

CHAPTER XX : GENERAL

20.1 Follow up on Audit Reports – Summarised Position

Despite repeated instructions/recommendations of the Public Accounts Committee, initiatives taken by Committee of Secretaries, various Ministries/Departments did not submit remedial/corrective Action Taken Notes on 67 audit paragraphs even after the lapse of time limit prescribed by the Public Accounts Committee.

In view of the gravity of the large pendency of ATNs with the Ministries/Departments, the PAC (2009-2010) selected the subject for detailed examination. Examination of the subject by PAC disclosed deficiencies in monitoring mechanism both at the Ministry/Department level as well as in the Department of Expenditure (Monitoring Cell), which is the nodal agency for monitoring the ATNs. The Committee in their Eleventh Report (Fifteenth Lok Sabha) presented to the Parliament on 29 April 2010, recommended that the Chief Accounting Authorities should be made personally accountable in all cases of abnormal delays in taking remedial action and submitting ATNs to PAC.

The Committee desired that:

- (i) The Ministry of Finance (Monitoring Cell) in coordination with Audit and the concerned Ministries/Departments should find a workable solution for submission of ATNs to the Committee within the stipulated time in accordance with the importance of adhering to standards of parliamentary accountability.
- (ii) The matter relating to delays in submission of ATNs should be brought before the Committee of Secretaries (CoS) periodically, preferably at quarterly intervals so as to expedite the submission of ATNs by all the defaulting Ministries/Departments.
- (iii) Figures of pending ATNs shown by Ministries/Department with that of Audit be invariably reconciled.
- (iv) The Department of Expenditure (Monitoring Cell) should facilitate conducting workshops with the participation of concerned C&AG's officials and the respective defaulting Ministries/Department with a view to expedite clearance of pending ATNs at regular intervals, at least once in three months.

In pursuance of their recommendations, a meeting was taken by CoS on 17th June 2010 in the Cabinet Secretariat in which following decisions were taken:

- (i) The Secretaries in the Ministries/Departments, being the Chief Accounting Officers, will be personally responsible for ensuring finalization of ATNs/ATRs on audit paras/PAC Reports within the prescribed timeframe.
- (ii) Standing Audit Committees (SAC), chaired by Secretary/Special Secretary including the Financial Adviser will be set up by each Ministry for monitoring the submission of ATNs on paras of C&AG's Reports and ATRs on the recommendations of PAC besides taking appropriate remedial measures. The SAC shall meet on monthly basis and its Terms of Reference (ToR) will include preventive action to be taken to avoid recurrence of irregularities pointed out in Audit paras/PAC's Reports.
- (iii) ATN Adalats/Workshops should be held regularly for speedy submission of ATNs.

The CoS, in its second meeting held on 2 November 2010, observed that considerable progress had been made by the Ministries/Departments in speeding up submission of ATNs. Almost all Ministries/Departments had already set up SACs and remaining ones were in the process of setting up SACs. CoS further observed that progress regarding ATN Adalats/Workshops was slow as only 14 Ministries/Departments had taken action in this regard. CoS, therefore, decided that by March 2011, current pendency should be reduced by 50 *per cent* and first response in all cases should be sent by December 2010.

Review of outstanding ATNs on paragraphs included in the Reports of the Comptroller and Auditor General of India, Union Government (Civil) as of December 2010 disclosed that though the ATNs on Audit Reports for the years ended upto March 2009 were presented to Parliament, the prescribed time limit of four months had elapsed in each case. Out of a total 283 ATNs due for submission, the Ministries/Departments had not submitted even first response/remedial ATNs at all in respect of 67 paragraphs. Besides, there were 216 paragraphs on which final ATNs were awaited out of which 40 paragraphs pertained to Audit Reports more than 10 years old as indicated in **Appendix-II.**

20.2 Response of the Ministries/Departments to draft paragraphs

Despite directions of Ministry of Finance issued at the instance of Public Accounts Committee, Secretaries of Ministries/Departments did not send response to 21 of 57 draft paragraphs included in this Report.

On the recommendation of the PAC, Ministry of Finance issued directions to all Ministries in June 1960 to send their response to the draft paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks. The draft paragraphs are always forwarded by the respective Audit offices to the Secretaries of the concerned Ministries/Departments drawing their attention to the audit findings and requesting them to send their response within six weeks. The status of receipt of replies from the Ministries are indicated in each paragraph included in the Audit Report.

In 21 out of the 57 paragraphs included in this Report of the Comptroller and Auditor General of India for the year ended March 2010, replies from the Secretaries of the Ministries/Departments were awaited. The details are indicated in **Appendix-III**.

New Delhi

Dated:

(ROY MATHRANI)

Director General of Audit
Central Expenditure

Countersigned

New Delhi

Dated:

(VINOD RAI)

Comptroller and Auditor General of India