

CHAPTER XV : GENERAL

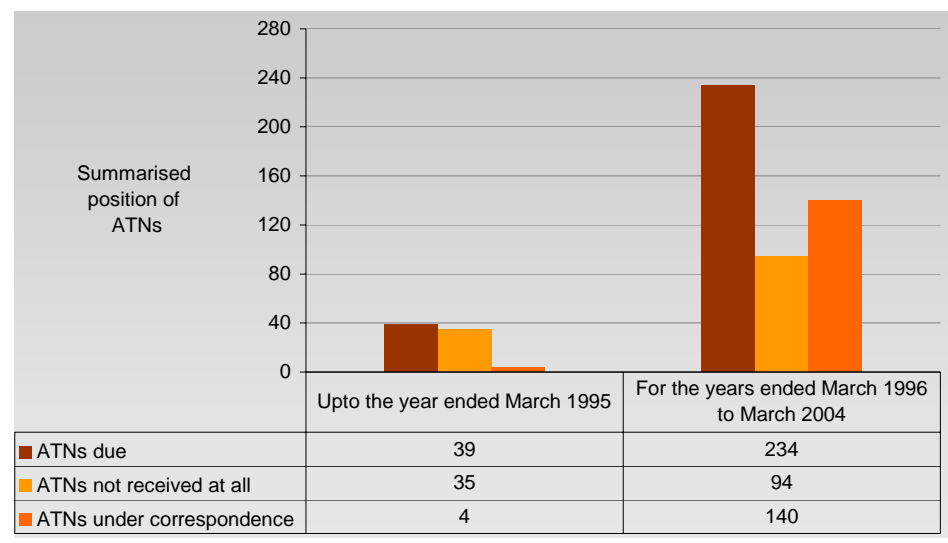
15.1 Follow up on Audit Reports-Summarised Position

Despite repeated instructions and recommendations of the Public Accounts Committee, various ministries and departments did not submit Action Taken Notes on 129 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 2005 disclosed that the Ministries/Departments had not submitted ATNs on 129 paragraphs. This included 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 2004 were laid on the table of the Parliament each year between May 1997 and May 2005 and the prescribed time limit of four months had elapsed in each case, the ministries/departments were yet to submit ATNs on 94 paragraphs while final ATNs in respect of 140 paragraphs were awaited as of October 2005 as indicated in **Appendix-II**.

15.2 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 34 departmentally managed Government Undertakings of commercial or quasi-commercial nature as of March 2005. 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 prepare Proforma Accounts without Trading Account, 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 **Appendix –III**.

From the Appendix, it will be seen that the proforma accounts were in arrears in respect of 31 undertakings for periods ranging from one to thirty two years as shown below:

Period for which lying in arrears		
No. of years	Period	No. of Undertakings
1-5	2000-01 to 2004-2005	21
6-10	1995-96 to 1999-2000	9
32-33	1973-74	1
	Total	31

In the case of Shipping Department (Dockyard), Andaman and Nicobar Islands, the proforma accounts were in arrear since 1973-74 onwards. 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 of (i) Agriculture (ii) Defence (iii) Environment and Forests (iv) Finance (v) Health and Family Welfare (vi) Information & Broadcasting (vii) Power (viii) Road Transport and Highways (ix) Shipping (x) Urban Development in December 2005. Their replies/comments were awaited as of January 2006.

15.3 Losses and irrecoverable dues written off/waived

Statement of losses and irrecoverable dues, duties, advances written off/waived during 2004-05, is given in **Appendix-IV** to this Report. It will be seen from Appendix that in 832 cases, Rs. 60.11 lakh representing losses mainly due to failure of system, Rs. 526.92 lakh due to neglect/fraud etc. on the part of individual Government officials and Rs. 1061.70 lakh for other reasons, were written off during 2004-05. During the year, recoveries waived and ex-gratia payment made in 140 cases totalled Rs. 19.49 crore.

15.4 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 18 out of 38 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.

38 draft paragraphs included in this Report of the Comptroller and Auditor General of India for the year ended March 2005 were forwarded to the secretaries of the respective ministries/departments during May 2005-December 2005 through demi-official letters.

The Secretaries of the ministries/departments did not send replies to 18 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 18 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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