

CHAPTER 6
GENERAL

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CHAPTER-6 General

6.1 Failure of senior officials to enforce accountability and protect the interests of Government

AG* arranges to conduct periodical inspection of the Government departments to test check, inter alia, the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. When important irregularities etc. detected during inspection are not settled on the spot, IRs** are issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of Heads of the Departments by the AG. A half-yearly report of pending IRs is sent to the Principal Secretary/Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

4740 inspection reports containing 17927 audit paragraphs for Rs.7238.36 crore against 912 auditee units were pending settlement.

Inspection Reports issued upto December 1999 pertaining to 912 divisions/offices of WR, PW, PHE***, Forest and other Works§ Departments disclosed that 17,927 paragraphs relating to 4,740 IRs remained outstanding since 1986-87 to the end of June 2000. Position of the outstanding IRs and paragraphs are as under:

Sl. No.	Department	Number of Auditee units	Number of IRs	Number of Paragraphs	Amount (Rupees in crore)
1	Water Resources	316	1876	6975	3360.72
2	Public Works	164	1097	4953	1900.46
3.	Public Health Engineering	113	671	2624	988.77
4	Narmada Valley Development				
	<i>(i)Irrigation</i>	62	237	660	579.14
	<i>(ii)Building / roads</i>	14	48	132	64.21

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** Inspection Reports.

*** WR: Water Resources, PW: Public Works, PHE: Public Health Engineering

§ Other Works Departments include Narmada Valley Development, Housing and Environment and Bhopal Gas Rahat (Relief and Rehabilitation) Departments.

5	Housing and Environment <i>(Capital Project Construction units)</i>	4	36	180	69.45
6	Bhopal Gas Rahat <i>(Works units)</i>	2	12	54	8.78
7	Forest	237	763	2349	266.83
8	Total	912	4740	17,927	7238.36

Of these, 1288 IRs containing 4803 paragraphs had not been settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of the Offices within six weeks from the date of issue were not received in respect of 375 divisions/offices for 473 IRs issued between July 1990 and December 1999. As a result the following serious irregularities commented upon in these IRs had not been settled.

Serial No.	Nature of irregularities	Number of paragraphs	Amount (Rupees in crore)
	Works Departments		
1.	Excess or inadmissible payments and outstanding recoveries	29	8.06
2	Extra cost or avoidable expenditure	42	11.25
3	Irregular and unfruitful expenditure	21	15.87
4	Irregularities in purchases	3	2.27
5	Irregularities in tender	5	1.28
6	Other Irregularities	36	22.20
	Forest Department		
7	Loss due to failure of plantations	23	2.94
8	Expenditure in excess of prescribed norms	7	0.73
9	Expenditure in excess of approved job rates	7	0.60
10	Irregular expenditure on deployment of labourers	9	0.23
11	Irregular implementation of M.P. Forestry Scheme	10	1.21

Heads of Department failed to discharge due responsibility in matter of compliance and settlement of outstanding audit inspection reports.

A review of the IRs which were pending due to non-receipt of replies, in respect of WR, PW, PHE, Forest and other Works Departments revealed that the Heads of the Offices (whose records were inspected by the AG) and the Heads of the Departments did not send any reply to a large number of IRs/paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out by AG in the IRs. The Principal Secretaries/Secretaries of the Departments, who were informed of the position through half yearly reports, also did not ensure that the concerned offices of the Department take prompt and timely action.

Inaction against the defaulting officers facilitated the continuance of serious financial irregularities and loss to the Government, though these were pointed in Audit. It is recommended that Government should reexamine the procedure for action against the officials who failed to send replies to IRs/paragraphs as per the prescribed time schedule and action to recover loss/outstanding advances/over payments in a time bound manner and revamp the system to ensure proper response to the audit observations in the Department.

6.2 Follow up on Audit Reports

Government explanatory notes to even Public Accounts Committee are being delayed badly.

The Audit Reports of the Comptroller and Auditor General of India upto the year 1998-99 containing reviews and paragraphs pertaining to WR, PW, PHE, Forest and other Works Departments have been presented and laid on the Table of the Vidhan Sabha (August 2000). Of these, Reports upto the year 1993-94 had been discussed (June 2000) by the Public Accounts Committee (PAC) on selective basis. The Recommendations of the PAC on the Audit Reports upto the year 1988-89 had been received (July 2000). Action Taken Notes (ATN) on these recommendations were awaited from the concerned Departments of the Government (July 2000).

The PAC in its meeting dated 12 July 1984 had decided that explanatory notes on the various paragraphs of the Audit Reports should be submitted by the Government within three months after their being tabled in Vidhan Sabha. No follow up action has, however, been taken by the Government and the explanatory notes on Audit Reports are being delayed badly.

Explanatory notes for 160 out of 302 paragraphs were not received despite reminders.

Out of the 302 paragraphs (including reviews) included in the Audit Report for the years 1991-92 to 1998-99, explanatory notes in respect of 160 paragraphs from Government were not received despite repeated reminders by Vidhan Sabha Secretariat and Audit.

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