

**NON-COMPLIANCE BY THE MINISTRIES/
DEPARTMENTS IN TIMELY SUBMISSION OF
ACTION TAKEN NOTES ON THE NON-SELECTED
AUDIT PARAGRAPHS (CIVIL AND OTHER
MINISTRIES)**

[Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their 66th Report (16th Lok Sabha)]

**PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

ONE HUNDRED AND FOURTEENTH REPORT

SEVENTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

ONE HUNDRED AND FOURTEENTH REPORT

PUBLIC ACCOUNTS COMMITTEE (2023-24)

(SEVENTEENTH LOK SABHA)

NON-COMPLIANCE BY THE MINISTRIES/ DEPARTMENTS IN TIMELY SUBMISSION OF ACTION TAKEN NOTES ON THE NON-SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER MINISTRIES)

[Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their 66th Report (16th Lok Sabha)]



Presented to Lok Sabha on:

Laid in Rajya Sabha on:

LOK SABHA SECRETARIAT
NEW DELHI

February 2024/ Magha 1945 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

(2023-24)

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri Thalikkottai Rajuthevar Baalu
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Pratap Chandra Sarangi
7. Shri Vishnu Dayal Ram
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Dr. Satya Pal Singh
11. Shri Brijendra Singh
12. Shri Rajiv Ranjan Singh alias Lalan Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabhaneni
15. Shri Ram Kripal Yadav

RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Dr. K Laxman
18. Shri Derek O'Brien
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Shri Sanjeev Sharma - Joint Secretary
2. Smt. Bharti S. Tuteja - Director
3. Ms. Pragya Nama - Assistant Committee Officer

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-23) having been authorised by the Committee, do present this One Hundred and Fourteenth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their Sixty-sixth Report (Sixteenth Lok Sabha) "**Non-compliance by the Ministries/ Departments in Timely submission of Action Taken Notes on the non-selected Audit Paragraphs (Civil and Other Ministries)**" relating to various Ministries/Departments.

2. The Sixty-sixth Report was presented to Lok Sabha/ laid on the Table of Rajya Sabha on 17th March 2017. Replies of the Government to the Observations/Recommendations contained in the Report were received. The Committee considered and adopted the One hundred and fourteenth Report at their Sitting held on 5th February, 2024. Minutes of the Sitting of the Committee are given at *Appendix-I*.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Sixty-sixth Report (Sixteenth Lok Sabha) is given at *Appendix-II*.

NEW DELHI:
February, 2024
Magha 1945 (*Saka*)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee

CHAPTER - I

REPORT

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Sixty Sixth Report (16th Lok Sabha) on "*Non-compliance by the Ministries/ Departments in Timely submission of Action Taken Notes on the non-selected Audit Paragraphs (Civil and Other Ministries)*".

2. The Sixty Sixth Report (16th Lok Sabha), which was presented to Lok Sabha/laid in Rajya Sabha on 17th March 2017, contained 9 Observations and Recommendations. Action Taken Notes in respect of all the Observations and Recommendations have been received from the Ministries/Departments concerned and are broadly categorized as under :

- (i) Observations/Recommendations which have been accepted by the Government:

Para Nos. 1, 2,3, 4,5, 6, 7, 8 and 9

Total: 9
Chapter - II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Para No. NIL

Total: 0
Chapter - III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para No. NIL

Total: 0
Chapter - IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

Para No. NIL

Total: 0
Chapter - V

3. During the detailed examination of the subject "Non-Compliance by Ministries/Departments in Timely Submission of Action Taken Notes on the Non-selected Audit Paragraphs (Civil and other Ministries)," it was identified that various Ministries/Departments experienced significant delays in submitting Action Taken Notes (ATNs) in a timely manner. Non-compliance in the prompt submission of ATNs on Non-selected Audit Paragraphs was observed within the Ministry of Commerce, Department of Revenue (Customs), Ministry of Defence, and Ministry of Social Justice and Empowerment, spanning different periods.

4. Specifically, the Ministry of Commerce reported a pendency of 17 ATNs from 2013 to the year 2023. The Department of Revenue (Customs) exhibited a concerning backlog with 59 pending ATNs from the year 2014 to 2023. Likewise, the Ministry of Defence demonstrated a significant pendency, with 53 pending ATNs dating back to the year 2009 upto 2023. The Ministry of Social Justice and Empowerment, too, showcased a prolonged pendency, with unresolved ATNs from the year 2007 to 2023.

5. The Action Taken Notes furnished by the Ministries on the Observations/Recommendations of the Committee contained in their Sixty-Sixth Report (Sixteenth Lok Sabha) have been reproduced in the relevant chapters of this Report. In the succeeding paragraphs, the Committee have dealt with the Action Taken by the Government, as per Audit Para Management System (APMS) Statement as on 11.01.2024, on some of their Observations/Recommendations which either need further reiteration or comments from the Ministry concerned.

Paragraph 3 of PAC Report No. 66 (16th Lok Sabha)

6. The Committee take a note of the efforts of the Monitoring Cell, Ministry of Finance (Department of Expenditure) in persistently monitoring timely submission of the ATNs within the Stipulated period of 4 months by the Ministries/Departments, pursuant to the recommendation of PAC which has resulted in considerable reduction in the pendency of ATNs from 4216 paras as on 30.06.2010 to 805 paras as on 31.07.2016. The Committee, while appreciating the efforts of the Monitoring Cell, feel that there are some areas for improvement, especially with regard to the reconciliation of pendency figures maintained separately by the C&AG, the Ministries and the Monitoring Cell. One of the anomalies behind the mismatch in figures of pendency maintained by the three entities relates to the earlier manual settlement process wherein the C&AG treats a para as settled after it has given its final vetting comments whereas for the Ministries the matter is settled on receipt of C&AG's final vetting comments. The Monitoring Cell considers a part as settled on physical receipt of finally vetted copies for onward transmission to the PAC. The committee in their 42nd report (Rec. Para 5) clearly suggested that the entire process of ATN settlement be completed in the APMS portal and the extant practice of manual submission of hard copies to the PAC be done away with. The Committee reiterate that henceforth,

all the three entities mentioned above should treat a para as settled once the C&AG uploads its final vetting comments on the portal. The Monitoring Cell may once again reconcile the pendency figures on the basis of this criterion and apprise the Committee of the reconciled figure at the early date.

7. The Ministry of Finance, Department of Expenditure in their Action Taken Notes have stated as under:-

“Department of Expenditure (Monitoring Cell) has made necessary updation on the APMS Portal and once the C&AG uploads its final vetting comments on the portal, the para is shown as settled.

2. Department of Expenditure (Monitoring Cell) is regularly reconciling the figures with the list of O/o C&AG and data available on APMS portal. The discrepancies noticed during reconciliation have already been brought to the notice of the Lok Sabha Secretariat (PAC Branch) vide OM no. 2/16/2015/MC-Vol-111/69 dated 4th May, 2017 (copy enclosed). As recommended by PAC (Sub-Committee IV) in its meeting held on 08.06.2017, a meeting was held on 05.07.2017 with O/o C&AG to reconcile the pendency figures (copy enclosed). Such reconciliation meetings are to be held quarterly.”

8. **The Committee find that as a result of their persistent oversight in regard to the timely submission of ATNs, the position of pendency has been liquidated to a great extent. Nevertheless, the pendency continues to remain high and it is a matter of concern to the Committee. Though the Committee appreciate the efforts made by some of the Ministries/Departments in taking appropriate measures for timely submission of ATNs, pursuant to the Committee's recommendations, substantial improvement is still imperative to be undertaken on the part of a few Ministries/Departments viz., Department of Revenue, Department of Expenditure, Defence and Railways. The Committee desire that the Ministries strengthen the existing systems to have a target of zero pendency of ATNs beyond the stipulated time frame.**

Paragraph 6 of PAC Report No. 66 (16th Lok Sabha)

9. *The Committee feel that the facility of APMS should also be extended to the PAC Reports and desire that the Monitoring Cell take on the added responsibility of monitoring the timely submission of ATNs on the reports of the PAC. Towards this, the Committee desire that separate pages for each Ministry/Department may be added on the portal where the Lok Sabha Secretariat can upload the Committee's recommendations requiring ATNs from Ministries concerned, with columns showing the dates of presentation of Reports, the dates on which ATNs are due, the*

replies/ATNs by Ministries concerned and vetting remarks of the C&AG. Considering the benefits of efficiency, economy of paper and time, and the potential for replication of the practice by all other Parliamentary Committees, the Committee desire that the Monitoring Cell in consultation with all stakeholders like the NIC, C&AG, Ministries and the PAC Secretariat should develop this added feature on the APMS within a period of three months from the presentation of this report to Parliament. The Committee in their 20th Report, had also recommended that ATNs on Audit Paras, whether they have been selected by the PAC for examination or not, should be furnished by the Ministries/Departments within the stipulated period of 4 months. In cases where the PAC have given their report on an Audit report/para, ATN on the report would be considered to treat the para as settled. The Committee, therefore, desire that the C&AG may upload paras requiring ATNs onto the portal irrespective of whether they are selected or not by the PAC for further scrutiny/examination.

10. The Ministry of Finance, Department of Expenditure in their Action Taken Notes have stated as under:-

“Department of Expenditure (Monitoring Cell) has developed a module for online submission/vetting of replies to PAC paras on existing APMS portal in consultation with all stakeholders and after incorporating their suggestion and this module is live/operational. Information in this regard have been circulated to all stakeholders.”

11. **The Committee had, in their Report on the subject, desired that the facility of APMS should also be extended to the PAC Reports and accordingly separate pages for each Ministry/Department were to be added on the portal for the Lok Sabha Secretariat to upload the Committee's recommendations requiring ATNs from Ministries concerned, with columns showing the dates of presentation of Reports, the dates on which ATNs are due, the replies/ATNs by Ministries concerned and vetting remarks of the C&AG. The Committee note from the reply of the Ministry, furnished in 2018 that Department of Expenditure (Monitoring Cell) had developed a module for online submission /vetting of replies to PAC paras on existing APMS portal in consultation with all stakeholders and after incorporating their suggestions and this module was made live/operational in 2017. The Committee are shocked to note that the replies/ATNs by Ministries concerned and vetting remarks of the C&AG in respect of the eight of the nine recommendations/ observations made by the PAC in their aforesaid Report have not been uploaded on the Portal and desire that the same may be uploaded at the earliest. The Committee further desire that, for continuous monitoring, quarterly pendency statement in regard to the PAC paras may be forwarded to the PAC Secretariat for being placed before them**

Paragraph 7 of PAC Report No. 66 (16th Lok Sabha)

12. The Committee note that as on 31.7.2016, the total pendency of Action taken Notes with the Ministry of Finance (Department of Revenue) was 336, out of which ATNs on 41 paras have not been furnished even for the first time. The Department of Revenue have however, submitted that the total paras pending with the Department was 472 only i.e.122 in Central Excise and Service Tax, 102 in Customs and 248 in Central Board of Direct Taxes. The Committee further observed from the information furnished by the Audit that the number of pending ATNs as on 30.9.2016 was 263. CBEC have stated that the total pendency of paras on which ATNs are to be submitted to PAC as on 4.10.2016 was 224 out of which ATNs on only 2 paras pertaining to Customs have not been furnished even for the first time, revised ATNs are to be submitted for 7 paras, ATNs on 31 paras have been approved by Audit and the same are pending with the Ministry and the remaining ATNs on 184 paras are pending with Audit. CBEC have further submitted that out of the total 122 paras with Central Excise & Service Tax pending on APMS portal, on 112 paras action was to be taken by C&AG and on 10 paras action was pending on part of the Ministry. CBDT further stated that as on date, 140 ATNs were under consideration of the office of the C&AG for giving vetting comments. The C&AG in 32 cases had given additional comments out of which in 11 cases revised ATNs had been submitted for vetting comments of the C&AG and other 21 cases were under examination of CBDT. In 55 cases, vetting comments had been given online and the CBDT was in the process of sending physical copies of the final ATNs and uploading of the same. The Committee are concerned with the indifferent approach of the Ministry in regard to the reconciliation of the pending paras with that of the Audit, despite clear cut guidelines to furnish the ATNs within 4 months after the Audit Reports are laid in Parliament and upload the same on the APMS portal. The Committee are particularly dissatisfied with the delay in submission of remedial on non-selected Audit Paras for which the pendency of the ATNs have increased over a period of time. The Committee, therefore, recommend the Ministry to take urgent requisite measures in consultation with Audit to reconcile the status of the ATNs and adhere to the prescribed period for bringing down the pendency status at the earliest. The Committee may be apprised of the action taken in this regard within two months of the presentation of the Report.

13. The Ministry of Finance, Department of Expenditure in their Action Taken Notes have stated as under:-

“It is reported that, as mentioned above, the pendency position of Audit Paras as on 30.9.2017 of Central Excise & Service Tax shown in the APMS portal was 122. Out of that, 112 were pending with Audit and balance the 10 Paras were finally settled by Audit and were pending with the Ministry for Hindi translation of the Action Taken Notes. It is also reported that as on 30.9.2017, pendency position as received from Central Excise & Service Tax were “NIL” (for further comments on the vetting comments of audit and also for submitting 1st Action Taken

Note to Audit). Pendency position received from Office of the C&AG, as on 30.9.2016 is enclosed as Annexure-1.

2. Pendency position shown in APMS portal as on 11.4.2017 is enclosed as Annexure-2. In this pendency position, APMS is showing 5 Audit Paras where audit has furnished vetting comments to the Ministry very recently i.e. in March/April, 2017, and Ministry's further comments on the vetting comments of audit are being prepared and will be submitted to audit shortly. Other 26 Audit Para shown pending with the Ministry have been finally settled by the audit. After doing Hindi version of the Action Taken Notes, these will also be uploaded in APMS portal on top priority."

14. Audit in their Vetting comments have stated as under:-

"Audit has reiterated the comments furnished by the Ministry, as stated above. As mentioned in Annexure -1, the audit has reiterated that 71 ATNs are pending with Audit as on 30.9.2016. The ATN on Para No.6.4.1 (DAP 1C/2014-15) of Audit Report No.2 of 2016 pertains to Ministry of Commerce. Copy of vetting comments furnished to Ministry vide C&AG letter dt.27.9.2017 is enclosed as Annexure-A.

In respect of pending ATNs, Audit has not furnished any comments, since reconciliation of pendency is being done regularly between Ministry and C&AG."

15. **The Department of Revenue had submitted that the total paras pending with the Department was 472 i.e. 122 in Central Excise and Service Tax, 102 in Customs and 248 in Central Board of Direct Taxes. The Committee while expressing dissatisfaction at the delay in submission of remedial Action Taken Notes on non-selected Audit Paras for which the pendency of the ATNs had increased over a period of time recommended that the Ministry take urgent requisite measures to adhere to the prescribed period for bringing down the pendency status at the earliest. The Committee are, however, shocked to note that the total pendency with the Department of Revenue has actually increased to 824 as on 11.1.2024 i.e. 17 in Central Excise, 64 in Customs and 738 in Central Board of Direct Taxes and 5 in the Department of Revenue. The Committee, therefore, reiterate their earlier recommendation that Ministry should take urgent requisite measures to adhere to the prescribed period of 4 months for bringing down the pendency and submit quarterly action taken reports to the Committee for their consideration. Further, the Committee desire that action may be taken against the officers responsible for delay in uploading of ATNs on the portal and the Committee be apprised thereof.**

16. *The Committee note that the total outstanding paras of the Ministry of Railways were 100, out of which ATNs on 5 paras have not been received from the Ministry even for the first time, revised ATNs on 53 paras were awaited and ATNs on 6 vetted paras were pending with the Ministry. Though the Ministry have reportedly made efforts in finalizing the ATNs by issuing instructions to the field officers to take necessary action on the Reports for expediting the submission of ATNs without waiting directions from the Zonal Officers and also constituting and holding meetings of Standing Audit Committees, the Committee are, however, perturbed to note the increase in the pendency of ATNs by 33.33 percent as on 30.09.2016. It is, therefore, imperative that the monitoring mechanism be strengthened by the Ministry to ensure that various measure initiated towards timely submission of ATNs actually fructify.*

17. The Ministry of Railways in their Action Taken Notes have stated as under:-

“The increase in pendency from 31.07.2016 to 30.09.2016 is due to tabling of two new Reports of C&AG (13th and 14th Reports of 2016) containing 41 paras. Various efforts have since been made to clear the pendency. Since August 2016, 10 SAC meetings have been held in which the necessity to clear the paras within the stipulated period is impressed upon the officers concerned. Two ATN Workshops have also been held with Audit for audit paras where there is a persistent difference of opinion between Audit and Ministry, for their early finalisation. Reminders are also issued to officers concerned for expeditious disposal of audit paras. As a result, the pendency of audit paras upto the Report year 2016 now stands at 95. Three more paras have been finalised and will be submitted to Ministry of Finance/PAC after Hindi translation bringing the pendency to 92.”

18. **The Committee while noting that the total outstanding paras of the Ministry of Railways were 100, had therefore, recommended that the monitoring mechanism be strengthened by the Ministry to ensure that various measures initiated towards timely submission of ATNs actually fructify. The Committee note from the reply of the Ministry that pendency of audit paras upto the Report year 2016 stood at 95 and that SAC meetings were held in which the necessity to clear the paras within the stipulated period was impressed upon the officers concerned and reminders were also issued to officers concerned for expeditious disposal of audit paras. The Committee are, however, disappointed to note that pendency of audit paras was at 63 as on 11.1.2024. The Committee are of the considered view that the Ministry has failed in realizing the importance of timely clearance of pending ATNs and reducing the pendency from 95 to 63 is in no way an achievement to reckon with. The Committee, therefore, desire that the Ministry of Railways further improve the process of clearing pending ATNs and inform the Committee of the action taken in this regard.**

CHAPTER II**OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN
ACCEPTED BY THE GOVERNMENT****Observations Recommendations**

Under Article 151 of the Constitution of India, the Reports of C&AG of India relating to the audit of Union accounts must be submitted to the President of India who directs them to be laid on the table of the Houses. Thereafter, the Reports of the C&AG (Civil) stand entrusted to the Public Accounts Committee for comprehensive examination. However, due to dearth of time the Committee find it difficult to examine each and every Report and so they have adopted a judicious and selective approach by examining and reporting on the more important Reports/Paras. The Audit Reports which are not selected for in-depth examination by the Committee are being dealt with by a well devised and accepted mechanism. The Committee, in their 105th Report (Tenth Lok Sabha, 1995-96), had recommended that the Action Taken Notes on all the paragraphs of the Reports of the C&AG of India should be furnished to the Committee through the Monitoring Cell, Ministry of Finance (Department of Expenditure) within a period of 4 months from the date of laying of the Audit Reports on the table of the House w.e.f. 31st March, 1996. From the year 2009-10 onwards, the Public Accounts Committee have been vigorously examining the subject 'Non-compliance by the Ministries/Departments in timely submission of Action Taken Notes on Non-selected Audit Paragraph' reports on which are also presented to the Parliament.

[Para I (page 14) of the 66th
Report of the Public Accounts Committee]
(16th Lok Sabha)

Action taken

Introductory. No Comments.

The ATR has been vetted by o/ o C&AG (PAC) Section vide email dated 14/ 09/ 2017.

Vetting Comments of Audit:

No Further Comments

Counter comments of Ministry:

No Comments

Observations / Recommendations

As a result of the Committee's persistent oversight of the timely submission of ATNs, the position of pendency has been liquidated to a great extent. The pendency however, still remains high and it is a matter of concern to the Committee. The Committee (2008-09), (2010-11), (2013-14), (2014-15) and (2015-16) reviewed the position with respect to timely submission of ATNs on the non-selected Audit paragraphs by the Ministries/Departments and gave some considered opinion/suggestions to improve the situation. Though the Committee appreciate the efforts made by the Ministries/Departments in taking appropriate measures for timely submission of ATNs, pursuant to the Committee's recommendations, a lot of improvement is still imperative on the part of some Ministries/Departments viz., Finance, Defence and Railways as enumerated in the succeeding paragraphs.

[Para 2 (page 14) of the 66th
Report of the Public Accounts Committee]
(16th Lok Sabha)

Action taken

Introductory. No Comments.

The ATR has been vetted by O/o C&AG (PAC) Section vide email dated 14/09/2017.

Vetting Comments of Audit:

No Further Comments

Counter comments of Ministry:

No Comments

Observation/Recommendation

The Committee take a note of the efforts of the Monitoring Cell, Ministry of Finance (Department of Expenditure) in persistently monitoring timely submission of the ATNs within the Stipulated period of 4 months by the Ministries/Departments, pursuant to the recommendation of PAC which has resulted in considerable reduction in the pendency of ATNs from 4216 paras as on 30.06.2010 to 805 paras as on 31.07.2016. The Committee, while appreciating the efforts of the Monitoring Cell, feel that there are some areas for improvement, especially with regard to the reconciliation of pendency figures maintained separately by the C&AG, the Ministries and the Monitoring Cell. One of the anomalies behind the mismatch in figures of pendency maintained by the three entities relates to the earlier manual settlement process wherein the C&AG treats a para as settled after it has given its final vetting comments whereas for the Ministries the matter is settled on receipt of C&AG's final vetting comments. The Monitoring Cell considers a part as settled on physical receipt of finally vetted copies for onward transmission to the PAC. The committee in their 42nd report (Rec. Para 5) clearly suggested that the entire process of ATN settlement be completed in the APMS portal and the extant practice of manual submission of hard copies to the PAC be done away with. The Committee reiterate that henceforth, all the three entities mentioned above should treat a para as settled once the C&AG uploads its final vetting comments on the portal. The Monitoring Cell may once again reconcile the pendency figures on the basis of this criterion and apprise the Committee of the reconciled figure at the early date.

(Para 3 of the 66th Report of the Public Accounts Committee)
(16th Lok Sabha)

Action Taken

Department of Expenditure (Monitoring Cell) has made necessary updation on the APMS Portal and once the C&AG uploads its final vetting comments on the portal, the para is shown as settled.

3. Department of Expenditure (Monitoring Cell) is regularly reconciling the figures with the list of O/o C&AG and data available on APMS portal. The discrepancies noticed during reconciliation have already been brought to the notice of the Lok Sabha Secretariat (PAC Branch) vide OM no. 2/16/2015/MC-Vol-111/69 dated 4th May, 2017 (copy enclosed). As recommended by PAC (Sub-Committee IV) in its meeting held on 08.06.2017, a meeting was held on 05.07.2017 with O/o C&AG to reconcile the pendency figures (copy enclosed). Such reconciliation meetings are to be held quarterly.

4. This Action Taken Note has been vetted by Audit vide their U.O. No. 89/RC/PAC/93/2017-18 dated 22.09.2017.

Ministry of Finance, Department of Expenditure, F.no. 12(6)/E.Coord/2017 dated 09 October, 2017

Observation/Recommendation

Another area where figures differ between the data furnished by the C&AG and the Monitoring Cell is the lack of clarity regarding the audit paras on which remedial ATNs are to be furnished by various Ministries/Departments. The committee would like to make it clear once and for all that remedial ATNs were earlier required to be submitted to them on those Audit Paras/Chapters/Reports which are not selected by PAC for detailed examination and report because once PAC presents a Report to the House on the selected para/subject the Ministries/Departments concerned are bound to furnish Action Taken Notes within six months of the presentation of the Report whereas on non-selected paras, remedial ATNs are required to be furnished within four months of the laying of the Audit Reports. However, the Committee in their 20th Report (16th LS) had clearly made a recommendation that ATNs on all Audit paras, whether selected or not by PAC, have to be furnished for further scrutiny. The Committee, thus, believe that there should absolutely be no confusion in the submission of ATNs. Of course, there is a need to prioritize the non-selected Audit Paras upon which remedials are to be furnished within the stipulated time frame. The Committee would therefore like the C&AG to decide, identify and prioritize the paras of its Reports which require remedial action by the Ministries and upload them on the portal immediately after its Reports are laid in the parliament. Further, each para should be uploaded with the date of the Report being laid, the date on which ATNs are due etc. Thereafter, the Monitoring Cell should maintain separate data for paras which are pending beyond the stipulated 4 months, and those which have not crossed the 4 months period.

(Para 4 of the 66th Report of the Public Accounts Committee)
(16th Lok Sabha)

Action Taken

Department of Expenditure (Monitoring Cell) has conveyed the Observation/Recommendation of the Public Accounts Committee (PAC) contained in para 4 of 66th Report (16th Lok Sabha) to O/o C&AG vide D.O. No. 1/66/2017-MC/61 dated 13.04.2017 and D.O. No. 1/66/2017/MC/108 dated 29.06.2017 (copy enclosed) and requested them to upload (on the APMS portal) the Audit paras for which remedial ATNs are required to be furnished by the respective Ministry/Department, immediately after the corresponding Report is laid in the Parliament. The provisions for uploading Audit paras on the APMS portal have been made available on the system. The provisions have also been made available

on the existing portal for reflection of paras which are pending beyond the stipulated 4 months and those which are within the 4 months period.

2. This Action Taken Note has been vetted by Audit vide their U.O. No. 89/RC/PAC/93/2017-18 dated 22.09.2017.

Ministry of Finance, Department of Expenditure, F.no. 12(6)/E.Coord/2017 dated 09 October, 2017

Observation/Recommendation

The treatment of the so-called backlog paras, i.e. paras which have been manually settled by the Ministries with the C&AG but yet to be uploaded on the portal is another cause for the mismatch in the pendency data. The Committee, therefore, desire that since no further manual settlement was to be entertained by the C&AG pursuant to the Committee's recommendations in their 42^{1^{ici}} Report (16th LS), the Monitoring Cell may create a separate link for such backlog paras until such paras are settled. Thus, only such paras which are being processed for settlement on the ARMS in tallying the pendency figures on the main page of the portal be taken into account. The Committees will henceforth refer to only this APMS figure for assessment of non-compliance by Ministries/Departments in timely submission of ATNs. The Ministries with backlog paras may accordingly be given a time-frame of three months to upload all the manually settled paras alongwith C&AG's final vetting Comments on the APMS portal.

(Para 5 of the 66th Report of the Public Accounts Committee)
(16th Lok Sabha)

Action Taken

Department of Expenditure (Monitoring Cell) has conveyed the Observation/Recommendation of the Public Accounts committee (PAC) contained in para 5 of 66th Report (16th Lok Sabha) to the Secretaries of concerned Ministries/Departments vide D.O. No. 1/66/2017-MC/62 dated 13.04.2017 (copy enclosed) advising them to upload all the manually settled paras alongwith C&AG's final vetting comments on the APMS portal. At present the number of such backlog paras is six, the details thereof are enclosed.

2. This Action Taken Note has been vetted by Audit vide their U.O. No. 89/RC/PAC/93/2017-18 dated 22.09.2017.

Ministry of Finance, Department of Expenditure, F.no. 12(6)/E.Coord/2017 dated 09 October, 2017

Observation/Recommendation

The Committee feel that the facility of APMS should also be extended to the PAC Reports and desire that the Monitoring Cell take on the added responsibility of monitoring the timely submission of ATNs on the reports of the PAC. Towards this, the Committee desire that separate pages for each Ministry/Department may be added on the portal where the Lok Sabha Secretariat can upload the Committee's recommendations requiring ATNs from Ministries concerned, with columns showing the dates of presentation of Reports, the dates on which ATNs are due, the replies/ATNs by Ministries concerned and vetting remarks of the C&AG. Considering the benefits of efficiency, economy of paper and time, and the potential for replication of the practice by all other Parliamentary Committees, the Committee desire that the Monitoring Cell in consultation with all stakeholders like the NIC, C&AG, Ministries and the PAC Secretariat should develop this added feature on the APMS within a period of three months from the presentation of this report to Parliament. The Committee in their 20th Report, had also recommended that ATNs on Audit Paras, whether they have been selected by the PAC for examination or not, should be furnished by the Ministries/Departments within the stipulated period of 4 months. In cases where the PAC have given their report on an Audit report/para, ATN on the report would be considered to treat the para as settled. The Committee, therefore, desire that the C&AG may upload paras requiring ATNs onto the portal irrespective of whether they are selected or not by the PAC for further scrutiny/examination.

(Para 6 of the 66th Report of the Public Accounts Committee)
(16th Lok Sabha)

Action Taken

Department of Expenditure (Monitoring Cell) has developed a module for online submission/vetting of replies to PAC paras on existing APMS portal in consultation with all stakeholders and after incorporating their suggestion and this module is live/operational. Information in this regard have been circulated to all stakeholders vide letter no. 8/3/2017/e-MC/129 dated 24.11.2017 with schedule of training of PAC module.

2. This Action Taken Note has been vetted by Audit vide their U.O. No. RC/PAC/93/17-18/Vol.II/87 dated 06.06.2018.

Ministry of Finance, Department of Expenditure, F.No. 12(6)/E.Coord/2017 dated 22nd June, 2018

Observation/Recommendation

The Committee note that as on 31.7.2016, the total pendency of Action taken Notes with the Ministry of Finance (Department of Revenue) was 336, out of which ATNs on 41 paras have not been furnished even for the first time. The Department of Revenue have however, submitted that the total paras pending with the Department was 472 only i.e. 122 in Central Excise and Service Tax, 102 in Customs and 248 in Central Board of Direct Taxes. The Committee further observed from the information furnished by the Audit that the number of pending ATNs as on 30.9.2016 was 263. CBEC have stated that the total pendency of paras on which ATNs are to be submitted to PAC as on 4.10.2016 was 224 out of which ATNs on only 2 paras pertaining to Customs have not been furnished even for the first time, revised ATNs are to be submitted for 7 paras, ATNs on 31 paras have been approved by Audit and the same are pending with the Ministry and the remaining ATNs on 184 paras are pending with Audit. CBEC have further submitted that out of the total 122 paras with Central Excise & Service Tax pending on APMS portal, on 112 paras action was to be taken by C&AG and on 10 paras action was pending on part of the Ministry. CBDT further stated that as on date, 140 ATNs were under consideration of the office of the C&AG for giving vetting comments. The C&AG in 32 cases had given additional comments out of which in 11 cases revised ATNs had been submitted for vetting comments of the C&AG and other 21 cases were under examination of CBDT. In 55 cases, vetting comments had been given online and the CBDT was in the process of sending physical copies of the final ATNs and uploading of the same. The Committee are concerned with the indifferent approach of the Ministry in reconciling the pending paras with that of the Audit, despite clear cut guidelines to furnish the ATNs within 4 months after the Audit Reports are laid in Parliament and upload the same on the APMS portal. The Committee are particularly dissatisfied with the delay in submission of remedial on non-selected Audit Paras for which the pendency of the ATNs have increased over a period of time. The Committee, therefore, recommend the Ministry to take urgent requisite measures in consultation with Audit to reconcile the status of the ATNs and adhere to the prescribed period for bringing down the pendency status at the earliest. The Committee may be apprised of the action taken in this regard within two months of the presentation of the Report.

Para 7 of 66th Report of the Public Accounts Committee (16th Lok Sabha)

Action Taken

It is reported that, as mentioned above, the pendency position of Audit Paras as on 30.9.2017 of Central Excise & Service Tax shown in the APMS portal was 122. Out of that, 112 were pending with Audit and balance the 10 Paras were finally settled by Audit and were pending with the Ministry for Hindi translation of the Action Taken Notes. It is also reported that as on 30.9.2017, pendency position with of Central Excise & Service Tax were "NIL" (for further comments on the vetting

comments of audit and also for submitting 1st Action Taken Note to Audit). Pendency position received from Office of the C&AG, as on 30.9.2016 is enclosed as **Annexure-1**.

2. Pendency position shown in APMS portal as on 11.4.2017 is enclosed as **Annexure-2**. In this pendency position, APMS is showing 5 Audit Paras where audit has furnished vetting comments to the Ministry very recently i.e. in March/April, 2017, and Ministry's further comments on the vetting comments of audit are being prepared and will be submitted to audit shortly. Other 26 Audit Para shown pending with the Ministry have been finally settled by the audit. After doing Hindi version of the Action Taken Notes, these will also be uploaded in APMS portal on top priority.

Vetting comments of audit and Ministry's further comments

Audit has reiterated the comments furnished by the Ministry, as stated above. As mentioned in Annexure -1, the audit has reiterated that 71 ATNs are pending with Audit as on 30.9.2016. The ATN on Para No.6.4.1 (DAP 1C/2014-15) of Audit Report No.2 of 2016 pertains to Ministry of Commerce. Copy of vetting comments furnished to Ministry vide C&AG letter dt.27.9.2017 is enclosed as **Annexure-A**.

In respect of pending ATNs, Audit has not furnished any comments, since reconciliation of pendency is being done regularly between Ministry and C&AG.

Observations/Recommendations

The Committee are equally concerned over the pendency of ATNs on the part of the Ministry of Defence, though the figure has dropped marginally from 163 in July, 2016 to 157 as on 30.09.2016 out of which ATNs on 38 paras have not been received from the Ministry even for the first time, 84 paras on which revised ATNs are still awaited, 30 paras on which ATNs are pending with Ministry and 5 paras are pending with Audi. The Defence Secretary during evidence had stated that the total outstanding paras were 164 out of which ATNs for 34 paras have not been sent to Audit even for once. The Committee do not approve of the discrepancies in the number of pending paras furnished by Audit vis-a-vis the Ministry and the delay on the part of the Ministry in submission and uploading the ATNs on the APMS Portal. The Committee urge the Ministry to take stock of the pendency of ATNs in consultation with Audit and work out an effective mechanism so that the anomalies are removed and ATNs are timely submitted and uploaded on the portal.

(SI.No. 1, Para 8 of the Sixty-Six Report of Public Accounts Committee,
16th Lok Sabha)

ACTION TAKEN

Current position of pending Audit Paras as on date is as under:

Total Pending Paras	No. of Paras not sent to Audit even once	Draft ATNs submitted to Audit	Revised ATNs awaited from Ministry	Revised ATNs sent to Audit
107(157)	12(38)	24(30)	50(84)	21(5)

*Figures in bracket are as on 30.09.2016

As may be seen good progress has been made by the Ministry in reducing the number of paras pending at various stages as a result of a number of corrective measures been taken by the Ministry of Defence after the aforesaid Public Accounts Committee meeting. To overcome delay in submission of ATNs, decision was taken in the Ministry to link pendency position of Action Taken Notes of Ministry of Defence with APMS portal. This has resulted in complete elimination of discrepancy aspect, between Ministry of Defence and Audit. Further, continuous efforts on the part of Defence Secretary, Financial Adviser (Defence Services), Additional Secretary and Divisional Heads has resulted in reduction of a number of ATNs which is reflected on APMS portal.

2. It is assured to the Public Accounts Committee that all out efforts are being made at every level in the Ministry of Defence to eliminate the pending position.

Observations/Recommendations

Ministry of Railways

The committee note that the total outstanding paras of the Ministry of Railways were 100, out of which ATNs on 5 paras have not been received from the Ministry even for the first time, revised ATNs on 53 paras were awaited and ATNs on 6 vetted paras were pending with the Ministry. Though the Ministry have reportedly making efforts in finalizing the ATNs by issuing instructions to the field officers to take necessary action on the Reports for expediting the submission of ATNs without waiting directions from the Zonal officers and also constituting and holding meetings of Standing Audit Committees, the committee are, however, perturbed to note the increase in the pendency of ATNs by 33.33 percent as on 30.09.2016. It is, therefore, imperative that the monitoring mechanism be strengthened by the Ministry to ensure that various measure initiated towards timely submission of ATNs actually fructify.

Action taken

The increase in pendency from 31.07.2016 to 30.09.2016 is due to tabling of two new Reports of C&AG (13th and 14th Reports of 2016) containing 41 paras. Various efforts have since been made to clear the pendency. Since August 2016, 10 SAC meetings have been held in which the necessity to clear the paras within the stipulated period is impressed upon the officers concerned. Two ATN Workshops have also been held with Audit for audit paras where there is a persistent difference of opinion between Audit and Ministry, for their early finalisation. Reminders are also issued to officers concerned for expeditious disposal of audit paras. As a result, the pendency of audit paras upto the Report year 2016 now stands at 95. Three more paras have been finalised and will be submitted to Ministry of Finance/PAC after Hindi translation bringing the pendency to 92.

CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO
PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT**

NIL

CHAPTER IV

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH
REQUIRE REITERATION**

NIL

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE
FURNISHED INTERIM REPLIES/NO REPLIES

NIL

NEW DELHI:
07 February, 2024
18 Magha 1945 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee

APPENDIX-II*(Vide Paragraph 5 of Introduction)***ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR FIFTY FOURTH REPORT (SEVENTEENTH LOK SABHA)**

(i)	Total number of Observations/Recommendations	9
(ii)	Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9	Total:9 Percentage: 100
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government: Para No. – NIL	Total: 0 Percentage: 0
(iv)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Para No. –NIL	Total:0 Percentage: 0
(v)	Observations/Recommendations in respect of which the Government have furnished interim replies: Para No. – NIL	Total:0 Percentage: 0