

CHAPTER XVII : GENERAL

17.1 Follow-up on Audit Reports

Despite repeated instructions/recommendations of the Public Accounts Committee, various Ministries/Departments did not submit remedial/corrective Action Taken Notes on 43 audit paragraphs even after the lapse of the time limit prescribed by the Public Accounts Committee.

The Lok Sabha Secretariat issued instructions in April 1982 to all Ministries to furnish notes to the Ministry of Finance (Department of Expenditure), indicating remedial/ corrective action taken on various paragraphs contained in the Audit Reports, soon after these were laid on the Table of the House.

In their Ninth Report (Eleventh Lok Sabha) presented to the Parliament on 22 April 1997, the Public Accounts Committee (PAC) desired that submission of pending Action Taken Notes (ATNs) pertaining to Audit Reports for the years ended March 1994 and 1995 should 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.

Further, 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 also desired that 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.

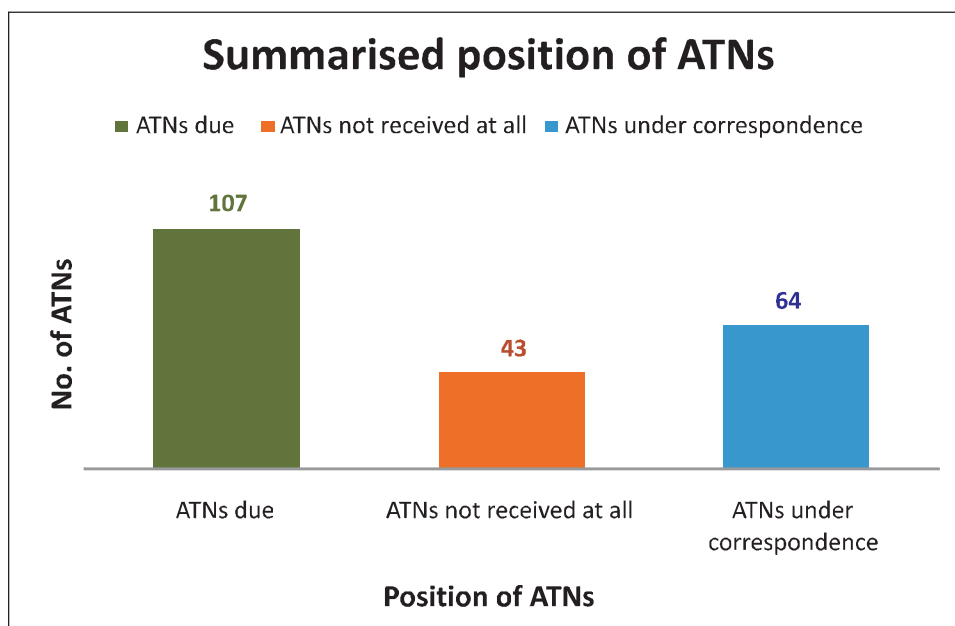
In pursuance of their recommendations, several meetings were taken by CoS in the Cabinet Secretariat in which following decisions were taken:

- (i) The Secretaries in the Ministries/Departments, being the Chief Accounting Officers, will be personally responsible for ensuring finalisation of ATNs/ATRs on Audit paras/PAC Reports within the prescribed timeframe.

- (ii) Standing Audit Committee (SAC), chaired by Secretary/Special Secretary including the Financial Advisor 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.

In their meeting CoS observed that 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. CoS directed that all Ministries may undertake special drives to clear the pendency of ATNs.

A review of the position of receipt of ATNs on paragraphs included in Audit Reports, Union Government (Civil) up to the period ended 31 March 2012 (**Appendix- I**) revealed that the Ministries did not submit remedial/corrective ATNs in respect of a large number of paragraphs despite the above instructions. Out of 107 paragraphs on which ATNs were required to be sent, ATNs in respect of 43 paragraphs had not been received at all as of March 2013. Details are shown in the following chart:



The final ATNs in respect of 64 paragraphs, which were under correspondence, were pending at various stages. Out of these 107 paragraphs, 11 paragraphs pertained to Audit Reports which were more than 10 years old.

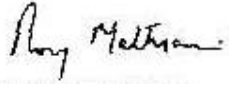
17.2 Response of the Ministries/Departments to draft paragraphs

Despite directions of the Ministry of Finance, issued at the instance of the Public Accounts Committee, Secretaries of Ministries/Departments did not send responses to 18 out of 33 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 responses to the draft paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks of receipt of the paragraphs.

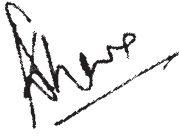
In 18 out of the 33 paragraphs included in this Report of the Comptroller and Auditor General of India for the year ended March 2012, replies from the Secretaries of the Ministries/Departments had not been received. The details are indicated in **Appendix-II**.

New Delhi
Dated: 19 August 2013


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Director General of Audit
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Countersigned

New Delhi
Dated: 20 August 2013


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India