

## CHAPTER XX

### **Follow-up on Audit Reports (Commercial)**

The Lok Sabha Secretariat requested (July 1985) all Ministries to furnish notes (duly vetted by Audit) indicating remedial/corrective action taken by them on the various paragraphs/appraisals contained in the Audit Reports (Commercial) of the Comptroller and Auditor General of India as laid on the table of both the Houses of Parliament. Such notes were required to be submitted even in respect of paragraphs and appraisals that were not selected by the Committee on Public Sector Undertakings (COPU) for detailed examination. The COPU in its Second Report (1998-99-Twelfth Lok Sabha) while reiterating the above instructions, recommended:

- setting up of a monitoring cell in each Ministry for monitoring the submission of Action Taken Notes (ATNs) in respect of Audit Reports (Commercial) on individual Public Sector Undertakings (PSUs);
- setting up of a monitoring cell in the Department of Public Enterprises (DPE) for monitoring the submission of ATNs in respect of Reports containing paras relating to a number of PSUs under different Ministries; and
- submission to the Committee within six months from the date of presentation of the relevant Audit Reports of follow up ATNs duly vetted by Audit in respect of all Reports of the C&AG presented to Parliament.

While reviewing the follow up action taken by the Government on the above recommendations, the COPU in its First Report (1999-2000 - Thirteenth Lok Sabha) reiterated its earlier recommendations that the DPE should set up a separate monitoring cell in the DPE itself to monitor the follow-up action taken by various Ministries/Departments on the observations contained in the Audit Reports (Commercial) on individual undertakings. Accordingly, a monitoring cell is functioning in the DPE since August, 2000 to monitor the follow up on submission of ATNs by the concerned Administrative Ministries/Departments. Monitoring cells have also been set up within the concerned Ministries for submission of ATNs on various Reports (Commercial) of CAG.

A review in Audit revealed that inspite of reminders, the remedial/corrective ATNs on the paragraphs/appraisals contained in the last five years' Audit Reports (Commercial) relating to the PSUs under the administrative control of various Ministries, as detailed in Appendix-IV, were not received by Audit for vetting.

In respect of Audit Reports (Commercial) for the last five years (upto 2005), out of 503 paragraphs/ reviews on which ATNs were awaited, 36 pertained to 2001, 66 pertained to 2002, 91 pertained to 2003, 119 pertained to 2004 and 191 pertained to 2005. For Audit

Reports (Commercial) of 2006, which were presented to Parliament in March/May 2006, ATNs on 287 paras/reviews out of 399 were awaited from various Ministries till 22 November 2006.

Out of 790 paragraphs on which ATNs were awaited, 112 paragraphs related to the PSUs under the Ministry of Communications and Information Technology, Department of Telecommunications, 92 related to PSUs under the Ministry of Finance (Banking Division), 80 related to PSUs under the Ministry of Steel, 68 related to PSUs under the Ministry of Finance (Insurance Division) and 64 related to PSUs under the Ministry of Petroleum and Natural Gas.

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**Dated:**

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**Countersigned**

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**Dated:**

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**Comptroller and Auditor General of India**