more flexible procedures. All these changes have to be designed in the Secretariat. This would mean that there could be two sets of procedures – one for local governments and one for the State Government. It is for the Secretariat to harmonize these.

5.1.5. Essentially, the functions which have been transferred to Local Governments are developmental. Therefore, when policies are framed for the overall development of the State they can no longer be top down. The local perceptions and priorities
need to be integrated into policy making. Similarly, even in the matter of taking up developmental programmes, the logic of decentralisation would leave certain higher order development functions to the State Government which have to be exercised in such a manner as to increase the impact of development projects taken up by local governments. Since the Secretariat is responsible for policy formulation it has a special role vis-à-vis local governments, by moving away from a paternalistic mode of control to that of a guidance, advice and partnership.

5.2. Recommendations:

5.2.1. Each department in Secretariat has to analyse the role of local governments in the developmental sector represented by that department. The subjects assigned to local governments are specified in the Kerala Panchayat Raj Act and the Kerala Municipalities Act. However, the actual functioning needs to be clearly demarcated. The Committee on Decentralisation of Powers has stated that local governments have a range of roles to play within each sector of development: as information giver, priority setter, implementer, manager, policy advisor, planner-doer. For each of these roles, local government freedoms have to be mapped out; For example, School education has been transferred to local governments. The Education Department has to specify what it expects the local governments to do in this sector and what freedom it has to take up activities. In fact, all the departments should come out with their statements based on the experience of last Financial Year. The Local Self-Governments should initiate and catalyse this process. It should collate and integrate the statements into a white paper on decentralisation, which after discussion could be the declared policy.

5.2.2: All work related to subjects transferred to local governments should be shed from the Secretariat to the concerned local government. The recommendation of the Committee on Decentralisation of Powers on this point is reproduced below:

"As per the provisions of the Kerala Panchayat Raj Act 1994 and the Kerala Municipalities Act 1994 a lot of functions hitherto performed by the Government have been transferred to the Local Self Government Institutions (LSGIs). These
LSGIs have been given the authority to manage the majority of important institutions at the local level viz. Primary and High Schools, Hospitals at Grama Panchayat and Block Panchayat levels, Veterinary Hospitals at the Grama Panchayat level, Krishi Bhavans at the Grama Panchayat level, Agricultural Farms at the District level and so on. Thus in certain areas like Agriculture, Animal Husbandry, Dairy Development, Rural Development, SC/ST Development, General Education, Health and Social Welfare, a significant portion of the work is now the responsibility of the LSGIs; The schemes are formulated and executed by the LSGIs taking both financial and administrative decisions. The role of the Head of Department and the Government is only to give general guidance; no control or supervision is involved.

From April 1997, Government have announced devolution of Rs. 1025 crores under Plan to the different LSGIs. This would mean that nearly 40% of the Plan resources have been set apart for the LSGIs. This coupled with the fact that most of the institutions have been transferred to them indicates that much of the development work excluding sectors like Major Irrigation, Power, Medium and Large Industries and Higher Education would be at the level of the LSGIs. For the work transferred to the LSGIs there is no necessity of duplication at higher levels especially at the level of the Head of Department and Government. It is seen that a lot of papers are still being received in the offices of the Heads of Departments, Secretariat and the offices of the Ministers which concern subjects fully transferred to the LSGIs. A study was made of the total number of petitions being received in the offices of the Ministers. Though the subject-wise classification could not be obtained it can he safely surmised that except in the case of Law and Order, Revenue Recovery, Major Irrigation, Medium and Large Industries, the major portion of petitions deal with functions and subjects delegated to the LSGIs. Now there is no need to process these petitions, papers and files at the State level. For example, a petition dealing with Krishi Bhavan or a request concerning a PHC or a complaint regarding the working of a School need not be dealt with as a file at higher levels. This would be wasteful duplication of work. These can be adequately dealt with at the level of the appropriate LSGIs.

The Committee feels that except in departments like Home, Law, General Administration, Higher Education, Medium and Large Industry, Finance etc, a good number of files and papers could be straight away transferred to the LSGIs for appropriate action. This would have a two-fold effect. It would avoid unnecessary duplication of work at the State level leading to significantly reduced work load in certain areas opening up possibilities of rearrangement of work in such a manner as to get surplus staff who could be re-deployed at the level of the LSGIs for prescribed functions.

(This holds good for the offices of the Heads of Departments also). In addition, this action would help the LSGIs to get themselves acquainted with the problems they
Secretariat Reforms

have to handle and become aware of their responsibilities, besides facilitating speedy disposal of petitions. Therefore a time bound arrangement may be made to identify and transfer current files to the concerned LSGIs. Also a decision may be taken by the Government and clear orders issued to the different offices viz. Ministers' offices, Secretariat departments and Heads of Departments on the kind of papers which could be transferred straight away to the LSGIs for further action. As regards current files, heads of office should get a preliminary list of files which could be prepared by each dealing hand. This can be vetted by supervisory staff and the final decision taken by the concerned Head of department or Secretary. Only the relevant pages of files, sufficient for taking action at the LSGI level need be transferred. Simultaneously an exercise may be undertaken in these offices to get subject-wise, seat-wise number of papers received in the last three months which deal with functions transferred to the LSGIs. These details may be furnished to the Personnel and Administrative Reforms Department and the Local Administration Department.

Considering the volume of work, this recommendations if implemented, would result in much reduction in the work load in the Secretariat and in the offices of the Heads of Departments and thus free experienced staff for re-deployment to the LSGIs. The staff thus relieved of the work in the Secretariat can be redeployed for constituting the internal audit teams required for the internal audit of the Block and District Panchayats and the Municipal Corporations as suggested in Part 1 of this report.

Prima-facie this recommendation restates the obvious, but unless it is implemented in a concerted manner it will adversely affect the decentralisation process. The autonomy of the LSGIs would not be real as there would be parallel action or even disjoined and contradictory action on similar issues. The LSGIs would be deprived of the chance to gain experience. Also if the same work continues to be done at two levels there would be superfluous work at higher levels, even when there is too much pressure of work at the LSGI level. This will stand in the way of a rational assessment of staff rendered surplus due to the transfer of work to the LSGIs and their redeployment. Such a possibility will severely reduce the gains of decentralisation. And unless rational redeployment is done, it will affect the constitution of the internal audit system which is absolutely essential for the guidance of the LSGIs in their infancy."

Government had accepted this recommendation and issued an order G.O.(MS) No. 9/98/P&ARD dated 11-2-1998. Kerala Administrative Reforms Committee strongly recommends full implementation of this order within a period of three months.
5.2.3 Each Department has to design systems for monitoring of local government activities in various sectors and for obtaining quantitative and qualitative feedback. The level of detail required at Government level will have to be suitably determined. It should be the task of the Head of Department to collect and collate information from the field and pass it on to Government in usable form.

5.2.4 While operationalising the above recommendation, systems should be created for getting suggestions from local governments while deciding policies and while formulating developmental programmes. It should be made mandatory that when policies are made or programmes formulated in respect of functional areas in which local governments have some responsibility, there should be a compulsory provision to ensure that the local government views are considered through the mechanism of State Development Council. For obtaining the views a system has to be designed for consultation at the field level and consolidation of the suggestions and opinions at the District and Head of Department levels before transmitting to Government. At the District level, the District Planning Committee could do the task.

5.2.5 In every department of the Secretariat having something to do with local governments there should be a specific subject called local government affairs and depending on the quantum of work in the subject personnel need to be assigned to deal with it.

5.2.6 According to the existing system Government is responsible to the Legislature and invariably the Secretary to Government has to furnish replies to interpellations, give evidence before the Legislative Committees and provide other information when requested. Legally local governments are not independent. They exercise functions delegated by law by the Government. However in certain areas they enjoy considerable autonomy and in exercise of such powers the Government cannot be held accountable. In such cases there needs be suitable modification of the prevalent system of the Minister and the Secretary to Government alone being responsible to the Legislature. There has to be sharing of responsibilities between the Secretariat and local governments. A proper system may be worked out after discussion with the Legislature.
5.2.7 A practice should be initiated to consult the Local Self Government Department on matters impinging on the functioning of the local governments or relating to policy or programme in respect of areas of work assigned to local governments. While the ultimate responsibility for formulating policy or programmes and monitoring activities in the sector would be that of the Department, the Local Self Government Department should have the power to advise on the local government implications of each policy or programme. This expertise needs to be created in this department. Also it should co-ordinate implementation of the policy or programmes at the level of local governments.

5.2.8 The Local Self Government Department in the Secretariat should have unified commands to ensure that there is no internal divide between the urban and rural wings. There should be a system to take common policy decisions and to ensure government orders and subordinate legislation reflects the common policy of decentralisation. It is suggested that up to the level of Additional Secretary, there should be no division based on urban-rural separation.
CHAPTER 6
SECRETARIAT AND THE HEADS OF DEPARTMENTS

6.1.1. The relationship between the Departments and the Secretariat does not appear to be one based on rational ordering and sharing of work. Of course a generalist-specialist dichotomy is bound to be there. The Departments represent specialist opinion, which has to be tempered and fitted into the overall framework of Government policies and systems through generalist inter-mediation. But unfortunately in several cases a master-servant relationship seems to have emerged, characterized by absence of trust and lack of partnership. This does not augur well for efficient functioning, particularly in the developmental field.

6.1.2. Since policy matters require the approval of Government several proposals of a technical nature tend to get processed by inexperienced hands in the Secretariat. Besides leading to unnecessary repetition of work it has larger implications. The Heads of Department tend to inflate their requirements or overstate their case and on the part of the Secretariat there seems to be a trend to trim and pare unnecessarily due to insufficient understanding of the proposals. This leads to unaccountability on the part of the Departments and inefficiency on the part of the Secretariat.

6.1.3. A lot of staff matters, which could be dealt with effectively at the level of the department, are being handled in the Secretariat. This situation needs a review.

6.2. Recommendations:

6.2.1. There is already a system of designating Heads of Departments as Ex-officio Special Secretaries/Additional Secretaries to Government. This system may be revitalised. The Heads of Departments should be encouraged to give their comments and clarifications in the Secretariat files. This would have the double advantage of speeding up action and ensuring greater responsibility on the part of Departments.
6.2.2. In the case of development proposals a system may be introduced wherein the files move directly from the Head of Department through Secretary to Government to the Minister. Only after issuing the orders certain relevant portions of the file be maintained at the Government level. A detailed system may be worked out on these lines.

6.2.3. The Guest Officer system may be introduced in the Secretariat which would allow a senior officer from the Department to function in the Secretariat and give his professional advice formally on a file. While introducing the system, Kerala Administrative Reforms Committee would caution that this should not be used as an excuse for creation of new posts or getting a posting to Thiruvananthapuram. It should be strictly ensured that only existing posts are shifted. This would be quite easy in the case of most of the Development Departments for decentralisation has rendered many senior posts redundant.

6.2.4. Even while working inside the Secretariat, the Guest Officers will be borne on the establishment to which they belong. The following are some of the areas where such officers will be necessary:

   a) Estimate and works may be got scrutinised by the officers of the engineering service while processing.
   b) Medical Officers of the Medical Education Department and Health Services Department may be associated in taking decisions relating to Health Sector.
   c) Forest and Agriculture Officers may be got involved in policy decisions requiring technical inputs.
   d) In the Finance Department and Bureau of Public Enterprises the services of Audit and Accounts officers of the Commercial branch of Accountant General’s Office or Chartered Accountants and Company Law experts may be utilised for enabling improved supervision of the administration of large number of Public Sector Undertakings under Government.

6.2.5. In staff matters, the delegation of powers to Senior Officers of the Secretariat Departments should be increased further. A suggested illustrative list of delegation of powers which may be given to the Joint Secretaries/Additional Secretaries and Secretaries is given as Annexure V.
CHAPTER 7

USE OF INFORMATION TECHNOLOGY IN THE SECRETARIAT

7.1.1. Efforts to introduce Information Technology in Government have certainly received a boost with the setting up of the Information Technology Department and announcement of an IT policy. Government are moving ahead with a phased computerisation programme in 34 departments, which would cover the Secretariat also. In this context the Kerala Administrative Reforms Committee would like to reiterate that computerisation of the Secretariat would have excellent demonstration value besides contributing significantly to improving performance. In fact, computerisation of Secretariat would help push computerisation of departments below, as the top officers would realise the gains of introduction of IT. Moreover, the very fact of computerisation of Secretariat would necessitate electronic interface with the reporting officers which would again boost the computerisation programme.

7.1.2. Though the ultimate objective of computerisation would be to create a paperless office, at present it is only a desired goal. The ground for introduction of IT has to be laid by streamlining procedures, smoothening work flows, rationalising administrative practice and ensuring proper delegations and assignment of responsibilities. However, introduction of IT cannot wait till a total system change is brought about. The practical approach would be to simultaneously initiate the change process and also introduce IT so that synergies can be achieved. Immediately the scope for IT would be in the following areas of work:

i. Monitoring of files is relatively simple when done electronically but it can have tremendous efficiency gains by helping to track the movement of key files, preventing suppression of files and papers, helping to detect inaction, and assisting in analysing process defects in various areas of work. Moreover, it will save lot of valuable time lost in the work related to tracing out files.
ii. Simultaneously in selected areas the system of scanning and digitising inward papers and starting the note file electronically can be initiated. To start with, policy matters and matters relating to development projects, particularly externally supported ones, can be switched over to this system. This would facilitate individual officers to access file through passwords and make proper notings, which once made and finalised cannot be deleted or altered. This system has the advantage of getting the housekeeping works like maintenance of registers and generation of reports automatically done.

iii. There is need for maintaining a database in the Secretariat particularly relating to financial matters, staff matters and development programmes. Also, a structured database created by digitising government orders and instructions can be created providing a powerful reference tool to officers. This will help easy scanning of relevant rules and government's interpretations of them with practically little search and retrieval time. At the level of individual departments in the Secretariat answers to LA Interpellations and details of Assurances could be fed into the computer for future reference.

iv. Several reports need to be generated at the Government level. This can be easily done once computers are used. As the first step, monitoring of Plan progress which is already being partially done by the Central Plan Monitoring Unit through computers, should be totally done in this manner right from the District level. It is suggested that all Departments should give the data to the District unit of the NIC, which could transmit them to the State level. This could be expanded to cover government expenditure as a whole.

v. Many notes and communications can be stereotyped and generated electronically. This would save a lot of time and effort in drafting and typing.
vi. The entire personnel matters of the Secretariat could be computerised and for this ready made software are already available.

vii. Public grievance redress is another area, where computerisation would yield quick results.

viii. There are important records and judgements, which can be stored in the computer for easy reference and quick retrieval.

7.2. Recommendations.

7.2.1. As soon as the pilot project initiated in the Finance and Health Departments is completed, the entire Secretariat may be taken up at one go. Even while the pilot project is on, preparatory work should be done in other departments.

7.2.2. The Training Programme, which is already under way, may be made more comprehensive so that enough capacity is built for switchover to a computerised working environment at all levels in the Secretariat. Also, such programmes should be designed to include behavioural aspects and improvement of communication skills.

7.2.3. Once computerisation is introduced, action may be taken to phase out the cadre of typists. Those in service should be retrained.

7.2.4. Task Forces may be constituted in each Department to decide system changes within the Department in consonance with use of IT. These Task Forces should have as members experts in the subject matter dealt with by the department, expert in Secretariat procedures and experts in IT. Consultants could be used wherever required. This system will need development of department-specific software.

7.2.5. Broad-based Implementation Committees may be set up in each Department to ensure full participation and support of all sections of employees.

7.2.6. A system may be created for giving immediate replies to e-mails received through the web site of the government. To start with this may be monitored by the Secretaries themselves. A system of electronic querying may be developed in selected areas like local government functioning. This querying facility may be made available to any citizen and a system for replying to the queries needs to be set up.
CHAPTER 8

OTHER IMPORTANT ISSUES

8.1.1. There are several other issues relating to the Secretariat where reforms are urgently required. The Kerala Administrative Reforms Committee identified some of these issues, which are described below along with their recommendations.

8.2.1. **Physical Environment:** With the growth of the Secretariat it has become highly crowded. Departments have been split up spatially and they are lying scattered all over the place. Similarly, old papers are piled up in the Sections as well as in the corridors; this situation is certainly not conducive to active working.

Recommendation:

8.2.2 The Kerala Administrative Reforms Committee would recommend spatial reorganisation so that departments are brought together. This may initially create some difficulties, but it is an exercise worth going through.

8.2.3 Each Department, before the spatial reorganisation, should carry out a tidying up exercise through 'shramadan' by the staff. All old papers, which are no longer of any use, should be bundled and discarded. All records should be handed over to the Records Section. Files must be arranged in the serial order for each seat. This may be done in a time bound manner preferably in about 15 days.

8.2.4 A file clearance drive may be organised in each department in a planned manner. The reasons for delay in disposal should be clearly classified like; want of reports from subordinate offices, pendency in Finance, Planning, Law, P&ARD etc., those which require Government of India consent and so on. Thereafter, the pendency list except cases relating to Government of India should be sent to the concerned Department/Section in the Secretariat. File clearance should be conducted in which the field level officers come with their reports which are to be processed on the spot. The whole process should take about 75 days. This may be co-ordinated by the Chief Secretary himself.
8.3. Toning up of existing systems.

8.3.1. One of the major problems noticed in the functioning of the Secretariat is the weakening of existing systems and procedures. This has happened mainly due to lack of supervision and prompt follow up, coupled with the general lethargy and lack of discipline. Kerala Administrative Reforms Committee feel that there would be noticeable improvement if some of the traditional systems are toned up and certain simple steps taken.

Recommendations:

8.3.2. All Personal Registers should be made up to date within 15 days. Thereafter, the inspection schedule should be strictly adhered to.

8.3.3. Similarly Suit Registers should be updated within one month.

8.3.4. Stock files should be built up within a period of 30 days. Every dealing hand should have possession of all important Acts, Rules, Manuals, Orders and Circulars related to his subject.

8.3.5. Secretaries should initiate preparation of job charts for each level. This may be done by internal Task Forces, which can complete the work in about two months.

8.3.6. Along with preparation of job charts simple instructions should be prepared on processing of files dealing with regular issues. These instructions should be self-contained and should be simple enough for a new hand to read, understand and put to use.

8.3.7. In between the Section Officer and the Officer who takes the final decision there should be only two levels in the case of important items of work and only one level in the case of routine kinds of work. Each department may issue standing orders listing out items of work which call for examination at two levels between the Section officer and the decision making authority and other items.

8.3.8. Staff meetings should be compulsorily held every month and the Secretary should be directed to forward the minutes of the staff meeting to Secretary P&ARD who would consolidate them and put them up to the Chief Secretary by the 15th of the succeeding month.
8.3.9. The Secretariat Directory may be updated and revised in two parts. The first part may consist of distribution of work among Officers and Staff right from Assistants, the delegation of powers within each department and the organisation chart of that department. The Second part may include names of personnel manning various positions (of and above the level of Under Secretary) with their contact telephone numbers. The first part may be issued once in two years and the second part once a year. Department wise information of the above two parts may be displayed prominently near the location of the department in the Secretariat.

8.4. Work Study.

8.4.1. It is seen that the workload of the Secretariat has not been assessed with reference to its functions. It is assessed with reference to its current workload assuming that whatever is being done is the natural work of Secretariat. This needs to be corrected.

Recommendation.

8.4.2. Government may take an *a-priori* decision to reduce the size of Secretariat by one-third. After this decision, a work study may be commissioned by an outside expert agency to go into the workload and also suggest measures for smoothening the flow of work to economise on time and to make it rational.

8.5. Personnel issues.

8.5.1. It is seen that there is no placement policy in the Secretariat. Often, Staff at all levels are transferred without any rationale. There is no tenure guarantee to any person. These things naturally affect the work. Since there is no tenure, there is no opportunity for developing skills in particular areas of work one is interested in.

8.5.2. Discipline in the Secretariat is unfortunately very lax. This has manifested in late attendance, delayed submission of papers, careless and indifferent noting and discourteous behaviour. The apex office of the State Government should be a role model for others.
8.5.3. The Secretaries of Departments do not seem to have any role in deciding who should man important posts within their departments. Their disciplinary powers are also severely limited.

8.5.4. The highest post to which a Secretariat Officer can be promoted is Additional Secretary. Sometimes, Additional Secretaries continue in that post for several years. This is rather unfair and it may be profitable to use their expertise in higher posts.

Recommendations:

8.5.5. There should be a placement policy, which guarantees a tenure in a department in the following categories.
- Assistant
- Section Officer
- Under Secretary
- Deputy Secretary
- Joint Secretary
- Additional Secretary.

8.5.6. The placement policy should also encourage specialization and as far as practicable staff should be rotated among similar departments particularly at levels below that of the Deputy Secretary.

8.5.7. After fixing the strength of each level of staff in the Secretariat interchangeability between Deputy Secretary and Joint Secretary may be allowed. This will ensure that only minimum dislocation is caused whenever a promotion takes place. Similar interchangeability can be allowed between Joint Secretary and Additional Secretary.

8.5.8. The attendance monitoring system introduced in the Secretariat Annex may be extended to the main Secretariat complex also. There has to be follow-up on the computerised attendance marking - i.e. it should be linked to automatic deduction of leave, as also issue of memos when there is chronic late coming or early going.
8.5.9. In order to improve discipline, it is suggested that the Secretaries of the Departments may be given full disciplinary control over the officers and staff working in that department in their capacity as the Head of Department. In case an offence or irregularity is detected after the officer leaves the department, the original Secretary should still have the disciplinary powers.

8.5.10. Officers and staff in all categories may be allotted to a department and not to a post. The posting may be given by the concerned Secretaries.

8.5.11. Till such time the typist cadre exists there should be a pool system in addition to the existing system where typists are attached to sections. What is suggested is typists of sections would be put on additional duty in the pool by rotation every month. This would ensure that additional work of sections get attended to.

8.5.12. Three posts of Special Secretaries may be created in the General Secretariat as a promotion post of Additional Secretaries who have put in at least five years of service as Additional Secretary. Three posts of Additional Secretaries may be abolished for this purpose. The post may be filled up by selection and could be interchangeable with that of Additional Secretary.

8.6. Capacity Building.

8.6.1. In the Secretariat system there is hardly scope for getting trained other than on the job. This has created much rustiness. There is an urgent need to improve the capabilities of staff working in the Secretariat.

Recommendations:

8.6.2. Induction training is a must. This should consist of three months training of which one and a half months should be in the training institution and one and a half months by way of attachment to concerned offices at all levels.

8.6.3. There should be regular refresher training courses on topics of immediate relevance to Secretariat work. They should be planned in such a manner that every officer of and above the rank of Deputy Secretary gets at least one week
refresher training every year and three weeks’ training once in four years. In the case of others the one week refresher training can be given once in two years and three weeks training once in six years.

8.6.4. Whenever a person is promoted to a post of the rank of Section Officer and above and whenever a person moves into a new department, the Secretary to that Department should arrange two weeks training programme for the person by sending him to the concerned offices as well as by attaching him to competent officers in the Department. At the end of this training period, the Secretary (or the Additional Secretary/Joint Secretary in the case of junior officers and staff) should personally ascertain the usefulness of the training and convince himself that the new entrant has understood the functioning of the Department.

8.6.5. A core group of experts in legislation needs to be developed in Law Secretariat. Suitable training has to be arranged for this.

8.7. Exchange Programme.

8.7.1. It is necessary for Secretariat Officers to understand the field level office’s function. Similarly for field level officers it would be beneficial to understand how the Secretariat system functions. This implies that a mutually beneficial exchange programme of staff can be designed.

Recommendations:

8.7.2. An exchange programme for Secretariat staff may be designed. The Department to which these exchange programme applies are listed in the Annexure VI. The exchange programme may be designed in such a way that every officer gets a tenure in a field post for at least two years in his career. Shorter duration exchange programmes of about six months can be designed for senior officers.
8.8. Grievance Redressal:

8.8.1. Kerala Administrative Reforms Committee in its First Report had dealt with Grievance Redressal in the Secretariat. The relevant portion is extracted in Annexure. This may be implemented at the earliest.

8.9. Toning up the defence of Court Cases.

8.9.1. Experience shows that fighting of cases at the Government level is not given the seriousness it deserves. Casual handling of cases has invited adverse criticism from the Court and has resulted in several Contempt of Court proceedings against senior officers. In fact defence of Government policy as expressed in laws and orders is very important for the proper functioning of the State Government.

Recommendations:

8.9.2. Key Court cases in each department should be identified and listed and personally monitored by the concerned Secretary. These key cases are those which relate to challenge of policy or challenge of a decision which would have serious ramifications if held non est by the Court.

8.9.3. All cases in which Government is a party should be monitored by the Law Department through a system of getting monthly periodical reports from the Departments. Any delay at any stage in the defence of the case should be brought to the notice of the concerned Secretary by the Law Department.

8.9.4. A legal remembrancer system should be introduced to help departments know important judgements of the High Court or Supreme Court which have implications for the Department. As part of the system a compilation of landmark judgments should be prepared subject-wise and made available for reference through a computerised system.

8.9.5. The Law Department may be organised into three wings dealing with Opinion, Suits and Legislation. The opinion and suits wings may be headed by judicial officers of appropriate Seniority. For this two existing posts of Additional Secretaries could be converted.
CHAPTER 9

CONCLUSION

9.1.1. As was mentioned in the beginning, it is not easy to introduce reforms at the level of the Secretariat. More than active resistance, there would be successful stonewalling. It is possible that unnecessary issues would get dragged in diverting the focus of the reform measures. But taking into account the possibilities of powerful demonstration effect and considering the efficiency gains that can be achieved through reforms in the Secretariat, it is suggested that they be pushed with zeal and vision.

9.1.2. The reforms suggested in the earlier Chapters would not harm the legitimate interests in any section of the staff. In fact, it would boost the capacity of the staff, reduce the tedium of work and help improve self-esteem. What is required is a participatory mode of implementation where the staff as a whole are taken into confidence and made active partners in the reform process right from the inception.

9.1.3. Kerala Administrative Reforms Committee would like to conclude by noting that such kinds of reforms can be carried out only at one full blow and not through tentative pushes and weak nudges.

E.K. NAYANAR
Chief Minister of Kerala & Chairman

V.J. THANKAPPAN
Vice Chairman

Dr. K.K. SUBRAHMANIAN
Member

C.J. JOSEPH
Member

S.M. VIJAYANAND
Member Secretary

14th Report - KARC

May 2001
ANNEXURE I

COMPARATIVE PICTURE OF DEPARTMENTS AND NUMBER OF SECTIONS IN THE SECRETARIAT

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Departments</th>
<th>No. of Sections</th>
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<tbody>
<tr>
<td>1956-57</td>
<td>10</td>
<td>48</td>
</tr>
<tr>
<td>1966-67</td>
<td>12</td>
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<td>1973-74</td>
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<td>1981-82</td>
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<td>1991-92</td>
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<td>441</td>
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<tr>
<td>2000-01</td>
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ANNEXURE II

DRAFT OF THE AMENDMENT PROPOSED TO THE PART I
OF THE RULES OF BUSINESS

Section III A

MATTERS RELATING TO LOCAL GOVERNMENTS

1. The Local Self-Government Department shall deal with the general policy of the Government on decentralisation and issue guidelines in matters concerning State Government's relations with the local governments.

2. All departments may consult the Local Self Government Department whenever they need clarification on policy issues or confirmation on procedural matters in respect of files having a bearing on the functioning of local governments.

3. Each Department shall be responsible for providing technical standards and in arranging technical support to the local governments in matters transferred to the local governments from its area of responsibility. Each department shall be responsible for regular monitoring of the performance of local governments in carrying out responsibilities transferred to them from its functional area. Each department shall prepare an annual report of the performance of the local governments in matters being dealt with by them and submit it to the State Development Council on or before the first day of October in the next financial year.
## ANNEXURE III

### RE-CONSTITUTION OF SECRETARIAT DEPTS

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Reconstituted Ministry/Secretariat Department</th>
<th>Existing Secretariat Departments</th>
<th>Budget Demands Administered</th>
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<td><strong>Agriculture</strong></td>
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<td></td>
<td></td>
<td>31-Animal Husbandry</td>
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<td>32-Dairy</td>
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<td>Co-operation</td>
<td>27-Co-operation</td>
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<td><strong>Education</strong></td>
<td>Cultural Affairs</td>
<td>17-Education, Sports, Arts &amp; Culture</td>
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<td>General Education</td>
<td>17-Education, Sports, Arts &amp; Culture</td>
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<td>Science, Technology &amp; Environment</td>
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<td></td>
<td></td>
<td>Higher Education (Including Sports &amp; Youth Affairs)</td>
<td>14-Stationery &amp; Printing, etc.</td>
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<td>17-Education, Sports, Arts &amp; Culture</td>
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<td>3.</td>
<td><strong>Election</strong></td>
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<td>04-Elections</td>
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<td>4.</td>
<td><strong>Finance</strong></td>
<td>Finance</td>
<td>10-Treasury and Accounts</td>
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<td></td>
<td>16-Pensions &amp; Miscellaneous</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>43-Public Debt Repayment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>44-Contingency Fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stores Purchase</td>
<td>-Stores Purchase</td>
</tr>
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<td></td>
<td>Planning and Economic Affairs</td>
<td>28-Misc. Economic Services</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Forest &amp; Wild Life</strong></td>
<td>Forest and Wild Life</td>
<td>34-Forest</td>
</tr>
<tr>
<td>6.</td>
<td><strong>General Administration</strong></td>
<td>General Administration</td>
<td>01-State legislature</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>02-Heads of States, Etc</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>23-Information and Publicity</td>
</tr>
<tr>
<td></td>
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<td>GAD (Tourism)</td>
<td>42-Tourism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Personnel &amp; Administrative Reforms</td>
<td>-Personnel &amp; Administrative Reforms</td>
</tr>
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<td>Home</td>
<td>Home</td>
<td>12-Police</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03-Administration of Justice</td>
</tr>
<tr>
<td></td>
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<td>Vigilance</td>
</tr>
<tr>
<td>9.</td>
<td>Industries and Power</td>
<td>Industries</td>
<td>37-Industries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Power</td>
<td>39-Power</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information Technology</td>
<td>-Information Technology</td>
</tr>
<tr>
<td>10.</td>
<td>Labour &amp;Welfare</td>
<td>Labour and Rehabilitation</td>
<td>24-Labour and Labour Welfare</td>
</tr>
<tr>
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<td>NORKA</td>
<td>-NORKA</td>
</tr>
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<td>11.</td>
<td>Law</td>
<td>Law</td>
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</tr>
<tr>
<td>12.</td>
<td>Local Self Government</td>
<td>LSGD</td>
<td>20-Water Supply &amp; Sanitation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22-Urban Devpt.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>35-Panchayats</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>36-Community Devpt.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Housing</td>
<td>21-Housing</td>
</tr>
<tr>
<td>13.</td>
<td>Public Works</td>
<td>PWD</td>
<td>15-Public Works</td>
</tr>
<tr>
<td>14.</td>
<td>Revenue</td>
<td>Revenue</td>
<td>06-Land Revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>26-Relief on account of Natural Calamities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11-District Administration &amp; Misc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taxes ( Registration)</td>
<td>07-Stamps &amp; Registration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taxes (Excise)</td>
<td>08-Excise</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taxes (Commercial Taxes)</td>
<td>05-Agricultural Income Tax &amp; Sales Tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Food &amp; Civil Supplies</td>
<td>30-Food</td>
</tr>
<tr>
<td>15.</td>
<td>Transport</td>
<td>Transport</td>
<td>41-Transport</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>09- Taxes on Vehicles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coastal Shipping &amp; Inland Navigation</td>
<td>41-Transport</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fisheries &amp; Ports</td>
<td>40-Ports</td>
</tr>
</tbody>
</table>
MODEL ALLOCATION OF BUSINESS AMONG THE DEPARTMENT OF THE SECRETARIAT

(DRAFT OF THE AMENDMENT PROPOSED TO RULES OF BUSINESS - PART II FIRST SCHEDULE)

List of Departments

<table>
<thead>
<tr>
<th></th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture Department</td>
</tr>
<tr>
<td>2</td>
<td>Education Department</td>
</tr>
<tr>
<td>3</td>
<td>Election Department</td>
</tr>
<tr>
<td>4</td>
<td>Finance Department</td>
</tr>
<tr>
<td>5</td>
<td>Forest and Wildlife Department</td>
</tr>
<tr>
<td>6</td>
<td>General Administration Department</td>
</tr>
<tr>
<td>7</td>
<td>Health and Family Welfare Department</td>
</tr>
<tr>
<td>8</td>
<td>Home Department</td>
</tr>
<tr>
<td>9</td>
<td>Industries and Power Department</td>
</tr>
<tr>
<td>10</td>
<td>Labour and Welfare Department</td>
</tr>
<tr>
<td>11</td>
<td>Law Department</td>
</tr>
<tr>
<td>12</td>
<td>Local Self Government Department</td>
</tr>
<tr>
<td>13</td>
<td>Public Works Department</td>
</tr>
<tr>
<td>14</td>
<td>Revenue Department</td>
</tr>
<tr>
<td>15</td>
<td>Transport Department</td>
</tr>
</tbody>
</table>
DISTRIBUTION OF BUSINESS AMONG DEPARTMENTS OF THE SECRETARIAT

1. AGRICULTURE DEPARTMENT

<table>
<thead>
<tr>
<th>A. Agriculture Directorate and Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Administration of Agriculture Department including Soil Conservation and Soil Survey Departments</td>
</tr>
<tr>
<td>2. Farm Information Bureau</td>
</tr>
<tr>
<td>3. Project Planning and Monitoring Cell</td>
</tr>
<tr>
<td>4. Kerala Agricultural Development Project</td>
</tr>
<tr>
<td>5. Administration of Special Agricultural Development Units</td>
</tr>
<tr>
<td>6. Administration--Kerala Land Utilisation Order</td>
</tr>
<tr>
<td>7. Administration of Land Development Act &amp; Rules, Agriculture Loan Act and Rules etc.</td>
</tr>
<tr>
<td>8. Agriculture Crop husbandry and all schemes and programmes</td>
</tr>
<tr>
<td>9. Agricultural Extension</td>
</tr>
<tr>
<td>10. Agriculture Land Development Schemes, Punja Cultivation,</td>
</tr>
<tr>
<td>11. Plantation crops--Schemes for their Development--Commodity Boards</td>
</tr>
<tr>
<td>12. Implementation of Cardamom Act and Rules, Registration of Cardamom Estates</td>
</tr>
<tr>
<td>13. Agricultural Marketing including Regulated Markets</td>
</tr>
<tr>
<td>15. Relief to cultivators affected by Natural Calamities</td>
</tr>
<tr>
<td>16. Crop Insurance Scheme</td>
</tr>
<tr>
<td>17. Integrated Watershed Management</td>
</tr>
</tbody>
</table>

B. Agriculture Education and Research

1. All matters relating to the Agricultural University, Agricultural Research and Education |
2. All matters relating to Indian Council of Agricultural Research and Matters on Agricultural commodities |
3. Agriculture Farms including Seed Farms and Research Stations

C. Public Enterprises and Commodities Boards

1. Plantation Corporation of Kerala Ltd. |
2. Kerala State Warehousing Corporation |
3. Oil Palm India Ltd. |
4. Agro Industries Corporation |
5. Kerala Agro Machinery Corporation |
6. Meat Products India Ltd. |
7. Coconut Development Corporation |
8. Rubber Board |
9. Cardamom Board |
10. Coffee Board (except Trade and Export aspects) |
11. Tea Board (except Trade and Export aspects) |
12. Coconut Development Board
### Animal Husbandry

1. Administration of Animal Husbandry Department
2. Veterinary College and Research Institute
3. Veterinary Hospitals and Dispensaries
4. Veterinary Research Council
5. Indo-Swiss Project
6. Society for Prevention of Cruelty to Animals (SPCA)
7. Administration of Kerala Veterinary Practitioners Act
8. Livestock, Poultry, Piggery Development
9. Drystock Farms
10. Slaughter of Cows

### Dairy Development

1. Administration of Dairy Development Department
2. Kerala Livestock Development and Milk Marketing Board
3. Milk Supply Unions and Primary Co-operative Societies
4. Operation Flood Project
5. All Programmes of Milk Production and Distribution
6. Fodder Development

### Co-operation

1. Administration of Co-operative Department
2. Co-operative Training Centres
3. Co-operative Union
4. SC/ST Co-operative Federation
5. Housing Co-operatives
6. Co-operative Tribunal
7. Co-operative Banking System
8. Matters relating to National Bank for Agriculture and Rural Development (NABARD)
9. Kerala State Co-operative Land Mortgage Bank, Primary Land Mortgage Banks and Urban Co-operative Banks
11. Co-operative Marketing Societies and Federations including Rubber Marketing Federation
12. Co-operative Societies—other than Industrial Co-operatives, Fishermen Co-operatives, Dairy Co-operatives and for SC/ST Co-operatives
13. Multi-State Co-operatives
14. Co-operative Higher Education Society
15. Co-operative Consumer Movement
16. Co-operative Societies Act and Rules
17. Housing Loans to Urban Housing Societies Rural Housing Societies
18. Matters relating to National Co-operative Development Corporation (Agriculture, Housing Loans to Urban Housing Societies Rural Housing Societies)
19. Scaling down/liquidation of rural debts.

**FISHERIES**

<table>
<thead>
<tr>
<th>G</th>
<th>Fisheries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Administration of Fisheries Department and institutions thereunder</td>
</tr>
<tr>
<td>2.</td>
<td>Fishing harbours and landing centres</td>
</tr>
<tr>
<td>3.</td>
<td>Fish farms including fish seed farms</td>
</tr>
<tr>
<td>4.</td>
<td>Fishermen Co-operative societies including Kerala State Co-operative Federation for Fisheries Development</td>
</tr>
<tr>
<td>5.</td>
<td>Marine Products Export Development Authority</td>
</tr>
<tr>
<td>6.</td>
<td>Agency for Development of Aqua-culture, Kerala (ADAK)</td>
</tr>
<tr>
<td>7.</td>
<td>Administration of Kerala Marine Fisheries Regulation Act</td>
</tr>
<tr>
<td>8.</td>
<td>All matters relating to marine and inland fisheries including shell fish</td>
</tr>
<tr>
<td>9.</td>
<td>Distribution of fishing boats, nets, engines and other fishing implements</td>
</tr>
<tr>
<td>10.</td>
<td>Fishermen’s welfare including Kerala Fishermen’s Welfare Fund</td>
</tr>
<tr>
<td>11.</td>
<td>Housing Schemes for fishermen</td>
</tr>
<tr>
<td>12.</td>
<td>CSIR and ICAR institutions and programmes relating to fisheries</td>
</tr>
<tr>
<td>13.</td>
<td>Backwater fisheries including lease of fisheries and assignment of State Nets and China Nets</td>
</tr>
<tr>
<td>14.</td>
<td>Coastal Area Development</td>
</tr>
</tbody>
</table>

**IRRIGATION**

<table>
<thead>
<tr>
<th>H</th>
<th>Irrigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Administration of Irrigation Department</td>
</tr>
<tr>
<td>2.</td>
<td>Command Area Development Authority</td>
</tr>
<tr>
<td>3.</td>
<td>Ground Water Department</td>
</tr>
<tr>
<td>4.</td>
<td>Irrigation Research and Design Board</td>
</tr>
<tr>
<td>5.</td>
<td>Administration of Irrigation Acts and Rules</td>
</tr>
<tr>
<td>6.</td>
<td>Administration of Canals and Ferries Act and Rules</td>
</tr>
<tr>
<td>7.</td>
<td>Dredger Workshop and Dry Docks and management of Dredger Organisation</td>
</tr>
<tr>
<td>8.</td>
<td>All Irrigation Schemes—Major, Medium and Minor Irrigation, Lift Irrigation and Salinity Exclusion works</td>
</tr>
<tr>
<td>9.</td>
<td>Ground Water Development</td>
</tr>
<tr>
<td>10.</td>
<td>River Conservancy and water utilisation</td>
</tr>
<tr>
<td>11.</td>
<td>Flood control and Anti-sea Erosion Schemes</td>
</tr>
<tr>
<td>12.</td>
<td>Inter-State Waters</td>
</tr>
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</table>

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**2. EDUCATION DEPARTMENT**

**GENERAL EDUCATION**

<table>
<thead>
<tr>
<th>A</th>
<th>School Education</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Directorate of Public Instruction and subordinate offices</td>
</tr>
<tr>
<td>2.</td>
<td>Department of Vocational Higher Secondary Education</td>
</tr>
<tr>
<td>3.</td>
<td>Department of Higher Secondary Education</td>
</tr>
<tr>
<td>4.</td>
<td>Office of the Commissioner for Government Examinations</td>
</tr>
</tbody>
</table>
5. State Council for Educational Research & Training (SCERT)

6. District Primary Education Programme (DPEP) & Information Technology at Schools

7. All matters relating to establishment of Schools (Higher Secondary, Vocational Higher Secondary, Secondary and Primary), appointment of teaching and non-teaching staff and all other matters under Kerala Education Act and Rules


9. Matters relating to Pre-primary education, children's education and literature

10. Establishments of special schools, Sainik School Central Schools, Navodaya Schools and also education of the disabled.

11. Teachers' Education, Teachers' Training, Teachers' Welfare, National and State Awards for Teachers

12. Fee concession and scholarships in schools

13. Adult Education

14. Mid-day Meals Programme

15. Matters relating to work-oriented education, Hindi education, Sanskrit Education, Physical Education in Schools, Non-formal Education and Women's Education, Mahila Samakhya

16. Scouts and Guides

17. School sports, Games and Youth Festivals

18. Educational Endowments relating to Schools

**SPORTS AND YOUTH AFFAIRS**

B Sports

1. Directorate of Sports & Youth affairs

2. Kerala Sports Council

3. Sports Schools and Sports Hostels

4. All Programmes and plans for promotion of sports like starting coaching programmes, setting up sports stadium, giving grants to Sports Associations etc.

5. Pension for indigent sportsmen and indigent Circus Artists

6. Development of Kalariipayattu

C Youth Affairs

1. Kerala Aviation Training Centre

2. Matters relating to School Athletic Association

3. Programmes aimed at development of youth activities and youth welfare including Youth Festivals Organisation of Youth Clubs, National Physical Efficiency Drive etc.

**CULTURAL AFFAIRS**

E Archaeology and Zoo

1. Archaeology

2. Archives

3. Museums and Zoos and Art Gallery
F  Art and Culture

1. Cultural Publications
2. Kerala Gazetteers
3. State Institute of Languages
4. State Institute of Archeology
5. Institute of Children’s Literature
6. Kerala State Film Development Corporation
7. Folklore Academy
8. Vasthuvidya Gurukulam
9. Centre for Development of Imaging Technology (C-DIT)
10. South Zone Cultural Centre
11. Multi Purpose Cultural Complex
12. Tagore Theatre
13. Promotion of Art and culture including matters relating to institutions like Kerala Kala Mandalam, Kerala Lalitha Kala Academy, Kerala Sahitya Academy, Kerala Sangeetha Nataka Academy, Vallathol Institute of Culture, Bharath Bhavan, Bal Bhavan and also grants and assistance to cultural organisations such as Dance Schools, Drama Clubs, Music Associations etc.
14. Participation in Republic day Parade at Delhi
15. Inter State Cultural Activities
16. Organisation of Cultural Programmes
17. Assistance to cultural activities outside the State
18. Pension to Cine Artists, Film Screening, National Drama Festival, T.V Awards,
19. Grants and Financial Assistance to men of Arts and letters in indigent circumstances
20. Subsidy to Films
21. Memorials of eminent men of letters
22. Swathi Puraskaram
23. Ezhuthachan Puraskaram
24. Kathakali Award,
25. Film Awards, Drama Awards and TV Awards

HIGHER EDUCATION

G  Administration of Higher Education

1. Department of Collegiate Education
2. Department of Technical Education
3. Printing Department and Government Presses
4. Stationery Department
5. National Cadet Corps
6. Matters relating to Arts and Science Colleges, Engineering Colleges, Law Colleges, Sanskrit Colleges, Music Academies and Colleges, Physical Education Colleges, Training Colleges and College of Fine Arts
7. Hostels attached to Colleges and Technical Institutions
8. Service matters of Private College Staff

H  Universities and other Institutions

1. All matters relating to Universities other than Agricultural University
2. National Service Scheme
| 3. | National Education Policy relating to Higher Education |
| 4. | Pre-degree Education |
| 5. | Education Commission |
| 6. | Kerala Books and Publication Society, Trikkakkara |
| 7. | Institute for Human Resources Development in Electronics |
| 8. | Commercial Institutes |
| 9. | Food Craft Institute, Junior Technical Schools, Polytechnics and Institutes of technology like Institute of Printing Technology |
| 10. | Public Library, Grandhasala Sanghom, Local Library Authority and Library Development in general |
| 11. | Institute of Fine Arts, Trichur and Ravi Varma Institute of Fine Arts, Mavelikara |
| 12. | Pre-vocational Training Centres |
| 13. | Science and Technology Museum |
| 14. | Lal Bahadur Sahstri Engineering and Consultancy Centre |
| 15. | Planetarium |
| 16. | Government Audio Visual and Reprographic Centre |

**I Other matters on Higher Education**

| 1. | Grant-in-aid to Colleges and Polytechnics |
| 2. | Grants to Sports Organisations of Colleges and Polytechnics |
| 3. | Grants to Educational Institutions outside the State |
| 4. | Educational Endowments relating to Colleges, Fee concession and Government of India assistance to Voluntary Educational Institutions |
| 5. | Scholarships including Loan Scholarships and Grant-in-aid for publications of Scientific literature |

**SCIENCE, TECHNOLOGY AND ENVIRONMENT**

| 1. | Science Technology and Environment |
| 2. | State Committee on Science, Technology and Environment and related matters |
| 3. | Nodal Department for Science, Technology and Environment matters and Non-conventional Sources of Energy |
| 4. | All development schemes under Science, Technology and Environment |
| 5. | Environment Protection Act (Co-ordination of implementation) |
| 6. | Science & Technology Research Centres |
| 7. | Electronics Research & Development Centre |
| 8. | Centre for Earth Science Studies |
| 9. | Kerala Forest Research Institute |
| 10. | Centre for Water Resources Development and Management |
| 11. | Tropical Botanical Garden and Research Institute |
| 12. | Agency for Non-conventional Energy and Rural Technology |
| 13. | Assistance to Science & Technology Research Centres |
| 14. | Power generation from ocean waves |
### 3. ELECTION DEPARTMENT

<table>
<thead>
<tr>
<th>Election matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. All matters relating to the Representation of Peoples Act and the Rules made</td>
</tr>
<tr>
<td>thereunder</td>
</tr>
<tr>
<td>2. Arrangements for the conduct of general elections and bye-elections to the</td>
</tr>
<tr>
<td>Parliament and the State Legislative Assembly</td>
</tr>
<tr>
<td>3. Matters relating to the election of the President of India</td>
</tr>
<tr>
<td>4. Making all arrangements for the maintenance of security and law and order at</td>
</tr>
<tr>
<td>elections, ensuring the secrecy of elections and the observance of the</td>
</tr>
<tr>
<td>prescribed code of conduct by the candidates, political leaders and political</td>
</tr>
<tr>
<td>parties</td>
</tr>
<tr>
<td>5. The nomination of a member to the State Legislature from the Anglo-Indian</td>
</tr>
<tr>
<td>Community</td>
</tr>
<tr>
<td>6. All matters relating to the Election Establishment at the State, District and</td>
</tr>
<tr>
<td>Taluk levels</td>
</tr>
<tr>
<td>7. The preparation and revision of electoral rolls (except the electoral rolls</td>
</tr>
<tr>
<td>for the local bodies) including the appointment of Enumerators and Electoral</td>
</tr>
<tr>
<td>Registration Officers, enumeration of electors addition and deletion of voters</td>
</tr>
<tr>
<td>and the printing of electoral rolls.</td>
</tr>
<tr>
<td>8. The delimitation of constituencies for elections to the House of the People</td>
</tr>
<tr>
<td>and the State Legislature; and the reservation of constituencies for Scheduled</td>
</tr>
<tr>
<td>Castes and Scheduled Tribes</td>
</tr>
<tr>
<td>9. The matters relating to the returns of election expense by candidates.</td>
</tr>
<tr>
<td>10. The Matters relating to election petitions</td>
</tr>
<tr>
<td>11. All matters relating to the disqualification of candidates</td>
</tr>
<tr>
<td>12. The publication of election statistics</td>
</tr>
<tr>
<td>13. The maintenance of election accounts, the preparation of budget for the</td>
</tr>
<tr>
<td>election establishment and the conduct of elections, the statement of election</td>
</tr>
<tr>
<td>expenditure, etc.</td>
</tr>
<tr>
<td>14. Obtaining reimbursement of election expenditure from the Government of India</td>
</tr>
<tr>
<td>15. Handling of all communications from the Election Commission of India including the re-publication of notification issued by the Election Commission</td>
</tr>
<tr>
<td>16. All general Matters relating to elections and the electoral law.</td>
</tr>
</tbody>
</table>

### 4. FINANCE DEPARTMENT

<table>
<thead>
<tr>
<th>FINANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Administration</td>
</tr>
<tr>
<td>1. Administration of Treasuries Department</td>
</tr>
<tr>
<td>2. Administration of State Insurance Department</td>
</tr>
<tr>
<td>3. Local Fund Audit Department</td>
</tr>
<tr>
<td>4. National Savings</td>
</tr>
</tbody>
</table>
5. Finance Inspection and C.T.E. Office
6. Control of Accounts organisation under the Heads of Departments - Financial Assistants and Divisional Accountants
7. Kerala Financial Corporation
8. State Finance Commission

**B Budget and General Financial matters**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Preparation of State Budget, Annual Financial statements, Finance and Appropriation Bills</td>
</tr>
<tr>
<td>2.</td>
<td>Ways and Means and State Balances</td>
</tr>
<tr>
<td>3.</td>
<td>Consolidated Fund of the State</td>
</tr>
<tr>
<td>4.</td>
<td>Contingency fund</td>
</tr>
<tr>
<td>5.</td>
<td>Public Debt</td>
</tr>
<tr>
<td>6.</td>
<td>Classification of Expenditure under Budget Heads including opening of New Heads of Accounts</td>
</tr>
<tr>
<td>7.</td>
<td>Re-appropriation and Supplementary grants</td>
</tr>
<tr>
<td>8.</td>
<td>Demands for grants - Votes on Account and excess grants</td>
</tr>
<tr>
<td>9.</td>
<td>New Service</td>
</tr>
<tr>
<td>11.</td>
<td>Central grants, loans and subsidies - General questions</td>
</tr>
<tr>
<td>12.</td>
<td>Financial Resources for Plan Schemes - Estimation of</td>
</tr>
<tr>
<td>13.</td>
<td>Review of Progress of Revenue collection</td>
</tr>
<tr>
<td>14.</td>
<td>Taxation and Allied matters</td>
</tr>
<tr>
<td>15.</td>
<td>Central Finance Commission Recommendations and Federal Financial Integration</td>
</tr>
<tr>
<td>16.</td>
<td>Execution of guarantees</td>
</tr>
<tr>
<td>17.</td>
<td>Loans and Advances</td>
</tr>
<tr>
<td>18.</td>
<td>Economy Measures</td>
</tr>
<tr>
<td>19.</td>
<td>NABARD loans to Government</td>
</tr>
</tbody>
</table>

**C Expenditure control, audit and accounts**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Control of Expenditure, Issue of financial sanctions not covered by delegated powers of conferred by Rules</td>
</tr>
<tr>
<td>2.</td>
<td>Delegation of financial powers</td>
</tr>
<tr>
<td>3.</td>
<td>Audit and Appropriation Accounts</td>
</tr>
<tr>
<td>4.</td>
<td>Commercial Accounts</td>
</tr>
<tr>
<td>6.</td>
<td>Economy in expenditure</td>
</tr>
<tr>
<td>7.</td>
<td>Plan Expenditure - Claiming Central Assistance</td>
</tr>
<tr>
<td>8.</td>
<td>Inspection of Stores and Stock</td>
</tr>
<tr>
<td>9.</td>
<td>Computerisation of Civil Accounts</td>
</tr>
<tr>
<td>10.</td>
<td>Internal Audit - Strengthening and monitoring of the existing system in the various departments.</td>
</tr>
</tbody>
</table>

**D. Pay and service rules**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1.</td>
<td>Kerala Service Rules including Travelling Allowance Rules</td>
</tr>
<tr>
<td>2.</td>
<td>Pay revision and allied matters</td>
</tr>
<tr>
<td>3.</td>
<td>Pension and gratuity</td>
</tr>
<tr>
<td>4.</td>
<td>Provident Fund</td>
</tr>
</tbody>
</table>
### E. Other matters

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1.</td>
<td>Famine Relief Fund/ Distress Relief Fund</td>
</tr>
<tr>
<td>2.</td>
<td>Government investment</td>
</tr>
<tr>
<td>3.</td>
<td>Currency, coinage and legal tender</td>
</tr>
<tr>
<td>4.</td>
<td>Foreign Exchange rates</td>
</tr>
<tr>
<td>5.</td>
<td>Treasury transactions including correspondence with RBI/SBI/SBT,</td>
</tr>
<tr>
<td>6.</td>
<td>Treasury Code and PD Accounts</td>
</tr>
<tr>
<td>7.</td>
<td>Aduthoon Pension</td>
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</tbody>
</table>

### PLANNING AND ECONOMIC AFFAIRS

#### F. Planning

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>State Planning Board</td>
</tr>
<tr>
<td>2.</td>
<td>Department of Economics and Statistics</td>
</tr>
<tr>
<td>3.</td>
<td>State Land Use Board and Centre for Land Use and Environment Studies</td>
</tr>
<tr>
<td>4.</td>
<td>Data Base for Planning</td>
</tr>
<tr>
<td>5.</td>
<td>Computerisation for planning, Plan Monitoring and Computer based data system including State and District Informatic Centres</td>
</tr>
<tr>
<td>6.</td>
<td>Economic and financial Policy issues including Centre-State Financial Relations</td>
</tr>
<tr>
<td>7.</td>
<td>Economic Survey and studies for preparing the survey including study of the State and Central Budget and preparation of yearly review on the level of taxation and related matters</td>
</tr>
<tr>
<td>8.</td>
<td>National Development Council and its committees</td>
</tr>
<tr>
<td>10.</td>
<td>Integration of physical, economic, social and environmental planning</td>
</tr>
<tr>
<td>11.</td>
<td>Examination of schemes/projects to be included in the plans</td>
</tr>
<tr>
<td>12.</td>
<td>Plan Resources and Mobilisation</td>
</tr>
<tr>
<td>13.</td>
<td>Monitoring and evaluation of Plan Programmes</td>
</tr>
<tr>
<td>14.</td>
<td>Multilevel Planning - State, District, Block and local levels</td>
</tr>
<tr>
<td>15.</td>
<td>Manpower and Employment Planning</td>
</tr>
<tr>
<td>16.</td>
<td>District Development Council</td>
</tr>
<tr>
<td>17.</td>
<td>Measures for improving Projects formulation, Project analysis and appraisal</td>
</tr>
<tr>
<td>18.</td>
<td>Western Ghats Development and Special area Programme - Co-ordination of work and scrutinising of Schemes and Projects</td>
</tr>
<tr>
<td>19.</td>
<td>Special Component Plan and Tribal Sub Plan including schemes under Special Central Assistance</td>
</tr>
</tbody>
</table>

#### G. Economic Affairs

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1.</td>
<td>Foreign Assistance and collaboration - Bilateral and UN Agencies including IBRD, ADB etc.</td>
</tr>
<tr>
<td>2.</td>
<td>Institutional Finance - RBI, NABARD, IFE, ICICI, IDBI, LIC, REC,HUDCO,IDC and similar institutions, Nationalised and other Banks</td>
</tr>
<tr>
<td>3.</td>
<td>Banking operations relating to Government and allied matters</td>
</tr>
<tr>
<td>4.</td>
<td>Prices</td>
</tr>
<tr>
<td>5.</td>
<td>Settlement of Assets and Liabilities under States Reorganization Act - residual matters</td>
</tr>
<tr>
<td>7.</td>
<td>Centre for Development Studies</td>
</tr>
</tbody>
</table>
### H Public Enterprises (Bureau of Public Enterprises)

1. General Consideration and Reviews of Public Enterprises
2. Public Enterprises Board and Allied Matters
3. Public Enterprises Selection Board

#### STORES PURCHASE DEPARTMENT

1. General questions relating to stores purchase
2. Correspondence with the Director General of Supplies and Disposals
3. Advice to Administrative Departments on stores purchase and on relaxation of provisions of Stores Purchase Manual
4. Banning of business with firms/suppliers and imposition of other penalties
5. Registration of firms
6. Settling of rate contracts
7. Inspection of purchase files of Government offices including Local Bodies, Autonomous Bodies, PSUs in the State

### 5. FOREST AND WILD LIFE DEPARTMENT

#### A Administration

1. Administration of Forest Department
2. Kerala Forest Development Corporation Ltd.
3. Kerala Wood Industries Ltd.

#### B Forest protection

1. Matters relating to prevention of encroachment in Forest Area and illicit tree cutting, Forest survey and demarcation, etc
2. Management of Vested Forests, Prosecution of Forest Offences, Hillmen settlement, etc.
3. Administration of Forest Acts and Rules
4. Forest Conservation Act
5. Forest Produce and Forest Revenue-Matters relating to Forest contract and extraction of timber, management of Forest Plantation both commercial and timber species, Administration of Kanni Elam Rules

#### C Social Forestry and Environment Improvement

1. Social Forestry, tree-planting in degraded areas and wastelands and raising forest cover
2. Forestry Schemes for Environment improvement

#### D Wild Life and Biosphere Reserves

1. Biosphere Reserves
2. Preservation of Wild Life
3. National Parks and Game Sanctuaries
### 6. GENERAL ADMINISTRATION DEPARTMENT

<p>| | |</p>
<table>
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<tr>
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<tbody>
<tr>
<td><strong>A</strong></td>
<td><strong>Governor, Council of Ministers, High Court and Public Service Commission</strong></td>
</tr>
<tr>
<td>1.</td>
<td>Swearing-in of Governor and Ministers</td>
</tr>
<tr>
<td>2.</td>
<td>Rules of Business of the Government of Kerala and Secretariat Instructions</td>
</tr>
<tr>
<td>3.</td>
<td>Allocation of Business among Ministers</td>
</tr>
<tr>
<td>4.</td>
<td>Cabinet matters</td>
</tr>
<tr>
<td>5.</td>
<td>Issue of Notification regarding resignation of Ministers</td>
</tr>
<tr>
<td>6.</td>
<td>Code of conduct of Ministers</td>
</tr>
<tr>
<td>7.</td>
<td>Notifications relating to appointment of Hon. Chief Justice and Judges of the High Court</td>
</tr>
<tr>
<td>8.</td>
<td>Payment of Salaries and Allowances Act and Rules</td>
</tr>
<tr>
<td>9.</td>
<td>Matters relating to the establishment of Raj Bhavan and Governor’s Household</td>
</tr>
<tr>
<td>10.</td>
<td>Kerala Public Service Commission-Appointment of Chairman and Members and issue of amendments to Regulation governing the conditions of service of the Chairman and Members of the Commission and all related matters</td>
</tr>
</tbody>
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<thead>
<tr>
<th><strong>B. All India Services</strong></th>
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<tbody>
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<td>1.</td>
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<tr>
<th><strong>C. Secretariat Administration</strong></th>
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<th><strong>D. Political</strong></th>
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<th><strong>E. Protocol and Hospitality</strong></th>
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<th><strong>F. Tourism</strong></th>
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<td>1.</td>
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2. Kerala Tourism Development Corporation
3. Tourist Resorts (Kerala) Limited
4. Taj Kerala Hotels and Resorts Limited
5. Bekel Resorts Development Corporation
6. Kerala Institute of Tourism and Travel Studies (KITS)
7. Kerala Institute for Hotel Management Studies
8. Thenmala Eco Tourism Promotion Society
9. Oberoi Kerala Hotel and Resorts Ltd.
10. All Tourism Promotion Schemes

G Minorities
1. Linguistic Minorities
2. Welfare of Minority Communities

H Other matters
1. Arrangements for the conduct of examinations of the Union Public Service Commission and Staff Selection Commission
2. Civil and Military Awards - Padma Awards, Asoka Chakra, Keerthi Chakra, Shaurya Chakra, Jeevan Raksha Padak etc.
3. Cipher Bureau
4. Administration Reports
5. Holidays for the State; Special holidays and holidays under the Negotiable Instruments Act
6. Annual Conference of Collectors and Heads of Departments
7. Exhibitions - General questions
8. Jawaharlal Nehru Memorial Fund
9. Travancore Houses and Kapurthala plot in New Delhi
10. V.J.T. Hall

I. Public Relations
1. Advertisement Policy and issue of Government Advertisements
2. Community Listening Scheme
3. Establishment Matters relating to Public Relations Department and District Information Offices
4. Issue of Press Releases
5. Organisation and Control of Radio Rural Forums
6. Organisation of and Participation in exhibitions
7. Participation in Republic Day Celebrations at New Delhi
8. Press and Registration of Books Act
9. Production and distribution of pamphlets and other publicity materials
10. Publication of monthly journal "Janapatham"
11. Publication and Photographic Coverage
12. Running of Information Centre at State Capital and supply of general information to public
13. Scrutiny of News Matters and Periodicals

PERSONNEL AND ADMINISTRATIVE REFORMS

J Personnel and Service matters
1. Kerala Public Services Act
2. General Policy relating to Public Services in the State (other than the All India Services) governing recruitment, reservation in appointments, conduct grant of recognition to service associations, integration of service, recognition of qualifications, departmental tests and other service matters of a general nature

3. Kerala State and Subordinate Service Rules, Special Rules for the Kerala General Service, Special Rules for the Kerala General Subordinate Service, Special Rules for the Kerala Last Grade Service, Special Rules for the Kerala Part-time contingent service and Special Rules for Other common categories or posts

4. Advice on service matters

5. Confidential Records on Government Servants - General orders relating to preparation and maintenance

6. Property statements - General instructions relating to receipt and maintenance

K Administrative Reforms

1. Administrative Reforms and Administrative Research

2. O&M Study and Job evaluation

3. Administrative Reforms Committee-Implementation of Recommendations and Reports of ARC- Review and Monitoring of the Implementation of ARC Recommendations

4. Simplification of Administrative procedures and practices, Rules Revision etc.,

5. Mechanization in Administration including introduction of modern gadgets

6. Career Management including talent hunting, research in Personnel Administration, Manpower Planning, Career Development

7. Delegation of Powers

8. Inspection of Secretariat Departments

9. follow up action of:
   i) Chief Secretaries' Conference
   ii) Chief Secretary's Conference with Secretaries to Government

L Training

1. Training Programme and deputation of officers (including AIS officers) for any training inside or outside India

2. Foreign Assignment

3. Foreign Volunteer Programme

4. Institute of Management in Government

M Official Language

1. Introduction of Malayalam as official language

2. Script reform in Malayalam

7. HEALTH AND FAMILY WELFARE DEPARTMENT

A. Medical Education

1. Department of Medical Education

2. All matters relating to Medical Colleges including setting up new colleges, sanctioning of new courses of studies, admission to the Colleges, their staff, equipment and all facilities under all systems of Medicine-Allopathic, Ayurveda, and Homoeopathy

3. All matters relating to Dental Colleges, Nursing Colleges and Schools including
### Health Care, Health Education, Public Health and Family Welfare

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<tr>
<td>1</td>
<td>Department of Health Services &amp; Health Transport Organisation</td>
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<td>2</td>
<td>Department of Indian Systems of Medicine</td>
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<tr>
<td>3</td>
<td>Department of Homoeopathy</td>
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<tr>
<td>4</td>
<td>Department of Drugs Control</td>
</tr>
<tr>
<td>5</td>
<td>Hospitals and Dispensaries, Primary Health Centres, Sub Centres and Community Health Centres in Allopathic, Ayurveda and Homoeopathy and dispensaries of Sidha and Unani Systems of Medicines</td>
</tr>
<tr>
<td>6</td>
<td>Health Supervisors' Schools &amp; Health Workers' Schools</td>
</tr>
<tr>
<td>7</td>
<td>Leprosy Sanatorium, TB Hospitals, District TB Centres and Clinics</td>
</tr>
<tr>
<td>8</td>
<td>Public Health Laboratory, Regional Laboratories and Government Analyst Laboratory</td>
</tr>
<tr>
<td>9</td>
<td>Family Welfare Training Centre</td>
</tr>
<tr>
<td>10</td>
<td>Medical Council, Dental Council, Nurses and Midwives Council, Pharmacy Council, Registration of Pharmacists, Registration of Nurses and Midwives</td>
</tr>
<tr>
<td>11</td>
<td>Kerala Health Research and Welfare Society</td>
</tr>
<tr>
<td>12</td>
<td>Pollution Control Board</td>
</tr>
<tr>
<td>13</td>
<td>Regional Cancer Centre Society and Cancer Detection Centres</td>
</tr>
<tr>
<td>14</td>
<td>Matters relating to Public Health, Health Education and Preventive Medicine</td>
</tr>
<tr>
<td>15</td>
<td>Administration of Family Welfare Programme and Reproductive and Child Health Programmes</td>
</tr>
<tr>
<td>16</td>
<td>Training of Midwives and Nurses</td>
</tr>
<tr>
<td>17</td>
<td>Medical Registration and Medical Practitioners Act</td>
</tr>
<tr>
<td>18</td>
<td>Public Health Act, Food Adulteration Act and related matters</td>
</tr>
<tr>
<td>19</td>
<td>Drugs and Cosmetics Acts and Rules</td>
</tr>
<tr>
<td>20</td>
<td>Mental Health Act</td>
</tr>
<tr>
<td>21</td>
<td>Anatomy Act &amp; Rules</td>
</tr>
<tr>
<td>22</td>
<td>Poisons Act</td>
</tr>
<tr>
<td>23</td>
<td>Kerala Government Servants' Medical Benefit Rules and Government Medical Institution Admission and Levy of Fees Rules</td>
</tr>
<tr>
<td>24</td>
<td>All matters relating to Drugs Control-Licensing, inspection, prevention of adulteration and prosecution of offences</td>
</tr>
<tr>
<td>25</td>
<td>Medical Boards</td>
</tr>
<tr>
<td>26</td>
<td>Programmes relating to control of blindness and control of infectious diseases including control of TB, Leprosy, Malaria, Filaria, etc., and control of Epidemics</td>
</tr>
<tr>
<td>27</td>
<td>Financial assistance from Health Minister's Welfare Fund</td>
</tr>
<tr>
<td>28</td>
<td>Central Grant-in-aid to Private Medical &amp; Public Health Institutions</td>
</tr>
<tr>
<td>29</td>
<td>State Grant-in-aid to Medical Institutions</td>
</tr>
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### Other matters

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<tr>
<td>1</td>
<td>India Population Project</td>
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<td>2</td>
<td>School Health Programme</td>
</tr>
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<td>3</td>
<td>Water Appellate Authority</td>
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<td>4</td>
<td>World Health Organisation</td>
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<td>5</td>
<td>Herbariums</td>
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# 8. HOME DEPARTMENT

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<tr>
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<tbody>
<tr>
<td><strong>A</strong></td>
<td><strong>Law and Order</strong></td>
</tr>
<tr>
<td>1.</td>
<td>Administration of Law and Order</td>
</tr>
<tr>
<td>2.</td>
<td>Police including welfare of police personnel</td>
</tr>
<tr>
<td>4.</td>
<td>Matters connected with Central Police Organisation and Para Military Forces of the Union</td>
</tr>
<tr>
<td>5.</td>
<td>Crime investigation and Prosecution including appeals, revision and withdrawal of prosecution</td>
</tr>
<tr>
<td>6.</td>
<td>Director of Prosecution, Assistant Public Prosecutors, and Special Public Prosecutors</td>
</tr>
<tr>
<td>7.</td>
<td>V.I.P. Security</td>
</tr>
<tr>
<td>8.</td>
<td>Atrocities against Harijans</td>
</tr>
<tr>
<td>9.</td>
<td>Law and Order and allied matters in places of public worship</td>
</tr>
<tr>
<td>10.</td>
<td>Restriction in use of sound amplifiers</td>
</tr>
<tr>
<td>11.</td>
<td>Arms, ammunition etc.</td>
</tr>
<tr>
<td>12.</td>
<td>Explosives</td>
</tr>
<tr>
<td>13.</td>
<td>Traffic and Traffic laws</td>
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<td>14.</td>
<td>Chemical Examiner's Laboratory</td>
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<td>17.</td>
<td>Prevention of Drug Abuse</td>
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**B Public Safety**

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<tr>
<td>1.</td>
<td>Defence and internal security</td>
</tr>
<tr>
<td>2.</td>
<td>Civil Defence and Home Guards</td>
</tr>
<tr>
<td>3.</td>
<td>War Book-Maintenance and Revision</td>
</tr>
<tr>
<td>4.</td>
<td>Secretariat Security measures</td>
</tr>
<tr>
<td>5.</td>
<td>Verification of character and antecedents</td>
</tr>
<tr>
<td>6.</td>
<td>Fire Force</td>
</tr>
<tr>
<td>7.</td>
<td>Regulation of betting, gambling, installment schemes and lotteries other than Government Lottery</td>
</tr>
<tr>
<td>8.</td>
<td>Prevention of smuggling and contravention of Foreign Exchange Regulations</td>
</tr>
<tr>
<td>9.</td>
<td>License for construction of cinema theatres</td>
</tr>
<tr>
<td>10.</td>
<td>Censorship and proscription of books and periodicals</td>
</tr>
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<td>11.</td>
<td>Maintenance of communal peace and harmony</td>
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**C Administration of Justice**

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<tr>
<th></th>
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<tbody>
<tr>
<td>1.</td>
<td>All matters relating to administration of justice--Civil and Criminal constitution and organisation of Courts (Except High Court) Offices and Servants of the High Court</td>
</tr>
<tr>
<td>2.</td>
<td>Motor Accident Claims Tribunals</td>
</tr>
<tr>
<td>3.</td>
<td>Official Receivers</td>
</tr>
<tr>
<td>4.</td>
<td>Human Rights Commission</td>
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**D Jails**

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<tr>
<td>1.</td>
<td>Administration of Jails</td>
</tr>
<tr>
<td>2.</td>
<td>Mercy petition, remission and commutation of sentence</td>
</tr>
</tbody>
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3. Release of criminal lunatics
4. Parole for Prisoners
5. Jail Works.

**E. Foreigners, Passport and Visa etc.**

1. Absconding Evacuees and displaced persons from Bangladesh, Pakistan and Sri Lanka
2. Ban on entry into India by certain foreigners
3. Attestation of certificate for use abroad
4. Extension of stay in India of Foreigners
5. Haj Pilgrimage
6. Indian and Pakistan Passport and Visa
7. Issue of NORI certificate and PCC verification of National Status
8. Determination of Citizenship Status

**F. Other Acts and Rules**

1. Advocates Act
2. Arms Act
3. Central Industrial Security Act
4. Cinematograph Act
5. Cinema Regulation Act
6. Commissions of Inquiry Act, 1952-- Interpretation and Consultation
7. COFEPOSA
8. Dramatic Performance Act
9. Essential Service Maintenance Act
10. Explosives Act
11. Gaming Act
12. Habitual Offenders Act
14. Indian Soldiers Litigation Act
15. Kerala State Civil Services (Safeguarding of National Security) Rules
16. Kerala Criminal Law Amendment Act
17. Kerala Prisons Act
18. National Security Act
19. Petroleum Act
20. Police Act
21. Prevention of damage to Public property
22. Probation of Offenders Act
23. Price Competition Act
24. Passport Act
25. S.I.T. Act
26. The prevention of Black marketing and Maintenance of Supplies of Essential Commodities Act, 1980
27. Young Persons Harmful Publication Act
28. The Prevention of illicit Traffic in Narcotic Drugs and Psychotropic Substances

**VIGILANCE**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Administration of Vigilance and Anti Corruption Bureau</td>
</tr>
<tr>
<td>2.</td>
<td>Enquiry Commissioners and Special Judges and their staff</td>
</tr>
<tr>
<td>3.</td>
<td>Vigilance Tribunals and their staff</td>
</tr>
<tr>
<td>4.</td>
<td>Kerala Lok Ayukta</td>
</tr>
<tr>
<td>5.</td>
<td>All cases of corruption including cases of complaints or allegations against public servants</td>
</tr>
<tr>
<td>6.</td>
<td>Kerala Lok Ayukta Act 1999</td>
</tr>
<tr>
<td>7.</td>
<td>Prosecution of public servants in pursuance of Vigilance Enquiry</td>
</tr>
</tbody>
</table>

### 9. INDUSTRIES AND POWER DEPARTMENT

**INDUSTRIES**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Administration</td>
</tr>
<tr>
<td>1.</td>
<td>Department of Industries and Commerce</td>
</tr>
<tr>
<td>2.</td>
<td>Department of Coir Development</td>
</tr>
<tr>
<td>3.</td>
<td>Department of Handloom</td>
</tr>
<tr>
<td>4.</td>
<td>Department of Mining and Geology</td>
</tr>
<tr>
<td>5.</td>
<td>Kerala Mineral exploration and Development Project</td>
</tr>
<tr>
<td>6.</td>
<td>Kerala Khadi and Village Industries Board</td>
</tr>
<tr>
<td>7.</td>
<td>Khadi and Village Industries Commission</td>
</tr>
<tr>
<td>8.</td>
<td>Coir Board</td>
</tr>
<tr>
<td>B</td>
<td>Industrial policy</td>
</tr>
<tr>
<td>1.</td>
<td>Formulation and implementation of Industrial Policy</td>
</tr>
<tr>
<td>2.</td>
<td>Monitoring of policy implementation</td>
</tr>
<tr>
<td>3.</td>
<td>Trade and Commerce including imports and exports etc</td>
</tr>
<tr>
<td>4.</td>
<td>Development, promotion, regulation and restructuring of all Industries-- Major, medium, Small Scale, Cottage and Traditional Industries including Coir, Cashew, Handloom and Handicrafts</td>
</tr>
<tr>
<td>5.</td>
<td>Geology, Mines, exploration of Minerals and Metals</td>
</tr>
<tr>
<td>6.</td>
<td>Industrial Estates, Development Plots and Development Areas and all forms of State aid and incentives for industrial development</td>
</tr>
<tr>
<td>7.</td>
<td>Matters relating to trade and export aspects of Coffee Board, Tea Board etc.</td>
</tr>
<tr>
<td>8.</td>
<td>State level monitoring of single-window clearance mechanism for industrial projects and related matters</td>
</tr>
<tr>
<td>C</td>
<td>Public Sector Industrial Undertakings</td>
</tr>
<tr>
<td>1.</td>
<td>Kerala State Industrial Development Corporation</td>
</tr>
<tr>
<td>2.</td>
<td>Kerala Small Industries Development Corporation Ltd. (SIDCO)</td>
</tr>
<tr>
<td>3.</td>
<td>Co-operative Sugar Mills and Co-operative Spinning Mills</td>
</tr>
<tr>
<td>4.</td>
<td>Kerala State Handicrafts Development Corporation</td>
</tr>
<tr>
<td>5.</td>
<td>Kerala State Cashew Development Corporation</td>
</tr>
<tr>
<td>6.</td>
<td>All Public Sector Industrial Undertakings other than those specifically listed</td>
</tr>
</tbody>
</table>
under other Departments.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>7.</td>
<td>Appraisal of performance of PSUs, processing of restructuring proposals and request for Financial Assistance, etc</td>
</tr>
<tr>
<td>8.</td>
<td>Constitution of Board of Directors and appointment of chief executives in industrial PSUs</td>
</tr>
<tr>
<td>9.</td>
<td>Kerala Industrial Restructuring Fund</td>
</tr>
</tbody>
</table>

### D Acts and Legislation

1. Companies Act
2. Industries (Development and Regulation) Act
5. Mines and Minerals (Regulations and Development) Act
7. Trade Marks Act.
10. Kerala Cashew nuts (Marketing and Transport and fixation of minimum price) Act
11. The unregistered Cashew nut factories prohibition Act 1967
12. Household Electrical Appliances (Quality Control) Order

### INFORMATION TECHNOLOGY

#### E Information Technology

1. Formulation of Policies relating to Information Technology and their implementation
2. Coordination of Government Initiatives in the Information Technology Sector
3. Promotion and Development of Information Technology in the State
4. Formulation of Procurement policies of Information Technology related investments in Government and subordinate organisations.
5. Indian Institute of Information Technology (IIIT)
6. Implementation of Pilot Projects in Information Technology
7. Development of Information Technology infrastructure, including state information infrastructure (SII)
8. Standardisation and Accreditation of Information Technology Training Programmes
9. Approval of Information Technology based schemes and projects taken up by Government and subordinate organisations.

### POWER DEPARTMENT

#### F Power

1. Chief Electrical Inspectorate and subordinate offices
2. Kerala State Electricity Board
3. Energy Management Centre
4. Administration of Electricity Acts and Rules
5. Electricity Projects - Hydro, Thermal and Nuclear
## 10. LABOUR AND WELFARE DEPARTMENT

<table>
<thead>
<tr>
<th>LABOUR AND REHABILITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A Labour</strong></td>
</tr>
<tr>
<td>1. Administration of:</td>
</tr>
<tr>
<td>(a) Labour Department</td>
</tr>
<tr>
<td>(b) Employment and Training Department</td>
</tr>
<tr>
<td>(c) Factories and Boilers Department</td>
</tr>
<tr>
<td>(d) Insurance Medical Services Department</td>
</tr>
<tr>
<td>(e) Employment Exchanges and I.T. Is.</td>
</tr>
<tr>
<td>2. All matters relating to Industrial relations, settlement of labour disputes and protection to labour - both organised and unorganised.</td>
</tr>
<tr>
<td>3. Trade Unions -- registration, verification and membership and settlement of all issues in the field.</td>
</tr>
<tr>
<td>5. Labour Welfare including various schemes constituting Welfare Funds and other labour welfare measures.</td>
</tr>
<tr>
<td>6. Wage regulation including enforcement of Minimum Wages Act, Equal Remuneration Act, Payment of Wages Act, etc.</td>
</tr>
<tr>
<td>7. Bonus and Gratuity</td>
</tr>
<tr>
<td>8. E.S.I. and Social Security legislations</td>
</tr>
<tr>
<td>9. Workers' Education</td>
</tr>
<tr>
<td>10. All Labour Laws (both Central and State) including Factories Act, Industrial disputes Act and their enforcement.</td>
</tr>
<tr>
<td>11. Safety in Industrial Units</td>
</tr>
<tr>
<td><strong>B Rehabilitation</strong></td>
</tr>
<tr>
<td>1. Rehabilitation Plantation Corporation.</td>
</tr>
<tr>
<td>2. Evacuee properties and matters relating to evacuee interests, recovery of advance paid to evacuees and their write off.</td>
</tr>
<tr>
<td>3. Gold Control</td>
</tr>
<tr>
<td>4. Rehabilitation of Displaced Goldsmiths</td>
</tr>
<tr>
<td>5. Rehabilitation of Sri Lanka, Burma and other repatriates</td>
</tr>
<tr>
<td><strong>C Social Welfare</strong></td>
</tr>
<tr>
<td>1. Administration of the Department of Social Welfare</td>
</tr>
<tr>
<td>2. State &amp; Central Social Welfare Boards and all connected matters</td>
</tr>
<tr>
<td>3. Hostels of working men</td>
</tr>
<tr>
<td>4. Assistance to Orphanage Home for the aged, destitute and Charitable Institutions</td>
</tr>
<tr>
<td>5. Financial Assistance to inter-caste married couples other than S.C./S.T.</td>
</tr>
<tr>
<td>6. Administration of anti-beggary Act and Rules and Probation of offenders Act and Rules</td>
</tr>
<tr>
<td><strong>D Child Welfare</strong></td>
</tr>
<tr>
<td>1. Probation, Borstal School, Remand Home and Juvenile Courts</td>
</tr>
<tr>
<td>2. Hostels and Care Homes for disabled children</td>
</tr>
<tr>
<td>3. Home for mentally deficient children</td>
</tr>
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<td>7.</td>
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<td>9.</td>
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**E: Women's Welfare**

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kerala Women's Commission</td>
</tr>
<tr>
<td>2.</td>
<td>Hostels for working women</td>
</tr>
<tr>
<td>3.</td>
<td>Kerala State Women's Development Corporation</td>
</tr>
<tr>
<td>4.</td>
<td>Abala Mandirs</td>
</tr>
<tr>
<td>5.</td>
<td>Dowry Prohibition Act</td>
</tr>
<tr>
<td>6.</td>
<td>Indecent Representation of Women (Prohibition) Act, 1986</td>
</tr>
<tr>
<td>7.</td>
<td>Nutrition Programmes including implementation of I.C.D.S. and Programme for welfare and development of women</td>
</tr>
<tr>
<td>8.</td>
<td>Assistance for the marriage of daughters of widows</td>
</tr>
<tr>
<td>9.</td>
<td>Schemes for widows' pension</td>
</tr>
</tbody>
</table>

**F: Welfare of Handicapped**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kerala State Handicapped persons Welfare Corporation</td>
</tr>
<tr>
<td>2.</td>
<td>Home for the handicapped</td>
</tr>
<tr>
<td>3.</td>
<td>Schemes for Physically handicapped</td>
</tr>
<tr>
<td>4.</td>
<td>Welfare of handicapped including the Employment, Training and Rehabilitation and Government of India scholarships for physically handicapped students</td>
</tr>
</tbody>
</table>

**G: Non Resident Keralites Affairs**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Welfare activities of Keralites living abroad (excluding their rehabilitation) or other states of the country</td>
</tr>
<tr>
<td>2.</td>
<td>Rendering assistance in bringing home the dead bodies of Keralites who die abroad or other states of the country.</td>
</tr>
<tr>
<td>3.</td>
<td>Assistance in getting the gratuity/pension/compensation to dependent of deceased Keralites abroad</td>
</tr>
<tr>
<td>4.</td>
<td>Tracing of missed persons abroad</td>
</tr>
<tr>
<td>5.</td>
<td>Participation of Government representatives in overseas conventions of Keralites living abroad</td>
</tr>
<tr>
<td>6.</td>
<td>Keralites in other States and the problems experienced by them</td>
</tr>
<tr>
<td>7.</td>
<td>Relief to Gulf Returnees due to Iraq-Kuwait war including compensation cases</td>
</tr>
<tr>
<td>8.</td>
<td>Kuwait compensation from UNCC</td>
</tr>
<tr>
<td>9.</td>
<td>Matters connected with air fare to overseas countries</td>
</tr>
<tr>
<td>10.</td>
<td>Assistance to Malayalis organisations outside the State</td>
</tr>
<tr>
<td>11.</td>
<td>World Malayalis Conventions</td>
</tr>
<tr>
<td>12.</td>
<td>Assistance in case of accidents abroad</td>
</tr>
<tr>
<td>13.</td>
<td>Assistance to persons trapped in foreign countries or tricked by visa agents</td>
</tr>
</tbody>
</table>
and travel operators

14. Assistance for repatriation in case of difficulties with sponsors

15. Difficulties experienced by Keralites in all airports caused in the hands of customs/police personnel on arrival at Mumbai airport

16. Transportation and accommodation problems at Mumbai

17. Increased demand for air connections during holiday seasons

18. Difficulties in admission to educational institutions for children of Non-resident Keralites

19. Setting up of professional colleges with the assistance from Non-resident Keralites

20. Housing and related issues of Non-resident Malayalis

21. Medical care and health of dependents in the State

22. Security of women workers working outside the State

23. Rehabilitation of returnees

24. Difficulties faced by relatives of non-resident Keralites at home

25. Non-resident Keralites investment related matters

26. Issues relating to PRAVASI SURAKSHA INSURANCE SCHEME & other Insurance schemes

27. Non-resident Keralites pension scheme

**SCHEDULED CASTES AND SCHEDULED TRIBES DEVELOPMENT**

**H Development of Scheduled Castes**

1. Administration of Scheduled Castes Development Department

2. Matters relating to policies, Programmes and schemes for social and economic development of Scheduled Castes and their welfare

3. Preparation of Special Component Plan for development of Scheduled Castes including schemes under Special Central Assistance and monitoring its implementation

4. Matters relating to advancement of Scheduled Castes including grant of educational scholarships, stipend, running of Welfare Hostels, Cosmopolitan Hostels, Community Halls, Balawadies etc.

5. Programmes of organizing Pre-examination training, oriented job training, etc.

6. Eradication of untouchability

**I Tribal Development**

1. Administration of Scheduled Tribe Development Department

2. Matters relating to policies, Programmes and schemes on Tribal Welfare and Development including schemes relating to hamlet development, provision of houses for scheduled Tribes

3. Preparation of Tribal sub-plan and monitoring its implementation

4. Matters relating to educational, social and economic development of Tribals including Scholarships, Hostels, Stipend, Balawadies etc., their training for various vocations and arranging Pre-examination training as well as special coaching for various employment

**J KIRTADS**

1. Administration of KIRTADS

2. Action oriented studies on particular problems relating to SCs and STs
### Secretariat Reforms

3. Conducting of basic research on SCs and STs
4. Conducting of Evaluation study on Welfare developmental schemes implemented for Scheduled Castes and Scheduled Tribes
5. Imparting of orientation training of officials and non-officials on culture, life and problems relating to Scheduled Castes and Scheduled Tribes

### Other matters

1. Kerala State Development Corporation for SC/ST
2. Kerala State Commission for Backward Classes Kerala State Development Corporation for Christian converts and recommended communities
3. Educational concessions to socially and economically backward communities under Kumara Pillai Commission
4. Classifications of SCs, STs and other backward classes/communities
5. Rehabilitation of Bonded labourers

## 11. LAW DEPARTMENT

### Administration

1. Appointment of Advocate General, Government Pleaders, Standing Counsels in the Supreme Court, Administrator General, Official Trustees and Staff and connected matters
3. Administration of Law Department including Personnel, Library and Records, but excluding appointment, postings and transfers of all categories of officers of and above the category of Under Secretary
4. Kerala State Legal Services Authority
5. Legal Aid and Advice Board

### Legislation and Drafting

1. Drafting of official Bills and Ordinances in accordance with the instructions of the Administrative Departments.
2. Drafting of deeds—
   - (a) Agreements by or in favour of Government
   - (b) Bonds regarding trainees etc.
   - (c) Leases by or in favour of Government
   - (d) Mortgages or charges in favour of Government
3. Examining the Bills and enactments of other States with a view to initiating new legislative proposals
4. Initiation and drafting of Bills for the codification and consolidation of law and further steps for legislation.
5. Initiation of proposals for legislation in regard to personal laws or any other matter of a general nature not pertaining to any of the subject allotted to other departments.
6. Matters relating to preparation of reports of Select Committees, Subject Committees on Bills
7. Preparation of Programme for the Session of the State Legislative Assembly.

9. Publication of Bills passed by the State Legislative Assembly and assented to by the Governor or the President and of Ordinances promulgated by the Governor.

10. Re-publication of Bills and Acts of the Parliament, or Reports of Select Committee on Central Bills and Ordinances promulgated by the President.

11. Preparation and Revision of Code and collection of Statutory Rules--
   (a) Preparation of annual list of enactments in force in the State
   (b) Preparation of the Rules Code and Periodical revision thereof
   (c) Preparation of the State Code and Periodical revision thereof
   (d) Printing and supply of copies of State Acts and Ordinances
   (e) Preparation of annual Index of Statutory Rules and Notifications.

12. Scrutiny of Statutory Rules, Notifications Orders, Bye-laws and Memorandum of Association, etc.

13. Transmission to the Central Government copies of Bills passed and assented to by the Governor.

14. Indian Law Reports (Kerala Series)

C Legal Advice and Opinion

1. Advising in the case of Bills whether previous sanction of the President for their introduction in the Legislative Assembly or recommendation of the Governor for their introduction, or consideration by the Legislative Assembly is necessary and whether Bills passed by the State Legislature are required to be reserved for the consideration of the President.

2. Advising in the case of Ordinances whether instructions from the President are required for their promulgation.

3. Guiding and co-ordinating the work in connection with the prosecution of Government cases and defence of cases filed against Government and scrutiny of Statement of Facts and advice regarding scope for appeal or revision by the Government.

4. Legal advice to the State Insurance Department.

5. Offering comments called for from State Governments in respect of legislative measures proposed to be initiated by the Central Government.

6. Offering comments on proposals for law reforms taken up by the Indian Law Commission.

7. Offering legal advice to Government.

8. Opinion on Stamp Duty and Registration.

D Other matters


2. Administration of--

3. The Kerala Court Fees and Suits Valuation Act.


5. The Personal Laws.


7. Legal Aid to poor
### 12. LOCAL SELF GOVERNMENT DEPARTMENT

<table>
<thead>
<tr>
<th>LOCAL SELF GOVERNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> Urban development and Panchayats</td>
</tr>
<tr>
<td>1. Department of Municipal Administration</td>
</tr>
<tr>
<td>2. Department of Panchayats</td>
</tr>
<tr>
<td>3. Department of Town and Country Planning</td>
</tr>
<tr>
<td>4. Kerala Urban Development Finance Corporation</td>
</tr>
<tr>
<td>5. Kerala State Rural Development Board</td>
</tr>
<tr>
<td>6. Development Authorities</td>
</tr>
<tr>
<td>7. Urban Local Government Institutions</td>
</tr>
<tr>
<td>8. District, Block and Village Panchayats Urban Poverty Alleviation Schemes</td>
</tr>
<tr>
<td>9. Urban Poverty Alleviation</td>
</tr>
<tr>
<td>10. Burning and Burial grounds</td>
</tr>
<tr>
<td>11. Cattle Pounds</td>
</tr>
<tr>
<td>12. Kerala Municipality Act and Rules</td>
</tr>
<tr>
<td>13. Kerala Parks, Play Fields &amp; Open Spaces (Preservation &amp; Regulation ) Act</td>
</tr>
<tr>
<td>14. Entertainment Tax and Rules including Show Tax</td>
</tr>
<tr>
<td>15. Kerala Places of Public Resort Act and Rules</td>
</tr>
<tr>
<td>16. Town Planning including approval of Master Plan for Towns and Cities, detailed Town Planning Schemes and approvals and sanctions under Town Planning Act and Rules</td>
</tr>
<tr>
<td>17. Registration of births and deaths Act</td>
</tr>
<tr>
<td>18. Village Courts under Kerala Village Courts Act</td>
</tr>
<tr>
<td>19. Cattle Trespass Act and Rules</td>
</tr>
<tr>
<td>20. Kerala Panchayat Raj Act and Rules</td>
</tr>
</tbody>
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<thead>
<tr>
<th><strong>B</strong> Rural Development</th>
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<tbody>
<tr>
<td>1. Commissionerate of Rural Development and subordinate offices</td>
</tr>
<tr>
<td>2. Extension Training Centres</td>
</tr>
<tr>
<td>3. Kerala Sanitation and Health Mission</td>
</tr>
<tr>
<td>4. Kerala Rural Development and Marketing Society (KERAMS)</td>
</tr>
<tr>
<td>5. State Institute of Rural Development (SIRD)</td>
</tr>
<tr>
<td>6. Kerala Institute of Local Administration (KILA)</td>
</tr>
<tr>
<td>7. Peoples Action for Development (Kerala) - PAD (K)</td>
</tr>
<tr>
<td>8. Attappady, Hills Area Development Society (AHADS)</td>
</tr>
<tr>
<td>9. Kudumbashree Project</td>
</tr>
<tr>
<td>10. State Election Commission</td>
</tr>
<tr>
<td>11. Ombudsman</td>
</tr>
<tr>
<td>12. District Planning Committees</td>
</tr>
<tr>
<td>13. Organisation and conduct of Research and Training in Rural Welfare and Development Activities</td>
</tr>
<tr>
<td>14. Matters relating to the implementation of State sponsored and Centrally Sponsored Rural Development Programmes and Schemes for Poverty</td>
</tr>
</tbody>
</table>
### Housing

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<table>
<thead>
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<tbody>
<tr>
<td>C</td>
<td>Housing</td>
</tr>
<tr>
<td>1</td>
<td>Kerala State Housing Board.</td>
</tr>
<tr>
<td>2</td>
<td>All policy matters relating to housing development in general including House site development—Nodal Department for all Housing Schemes.</td>
</tr>
<tr>
<td>3</td>
<td>Housing Schemes—Low Income Group Housing Scheme, Middle Income Group Housing Scheme, Poor Housing scheme, Subsidised Housing Scheme for economically weaker sections, Industrial Housing Scheme, Village Housing Scheme, One Lakh Housing Scheme, Rural site scheme for land less workers.</td>
</tr>
<tr>
<td>4</td>
<td>Colonisation Schemes</td>
</tr>
<tr>
<td>5</td>
<td>Rent Control.</td>
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### Water Supply

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<table>
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<tbody>
<tr>
<td>D</td>
<td>Water Supply and Sanitation</td>
</tr>
<tr>
<td>1</td>
<td>Kerala Water Authority</td>
</tr>
<tr>
<td>2</td>
<td>Water Supply Schemes including Tube Wells - both Urban and Rural</td>
</tr>
<tr>
<td>3</td>
<td>Sewerage and sanitation programmes.</td>
</tr>
<tr>
<td>4</td>
<td>Maintenance of water supply in all Government Hospitals and Dispensary buildings.</td>
</tr>
<tr>
<td>5</td>
<td>Kerala Premo Pipe Factory.</td>
</tr>
<tr>
<td>6</td>
<td>The Kerala Asbestos Cement Pipe Factory Limited.</td>
</tr>
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### 13. Public Works Department

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<table>
<thead>
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<tbody>
<tr>
<td>A</td>
<td>Roads &amp; Bridges</td>
</tr>
<tr>
<td>1</td>
<td>Administration of Public Works Department including Architectural and Mechanical Wings</td>
</tr>
<tr>
<td>2</td>
<td>Kerala State Construction Corporation</td>
</tr>
<tr>
<td>3</td>
<td>Roads and Bridges Development Corporation of Kerala Ltd.</td>
</tr>
<tr>
<td>4</td>
<td>All policy matters relating to development of roads and bridges in general—Nodal Department for all road communication schemes</td>
</tr>
<tr>
<td>5</td>
<td>Roads and Bridges other than roads under local bodies and Rural Development Department</td>
</tr>
<tr>
<td>6</td>
<td>National Highways, C.R.F. works, roads of economic and Inter-State importance and other centrally assisted road and bridge works</td>
</tr>
<tr>
<td>7</td>
<td>Ferries under the control of P.W.D.</td>
</tr>
<tr>
<td>8</td>
<td>Kerala Tolls Act</td>
</tr>
<tr>
<td>9</td>
<td>Railway Safety Works including rail over bridges and rail under bridges</td>
</tr>
<tr>
<td>10</td>
<td>P.W.D. Stores, Workshops and Government approved Workshops</td>
</tr>
<tr>
<td>B</td>
<td>Buildings</td>
</tr>
<tr>
<td>1</td>
<td>Government Buildings including residential buildings</td>
</tr>
<tr>
<td>2</td>
<td>P.W.D. Tourist Bungalows, Rest Houses, Inspection Bungalows and Camp Sheds</td>
</tr>
<tr>
<td>3</td>
<td>Rental Housing Scheme</td>
</tr>
<tr>
<td>4</td>
<td>Fixation of Rent for buildings hired for Government purposes</td>
</tr>
</tbody>
</table>
### 14. REVENUE DEPARTMENT

#### REVENUE

<table>
<thead>
<tr>
<th>A</th>
<th>Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Land Revenue Commissionerate and subordinate offices</td>
</tr>
<tr>
<td>2.</td>
<td>Ownership of Government lands, land lease, land assignment, land relinquishment, land conservancy and land acquisition</td>
</tr>
<tr>
<td>3.</td>
<td>Matters relating to land reforms and all legislation on the subject</td>
</tr>
<tr>
<td>4.</td>
<td>Maintenance of land records, Survey and settlement and Land Tax</td>
</tr>
<tr>
<td>5.</td>
<td>Transfer of land to local bodies and other Government Departments</td>
</tr>
<tr>
<td>6.</td>
<td>Settlement of land less agricultural labourers</td>
</tr>
<tr>
<td>7.</td>
<td>Consolidation of holdings</td>
</tr>
<tr>
<td>8.</td>
<td>Inter-State boundaries</td>
</tr>
<tr>
<td>9.</td>
<td>Estate, Court of wards,</td>
</tr>
<tr>
<td>10.</td>
<td>All Statutes relating to land which are not specifically allotted to other Departments</td>
</tr>
</tbody>
</table>

#### B Distress Relief

| 1. | Famine Relief |
| 2. | Natural Calamities - Flood, Fire, Famine, etc. |
| 3. | Distress Relief Fund |
| 4. | Discretionary grants, Home Minister's Discretionary grants, Financial assistance from Government of India |

#### C Religious Endowments

| 1. | HR&CE Department |
| 2. | Devaswom Boards, and Devaswams in General |
| 3. | Wafk Board |

#### D Weights and Measures

| 1. | Weights and Measures Department |

#### E Other Matters

| 1. | Revenue Recovery |
| 2. | Agricultural Debt Relief |
| 3. | Public Accounts Act |
| 4. | Rain Gauge |
| 5. | Kerala Requisition and Acquisition of Property Act, 1956 |
| 6. | State Names Authority |

#### F Taxes

| 1. | Agricultural Income Tax, Sales Tax etc. |

| 2. | Commercial Taxes Department |
| 3. | Agricultural Income Tax, |
| 4. | Sales Tax both Central and State |
| 5. | Central Excise Tariff Act, 1985 |

#### G Excise

<p>| 1. | Excise Department |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Kerala State Beverages (Manufacturing and Marketing) Corporation</td>
</tr>
<tr>
<td>3.</td>
<td>Abkari Act</td>
</tr>
<tr>
<td>4.</td>
<td>Narcotic Drugs and Psychotropic Substances Act</td>
</tr>
<tr>
<td>5.</td>
<td>Medicinal and Toilet Preparations (Excise Duties) Act</td>
</tr>
<tr>
<td>6.</td>
<td>Prohibition Act</td>
</tr>
<tr>
<td><strong>H  Kuries, Chitties and Money lending</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Kerala State Financial Enterprise Ltd</td>
</tr>
<tr>
<td>2.</td>
<td>Money Lender’s Act</td>
</tr>
<tr>
<td>3.</td>
<td>Non-Banking Finance Companies</td>
</tr>
<tr>
<td>4.</td>
<td>Indian Partnership Act</td>
</tr>
<tr>
<td>5.</td>
<td>Non-trading Companies Act</td>
</tr>
<tr>
<td><strong>I  Lotteries</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>State Lotteries Department</td>
</tr>
<tr>
<td>2.</td>
<td>All matters relating to Lotteries</td>
</tr>
<tr>
<td><strong>J  Stamps &amp; Registration</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Registration Department</td>
</tr>
<tr>
<td>2.</td>
<td>Stamp Depot</td>
</tr>
<tr>
<td>3.</td>
<td>Indian Registration Act</td>
</tr>
<tr>
<td>4.</td>
<td>Indian Stamp Act</td>
</tr>
<tr>
<td>5.</td>
<td>Kerala Stamp Act</td>
</tr>
<tr>
<td>6.</td>
<td>Transfer of Property Act</td>
</tr>
<tr>
<td><strong>K  Food and Civil Supplies</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>All matters relating to the Department of Civil Supplies</td>
</tr>
<tr>
<td>2.</td>
<td>Kerala State Civil Supplies Corporation</td>
</tr>
<tr>
<td>3.</td>
<td>Running of Fair Price Shops-Appointment of Wholesale and retail dealers in grains -FCC Societies</td>
</tr>
<tr>
<td>4.</td>
<td>Food Corporation of India</td>
</tr>
<tr>
<td>5.</td>
<td>Matters relating to procurement, storage and movement of food grains</td>
</tr>
<tr>
<td>6.</td>
<td>Ration Dealers Welfare Fund</td>
</tr>
<tr>
<td>7.</td>
<td>Essential Commodities Act and Rules and licensing and control orders relating to food grains, sugar and kerosene</td>
</tr>
<tr>
<td>8.</td>
<td>Licensing of rice mills</td>
</tr>
<tr>
<td>9.</td>
<td>Price control, price stabilisation schemes and statutory rationing</td>
</tr>
<tr>
<td>10.</td>
<td>Matters relating to restriction and movement of food items</td>
</tr>
<tr>
<td>11.</td>
<td>Textile control - Statutory control on production, distribution and price of popular varieties of cloth</td>
</tr>
<tr>
<td>12.</td>
<td>State Food Advisory Committees</td>
</tr>
<tr>
<td>13.</td>
<td>Consumer Protection Act and all matters related to consumer protection</td>
</tr>
</tbody>
</table>
### 15. TRANSPORT DEPARTMENT

<table>
<thead>
<tr>
<th>TRANSPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> Motor Vehicles</td>
</tr>
<tr>
<td>1. Administration of Motor Vehicles Department</td>
</tr>
<tr>
<td>2. Kerala State Road Transport Corporation</td>
</tr>
<tr>
<td>3. State Water Transport Department</td>
</tr>
<tr>
<td>4. Kerala Transport Development Finance Corporation Limited</td>
</tr>
<tr>
<td>5. Motor Vehicles Act and Rules</td>
</tr>
<tr>
<td>6. Kerala Motor Vehicles Taxation Act and Rules</td>
</tr>
<tr>
<td>7. Road Transport Corporation Act and Rules</td>
</tr>
<tr>
<td><strong>B</strong> Matters connected with Posts and Telecommunication Department</td>
</tr>
<tr>
<td>8. Matters connected with Railways</td>
</tr>
<tr>
<td>9. Matters connected with Civil Aviation</td>
</tr>
</tbody>
</table>

**B COASTAL SHIPPING AND INLAND NAVIGATION**

| **B** Coastal Shipping and Inland Navigation |
| 1. Administration of Inland Water Transport Department |
| 2. Kerala Shipping and Inland Navigation Corporation Ltd |
| **C** Inland Navigation (Construction of water ways) |
| 3. Development of Coastal Shipping and all related activities |

**C PORTS**

| **C** Ports |
| 1. Administration of Port Department including Hydrographic Survey Wing and institutions thereunder |
| 2. Administration of Harbour Engineering Department and Institutions thereunder |
| 3. Development of minor and intermediate Ports including dredging |
| 4. Cochin Port Trust |
| 5. Kochi Shipyard |
| 6. Administration of Indian Ports Act |
ANNEXURE V

PROPOSED DELEGATION OF ADDITIONAL POWERS TO THE OFFICERS OF THE SECRETARIAT

(vide Rule 22 of the Rules of Business)

A. Permanent Delegation

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Subject</th>
<th>Level at which final orders are to be passed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Inspection Reports of the Accountant General relating to various offices under the administrative control of the department.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>2.</td>
<td>Audit Reports and PAC Reports</td>
<td>Secretary</td>
</tr>
<tr>
<td>3.</td>
<td>Budget papers on Non-Plan schemes and Re-appropriation demand etc. as per rules in the Budget Manual</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>4.</td>
<td>Deputation of officers on foreign service and for conference, seminars and training courses within the country according to Rules.</td>
<td>Secretary</td>
</tr>
<tr>
<td>5.</td>
<td>Cases regarding grant of all kinds of leave including Leave Without Allowances for taking up employment.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>6.</td>
<td>Sanctioning of non-refundable advance as per P.F Rules.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>7.</td>
<td>Cases regarding fixation of pay / revision of option / grant of arrears as per rules where Finance Department has agreed.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>8.</td>
<td>Proposals for continuance of posts with the concurrence of Finance Department.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>9.</td>
<td>Proposals for making posts permanent as per rules.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>10.</td>
<td>Revival/Shifting/Diversion of posts as per delegation and concurrence of Finance Department.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>11.</td>
<td>Write off of irrecoverable amounts provided the case does not disclose any defect of system or rules,</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td></td>
<td>upto Rs. 10,000/-</td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td>upto Rs. 25,000/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>upto Rs. 50,000/-</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Proposals regarding construction of buildings where no specific provisions are available and where expenditure does not constitute New Service, with the concurrence of Finance Department wherever necessary.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
<tr>
<td>13.</td>
<td>Transfer of land belonging to the department.</td>
<td>Secretary</td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
<td>Responsible Officer</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>14</td>
<td>Recommendations of the Subject Committee</td>
<td>Secretary</td>
</tr>
<tr>
<td>15</td>
<td>Acceptance of tenders</td>
<td>Secretary</td>
</tr>
<tr>
<td>16</td>
<td>Papers relating to Estimates Committee / Subordinate Legislation</td>
<td>Secretary</td>
</tr>
<tr>
<td>17</td>
<td>Papers received from Petitions Committee and other committees of the Legislature.</td>
<td>Secretary</td>
</tr>
<tr>
<td>18</td>
<td>Installation of telephones with the concurrence of Finance Department</td>
<td>Secretary</td>
</tr>
<tr>
<td>19</td>
<td>Hiring of accommodation as per rules.</td>
<td>Secretary</td>
</tr>
<tr>
<td>20</td>
<td>Payment of rent for buildings as per rules.</td>
<td>Joint Secretary/Additional Secretary</td>
</tr>
</tbody>
</table>

N.B: Wherever the Rules of Business, standing instructions etc. require the circulation of files to the Chief Secretary, Ministers, Chief Minister and Council of Ministers, the procedure prescribed in the relevant rules / standing instructions shall be followed.

**B. Temporary Delegation.**

Temporary delegation shall be made as required by the Minister concerned under Rule 22 of the Rules of Business.
### ANNEXURE VI

**LIST OF DEPARTMENTS**

TO WHICH EXCHANGE PROGRAMME FOR OFFICERS OF THE SECRETARIAT AND FIELD DEPARTMENTS IS PROPOSED

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agricultural Income Tax and Sales Tax</td>
</tr>
<tr>
<td>2.</td>
<td>Civil Supplies</td>
</tr>
<tr>
<td>3.</td>
<td>Co-Operation</td>
</tr>
<tr>
<td>4.</td>
<td>Cultural Publications</td>
</tr>
<tr>
<td>5.</td>
<td>Entrance Examinations Commissionerate</td>
</tr>
<tr>
<td>6.</td>
<td>Industries and Commerce</td>
</tr>
<tr>
<td>7.</td>
<td>Labour</td>
</tr>
<tr>
<td>8.</td>
<td>Land Board</td>
</tr>
<tr>
<td>9.</td>
<td>Land Revenue</td>
</tr>
<tr>
<td>10.</td>
<td>Local Fund Audit</td>
</tr>
<tr>
<td>11.</td>
<td>Municipal Administration</td>
</tr>
<tr>
<td>12.</td>
<td>National Employment Service</td>
</tr>
<tr>
<td>13.</td>
<td>National Savings</td>
</tr>
<tr>
<td>14.</td>
<td>Panchayats</td>
</tr>
<tr>
<td>15.</td>
<td>Registration</td>
</tr>
<tr>
<td>16.</td>
<td>Rural Development</td>
</tr>
<tr>
<td>17.</td>
<td>Sainik Welfare</td>
</tr>
<tr>
<td>18.</td>
<td>Scheduled Caste Development</td>
</tr>
<tr>
<td>19.</td>
<td>Scheduled Tribe Development</td>
</tr>
<tr>
<td>20.</td>
<td>Secretariat - Administrative</td>
</tr>
<tr>
<td>21.</td>
<td>Secretariat - Finance</td>
</tr>
<tr>
<td>22.</td>
<td>Social Welfare</td>
</tr>
<tr>
<td>23.</td>
<td>State Insurance</td>
</tr>
<tr>
<td>24.</td>
<td>State Lotteries</td>
</tr>
<tr>
<td>25.</td>
<td>Stationery</td>
</tr>
<tr>
<td>26.</td>
<td>Survey and Land Records</td>
</tr>
<tr>
<td>27.</td>
<td>Tourism</td>
</tr>
<tr>
<td>28.</td>
<td>Treasuries</td>
</tr>
</tbody>
</table>
FIFTEENTH & FINAL REPORT OF THE
KERALA ADMINISTRATIVE REFORMS COMMITTEE

REPORT ON
REFORMING THE GOVERNMENT – AN OVERVIEW

Thiruvananthapuram
May 2001
1.1.1. The Third Administrative Reforms Committee of Kerala was set up in May 1997. The terms of reference of this Committee are recapitulated below:

"(i) To review the working of the Administrative Machinery in the State and the systems and procedures under which it functions with a view to assess their adequacy and suitability for a democratic Government in a welfare State responsive to the needs and aspirations of the people, in particular the backward and weaker sections of the society.

(ii) In the light of the above, to suggest measures calculated to improve the efficiency of the administrative machinery to enable it to cope with the developmental activities in a welfare State.

(iii) To suggest measures including changes in the hierarchical setup for the co-ordination of the activities of the different Government departments and the Panchayat Raj and Nagarpalika Institutions and for the avoidance of overlapping in such activities.

(iv) To suggest measures for the further decentralisation of the power at various levels so as to ensure expeditious despatch of business in all public offices including local bodies and maximum satisfaction to the public."
Reforming the Government – An Overview

(v) To suggest measures to eliminate delays, lethargy, corruption and nepotism in the Administration and to make it result oriented.

(vi) To suggest measures to cut unnecessary and avoidable paper work and for using modern management techniques in administration.

(vii) Generally to make any other recommendation arising from the above matters or incidental to them or considered necessary or appropriate to the Committee.”

1.1.2. The spirit behind the TOR was to overhaul the functioning of the Government to make it more responsive and efficient and get rid of the traditional deficiencies of a bureaucratic system like delay, lack of responsiveness and corruption. The TOR implied a focus on results rather than procedures and suggests a shift to a participatory system of governance from the benevolent, welfarist top-down approach. The developmental state is to continue in a form and manner suited to the times using current technologies and techniques to be responsive to the people.

1.1.3. The KARC set about the task of identifying the problems and formulating its recommendations keeping in mind the vision behind the TOR. It has proceeded on the assumption that fundamental administrative reforms would constitute the next step after the radical decentralisation brought in by the Government. If one were to go by the textbook, reforms should have either preceded the decentralisation or accompanied it; but the State has followed a unique methodology in decentralisation. Through a series of reversals of conventional administrative logic, the State devolved very critical developmental functions to the local governments and enabled them through transfer of human and financial resources and empowered them to utilise these resources with considerable autonomy. In fact the capacity building and institutionalisation followed the comprehensive devolution through a process of learning by doing. In a sense decentralisation can be seen as the first entry point and the first step for major reforms in government. The philosophy of decentralisation and its
practice for the last few years has challenged various procedures and systems hitherto considered sacrosanct and have forcefully pointed to the need for innovative changes in the way government functions.

1.1.4. The KARC has attempted to respond to the process in a creative way by keenly observing the ground situation and consulting all the stakeholders both in identifying the problems to be tackled and in giving shape to suggestions and recommendations. As the first step KARC developed a vision of responsive government. The salient features of the vision as outlined in its very first Report are restated below:

"1.4.2. A people centred form of governance is to be aimed at. To quote Gandhiji:

"Independence must begin at the bottom. . . . In this structure composed of innumerable villages there will be ever-widening, never ascending circles. Life will not be a pyramid with the apex sustained by the bottom. But it will be an oceanic circle whose centre will be the individual always ready to perish for the village, the latter ready to perish for the circle of villages, till at least the whole becomes one life composed of individuals never aggressive in their arrogance but ever humble, sharing the majesty of the oceanic circle of which they are integral units.

Therefore, the outermost circumference will not wield power to crush the inner circle but give strength to all within and derive its own from the centre. . . . . . . . . Let India live for this true picture, though never realizable in its completeness. We must have proper picture of what we want before we can have something approaching it. If there ever is to be a republic of every village in India, then I claim verity for my picture in which the last is equal to the first, or in other words, none is to be the first and none the last. . . . ."

1.4.3. Government at all levels has to give utmost importance to the citizens, and the common man in particular. The Government has to be responsive to the needs of the ordinary man and has to change the systems for faster satisfaction of his needs. To make Government
people-friendly, a lot of demystification is required, and a situation where there is a lot of transparency and where information flows freely is required. There needs to be more opportunities for interaction with the people through formal and informal consultations, so that administration can reach out to the people.

1.4.4. Decentralised governance resulting in the creation of vibrant Local self-governments with clear functional domains, and the power, authority and resources to discharge the assigned functions autonomously, is most conducive for genuine people’s participation. The local self-governments should not only give people the voice, but hand over the power of choice as well to them, in order to enable people to have the development they need and they want. Grama Sabhas and Ward Committees should blossom into dynamic fora of direct, face-to-face democracy. Accordingly, the system of governance at various levels has to be radically restructured to further participatory development.

1.4.5. Administration has to become more efficient for which greater professionalism is called for which can be achieved through constant training and through scientific methods of performance assessment. If merit were given the central place, it would enhance efficiency and bring out the best in public servants. Modern methods of management would improve efficiency; use of modern technology can definitely increase output per unit.

1.4.6. The administration has also to be effective in achieving the objectives for which it exists. This calls for role clarity and clear definition of responsibility. Convergence of services is a must to achieve synergy in the delivery of public services. Similarly, a higher delegation of administrative and financial powers accompanied by a reduction in the number of levels in the decision making process would help in making the administrative system more effective.

1.4.7. There is need for greater accountability to the people. This can be best achieved by creation of systems and institutions facilitating people’s participation. There is every need to control arbitrary
behaviour in government and define discretion. Corruption, nepotism, wastage and delays are antithetical to a people-centered system of government and need to be combated marshalling all the resources available, administrative, legal, institutional, social and political.

1.4.8. The Committee has vision of a simple and rational administrative system which is understood by all the actors and which is capable of rising up to the expectations of everyone. A good working environment can go a long way in installing pride and satisfaction among public servants in discharging their duties. Contented and motivated public servants can serve the people better.

1.4.9. There is a heavy cost in running government and there has to be a constant assessment of costs and returns. Society has to get the value for the money it spends on administration. A cost-conscious and cost-effective administrative machinery is essential.

1.4.10. In order to attain this vision, one time reform alone should not be sufficient. There has to be a dynamic process with constant refining and redefining.”

1.1.5. At the beginning, the Committee envisaged a three-stage process in reform. The first stage consisting of simple, easy to implement correctives, the second stage consisting of more fundamental changes in procedures, systems, and institutions and the third and final stage involving changes in the legislative framework. Accordingly, the Committee went about formulating its recommendations after wide consultations with officials, elected representatives, the public, experts in the field, detailed analysis of documents and literature and field study of the leading ‘reform’ States. Thus fourteen Reports have been submitted so far and this is the fifteenth and final one. The reports submitted are:

1. FIRST REPORT ON CITIZENS CHARTER, GRIEVANCE REDRESSAL, TRANSPARENCY AND RIGHT TO INFORMATION.

2. SECOND REPORT ON MONITORING OF MOVEMENT OF FILES AND ATTENDANCE.
3. THIRD REPORT ON FINANCIAL REFORMS.
4. FOURTH REPORT ON PERSONNEL REFORMS – PART I
5. FIFTH REPORT ON DEPARTMENT SPECIFIC ADMINISTRATIVE REFORMS (GROUPS I & II).
6. SIXTH REPORT ON SALARY AND OTHER ENTITLEMENTS OF GAZETTED OFFICERS – SIMPLIFICATION OF PROCEDURES.
7. SEVENTH REPORT ON SETTING UP OF A LAW COMMISSION FOR KERALA STATE.
8. EIGHTH REPORT ON DEPARTMENT SPECIFIC ADMINISTRATIVE REFORMS GROUP III (WELFARE DEPARTMENTS)
9. NINTH REPORT ON PERSONNEL REFORMS PART II
10. TENTH REPORT ON HEALTH SERVICES DELIVERY
11. ELEVENTH REPORT ON INTERFACE BETWEEN GOVERNMENT AND PUBLIC SECTOR UNITS
12. TWELFTH REPORT ON EXECUTION OF PUBLIC WORKS
13. THIRTEENTH REPORT ON DECENTRALISATION INITIATIVES IN KERALA – INSTITUTIONALISATION ISSUES.
14. FOURTEENTH REPORT ON SECRETARIAT REFORMS.

1.1.6. The experience of the Committee in preparing its reports and its observation and understanding of the process of administrative reform have given it a more holistic understanding and a new vision of administrative reforms. It is this, which has prompted it to write this Report to top the fourteen reports and present an organic macro view, covering the key issues.

1.1.7 Rather than dwelling on specific recommendations the attempt is more to capture the totality and provide a kind of philosophic and conceptual guidance. The canvas is large and the strokes of the brush are broad and bold to get the macro picture. The Committee feels that unless the totality is grasped the policy push required for reforms may not be possible. Only total understanding can lead to
total commitment. Only then individual activities and small steps would have meaning. The bird's eye view will help understand the worm's eye view better.

1.2. THE STRUCTURE OF THE FINAL REPORT

1.2.1. The final report is structured in eight chapters. This first chapter gives the general introduction and explains the rationale of the report. The next two chapters give the perspective of the Committee on the changing role of government and Civil Service. The fourth chapter addresses a variety of general issues relevant to government efficiency. The fifth chapter suggests certain mechanisms for people's participation in governance. The sixth and seventh chapters deal with ethics and control of corruption respectively. The Report concludes with the eighth chapter suggesting how the reform process could be taken ahead.
CHAPTER 2

THE ROLE OF GOVERNMENT

2.1.1. For more than a decade now, there has been a serious debate on the role of government. Since various interests are involved it is very difficult to get an objective scientific conclusion. The issue of the role of government involves ideology and belief and has been affected by the agenda set by globalization and liberalization.

2.1.2. KARC feels that there is a need for a practical assessment of what government can do and should do. Any such assessment has to take into account several factors some of which are listed below:

1) Several international organisations and agreements are emerging in areas, which were till recently integral part of the sovereignty of nations and governments.

2) 50 years of expanding government taking on diverse functions have brought to fore the areas of strength and weakness of governmental activity.

3) Nearly two decades of indulging in privatisation by welfare States like United Kingdom have shown that there are several areas where governmental presence and action can never be substituted.

4) Beyond administering the laws of the land in exercise of the regulatory function in a country like India, the Government has perforce to take up several development functions particularly in providing the infrastructure and basic minimum needs including health, education, social security and
food security. In the context of persistent poverty and growing inequality, the Government cannot but involve itself to bring about equity.

5) Arguments about the role and relevance of Government pale into insignificance in the context of the tremendous financial crisis, which governments have been undergoing. Government needs resources to carry out its functions and it cannot generate them. It will be forced to reduce its presence even in needed areas and go for a kind of prioritization.

2.1.3. In the context of a State like Kerala, the question is less about the role of government but more about the mode of its functioning. Even here whether Government should directly provide all services and if so at what cost and if not which are the services government has to provide directly and which are the ones it has to facilitate - these questions need to be viewed from the point of view of both public interest and efficiency.

2.1.4. Regarding the role of Government, KARC would like to make suggestive rather than prescriptive recommendations and it has to be admitted that they are circumscribed by practical limitations rather than conditioned by social ideals. Also, it has to be remembered that if the State gets a human face, reaches out to the people, enables the community to participate in development; provides for more and more social control in use of resources as well as in management of assets and institutions, the importance and legitimacy of government increases, even while it does not expand in size or directly perform all activities. The ultimate success of a Government depends on its capacity to provide rapid equitable development and greater participation to all its citizens in as many walks of life as possible.
2.1.5. Against this background the broad suggestions of KARC are:

1) The Government should tone up its regulatory role both economic and social, with special focus on taxation, policing and maintenance of standards and quality.

2) Government has to protect the natural resources.

3) The Government has to directly provide the basic minimum needs and services to the people who are poor and here poverty means relative poverty, i.e. people who are below the medium level of income. In the event of shortage of funds the poorest should come first.

4) Government has to create jobs rather than provide jobs and for this high quality human resource development accompanied by a policy facilitating economic growth would be required – and careful planning can ensure pro-poor growth.

5) The Government should be responsible for creation of physical infrastructure.

6) The Government should protect the vulnerable and disadvantaged sections of the society in times of need.

7) In the case of public sector, viability of existing PSUs should be the major concern and new investment should be limited to absolutely essential strategic sectors.

2.1.6. In the short run till such time, the resources of government are limited, severe rationing is recommended with only the poor getting services free or below cost; what is required is cross subsidies and not subsidies.

2.1.7. The focus of attention should be more on how a Government functions rather than on what it does. KARC believes that with efficient and effective functioning Government can reflect popular aspirations and expand their role gradually in future. This should emerge out of democratic social consent convinced about government capabilities and the desirability of its involvement.
CHAPTER 3

THE CHANGING ROLE OF CIVIL SERVANTS.

3.1.1. Public Administration came of age in the 20th century and the rational/legal authority system enshrined in a merit-based bureaucracy whose theoretical basis can be seen in the six principles set out by Max Weber. They are:

"1. The principle of fixed and official jurisdictional areas, which are generally ordered by rules, that is by laws or administrative regulations.

2. The principles of office hierarchy and of levels of graded authority mean a firmly ordered system of super – and sub-ordination in which there is a supervision of the lower offices by the higher ones.

3. The management of the modern office is based upon written documents ("the files"); which are preserved. The body of officials actively engaged in 'public' office, along with the respective apparatus of material implements and the files, make up a 'bureau'... In general, bureaucracy segregates official activity as something distinct from the sphere of private life.... Public monies and equipment are divorced from the private property of the official......

4. Office management, at least all specialized office management – and such management is distinctly modern – usually presupposes thorough and expert training....

5. When the office is fully developed, official activity demands the full working capacity of the official. ... Formerly, in all cases, the normal state of affairs was reversed: official business was discharged as a secondary activity.
2. The management of the office follows general rules, which are more or
less stable, more or less exhaustive, and which can be learned:
Knowledge of these rules represents a special technical learning, which
the officials possess. It involves jurisprudence, or administrative or
business management.\(^{\text{5}}\)

3.1.2 In this conceptualization the individual officer has a critical role to play. This
system which more or less was fully formed in the first quarter of the 20\(^{\text{th}}\)
century gradually came under the influence of management theories which were
evoluted in the context of private sector functioning.

3.1.3 Now the system has come under stress due to several reasons, the important of
which are enumerated below:

(i) The model of separating politics and administration has not proved
very effective in practice, as politics and administration are necessarily
interlinked. The nature of the administrative system can certainly
influence the policies of the political system. In fact the operational
instructions and orders prepared by the civil servants considerably
affect the translation of policy into practice. Actually Governments are
judged not based on their policies but on the process of policy
implementation, which affects individuals.

(ii) Formal bureaucracy has gradually become rigid, hierarchical, secretive,
and often irrational, seeking refuge in procedures. The accent has
been more on form than substance.

(iii) The rules and systems have not been able to keep up with the times
with the result they have become archaic and unsuitable to meet
current challenges.

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(iv) The self-expanding nature of bureaucracy has destroyed its inherent efficiency. It has promoted self-seeking rather than service to the nation. Thus bureaucracy is sometimes seen as a class looking after its interests.

(v) Newer forms of organisational theory suggest that flexible forms of organisations and networks are superior in efficiency than rigid hierarchical structures.

(vi) Traditional bureaucracy is more concerned with inputs and less with outputs and hardly with outcomes. This has given rise to the view that the bureaucratic system is not appropriate for development activities, which call for creativity and innovation.

3.1.4. Faced with various challenges arising from inherent defects there is need for bureaucracy to change. Some of the areas of change, which are visible all over the world, are:

(1) Minimising the procedure oriented public administration towards responsible, best result oriented public management.

(2) Changing from rigid structures to flexible ones with varied employment terms and conditions.

(3) Infusing professionalism and managerialism in work.

(4) Measuring achievement through performance indicators.

(5) Providing for outsourcing and contractual relationships.

3.1.5. Thus there is a shift from following of instructions to achievement of results. Unlike earlier days public servants have to become more responsible for
formulating strategies and operational plans. They have to have a flexible and
dynamic role in managing staff and controlling performance as well as in dealing
with external constituencies. There is a growing preference for competence and
quality in the new set-up.

3.1.6 In the changing scenario, newer forms of accountability have emerged with
focus on economy, efficiency and effectiveness and standards of service.
Traditionally there was internal accountability to line managers within the
department and external accountability to the Parliament, audit etc. Now there is
public accountability as well, which make officials answerable to the general
public through various participatory mechanisms as well as service delivery
innovations.

3.1.7 Implications of all these changes are far reaching but unfortunately the officials
in the State have not grasped these and even if some understanding is there,
there is no internalisation. It is clear that civil servants cannot continue in the
way they were functioning earlier. There is an urgent need to switch on to a
result oriented functioning. This calls for fundamental attitudinal changes as well
as adjustments in procedural systems.

3.1.8 KARC feels that unless the need to change is understood and the elements of
change are accepted and internalized nothing much can happen. Therefore
there has to be intense visioning exercises, which can be general in nature or
situation specific. Government may encourage such visioning exercises, have
elaborate consultations and come out with a policy statement on the nature
and quality of its public service. The Committee would like to emphasize that
just as attitudinal changes were brought into the bureaucratic system in the
early 50's when they were conditioned for development administration, a
similar concerted effort is required to transform the existing public
administration system into a public service system and this effort can only be
through high-quality capacity-building.
CHAPTER 4

GOVERNMENT FUNCTIONING –
A FEW ISSUES OF GENERAL IMPORTANCE

4.1.1. The KARC has dealt with various issues relating to the functioning of government in its earlier reports. In this chapter it proposes to deal with certain important general issues, which are very critical to the structure and functioning of government. The issues and recommendations are explained in the following paragraphs.

4.2.1. The Secretariat system: This is the most important apparatus in government functioning. In fact it performs the vital functions of policy formulation, translating it into laws and procedures, laying down standards, allocating resources and monitoring the functioning of government. It needs to be restated that in the present form the staff structure is not suited for the effective discharge of these functions. It is too much concerned with hierarchy, procedures and files and is slow moving and secretive. The secretariat system is fast becoming anachronistic in relating itself to the new challenges of government. There is need for greater expertise, higher professionalism, improved management methods and efficient systems and procedures.

4.2.2. KARC recommends that the clerk based hierarchical systems be gradually converted into professional task based units, reporting through generalist officers to the Ministers. This would involve mixing experts drawn from departments and other sources for reasonable tenures with specialists in public management. Only a minimum of secretariat support would be required. To start with a visioning exercise may be initiated involving the best talent in the State from various walks of life. Based on this the restructuring of the secretariat system can begin, to be implemented in phases. This could be achieved without harming the interest of existing employees some of whom can be retrained and reskilled and some of whom may be deployed to departments and local governments.
KARC envisages a network system with professional nodal points capable of reaching out to relevant data requirements, special services and best practices.

4.3.1. Minister-Secretary relationship: In the parliamentary democratic system based on the British model the most important aspect of government functioning is the relationship between the Minister and the Secretary. The Minister is the executive head and is responsible for everything in his department including things over which he has no direct control. It is this responsibility of the Minister to the legislature and through it to the people which is the hallmark of democratic control. As per tradition, the Secretary is a permanent civil servant, whereas the Minister is elected for a tenure. The Minister is a political personality whereas the Secretary is politically neutral. Also the Secretary is supposed to be anonymous and the face of the government is the Minister's. Thus three characteristics of permanence, neutrality and anonymity are again linked to the doctrine of ministerial responsibility.

4.3.2. The growing dichotomy between practical politics and administration and this concept of ministerial responsibility place considerable load on the relationship between the Minister and the Secretary. The strains placed by the demands of practical democracy have added on to the load, so much so there are several examples of mutual distrust emerging. The Minister often feels that the Secretary is a stumbling block in taking quick and effective decisions, which are a political priority as per the mandate received by the government. The Secretary feels that it is not the legitimate political activity but the partisan political considerations, which dominate and objects to the pressure to give the go by to rules and procedures. Another common complaint is that Ministers get caught up in trivial administrative matters like personnel placements and exercise of administrative discretion and thereby miss the wood for the trees. This often results in an awkwardly paradoxical situation where the Secretary has greater say in policy-making and the Minister has greater involvement in the routine running of the department.
4.3.3. The KARC feels that there is a need to bring back trust and mutual respect in this crucial relationship between the Minister and the Secretary. Right at the beginning of the Minister’s tenure the Minister should enter into a dialogue with the Secretary and the department and clearly state his requirements of policy and performance in the coming five years. The framework for implementation and the rules of the game could be clearly laid down at the beginning itself. The Secretary’s functional domain should be clearly marked out and his responsibility unambiguously laid down. The Secretary may be allowed to negotiate with the Minister on his requirements for carrying out his responsibility to attain the levels set by the Minister. It should be the Secretary’s responsibility to perform the task expected of him and he has to be evaluated accordingly. The Minister should monitor the work of the Secretary and guard against slippages. Such a system would ensure that the legitimate political priorities of the Government get translated into action without harming the professional integrity of the Secretary. This will bring greater loyalty to the Minister but it presupposes greater freedom of action to the Secretary within the boundaries set by the Minister, i.e. the Secretary would have considerable say in the placement of the staff using his best judgment according to commonly agreed norms so that the optimum efficiency can be attained in the functioning of the department.

4.3.4. The Committee also would like to reiterate the recommendation made by the Administrative Reforms Commission of India regarding the relationship between the Minister and the Secretary.

"(1) Ministers should not intervene in the day-to-day administration except in cases of grave injustice, serious default or maladministration on the part of civil servants. Where a citizen’s request for complaint calls for revisions of a rule, procedure or policy, it should be met by effecting such revision, and not by relaxing the rules to accommodate an individual case.

Secretaries and other civil servants need to show greater sensitivity to and a better appreciation of the Minister’s difficulties, and to discriminate between minor adjustments on the one hand, and acts of
political and other forms of accommodation compromising basic principles or likely to have substantial or lasting repercussions in efficiency and morale of the services, on the other.

(2) The official relationship of the Secretary to the Minister should be one of loyalty and that of the Minister to the Secretary one of confidence.

(3) All major decisions with reasons therefor should be briefly reduced to writing, particularly where the policy of Government is not clear or where some important departure from the policy is involved or where the Minister differs from the Secretary on an important issue."

4.4.1. The Departments: Below the Secretariat are the departments which are expected to function as executive agencies implementing programmes and performing other functions assigned to them by government. Over the years, heads of department have become relatively weak both in their administrative control and professional standing vis-à-vis the State Government. Through an insidious process too many powers have gone up to the Secretariat with the result that the departments end up as supplicants and the Secretariat as the final arbiter. This has taken professional control out of the people who know the subject and who know the field conditions. It has also diluted the responsibility system at lower levels.

4.4.2. A related problem is the setting up of several societies as well as other autonomous organisations statutory and non-statutory performing functions, which are in the domain of departments. Examples include, SC/ST Development Corporation, Women Development Corporation, Artisans Development Corporation, Welfare Fund Boards and so on. Technically these agencies come under the direct control of government, which implies that they become parallel bodies to departments.
4.4.3. In this context KARC would give the following suggestions:

(1) The head of department should be responsible for co-ordination with agencies performing the functions of the Department.

(2) In all development departments in matters dealing with developmental programmes as well as technical issues, the head of department should function as ex-officio Additional Secretary to Government enabling him to route files directly to the Secretary or through the Secretary to the Minister.

(3) The administrative powers of the heads of department should not be interfered with. Government should act only as an appellate authority in the case of transfers and postings, which are to be done by the heads of department.

(4) Just as enterprise groups have been recommended for public sector for similar type of public sector units, Co-ordination Committees of functionally similar departments may be set up to achieve synergies in implementation of programmes.

4.5.1. District Administration: The District Administration system is very strong in the Indian context. With decentralisation, bulk of the development administration has passed on to the local governments, though there are departments and agencies carrying out developmental activities on behalf of the State at the district level. It is the regulatory administration, which is the real face of the state as far as the ordinary citizen is concerned. An efficient regulatory administration is a necessary pre-condition for good development administration. But this aspect of governance often gets neglected. At present regulatory administration at the district level suffers from want of co-ordination, which has weakened it to the point of ineffectiveness. Its toning up is required if the government is to be seen as functioning and effective.
4.5.2. In order to strengthen district administration the following recommendations are made.

i. The Government should strongly take up with the Government of India to amend the Indian Constitution to facilitate States to have either District Panchayats or District Councils covering both rural and urban areas. This will unify development administration at the district level.

ii. Now that bulk of the development functions have been taken away from the District collector and given to the local governments, it is necessary to utilise the traditional strength of the Collector. The Collector should be made the formal head of the regulatory administration in the district. Already as District Magistrate, he is in charge of law and order as per the Kerala Police Act. Similarly the Collector should be made Joint Commissioners of Excise and Commercial Taxes' departments. This would enable the Collector to directly utilise the strength of his position to improve revenue collection.

4.6.1. Role of the IAS: Though the Indian Administrative Service is considered as the steel frame of the Indian administration its strong points are not being fully put to use in Government. There is no proper career planning for IAS Officers. After completing the sub-division posting, a good number of them go as Chief Executives of PSUs. Later they continue in this line or move on to become heads of department. This has resulted in a situation where IAS officers become Secretaries to Government without ever having worked in any capacity in the Secretariat earlier.

4.6.2. The KARC would make the following recommendations regarding the career planning of IAS Officers:

(1) All IAS Officers should have at least seven years of field postings, consisting of one year in the sub-division, three years as
the Secretary of the District Panchayat and three years as District Collector.

(2) In between the posting as Secretary, District Panchayat and District Collector there should be a gap of about five years of which at least three years should be spent in the Secretariat in Finance, Planning, Local Self Government or Health Departments.

(3) IAS Officers should be encouraged to specialize in various development fields. Their postings should as far as possible bear some relationship with their specialization.

4.7.1. Policy Making: Public policy making in India is opaque and often ad hoc. There are certain structural problems about policy making. Essentially policy making is more a political process than a technical one. But since policy has to be translated into action for the purpose of Government it would have a technical component. In a democratic set up the nucleus of policy is formed at the level of the ruling party or it can come as a suggestion from below which get accepted by the political set up. Thus the starting point of the policy making process can be traced to discussions regarding resolution of an issue which is political or which can be resolved in a politically acceptable manner. The basic typology of issues would be:-

(i) Ideological issues, which are defined by the political parties and later influenced by the media.

(ii) Issues of public concern arising out of a feeling that some thing has gone wrong and needs reform. They could arise from a protest group or a media campaign.
(iii) Event-led issues, which are suddenly thrust on the body politic by local or external events.

(iv) Issues arising out of experience which are often brought up by civil servants themselves.

4.7.2. Policy making is a very complex issue and would involve reconciliation of various interests and withstanding of pressures from various groups. It can get blocked at any stage due to ideological or pragmatic reasons. Also, policy making tends to get neglected when government is pre-occupied with day-to-day issues. But clear coherent policy can go a long way in making government efficient.

4.7.3. Considering the importance of the process of policymaking, KARC recommends as follows:

1. As far as possible policy statements should be prepared on important issues particularly, resource mobilization, economy in expenditure, decentralisation, industrialization, natural resource management, health, education, poverty, development of disadvantaged groups and social security.

2. Taking cue from the British system, government may prepare consultative documents before a policy is finalised. These are called Green Papers and they could be circulated to the people concerned and be made available to the general public for feedback. These could be followed up with more precise expressions of intent in the form of White Papers.

3. Within the government policy networks may be created by bringing together interested groups within departments and agencies as well as non-government organisations and experts.

4. In order to get the involvement of the people in policy making it is suggested that Deliberations Councils on the lines of those in Japan may be set up to discuss trends, exchange information, generate ideas and produce blue prints for public policy. Background notes to such Council meetings should be prepared by expert groups. The Council
should consist of all stakeholders and experts. This will help formulate policy in a transparent and collaborative manner, which would help in their future implementation. Since interested groups and officials interact closely in these councils, their repeated interactions facilitate positive future relationships at the implementation stage.

4.8.1. Decision making: At present, decision making in government at all levels is heavily dependent on the clerical system. In reality it is the clerk who decides which file should be acted upon and which issue should get the first attention. This is not conducive to efficiency. The problem is made worse by the files traversing through vertical hierarchies as well as horizontal consultation routes. Lack of proper information further compounds this problem. Since, ultimately every issue is dealt with in a file, processing of files acquires special relevance.

4.8.2. Therefore KARC would recommend certain basic reforms in this area and they are:

1. In the case of development programmes and technical matters a single file system should be introduced between heads of department and the Secretariat.

2. The Desk Officer system should be introduced in phases in all offices within a period of two years. The present sections can be abolished and the Section Officer or Under Secretary level officer may be designated as the Desk Officer who would be assisted by the clerks and stenos. The Desk Officers should be given clear functions. Proper training is required to make it really officer oriented.

3. Between the Desk Officer and the deciding authority there should be only one stage of processing.

4. Special training is required for Desk Officers. They should have a tenure of at least three years.

5. All existing Government orders and instructions and available data should be indexed and computerized and made available for reference. This should become a continuous system.
CHAPTER 5

TOWARDS MORE DEMOCRATIC FUNCTIONING.

5.1.1. The KARC believes that to cure the ills of democracy more democracy is the only way. Fortunately, Kerala has traditionally been a place known for its mass mobilization, public action and responsive governments. The administrative system of Kerala has always afforded opportunities for the participation of various interest groups. These include administrative innovations like Industrial Relation Committees (IRC) for practically every industry, Tourism Promotion Councils and so on. The participatory mode of functioning has received a tremendous boost with the decentralisation initiatives of the State. In fact the cornerstone of decentralisation in Kerala is people's participation. What the State is aiming to achieve through decentralisation is not just creation of local governments but empowering the people through local governments; in fact power flows to the people through the medium of local governments.

5.1.2. Yet in spite of various structures and systems for people to involve in different facets of governance, Kerala still faces problems due to strong differences of opinion resulting in conflicts, a good number of them political in nature. At the same time there seems to be a strong cultural preference for debates and discussions and conciliatory negotiations. So there is every possibility of utilising this comparative advantage of the State to tackle one of its major disadvantages. Already the democratic decentralisation exercise has set up several fora for people's participation like Grama Sabhas and Ward Sabhas, Task Forces in local governments, annual Development Seminars, Community Development Societies, the State Development Council and so on, but many of them have tended to become debating bodies or demand raising fora. There is a general feeling that Kerala has to move from public action of confrontation to public action of cooperation, consensus and construction. For this to happen newer forms of participatory organisation aiming at identification of different viewpoints, discussion of the pros and cons and finalisation of areas of consensus need to be
created. Drawing from international innovations in democratic practice, KARC would recommend trying out some of the following, according to the situation on ground:

i) **Citizens' Juries.** This is an American concept. It brings together a group of representative citizens to consider an issue in depth for a period of three to five days during which period they receive evidence, written and oral, examine witnesses and discuss the issue thoroughly before arriving at a conclusion which is presented in the form of a report. These Juries enable concerned citizens with differing kinds of expertise to analyse an issue and come to a conclusion, which can help a rounded appreciation of it. Since it requires only a short time commitment it has possibilities of participation from a wide cross section.

Typically a Jury could contain 10 to 20 members having balance of gender, age and occupation. To avoid bias, it is necessary to give representation to various points of view. Juries normally have clear procedure for examining witnesses, calling for expert assistance, perusing documents and so on.

ii) **Planning Cells.** This is a German system akin to the Citizens Jury. It aims at involving the stakeholders, experts and citizens in the planning process based on their experience and expertise. The logic behind involving the three groups is simple; since stakeholders have an interest, they will be fully involved in bringing out all the issues involved, experts provide the technical input and citizens are the neutral observers who can be either the victims or the beneficiaries of the planning measure. A three-step process is followed. In the first step the stakeholders identify their criteria and objectives for evaluating various options of the planning issue. In the second step experts identify the impacts of the various options. Acting as Group Delphi, experts are divided in small groups. Later they compare their judgments and try to arrive at a

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*Many ideas have been drawn from the Occasional papers of John Stewart, University of Birmingham on the subject.*
consensus. In the third and final step, Citizens panels are asked to determine the relevant values, criteria and indicators for decisions and come out with their consensus conclusions.

iii) **Standing Citizens' Panels.** These panels consisting of 10 to 25 members function more or less on the lines of the Citizen's Juries but they are Standing Committees. They could be used as sounding boards by a department, agency or local authority. In case full-time deliberative panels cannot be formed a variant version called Talk-Back panels consisting of people who respond to questionnaires periodically can be set up.

iv) **Deliberative opinion polls.** This has been tried out in the United Kingdom. Essentially a representative sample of the population to be covered is taken after a baseline survey. They are called to a single place and exposed to various facets of the matter in question. They are given the opportunities to understand the issue in full and have the freedom to discuss and deliberate. Thereafter an opinion poll is conducted.

v) **Visioning.** This can be done in small communities, especially Village Panchayats and Neighbourhoods in urban areas. It is more an approach and can be developed through meetings designed to get a collective opinion on how a service system, institution or even an area should be after a particular period of time.

vi) **Round Tables.** This was developed in Canada to bring together groups of interested parties and stakeholders to discuss various issues on a continuing basis. All members participate on an equal basis.

vii) **Public Hearing.** This is a form of explaining to the public various aspects of a proposed development project enabling the public to air their concerns and get clarifications. This will help the public to be informed of the implications of a development project and help government to prepare mitigative measures to address the concerns and fears of the public.
viii) **People's Hearings.** This is a model developed by the MKSS in Rajasthan called JAN SUNWAI. It is a post facto social audit of development expenditure by the community. Typically the community is given all the details of a proposed work and after completion, details of expenditure, materials used, labour employed etc., are also given. This then has to be validated in a public meeting and if deficiencies are pointed out rectification would be required.

ix) **Public scrutiny panels.** Representative panels of citizens are invited to review the quality of services rendered to them by departments or local governments. Feedback from them is obtained in a semi-structured manner and consolidated.

x) **Issue Forums.** These fora have been developed in USA to enhance the quality of public judgment. People are encouraged to come together based on their interest in an issue. A moderator explains various aspects of the issues and the people analyse and discuss and come to a conclusion.

5.1.3. The above-mentioned list is only suggestive. They should be seen as democratic systems for consultation. Broad guidelines on such participatory arrangements could be laid down and various departments, agencies and local governments encouraged setting them up for different purposes. But enough safeguards should be built in to ensure that they are not manipulated or pre-conditioned. They should be seen as vehicles for broadening the interface between the government and the citizen. They would help in citizens becoming more aware of governmental activity and the government becoming more responsible to public concerns.
CHAPTER 6

ETHICS IN GOVERNMENT

6.1.1. KARC feels that a discussion on ethics is relevant in the context of any attempt to introduce administrative reforms. Reforms aiming at efficiency and effectiveness would have only short-term impact unless they are integrated with a concern for maintenance of ethical standards in public administration. Governments are valued not for what they do but what for they stand for and what they are. Ultimately governmental organisations and structures should embody in them key values and such key values cannot be inculcated in impersonal systems but have to be imbued in the minds of people. The absence of the ethical dimensions in Government cannot be overcome through piecemeal instruments like Codes of Conduct or even punitive legislations. Good government means a mission-oriented entity, quite different from a technically competent organisation.

6.1.2. It is now widely accepted that ethical standards are fast declining in public life and more so in government. Good individuals, who earlier considered themselves the motive forces of government, now stand alienated. In the past those working in government had a clear idea about the type of behaviour, which was right, and the type, which was wrong. They linked certain standards for rewarding or punishing. Now people cannot define acceptable and unacceptable behaviours. Thus there is a dangerous ethical uncertainty, which is not good for any government as it could lead to a moral real politic translated in terms of short-term gains of individuals and coteries.

6.1.3. The rules and orders are expressions of the belief that wrongdoing would be the normal thing; they spring from distrust and hold out threats rather than incentives for good conduct. But more than fear of punishment, what is required is a positive belief in ethics in public life. This is to permeate public service in order to take it to higher levels of legitimacy and acceptability. Therefore it is necessary to re-state the basics and restart from the beginning.
6.1.4. It is pertinent to refer to the Nolan Commission of United Kingdom (1995), which has suggested that there are seven relevant principles in public life. They are:

1. **Selflessness**: Public interest and service to the needy should be the sole criteria for decision making in public service. Financial or material benefits to kith and kin should not be a consideration at all.

2. **Integrity**: This focuses on obligations and duties of holders of public office who should not be under any obligation to outsiders or be influenced by extraneous considerations.

3. **Objectivity**: This concerns with merit and principles of justice in making decisions or choices in public life.

4. **Accountability**: This calls for submitting to public scrutiny and involves procedural justice. It presupposes care in handling public resources.

5. **Openness**: This implies absolute transparency as well as accessibility. It also implies giving reasons for decisions.

6. **Honesty**: All private interests relating to public duties should be declared and there should not be any conflict that prevents protection of public interest.

7. **Leadership**: The above-mentioned principles should be practiced and their value brought out by example.

6.1.5. Together these principles constitute an excellent ethical framework. It would also be useful to quote the principles of public service enunciated by OECD in 1998.

"Ethical standards for public service should be clear.
Ethical standards should be reflected in the legal framework.
Ethical guidance should be available to public servants."
Public servants should know their rights and obligations when exposing wrongdoing.
Political commitment to ethics should reinforce the ethical conduct of public servants.
The decision-making process should be transparent and open to scrutiny.
There should be clear guidelines for interaction between the public and private sectors.
Managers should demonstrate and promote ethical conduct.
Management policies, procedures and practices should promote ethical conduct.
Public service conditions and management of human resources should promote ethical conduct.
Adequate accountability mechanisms should be in place in the public service.
Appropriate procedures and sanctions should exist to deal with misconduct.

6.1.6. KARC recommends that Government should lay down an ethical framework to ingrain high standards of ethical behaviour in public servants and develop a new ethos embodying the highest principles of positive behaviour. Within this framework clear Codes of Conduct should be formulated for different departments and agencies with their full involvement and acceptance. In order to ensure that the Codes of Conduct are adhered to in letter and spirit, Standards Committees may be set up which may be empowered to pronounce deviations from ethical standards. These recommendations would help foster the right esprit de corps, which shapes good behaviour and metes out disapproval.
CHAPTER 7

INTEGRITY SYSTEMS AND CORRUPTION CONTROL

7.1.1. For public service to be effective and successful there is need for inculcating an attitude, which sees integrity and not whimsical patronage or sly rent seeking or corruption as the power, prestige, and dignity of public office. When the positive attempts to infuse ethical standards fail, there has to be a fall back mechanism, both preventive and punitive to control corruption.

7.1.2. Corruption which cripples good governance, was recognized as something to be dealt with squarely and strongly quite early in independent India’s administrative machinery. Way back in 1962 the Government set up the Committee on Prevention of Corruption headed by Shri K. Santhanam, a Member of Parliament. It is pertinent to quote from the Committee’s Report regarding the cause of corruption.

"............... there has come about a certain amount of weakening of the old system of values without its being replaced by an effective system of new values. The relative fixity of ways and aspirations of former times and the operation of a moral code tending towards austerity, frugality and simplicity of life, profoundly influenced the mechanism of social control and social responses. In the emerging Indian society with its emphasis on purposively initiated process of urbanization, alongside of the weakening of the social mores of the simpler society, signs are visible of materialism, growing impersonalism, importance of status resulting from possession of money and economic power, group loyalties, intensification of parochial affinities, unwillingness or inability to deal with deviations from the highest standards of political, economic and social ethics, profession of faith in the rule of law and disregard thereof where adherence thereto is not convenient............"
Administrative power and discretion are vested at different levels of the executive, all the members of which are not endowed with the same level of understanding and strength of character. Where there is power and discretion, there is always the possibility of abuse, more so when the power and discretion have to be exercised in the context of scarcity and controls and pressure to spend public money.

It is believed that the procedures and practices in the working of Government offices are cumbersome and dilatory. The anxiety to avoid delay has encouraged the growth of dishonest practices like the system of speed money. 'Speed money' is reported to have become a fairly common type of corrupt practice particularly in matters relating to grant of licences, permits, etc. Generally the bribe giver does not wish, in these cases, to get anything done unlawfully, but wants to speed up the process of the movement of files and communications relating to decisions.

Two of the major contributory factors for the growth of corruption are, firstly, the partially acknowledged unwillingness to deal drastically with corrupt and inefficient public servants and, secondly, the protection given to the Services in India, which is greater than that available in the more advanced countries.

The advance of technological and scientific development is contributing to the emergence of 'mass society', with a large rank and file and a small controlling elite, encouraging the growth of monopolies, the rise of a managerial class and intricate institutional mechanisms. Strict adherence to a high standard of ethical behaviour is necessary for the even and honest functioning of the new social, political and economic processes. The inability of all sections of Society to appreciate in full this need results in the emergence and growth of white-collar and economic crimes, renders enforcement of the laws, themselves not sufficiently deterrent, more difficult. This type of crime is more dangerous not only because the financial stakes are higher but also because they cause irreparable damage to public morals. Tax-evasion and avoidance, share-pusing,
malpractices in the share market and administration of companies, monopolistic controls, usury, under-invoicing, or over-invoicing, hoarding, profiteering, sub-standard performance of contracts of constructions and supply, evasion of economic laws, bribery and corruption, election offences and malpractices are, some examples of white-collar crime. 

7.1.3. It is unfortunate that the problem of corruption still persists and probably it has intensified and has got ingrained into the system. Rooting it out is very difficult. KARC feels that corruption is the worst enemy of good governance and have to be fought at all levels with all the might that can be mustered.

7.1.4. Defined simply, corruption is the misuse of public power for private profit. Actually a comprehensive definition of corruption is to be given. Corruption includes favoritism, partisanship and anything, which violates the merit principle, even if there is no immediate profit or gain.

7.1.5. There are pernicious arguments that corruption is economically justified. In fact corruption has several harmful effects one reinforcing the other. They are:

1. Corruption induces inefficiency and waste.
2. Corruption increases the cost of administration.
3. Corruption reduces public investment.
4. Corruption stands in the way of realising the objectives of government.
5. Corruption lowers the respect for authority and challenges the legitimacy of Government.
6. Corruption discourages participation and alienates people from Government.
7. Corruption shuts off those having high principles from making their contribution to Government.
8. Corruption makes a mockery of systems and procedures.
7.1.6. Corruption can be categorized as follows:

i. For access to a scarce commodity.
ii. For avoidance of a cost.
iii. For receipt of an undue benefit.
iv. For violating the queue.
v. To prevent somebody else from getting his dues.

7.1.7. Whatever be the form, a comprehensive strategy has to be devised to combat corruption and for this an integrity system is required in the state, which recognises the relationship and inter-dependence of various elements of the systems.

7.1.8. Some of the important components of the integrity system would be:-

(1) Transparency in government functioning.
(2) Clear and simple procedures enunciating the due process.
(3) A good grievance redressal mechanism.
(4) Clear specification of standards and services guaranteed by government.
(5) Open system of public procurement.
(6) Structures facilitating participation of the civil society.
(7) Protecting whistle blowers.
(8) Having independent and credible systems for combating corruption.

7.1.9. The recommendations of KARC are:

1. Government should come out with an action plan to combat corruption, analysing the existing possibilities and suggesting preventive as well as control measures. This plan should spell out the various elements of the integrity system outlined above.

2. For the achievement of the above the Committee wishes to draw attention to the relevant recommendations of the Santhanam Committee which are quoted below:
"Preventive measures, administrative, legal, social, economic and educative, should be carefully planned and effectively implemented.

A systematic and through review of the laws, rules, procedures and practices should be undertaken for the purpose of listing (a) discretionary powers (b) levels at which such powers are exercised (c) the manner of exercise of such powers (d) the control exercised within the hierarchy over the exercise of such powers (e) the points at which citizens come into contact with the Ministry/Department and the purposes for which they do so.

A thorough study should be made in respect of each Ministry/Department/undertaking of the extent, the possible scope and modes of corruption, preventive and the remedial measures prescribed, if any, and their effectiveness. Such studies should be started on a priority basis in respect of each Ministry/Department/undertaking and the Central Vigilance Commission should also pay attention to this important piece of work for which purpose Government may provide the necessary staff and other facilities.

Serious thought should be given as to how trade associations or their representatives could be associated in the matter of granting licenses and allocation of scarce goods. Membership of a recognized trade organization should be a necessary condition of eligibility for obtaining a license or a permit. The organization should screen the capacity of the applicants, their past performance and conduct and make recommendations to the licensing authority. These organizations may also be usefully associated in investigating modes of misuse and mis-utilisation of goods obtained under licence and modes of manipulation of prescribed rules, procedures and forms for obtaining undeserved advantage.
Administrative delay must be reduced to the utmost extent possible and firm action should be taken to eliminate all such causes of delays as provide scope for corrupt practices.

(a) Each Ministry/Department/undertaking should immediately undertake a review of all existing procedures and practices to find out the cause of delay, the points at which delay occurs and to devise suitable steps to minimize the possibility of delay.

(b) Time limits should be prescribed, if not already done, for dealing with receipts, files etc., and these should be strictly enforced. Superior officers should consider it their responsibility to find out whether in any particular matter there has been any avoidable delay and call the persons responsible for the delay to account.

(c) All noting at the level lower than that of Under Secretaries should be avoided. The responsibility of the Section should be only that of putting up previous papers and precedents. This procedure should be strictly observed in Ministries/Departments, which have to deal with the grant of licences or permits of various kinds.

(d) The levels at which substantive decision could be taken should be prescribed and any attempt to involve as many as possible should be discouraged and dealt with severely, if found to be persisted in.

In all those fields where Government interferes to regulate and control there is scope for abuse. It would be desirable for each Ministry/Department to undertake a review of the regulatory functions which are its responsibility and also examine whether all of them are necessary and whether the manner of discharge of those functions and of the exercise of powers of control are capable of improvement.
Discretionary powers are exercised by different categories of Government servants all of whom are not endowed with a high sense of dedication and integrity in equal measure. While it would not be possible to completely eliminate discretion it should be possible to devise a system of administration which would reduce to the minimum, even if there is a seeming loss of perfection, the need for exercise of personal discretion consistently with efficiency and speedy disposal of public business. Various methods of control devised in the more advanced countries should be studied and a suitable system of control should be devised keeping in view the difficulties that may arise on account of the vastness of our country and the basic principles which are enshrined in our constitution and jurisprudence."

7.1.10. The KARC also feels that there has to be a strong countervailing action by the civil society against corruption. This can happen only if there is a shared conception of right and wrong and there are active citizen groups.

7.1.11. At present there are institutions like Lok Ayukt, and Ombudsman to look into and deal with corruption at the Government level and at the Local self-government levels respectively. The KARC feels that the functioning of these institutions may be reviewed and appropriate modifications brought in for making them more effective.
CHAPTER 8

CONCLUDING REMARKS

8.1.1. The Kerala Administrative Reforms Committee has given 14 Reports out of which four reports have been more or less fully accepted by the Government and orders have been issued. This process of approval and issue of orders has thrown up certain interesting practical issues in the translation of the recommendations into action, in such a manner that the reform process starts yielding results.

8.1.2. A comparison with the recommendations of the Committee on Decentralisation of Powers (CDP) (popularly known as the Sen Committee) would be quite enlightening. The CDP submitted six reports and Government have accepted almost all recommendations. And what is important is the whole process has gone beyond formal acceptance and the recommendations have operationalised. They have become part and parcel of the local government system. Only a few recommendations, which involve institutionalization issues requiring longer time to be fully implemented, remain in the midway process.

8.1.3. Looking back, the Committee feels that the reform process has several stages, one following the other not in discreet stages or in fits and starts, but as a flow which should gather momentum as the process unfolds gaining a tidal force to sweep away impediments to change as well as the cobwebs of the old system.

8.1.4. The several stages of the reform process could be outlined as follows:

1. Understanding the nature of administration at a point of time including its strength and weaknesses and identification of issues to be addressed.
2. Understanding what reform process means and deciding on the depth and intensity in tune with the need, time and clime.
3. Analyzing individual issues in all their facets.
4. Conceptualizing the different possibilities of dealing with each issue.
5. Identification of various options.
6. Choosing the best option and giving it the framework and develop into a workable suggestion.
7. Acceptance of the suggestion at the top level.
8. Transmitting the accepted suggestion to those responsible for implementation to give flesh and blood to it.
9. Adding on operational instructions to the suggestions for them to take wing and fly.
10. Overseeing and guiding through implementation process.
11. Evaluation and feedback for refining.

8.1.5. Thus administrative reforms constitute a process, which can also be broken up into clear-cut activities. Ideally it should not be a one-time effort though the much needed push can be given whenever there is slackening.

8.1.6. Thus implementation of administrative reforms requires a two-way effort. From above there is need for a will to change, an understanding of the reform process and a commitment to achieve it matched by a capacity to guide, patience to follow up, alacrity to respond; sensibility to refine and perseverance to evaluate and start again from the beginning. From below there is need to appreciate the gains of reform and have the willingness to acquire the capabilities required to carry out the reforms along with responsiveness to suggestions, sense of responsibility to follow them and capacity to give proper feedback.

8.1.7. At present the Personnel and Administrative Reforms Department process the recommendations of KARC and issues the Government Order, which in effect only means that Government have accepted the recommendations. It is nothing beyond an in-principle clearance. The critical stages of operationalisation are left with various departments. The monitoring is quite weak with the result that critical decisions remain pious intentions, valid not functional.

8.1.8. In order to get over this procedural hurdle which more than anything else has held up reforms, it is recommended that the Additional Chief Secretary may be entrusted this specific co-ordination work of the reform process and
implementation. He may be given the power to carry through reforms in respect of all departments to their logical conclusion. He should also have the freedom to utilise the services of various training institutions in the State for general consultancy as well as training programmes related to operationalisation of the reforms. The Department of Administrative Reforms, under the supervision and guidance of the Additional Chief Secretary should monitor the implementation till the very end and suo motu move for modifications and refinements whenever required.

8.1.9. KARC concludes with the satisfaction that a beginning has been made and the first steps have been taken. It is hoped that with handholding by the government, the initial hurdles would be overcome, and the slow faltering infant movements would soon grow into mighty strides of progress towards the much wished - for goal of efficient public service, - to realize the Gandhian dream of anodyaya, when the last man gets the best service.

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