

## CHAPTER XXI : GENERAL

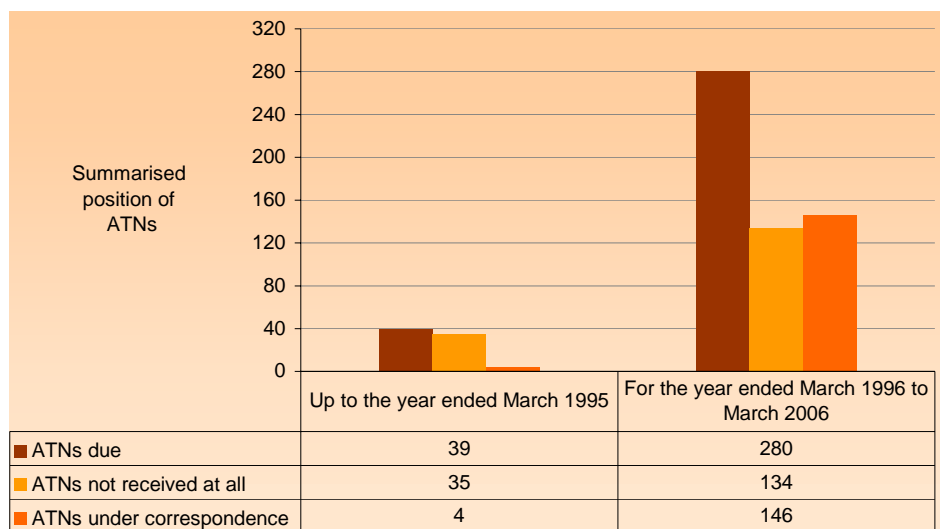
### 21.1 Follow up on Audit Reports – Summarised Position

**Despite repeated instructions/recommendations of the Public Accounts Committee, various ministries/departments did not submit remedial/corrective Action Taken Notes on 169 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 October 2007 disclosed that the Ministries/Departments had not submitted remedial ATNs on 169 paragraphs. This includes 35 paragraphs included in the Audit Reports up to 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 2006 were laid on the table of the Parliament each year between May 1997 and May 2007 and the prescribed time limit of four months had elapsed in each case, the ministries/departments were yet to submit ATNs on 134 paragraphs while final ATNs in respect of 146 paragraphs were awaited as of October 2007 as indicated in **Appendix-II**.

## 21.2 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 30 departmentally managed Government Undertakings of commercial or quasi-commercial nature as of March 2007. The financial results of these undertakings are ascertained annually by preparing proforma accounts generally consisting of Trading Account, Profit and Loss Accounts and Balance Sheet. While the Government of India Presses prepares Proforma Accounts without Trading Account, Profit and Loss Account and Balance Sheet, the Department of Publications prepares only the Store Accounts.

The position of the summarised financial results of the departmentally managed government undertakings on the basis of their latest available accounts is given in **Appendix III**.

From the Appendix, it will be seen that the proforma accounts were in arrears in respect of 27 undertakings for periods ranging from one to fifteen years as shown below:

Period for which lying in arrears		
No. of years	Period	No. of Undertakings
1-5	2002-03 to 2006-07	22
6-11	1997-98 to 2001-02	3
12-15	1992-93 to 1996-97	2
	<b>Total</b>	<b>27</b>

In the case of Shipping Services, Andaman and Nicobar Islands and Films Division, Mumbai the proforma accounts were in arrear since 1992-93 and 1995-96 onwards respectively.

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 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 the Secretaries of the concerned Ministry.

### **21.3 Losses and irrecoverable dues written off/waived**

Statement of losses and irrecoverable dues, duties, advances written off/waived during 2006-07 furnished by the ministries/departments, is given in **Appendix-IV** to this Report. It will be seen from Appendix that in 298 cases, Rs. 2.78 crore representing losses mainly due to failure of system, Rs. 1.35 crore due to neglect /fraud etc. on the part of individual Government officials and Rs.11.57 crore for other reasons, were written off during 2006-07. During the year, recoveries waived and *ex-gratia* payment made in 10298 cases aggregated Rs. 12312.71 crore.

### **21.4 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 27 of 58 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 fact of non-receipt of replies from the ministries are invariably indicated at the end of each such paragraph included in the Audit Report.

58 draft paragraphs included in this Report of the Comptroller and Auditor General of India for the year ended March 2007 were forwarded to the Secretaries of the respective Ministries/Departments during April 2007-December 2007.

The Secretaries of the Ministries/Departments did not send replies to 27 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 27 paragraphs have been included in this Report without the response of the Secretaries of the Ministries/Departments.

**New Delhi**  
**Dated:**

**(A.K. THAKUR)**  
**Director General of Audit**  
**Central Revenues**

**Countersigned**

**New Delhi**  
**Dated:**

**(VINOD RAI)**  
**Comptroller and Auditor General of India**