

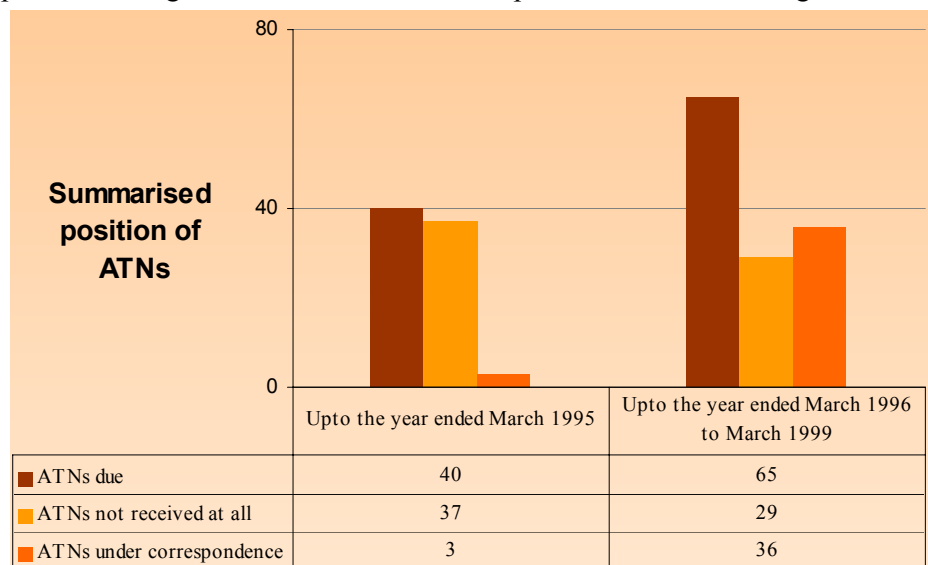
CHAPTER XX: GENERAL

20.1 Follow up on Audit Reports-Summarised Position

Despite repeated instructions/recommendations of the Public Accounts Committee various ministries/departments did not submit remedial/corrective Action Taken Notes on 66 Audit Paragraphs in time.

With a view to ensuring accountability of the executive in respect of all the issues dealt with in various Audit Reports, the Public Accounts Committee (PAC) decided in 1982 that the Ministries/Departments should furnish remedial/corrective Action Taken Notes (ATNs) on all paragraphs contained therein.

PAC took a serious view of the inordinate delays and persistent failures on the part of a large number of ministries/departments in furnishing the ATNs



within the prescribed time limit. In their Ninth Report (Eleventh Lok Sabha) presented to the Parliament on 22 April 1997, PAC desired that submission of pending ATNs pertaining to Audit Reports for the years ended March 1994 and 1995 be completed within a period of three months and recommended that ATNs on all paragraphs pertaining to the Audit Reports for the year ended March 1996 onwards be submitted to them duly vetted by Audit within four months from the laying of the Reports in Parliament.

Review of outstanding ATNs on paragraphs included in the Reports of the Comptroller and Auditor General of India, Union Government (Civil, Other Autonomous Bodies and Scientific Departments) as of October 2001 disclosed that the Ministries/Departments had not submitted remedial ATNs on 66 Paragraphs.

Ministries/departments failed to submit ATNs in respect of 37 paragraphs included in the Audit Reports up to and for the year ended March 1995 within three months and till date as indicated in **Appendix-I**. The outstanding ATNs date back to as far as 1988-89.

Though, the Audit Reports for the year ended March 1996, March 1997, March 1998 and March 1999 were laid on the table of the Parliament in May 1997, June 1998, October 1999, December 1999 and May 2000 and the time limit of four months for furnishing the ATNs had elapsed in September 1997, October 1998, February 2000, April 2000 and September 2000 for the respective years, the ministries/departments did not submit ATNs on 65 paragraphs as indicated in **Appendix-II**. Out of these, while final ATNs in respect of 36 paragraphs were awaited, the remedial ATNs in 29 cases have not been furnished at all.

20.2 Departmentally Managed Government Undertakings - Position of Proforma Accounts

As per provisions of the General Financial Rules, departmentally managed government undertakings of commercial or quasi-commercial nature are required to maintain such subsidiary accounts and proforma accounts as may be prescribed by Government in consultation with the Comptroller and Auditor General of India.

There were 35 departmentally managed Government Undertakings of commercial or quasi-commercial nature as of March 2001. The financial results of these undertakings are ascertained annually by preparing proforma accounts generally consisting of Trading, Profit and Loss Accounts and Balance Sheet. Department of Publications, Delhi and Government of India Presses prepare only stores accounts.

It is necessary for each Ministry and Department to ensure that the audited accounts are prepared by the undertakings with their control within nine months of the close of the financial year. The position of the summarised financial results of the departmentally managed government undertakings on the basis of their latest available accounts is given in the **Appendix – III**.

From the Appendix, it will be seen that the proforma accounts have not been prepared for periods ranging from one to 27 years as shown below:

Period for which lying in arrears		
No. of years	Period	No. of Undertakings
1-5	1995-96 to 1999-2000	17
6-10	1991-92 to 1994-95	5
11-15	1985-86 to 1988-89	4
16-20	1982-83 to 1984-85	4
20-25	1977-78	1
25-30	1973-74	1
Total		32

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The undertakings where proforma accounts were in arrears included Shipping Department of Andaman and Nicobar Island (27 years) and All India Radio (17 years), Doordarshan (17 years).

The Public Accounts Committee, in their 57th Report (Tenth Lok Sabha), had taken a serious view of the fact that the proforma accounts of Doordarshan had not been finalised since 1977-78. While deprecating the inordinate delay of more than 15 years in the finalisation of accounts, the Committee had recommended that the Ministry in consultation with the Comptroller and Auditor General of India find out ways and means of maintenance of upto date proforma accounts. In their Action Taken Report on the subject i.e. 106th Report (Tenth Lok Sabha), the Committee observed that no substantial headway had been made in the finalisation process and expressed serious concern over this state of affairs. The Committee had recommended that the pending proforma accounts be finalised within a period of two years. But proforma accounts of Doordarshan are still in arrears since 1983-84.

In the absence of proforma accounts, the cost of services provided by these organisations, which are intended to be managed on commercial basis, could not be ascertained. It was also not possible to work out normal performance indicators like, return on investment, profitability etc. for their activities.

The delay in compilation of accounts in respect of departmentally managed undertaking was brought to the notice of Secretary Ministry of Finance, Department of Economic Affairs and Secretaries of the Ministries (i) Health and Family Welfare (ii) Road Transport and Highways (iii) Shipping (iv) Agriculture (v) Information and Broadcasting (vi) Urban Development (vii) Environment and Forests (viii) Power in December 2001; for their replies/comments which were awaited as of December 2001.

20.3 Losses and irrecoverable dues written off/waived

Statement of losses and irrecoverable dues, duties, advances written off/waived during 2000-01, is given in Appendix to this Report. It will be seen from **Appendix-IV** that in 255 cases, Rs 10.21 lakh representing losses mainly due to failure of system; Rs 8.48 lakh due to neglect, fraud etc. on the part of individual Government officials and for other reasons (Rs 3477.60 lakh) were written off during 2000-01. In five cases, recovery and ex-gratia payment of Rs 8.03 lakh was waived/made during the year.

20.4 Response of the ministries/departments to draft Reviews/ Paragraphs

Despite directions of Ministry of Finance issued at the instance of Public Accounts Committee, Secretaries of ministries/departments did not send response to 33 out of 47 draft Reviews/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

Reviews/Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks. The draft Reviews/Paragraphs are always forwarded by the respective Audit offices to the secretaries of the concerned ministries/departments through demi-official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the ministries are invariably indicated at the end of each such Review/Paragraph included in the Audit Report.

47 draft Reviews/Paragraphs included in this Report of the Comptroller and Auditor General of India for the year ended March 2001 were forwarded to the secretaries of the respective ministries/departments during November 2000-December 2001 through demi-official letters.

The secretaries of the ministries/departments did not send replies to 33 draft Reviews/Paragraphs in compliance to above instructions of the Ministry of Finance issued at the instance of the PAC as indicated in the **Appendix-V**. As a result, these 33 Reviews/Paragraphs have been included in this Report without the response of the secretaries of the ministries/ departments.

New Delhi
Date:

(H.P. DAS)
Director General of Audit
Central Revenues

Countersigned

New Delhi
Date:

(V.K. SHUNGLU)
Comptroller and Auditor General of India