

CHAPTER XX : GENERAL

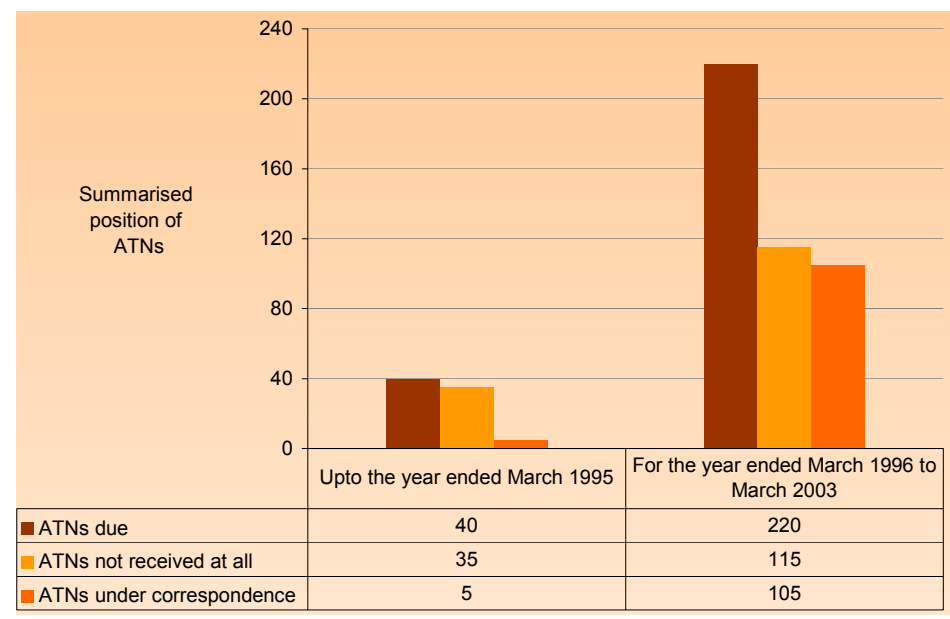
20.1 Follow up on Audit Reports-Summarised Position

Despite repeated instructions/recommendations of the Public Accounts Committee, various ministries/departments did not submit remedial/corrective Action Taken Notes on 150 audit paragraphs even after the lapse of time limit prescribed by the Public Accounts Committee.

With a view to ensuring accountability of the executive in respect of the matters brought out 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 in these Reports.

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 the 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 November 2004 disclosed that the Ministries/Departments had not submitted remedial ATNs on 150 paragraphs. This includes 35 paragraphs included in the Audit Reports upto and for the year ended March 1995 as indicated in **Appendix-I**. The outstanding ATNs date back to as far as 1988-89.



Though the Audit Reports for the years ended March 1996 to March 2003 were laid on the table of the Parliament each year between May 1997 and July 2004 and the prescribed time limit of four months had elapsed in each case, the ministries/departments were yet to submit ATNs on 115 paragraphs while final ATNs in respect of 105 paragraphs were awaited as of November 2004 as indicated in **Appendix -II**.

20.2 Departmentally Managed Government Undertakings - Position of Proforma Accounts

The General Financial Rules stipulate that the departmentally managed government undertakings of commercial or quasi-commercial nature will maintain such subsidiary accounts and proforma accounts as may be prescribed by the Government in consultation with the Comptroller and Auditor General of India.

There were 37 Departmentally Managed Government Undertakings of commercial or quasi-commercial nature as of March 2004. The financial results of these undertakings are ascertained annually by preparing proforma accounts, generally consisting of Trading, Profit and Loss Accounts and Balance Sheet. While the Government of India Presses prepare Proforma Accounts without Trading, Profit and Loss Account and Balance Sheet, the Department of Publications prepares only the Store Accounts.

It is necessary for each Ministry and Department to ensure that the audited accounts are prepared by the undertakings under 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**. It will be seen therefrom that the proforma accounts were in arrears in respect of 36 undertakings for periods ranging from one to thirty one years as shown below:

Period for which lying in arrears		
No. of years	Period	No. of Undertakings
1-5	1998-99 to 2002-2003	27
6-10	1993-94 to 1997-1998	3
11-15	1988-89 to 1992-1993	NIL
16-20	1983-84 to 1987-1988	2
21-25	1978-79 to 1982-1983	1
26-30	1973-74 to 1977-1978	2
30-31	1972-73 to 1973-74	1
Total		36

The undertakings where proforma accounts were in arrears included Shipping Department of Andaman and Nicobar Island (31 years), Doordarshan (27 years) and All India Radio (21 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 still remains in arrears.

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 Secretaries of the Ministries (i) Agriculture (ii) Defence (iii) Environment and Forests (iv) Finance (v) Health and Family Welfare (vi) Information and Broadcasting (vii) Power (viii) Road Transport and Highways (ix) Shipping (x) Urban Development and Poverty Alleviation in October 2004; for their replies/comments which were awaited as of December 2004.

20.3 Losses and irrecoverable dues written off/waived

Statement of losses and irrecoverable dues, duties, advances written off/waived during 2003-04, is given in Appendix to this Report. It will be seen from **Appendix- IV** that in 439 cases, Rs. 54.65 lakh representing losses mainly due to failure of system, Rs. 91.39 lakh due to neglect/fraud etc. on the part of individual Government officials and Rs. 772.24 lakh for other reasons, were written off during 2003-04. During the year, recoveries waived and ex-gratia payment made in 151 cases totalled Rs. 188.78 crore.

20.4 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 32 out of 56 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 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 paragraph included in the Audit Report.

56 draft paragraphs included in this Report of the Comptroller and Auditor General of India for the year ended March 2004 were forwarded to the secretaries of the respective ministries/departments during May 2004-December 2004 through demi-official letters.

The Secretaries of the ministries/departments did not send replies to 32 draft 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 32 paragraphs have been included in this Report without the response of the Secretaries of the ministries/departments.

New Delhi
Dated

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Countersigned

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Dated

(VIJAYENDRA N. KAUL)
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