

COMMITTEE

ON

PAPERS LAID ON THE TABLE

(1985-86)

(EIGHTH LOK SABHA)

THIRD REPORT

[Action Taken by Government on the recommendations/observations made by the Committee on papers laid on the Table in their Twelfth to Twenty-Second Reports (Sixth Lok Sabha)]

[Presented on 19 August, 1985]



LOK SABHA SECRETARIAT

NEW DELHI

August, 1985/Śravana, 1907 (Saka)

Price : Rs. 2.00

328.541

CONTENTS

	Page
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT	Action taken by Government on the recommendations/ observations made by the Committee on Papers laid on the Table in their Twelfth to Twenty-Second Reports (Sixth Lok Sabha)
APPENDIX	Statement showing Action Taken by Government on the recommendations/observations of the Committee on Papers laid on the Table in their Twelfth to Twenty-Second Reports (Sixth Lok Sabha)

**PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON
THE TABLE (1985-86)**

1. Shri M. V. Chandrashekara Murthy—*Chairman*
2. Shri Jagdish Awasthi
3. Shri Naresh Chandrra Chaturbedi
4. Shri Shanti Dhariwal
5. Shri G. S. Gholap
6. Shri Kammodilal Jatav
7. Shri Maurice Kujur
8. Shri G. K. Kuppuswamy
9. Shri Sanat Kumar Mandal
10. Shrimati Manorma Singh
11. Shrimati Patel Ramaben Ramjibhai Mavani
12. Shri Nityananda Misra
13. Shri Ramashray Prasad Singh
14. Shri Atish Chandra Sinha
15. Shri V. Tulsiram

SECRETARIAT

Shri N. N. Mehra—*Joint Secretary.*

Shri S. Balasubramanian—*Chief Legislative Committee Officer.*

Shri R.S. Mani—*Senior Legislative Committee Officer.*

INTRODUCTION

I, the Chairman of the Committee on Papers laid on the Table, having been authorised by the Committee to present the Report on their behalf, present this their third Report on the Action Taken or proposed to be taken by Government on certain recommendations/observations of the Committee on Papers laid on the Table made in their Twelfth to Twenty-Second Reports (Sixth Lok Sabha).

2. The matters covered by this Report were considered by the Committee at their sitting held on 20 October, 1984.

3. The Committee considered and adopted this Report at their sitting held on 8 August, 1985.

NEW DELHI ;

M. V. GHANDRASHEKARA MURTHY,

8 August, 1985

*Chairman,
Committee on Papers laid on the Table*

17 Sravana, 1907 (S)

REPORT

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE IN THEIR TWELFTH- TO TWENTY-SECOND REPORTS (SIXTH LOK SABHA)

The recommendations/observations made in the Twelfth to Twenty-Second Reports (Sixth Lok Sabha) of the Committee on Papers laid on the Table, on which Government have taken action have been shown in a statement at the Appendix. The other recommendations/observations which have not been included in the Appendix were narrative in character.

2. The Committee note with satisfaction the action taken by Government on their recommendations/observations made in their Twelfth to Twenty-Second Reports (Sixth Lok Sabha) as indicated in the Appendix.

NEW DELHI ;

8 August, 1985

17 Srawana, 1907 (Saka)

M. V. CHANDRASHEKARA MURTHY,

Chairman,

Committee on Papers laid on the Table.

APPENDIX

(Vide paragraph 2 of Report)

Statement showing action taken by Government on Recommendations/Observations of the Committee on Papers laid on the Table in their twelfth to Twenty-Second Reports (Sixth Lok Sabha)

S. No.	Para No.	Summary of recommendations/observations	Gist of Govt. reply/action taken
1	2	3	4

1. Twelfth Report
(Sixth Lok Sabha) 1.33
[Ministry of Shipping
and Transport/Delhi
Transport Corporation]

During the course of evidence it was revealed that despite the provisions of Sub-section (1) of Section 33 of the Road Transport Corporation Act, 1950 that "the Corporation shall maintain proper accounts and other records and prepare an annual statement of accounts including the profit and loss accounts and the balance sheet in such form as may be prescribed by the State Government in consultation with the Comptroller and Auditor General of India" the requisite form has not been prescribed so far by the Government even after 7 years of formation of DTC. The Committee deprecate the tendency of the Ministry of Shipping and Transport in procrastinating the matter. Even the Audit have also in the Audit Reports for 1972-73, 1973-74, 1974-75 and 1975-76 repeatedly pointed out the lapse on the part of the Government

The Ministry have prepared the Revised Form for maintaining the accounts of D.T.C. in consultation with the Ministry of Finance (Department of Expenditure) and Bureau of Public Enterprises, D.T.C. and C. & A.G. [Vice M/O Shipping and Transport O.M. No. TGB (48)/78 dt. 13-12-79]

in not prescribing the requisite form. The Committee feel that prescribing of the form in which the accounts should be maintained should have been given top priority with a view to facilitating the work of the accounting staff of DTG in compiling and maintaining the accounts properly and efficiently. The Committee are of the opinion that urgent steps in right earnest should be taken by the Government in prescribing the requisite form for maintenance of accounts etc. The Committee would like to be apprised of the progress made in this regard within 3 months.

2. Twelfth Report
(Sixth Lok Sabha) 1.34
[Ministry of Shipping
and Transport/Delhi
Transport Corporation].

To their utter surprise, the Committee find the following observations made repeatedly by the Audit in the audit reports for 1972-73, 1973-74 and 1974-75. Audit report for 1972-73 :—

9. Internal Audit, Cost, Control System and Accounting Manual.

The Corporation did not have any effective system of the Internal Audit. No Manual of Internal Audit has been drawn up. The items and quantum of work to be test checked are prescribed from month to month keeping in view the available staff for Internal Audit work. Internal Audit Reports, if any, prepared were also not made available.

There is no control wing. However, a Costing Section keeps the records of jobs attended to in the Central Workshop only.

Due to resource constraints, the Corporation could not implement the recommendation of the audit during the past. But steps have been initiated to streamline the entire account system. During 1978-79 the Corporation obtained the services of Tata Consultancy Services for in depth study of functioning of the Corporation including the Accounts system. As a part of the implementation programme, it is proposed to ask the consultants to frame the Accounts Manual as well as the Internal Audit Manuals.

In the meanwhile, the Corporation has reorganised with the available manpower, a system of internal

[Ministry of Shipping and Transport/
Delhi Transport Corporation]

The Corporation has not also drawn up any Accounting Manual up till now (March, 1976). (Page 12 of Audit Report).

Audit Report for 1973-74 :

6. Internal Audit Cost Control etc.

As mentioned in the report for the year 1972-73 no accounting manual had been drafted and the internal audit and cost control systems were not adequate (January, 1977). (Page 12 of Audit Report).

Audit Report for 1974-75 :

E. Internal Audit, Cost Control etc.

The Accounting Manual had not been drafted (January 1978) and the cost control system and internal audit are not adequate. Out of 17 units (including Central Workshop, Central Stores and the Headquarters) internal audit was not conducted in 7 depots and in the rest only transactions pertaining to the establishment and receipt and issues of spare parts were audited. The recoveries as pointed out by internal audit were not promptly effected and were not effected in 2713 cases. Unsettled objections date back to 1960-61. The Management have stated (January, 1978)

check and control. A proposal to augment the staff strength of the Accounts Department, streamlining of the system and procedure, if need be through mechanisation of the repetitive nature of work like pay bills, payroll accounting are also under consideration of the Corporation and decisions would be shortly taken. The Costing Department of the Corporation is also proposed to be enlarged to attend to depot costing and budgeting in a systematic manner. [Vide Ministry of Shipping and Transport O.M. No. TGB (48)/76 dt. 13-12-1979].

that there was shortage of staff for conducting internal audit and efforts were being made to depute the existing staff in various units in order to cover the maximum number of units in turn. (Page 15 of Audit Report).

Twelfth Report (Sixth Lok Sabha) 1.35
[Ministry of Shipping & Transport/Delhi Transport Corporation]

The Committee fail to understand as to why the same observation has been allowed to be repeated time and again in the Audit Reports without any solution being found out therefor. These observations depict the extremely sorry state of affairs in the Audit Department of Delhi Transport Corporation inasmuch as it is devoid of the basic requisites like an effective system of Internal Audit, a Manual of Internal Audit and Accounting Manual etc. which are *sine qua non* of keeping the accounts of any organisation in proper form. In the absence thereof, the preparation of accounts is bound to be delayed with the result that laying of the accounts on the Table of the House is also likely to be delayed. The reports and accounts lose their importance if they are not laid on the Table of the House within a reasonable time after the close of the accounting year, as at a very late stage, the corrective measures, if any, suggested by Parliament do not prove so effective as these could have been if the reports etc. had been laid in time. The Committee trust that earnest steps will be taken by Delhi Transport Corporation to tone up their Accounts Department in order that the deficiencies pointed out by the Audit are made up and accounting procedures are streamlined.

Due to resource constraints the Corporation could not implement the recommendation of the audit during the past. But steps have been initiated to streamline the entire account system. During 1978-79 the Corporation obtained the services of Tata Consultancy Services for in depth study of functioning of the Corporation including the Accounts system. As a part of the implementation programme, it is proposed to ask the consultants to frame the Accounts Manual as well as the Internal Audit Manuals.

In the meanwhile, the Corporation has reorganised with the available manpower, a system of internal check and control. A proposal to augment the staff strength of the Accounts Department streamlining of the system and procedure, if need be through mechanisation of the repetitive nature of work like pay bills, payroll accounting are also under consideration of the Corporation and decision

4- Twelfth Report
(Sixth Lok Sabha) 1:36
[Ministry of Shipping
and Transport/Delhi
Transport Corpora-
tion]

In the Audit Reports for 1973-74 and 1974-75 the Audit has made the following observations:—

Audit Report for 1973-74:

Physical Verification

In accordance with the procedure of the Corpora-
tion all items were to be verified physically twice a
year. However, during the year, 10,303 items of
stores valued at Rs. 76.20 lakhs out of 34,774
items pertaining to Central Stores, Civil Engineer-
ing Department, Stationery Section were not
physically verified (Page 12 of Audit Report).

Audit Report for 1974-75.

It was observed in test check in seven depots (includ-
ing the Central Workshop) that out of 262
buses repaired during 1974-75 and 1975-76
(upto January, 1976)

would be shortly taken. The Cost-
ing department of the Corporation
is also proposed to be enlarged to
attend to depot costing and
budgeting in a systematic manner
(Vide Ministry of Shipping and
Transport O.M. No. TGB(48)/78
dated 13-12-79).

The physical verification of stores is
now being conducted under the
scheme of perpetual stock verification
whereunder stock Verifiers carry out
physical check of stores items through-
out the year. Such items which are
not covered under perpetual stock
verification, due to inadequacy of
staff are subjected to physical che-
ck at the close of the year by deputing
a special team of officers to carry out
check. Thus, it is ensured that all the
items of stores are covered under a
perpetual verification, either under
perpetual verification or under
physical checking at the close of the
year.

79 buses had been held for repairs for periods ranging from 90 days to 180 days, 67 buses for 181 days to 365 days, 13 buses between 1 and 2 years, 2 buses between 2 and 3 years and 1 bus for more than 3 years. The Management have stated (January, 1978) that these buses were held-up on account of extra load on the Workshop due to student/public agitations, acute shortage of good quality stores and spare parts and also due to shortage of maintenance staff. It may be mentioned that during the year, 853 new staff were added to the strength of maintenance and Workshop Department. (Page 7 of the Audit Report).

Regarding the hold up of buses in various depots, the reasons are manifold, the important of which are (a) the inadequate maintenance capacity in the present workshop which can support a maximum fleet strength of 1200 buses against 2500 fleet at present and (b) Disastrous cannibalisation resorted to in the years 1975-76 & 1976-77 which have immobilised the fleet of the Corporation and only in the last two years effective steps were taken to rehabilitate these buses at enormous expenditure.

The cumulative loss at the end of 1974-75 amounted to Rs. 3,941.42 lakhs (including Rs. 1,522.45 lakhs from the pre-Corporation period) and represented 87.2 per cent of the total capital invested. The Management have stated (January, 1978) that the fare structure which was revised more than a decade ago i.e. in 1964, remained unchanged as a result of which it heavily burdened the financial position of the Corporation. It may, however, be mentioned that even without a change in fare structure, in 1974-75 the operating revenue per kilometre as well as per passenger registered an increase of 10 per cent (approximately) over the previous year. (Page 8 of the Audit Report).

The steps taken to streamline maintenance include:- (i) In 1977 the system of two-tier maintenance both at the depot level and at the Central Workshop has been introduced with preventive maintenance schedule to reduce the incidence of down-time of vehicles. (ii) The Corporation's proposal to establish a second central Workshop at a cost of Rs. 3.64 crores has been approved and it is likely to start functioning by the end of financial year 1982-83. In the meanwhile efforts are made to improve the system of maintenance with proper

Physical verification of fixed assets was not conducted during 1974-75 (or in earlier years) nor were registers of assets maintained except for buses and auxiliary vehicles. Though the Management have stated (January, 1978) that physical verification of furniture and fixture were conducted annually, the verification reports were not made available to audit. In regard to land and buildings, the Management is stated to have issued instructions for maintenance of proper detailed registers. In regard to buses, it has been stated that certificates of actual number of buses held in each unit are obtained from each unit officer at the close of the accounting year. (Page 12 of Audit Report).

docking schedules and have the system of two-tier maintenance both at the depot level and at the Central Workshop, with preventive maintenance schedule to reduce the incidence of down-time of vehicles.

3. As regards incurring of losses by DTC it may be stated that the provisions of city transport services is part of social obligations and not a commercial operation. All over the world the city transport corporations have been, it is reported, incurring losses and the Govt. subsidize them. In the case of DTC, it has also been incurring losses continuously as its fare structure is not linked with the economics of operational Cost. Further the fare structure had remained unchanged for more than two decades except small increase in February, 1979. The increase in those fares was likely to meet 50% of the operational loss as in February, 1979 but due to rise in the prices of all the inputs thereafter has nullified the additional revenue of the Corporation and it is expected to incur working loss of more than 6 crores even during the current financial year.

The Committee cannot help expressing their extreme dissatisfaction over the manner in which the Delhi Transport Corporation has been functioning. The Physical verification had not been done in spite of the procedure laid down therefor. The Audit Report for 1974-75 reveals the inefficiency and ill equipment of depots and Central Workshop of DTC as also the losses suffered by the Corporation. The Committee feel that if these reports had been laid on the Table of the House in time, Parliament would have taken note of such observations and irregularities pointed out by the Audit and would also have taken an opportunity to discuss the matter at the time of voting on Demands for Grants of the Ministry of Shipping and Transport so as to avoid repetition of serious irregularities in the accounts of DTC which is under the administrative control of the Ministry of Shipping and Transport. Thus, on account of delay in laying of these reports Parliament has been kept in dark about the financial mess created in the functioning of DTC. The Committee are constrained to remark that it serves no useful purpose to lay reports on the Table which have become obsolete.

4. As regards the increase in operating revenue per kilometre as well as per passenger during 1974-75 it may be stated that it was due to the reason that DTC changed its routes structure and adopted a direction oriented pattern instead of destination oriented pattern, with the result that the buses avoided zigzag routes, which were strengthened and shortened. Further the number of buses on Interstate routes were also increased from 64 to 82 which brought more revenue per bus.

Physical Verification of fixed assets.

Since this Corporation has been passing through various ownerships and has been in existence since 1948 (GNIT) The records of fixed assets pertaining to plant & machinery, furniture & fixtures and Civil Engg. (building & other assets) have not been maintained since inception and the value of the individual items is also not available. Recently, instructions have been issued to maintain atleast a physical inventory of the various assets in existence so that physical verification thereof

Twelfth Report (Sixth Lok Sabha) 1.39
[Ministry of Shipping & Transport/Delhi Transport Corporation]

The Committee cannot help expressing their displeasure over the manner in which their recommendations have been treated by the Ministry of Shipping and Transport. The Committee are of the view that the situation is not likely to improve unless earnest and concerted efforts are made by the Ministry concerned to clear the backlog at the earliest. The Committee would, therefore, like the Ministry to remain in touch with the Delhi Transport Corporation so as to keep a constant watch on the progress regarding compilation of its accounts, their auditing, printing and translation into Hindi version, etc. and take such remedial measures which might be necessary so that the certified accounts audit reports are laid before Parliament without any further delay. If for any reason, it is not possible to lay the certified accounts and audit reports during the current session (i.e., Budget Session, 1979) the Ministry should lay a statement

could be made. Physical inventory has already been completed in respect of plant and machinery, Civil engineering, land and buildings. As for mobile items of furniture and fixtures, it has been undertaken and will be completed shortly, [vide M/O Shipping & Transport O.M. No. TGB (48)/78 dated 13-12-1979].

A meeting was convened in the Ministry of Shipping and Transport on 3rd October, 1978 to fix the schedule for submission of Annual Accounts and Audit Report of DTC. The Audit was associated at the deliberations of the meetings in addition to the representative of DTC. Further every month a meeting is held by the Deputy Secretary concerned with the DTC to ensure that the time schedules fixed in the meeting are strictly adhered to by DTC, Audit and the Ministry. With all these efforts, it has now been possible to clear the backlog and it is hoped that Audit Report for the year 1978-79 will be laid within the stipulated time. (Vide Ministry of Shipping

on the Table, before the termination of the session, explaining the reasons why they have not been able to lay the accounts/reports for the years 1976-77 and 1977-78 so far.

7 Twelfth Report [Sixth Lok Sabha] 1.40 [Ministry of Shipping and Transport/Delhi Transport Corporation]

The Committee would also like to reiterate their recommendation made in para 1.16 in their first Report (Fifth Lok Sabha) presented to Lok Sabha on 8th March, 1976 that after the close of the accounting year every autonomous organisation should complete its accounts within a period of 3 months and make them available for auditing. Auditing of the accounts and furnishing replies to audit objections, if any, and also translation and printing of Reports should be completed within the next six months so that the Reports and audited accounts are laid before Parliament within nine months after the close of the accounting year unless otherwise stipulated in the relevant Act, etc. under which the body had been set up. If for any reason, the report and audited accounts cannot be laid within the stipulated period of nine months, the concerned Ministry should lay within 90 days of expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period.

and Transport O.M. No. TGB (48)/78 dated 13-12-1979].

(i) A meeting was convened in the Ministry of Shipping and Transport on 3rd October, 1978 to discuss the schedule for submission of Annual Accounts and Audit Report of DTC. The Audit was associated at the deliberations of the meeting in addition to the representative of DTC. Further every month a meeting is held by the Deputy Secretary concerned with the DTC to ensure that the time schedules fixed in the meeting are strictly adhered to by DTC, and the Ministry. With all these efforts, it has now been possible to clear the backlog and it is hoped that audit report for the year 1978-79 will be laid within the stipulated time. (Vide Ministry of Shipping and Transport O.M. No. TGB (48)/78 Dated 13-12-1979).

(ii) Circulated by Department of Parliamentary Affairs to all Ministries/Departments of Government of India (Vide their O.M. No. F. 28 (4)/76-Leg. Dt. 2-5-1979).

8 Twelfth Report (Sixth Lok Sabha) 1.41
[Ministry of Shipping and Transport/Delhi Transport Corporation]

With a view to meeting the requirements of the recommendation made in para 1.16 of the First Report (Fifth Lok Sabha) the Committee suggest that a time bound programme should be drawn up for completing action at various stages like preparation of accounts, their submission to the Audit for auditing, completion of audit, furnishing replies to audit queries, furnishing final audit report to the Ministry of DTG, translation and printing etc. of accounts and the audit reports, in such a manner that these are laid on the Table of the House within nine months after the close of the accounting year. The Committee also suggest that while preparing the time schedule the Audit authorities may be consulted in the matter. The Committee would like to be apprised of the position in this regard within 3 months.

9 Twelfth Report (Sixth Lok Sabha) 1.43
[Ministry of Shipping and Transport/Delhi Transport Corporation].

The Committee need hardly point out that the idea behind laying on the Table of the House, a statement explaining reasons for the delay is to apprise the House of the factors which were responsible for the delay or the difficulties being faced by the Ministry or the organisation concerned in compilation, auditing, printing, translation, etc. of the accounts and reports so that the House might be in a position to examine those reasons and suggest corrective measures, where necessary, for future guidance. The committee trust that, in future, due care would be taken while preparing the delay statement.

(i) The Government are following the recommendation of the Committee.

(ii) Circulated by D.P.A. to all Ministries/Departments of Govt. of India (*Vide* their O.M. No. F.28 (4)/79-Leg. Dated 22-5-1979)

Twelfth Report (Sixth Lok Sabha) 1.44
[Ministry of Shipping and Transport/Delhi Transport Corporation].

The Committee note that the Annual Administration Reports for 1976-77 and 1977-78 of the Delhi Transport Corporation were laid on the Table of Lok Sabha within the stipulated time i.e., on 14-12-77 and 22-12-1978 respectively, but the Ministry of Shipping and Transport had not laid along with the Annual Administration Report, for 1976-77 their own 'Review' on the working of the Corporation although they had laid the 'Review' along with the Annual Administration Report for 1977-78. The Committee trust that the Ministry would in future, lay invariably their own 'Review' on the working of DTG in accordance with the recommendation made in para 3.8 of their Second Report (Sixth Lok Sabha), mentioning therein the salient points of achievements, total expenditure incurred by the Government on the Corporation, how for the Corporation has achieved the objectives for which it was set up and what are the salient features of its future programme. Where the Report or the Audit Report mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry, it was expected of the Government to include in the Review the remedial steps being taken in that direction.

The Annual Reports and Audited Accounts of D.T.G. are laid on the Table of the House along with 'Review' of Government thereon.

- 11 Thirteenth Report (Sixth Lok Sabha) 1.51
[Ministry of Information and Broadcasting/
I.M.P.E.C.L.]

The Committee note that the Annual Report of Indian Motion Pictures Export Corporation for 1974-75 could not be adopted on 29-12-1975 for want of quorum. The Committee hope that the Ministry of Information and Broadcasting will ensure that the Annual General Meeting are fixed after mutual consultation between the Ministry and the Corporations, so that there will be no need to postpone them. Thus it will avoid loss of time and money.

Noted by Government *vide* Ministry of Information and Broadcasting O.M. No. 207/5/79-F (PSU) dated 18 July, 1979.

- 12 Thirteenth Report- (Sixth Lok Sabha) 1.53
[Ministry of Information and Broadcasting/
I.M.P.E.C.L.]

The Committee recommend that the delay statement giving reasons for delay should be examined by a senior officer in the Ministry in order to ensure that no factual inaccuracy creeps into the delay statement.

Accepted by Government. *vide* Ministry of Information & Broadcasting O.M. No. 207/5/79-F (PSU) dated 18 July, 1979.

- 13 Thirteenth Report (Sixth Lok Sabha) 1.65
[Ministry of Information and Broadcasting/
I.M.P.E.C.L.]

The Committee also recommend that laying of 'Review' on the Table should not be treated as a mere formality but should be a purposeful one, highlighting the bright as well as the dark sides of the picture. In other words the 'Review' prepared by the Government on the Report should not be a stereotyped or a technical one but should reflect a true picture of the working of the Corporation and should clearly bring out the achievements

Noted by Government *vide* Ministry of Information and Broadcasting of O.M. No. 207/79-F(PSU) datde 18 July, 1979

as well as deficiencies of the Corporation. Where the Report mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry, it was expected that Government would make a mention in the 'Review' of the action being taken in that direction.

14 **Fourteenth Report**
(Sixth Lok Sabha) 1.35
[Ministry of Education
& Social Welfare/National
Council of Educational
Research]

This is now being done. Denti-Official reminders are being sent to Sr. D.A.G. at C.A.O., NCERT's level. Vide Ministry of Education and Social Welfare O.M. No. H. 11013/14/79-P.U. dated 2 July, 1979).
(Circulated by D.P.A. to all the Ministries—Depts. of Govt. of India *via* their O.M. No. F. 28(6)/Leg. dated 24 May, 1979).

The Committee need hardly stress that the Audit Report is not forthcoming within a reasonable time. the Ministry or the organisation concerned should immediately take up the matter with the audit authorities, so that there is no avoidable delay.

15 **Fourteenth Report**
(Sixth Lok Sabha) 1.37
[Ministry of Education
& Social Welfare/NCERT]

The Committee, therefore, recommend that in the 'delay statement' the Government should invariably indicate in chronological order all the relevant dates about various stages involved in the preparation of accounts and finalisation of audit reports. The delay statements should specify the dates about compilation of accounts, their submission to Audit, receipt of the draft audit report, replies given on points raised by the Audit in the draft audit report, receipt of final Audit Report from the Audit, translation of the certified accounts and audit report into Hindi and their printing, etc.

Government have noted the recommendation for necessary action.

- I. (Vide Ministry of Education and Social Welfare O.M. No. H. 11013/14/79-PU dated 2 July, 1979).
- II. (Circulated by D.P.A. to all the Ministries and Depts. of Govt. of India *via* their O.M. No. F. 28(6)/79-Leg. dated 24 May, 1979).

16 **Fourteenth Report**
(Sixth Lok Sabha) 1.38
(Ministry of Education
& Social Welfare/NGERT

The Committee also note from the information furnished by the Ministry of Education, Social Welfare and Culture that after completing the audit on the accounts of NGERT for 1973-74 in February, 1975 the AGCR furnished the draft audit report in July, 1975. The draft Audit Report contained 8 paras and after some correspondence their number was reduced to 4 and then the Audit Report was sent to the Ministry in April, 1966 i.e., about 9 months after the draft audit report had been received by the Council. The Committee are of the opinion that as far as possible necessary clarifications sought by the Audit might be given at a meeting of the accounts officers of the Council and the officers conducting the audit instead of entering into long and protracted correspondence. This would go a long way in reducing delay in finalisation of the audit report.

This practice is now being followed. All the paras of the Draft Audit Report for 1977-78 were discussed with the officers of the Audit Party, supplying the necessary information and clarifications on the spot to avoid protracted correspondence and at the time of discussion itself Audit had reduced the number of paras from 18 to 7. The time taken by NGERT for the return of Draft Audit Report had only been 5 days and Audit afterwards had taken around two months for the issue of the final report.
(Vide Ministry of Education and Social Welfare O.M. No. H. 11013/14/79-PU dated 2 July, 1979).

17 **Fourteenth Report**
(Sixth Lok Sabha) 1.40
Ministry of Education
Social Welfare/NG-
ERT)

This practice is now being followed.
(Vide Ministry of Education and Social Welfare O.M. No. 11013/14/79 PU dated 2 July, 1979.)

The Committee trust that the recommendation contained in para 3.5 of their First Report (Fifth Lok Sabha) would be implemented in letter and spirit by the Ministry of Education, Social Welfare and Culture and the Annual and Audit Reports of NGERT would hence forward be laid before Parliament within the stipulated period of 9 months after

the close of the accounting year. If for any reason, the report, audited accounts and audit report cannot be laid within the stipulated period of nine months, the Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period

18 Fourteenth Report
(Sixth Lok Sabha) 1.14
(Ministry of Education
& Social Welfare/
NCERT)

The Committee note that although there is no enabling provision in the Rules of the National Council of Educational Research and Training for laying its Annual Reports before Parliament yet the Ministry of Education, Social Welfare and Culture lay the Annual Reports of the Council on the Table of the House. The Committee further note that the rules of the Council are also silent about the time limit within which its audit reports are required to be laid on the Table of the House.

Necessary action is being taken to amend the Rules of NCERT so as to incorporate the time limit of 9 months after the closure of the financial year for laying the Annual/Audit Report of the Council on the Table of both Houses of Parliament. (Vide Ministry of Education and Social Welfare O.M. No. H. 11013/14/79-PU dated 2 July, 1979).

19 Fourteenth Report (Sixth
Lok Sabha) 1.42
(Ministry of Education
& Social Welfare/NCE.
RT)

The Committee, therefore, recommend that urgent steps should be taken to amend the Rules of NCERT so as to incorporate therein necessary provisions making it obligatory on the part of the Government to lay on the Table of both Houses of Parliament the Annual and Audit Reports of NCERT within 9 months of the close of its accounting year.

20 Fifteenth Report
(Sixth Lok Sabha) 1.28
(Ministry of Education
& Social Welfare)

The Committee recommend that in order to bring uniformity in all the Central Universities in the matter of maintenance of accounts, their submission to Audit for auditing, etc. in time, the Ministry of Education and Social Welfare should lay down broad

The Government have accepted the recommendation and have informed that the guidelines for finalisation and submission of annual accounts etc. have been communicated to the

guidelines, in consultation with the Vice-Chancellors of the Universities, the Accountant-Generals, concerned and the University Grants Commission. The guidelines should provide *inter alia*, fixed time schedules for finalisation of accounts, their submission to Audit for auditing, completion of the auditing, making the Audit Report available to the concerned University and finally for sending copies of the Audit Report and accounts by the Universities to the Ministry to enable them to lay the same before Parliament within the time prescribed by the Committee.

Central Universities. [Vide Ministry of Education and Social Welfare O.M. No. F. 18-5/79-D(U) dated 16, August, 1979].

21 Fifteenth Report
(Sixth Lok Sabha) 1.29
(Ministry of Education
& Social Welfare)

In accordance with the time Schedules so fixed a senior officer of the University should keep a watch over the progress in the completion of accounts and their submission to Audit etc. and submit periodic reports to the Ministry of Education. The reports received from the Central Universities should be analysed properly to pin-point the bottlenecks and other difficulties. It is needless to say that the Ministry of Education and Social Welfare should hold periodic meetings with the University Grants Commission and the Heads of all the Central Universities to assess the progress of finalisation of accounts each year and to find out ways and means to streamline the procedure so that the certified accounts and Audit Reports are placed before Parliament within the time limit prescribed by the Committee.

This Ministry keeps a watch over the progress in the completion of Accounts of the Central Universities and their submission to Audit etc., by writing to and reminding the respective Vice-Chancellors. Periodical meetings of the Vice-Chancellors of the Central Universities are also held in the U.G.C., as well as in the Ministry to assess *inter alia* the progress of finalisation of accounts each year and to find out ways and means to streamline the procedure so that the Certified Accounts and Audit Reports are placed before Parliament within the time limit prescribed by the Committee.

The Committee note that a period of 16 months (February, 1975 to June 1976) had elapsed between the submission of the accounts for 1973-74 by the Aligarh Muslim University to the Accountant General and the receipt of Audit Report (English version) from him. Similarly in the case of accounts for 1974-75 the Accountant General, U.P., is stated to have taken about a year (November, 1976 to November, 1977) in furnishing the Audit Report on the Accounts. The Committee are distressed to find that no record is available with the University to show when the Audit communicated their audit objections on the accounts for the year 1973-74 to the University for the first time, except the two reports; one received in April and the revised one in June 1976. The Committee take a serious note of the loss of such important communications received from Audit. In the absence of information in this regard the Committee feel handicapped in assessing the extent of responsibility of the University and the Audit Department in delaying the finalisation of audited accounts and Audit Report. The Committee cannot help expressing their unhappiness over this state of affairs in the accounts department of the University.

[Vide Ministry of Education and Social Welfare O.M. No. F.18-15/79-D (U) dated 16 August, 1979].

The matter was taken up by the University with the A. G., U. P. who has intimated that after the completion to Audit in March, 1975, he had made two references to the University (in July, 1975 and August, 1975) seeking some additional information which was collected by him in October, 1975. The Audit Report was issued in April, 1976 and revised one in June, 1976. The University has however, noted the committee's observations regarding maintenance of proper records in future.

[Vide Ministry of Education and Social Welfare O.M. No. F.18-5/79D(U) dated 16 August, 1979]

The Committee hope that the University will learn a lesson from their past mistake and devise a suitable procedure for maintaining proper record of all papers so that such instances of loss of documents are not repeated.

23 Fifteenth Report
(Sixth Lok Sabha) 1:33
[Ministry of Education
& Social Welfare/
A.M.U.]

The Government have accepted the recommendation (Vide Ministry of Education and Social Welfare O.M. No. F. 18-5/79-D (U) dated 16 August, 1979)

The Committee note that at present the Annual Report of the Aligarh Muslim University is not being laid before Parliament as Section 34 of the Aligarh Muslim University Act, 1920 dealing with the Annual Report does not provide for its laying. The Committee are, however, happy to note that Government have recently taken a decision to lay the Annual Report for 1977-78 before Parliament in respect of Aligarh Muslim University, Hyderabad University, North-Eastern Hill University and Visva-Bharati, as the Acts of these Universities provide for submission of Annual Report to the Visitor. The Committee trust that the Annual Report of the Aligarh Muslim University for 1977-78, copies of which are expected to be received in the Ministry soon, will be laid before both the Houses without any further delay.

24 Fifteenth Report
(Sixth Lok Sabha) 1:34
[Ministry of
Social Welfare/
A.M.U.]

Keeping in view the recommendations of the Committee, the Executive Council of the Aligarh Muslim University at their meeting held on 17th/18th February, 1979, has approved

or after such date as may be prescribed by the Statutes and the Court shall consider the report in its annual meeting" but the Aligarh Muslim University have not so far made any Statute prescribing the date by which the Annual Report should be submitted to the Court, even after a lapse of 58 years of the passing of the Act. The Committee take a serious note of this lapse on the part of the University and strongly deprecate this tendency of indefinitely procrastinating the framing of Statutes under Section 34(1) of the Act. The Committee recommend that necessary Statutes should be framed without further loss of time.

ved addition of the following to the existing Statute 15(1) of the Statutes of the University :

"Sufficient number of copies of the Annual Report and the statement of receipts and expenditure and the balance sheet together with the financial estimates when finally approved by the Court, shall, as soon thereafter as possible, be submitted to the Ministry of Education & Social Welfare for being laid on the Table of the Lok Sabha in addition to the Visitor and the Chancellor."

The proposed amendment is under consideration of the Government of India. The University will be advised to prescribe a specific date as suggested by the Committee.

25 Fifteenth Report
(Sixth Lok Sabha) 1.35
[Ministry of Education & Social Welfare/A.M.U.]

The Committee further recommend that the Ministry of Education and Social Welfare should take early steps to amend Sections 34 and 35 of the Aligarh Muslim University Act, 1920, suitably in the light of the recommendations of the Committee

The Ministry of Education and Social Welfare have agreed to make a amendment in Section 34, either when the Act is next amended or to introduce a Common Bill to provide

for laying the Annual Reports of the Central Universities before Parliament (*Vide* their O. M. No. F. 18-5/79 D (U) dated 16 August, 1979)

The Government have accepted the recommendation for implementation *Vide* Ministry of Education and Social Welfare O.M. No. F. 18-5/79-D (U) dated 16 August, 1979.

The University is making all possible efforts to stick to the time schedule prescribed by the Parliament. It may, however, be added that due to the dislocation of work owing to prolonged disturbed conditions in the city in October-December, 1978 and again in May, 1979 and the present turmoil, it will not be possible to adhere to the time schedule in so far as the accounts for the year 1978-79 are concerned. It will, however, be ensured that the delay is minimised.

made in paras 1.12 and 1.14 of their second Report (Sixth Lok Sabha)

The Committee also recommend that the Certified Accounts and Audit Reports for the years 1976-77 and 1977-78, which are in arrears, should be laid on the Table without any further delay alongwith a statement explaining in detail the reasons for not laying them within the stipulated time limit so that the House may be able to assess the quantum of delay and identify the stages at which the delay has actually occurred.

The Committee, however, trust that the Annual Report Certified Accounts and Audit Report thereon for the year 1978-79 and subsequent years will be laid on the Table within the prescribed period.

26 Fifteenth Report
(Sixth Lok Sabha) 1.36
[Ministry of Education
and Social Welfare]

27 Fifteenth Report
(Sixth Lok Sabha) 1.37
[Ministry of Education
& Social Welfare]

The Committee note that the certified accounts of the Jawaharlal Nehru University for the years 1975-76 and 1976-77 which in terms of their recommendation made in para 1.16 of their First Report (Fifth Lok Sabha), should have been laid on the Table by 31-12-1976 and 31-12-1977 respectively, were laid on the Table of Lok Sabha as late as on 23-12-1977 and 29-8-1978 respectively. From the statements laid along with the certified accounts of the Jawaharlal Nehru University for 1975-76 and 1976-77 showing reasons for delay in laying those accounts, the Committee find that the University took about 6 months' time and 4 months' time in compiling the accounts for 1975-76 and 1976-77 respectively and thereafter the audit took 10 months time and 11 months' time in auditing those accounts, respectively. The Committee are constrained to observe that neither the Ministry of Education and Social Welfare who are responsible for laying on the Table the certified accounts of the Central Universities nor the University Grants Commission which disbursed grants to the Central Universities, made any effort at any stage to enquire about the reasons for delay in compilation and auditing of accounts of the Jawaharlal Nehru University. The Committee have no doubt that if the question of delay had been taken up by the Ministry with the University well in time, the certified accounts could have been laid on the Table within the stipulated period.

The Committee need hardly stress the immediately on receipt of copies of their reports, each Ministry/Department of Government of India should take prompt action on the recommendations contained

The observations made by the Committee have been noted by the Ministry for future guidance. Reminders are now being sent to Vice-Chancellors of Central Universities at regular intervals to ensure timely submission of annual accounts.
(Vide Ministry of Education and Social Welfare Department of Education O.M. No. F. 18-2/79-Desk(U) dated 29-8-1979)

(i) The observations made by the Committee have been noted for compliance by the Ministry of Education and Social Welfare, Deptt. of Education

ined therein with a view to implementing the same. The Recommendations should be brought to the notice of all concerned for strict compliance, without fail, so as to leave no scope for laxity in implementation thereof.

Vide their O.M. No. F. 18-a/79-Desk(U) dated 29-8-1979.

- (ii) The recommendation has also been circulated by Department of Parliamentary Affairs to all Ministries and Department of Government of India *vide* their O.M. No. F. 28(8)/79-Leg. dt. 31-5-1979.

30. Sixteenth Report
(Sixth Lok Sabha) 1.35
[Ministry of Education &
Social Welfare]

The Committee are surprised over the admission during evidence by the representative of the Ministry of Education and Social Welfare that there was not sufficient awareness about the need for timely laying of the report on the Table of the House. The Committee would like to point out that the recommendation contained in para 2.19 of 114th Report (Fourth Lok Sabha) of the Public Accounts Committee, calling upon the Government to lay certified accounts of Central Universities on the Table of the House is silent about the time limit for laying these accounts before Parliament with the Annual Report in as much as the date when Parliament would get the certified accounts could be delayed by any length of time. The very idea of laying in the Table the audited accounts of the University is to apprise Parlia-

The observations made by the Committee have been noted by the Ministry of Education and Social Welfare Deptt. of Education *Vide* their O.M. No. F. 18 2/79-Desk(U) dt. 29-8-1979.

ment of the manner in which the funds placed at the disposal of the University have been utilised during a Particular year so that if any serious irregularity, misappropriation or embezzlement, is noticed in the accounts of that university timely corrective measures could be suggested therefor by Parliament. On the other hand, if the accounts are laid on the Table after lapse of considerable time after the close of the accounting year, there is every likelihood that the measures suggested at that late stage by Parliament, may prove futile, as the chances are that in the meantime the persons responsible for committing serious lapse or irregularities in the accounts might have retired or might otherwise not be there for action being taken against them. The Committee trust that the Ministry would in future be very careful and alert in the matter of timely laying of the certified accounts of the University, on the Table of the House.

31 Sixteenth Report
(Sixth Lok Sabha) 1. 37
[Ministry of Education
and Social Welfare /JNU
Delhi University and
B.H.U.]

The Committee do not agree with the decision of the Ministry of Education and Social Welfare for not laying the Annual Reports of three Universities namely Jawaharlal Nehru University, Delhi University and Banaras Hindu University. The Committee are of the view that Annual Report of the University is not a document which cannot be made public. It merely reflects the activities and achievements of the University during a particular year and the Committee do not find anything objectionable if it is laid on the Table of the House. Rather, laying of certified accounts of the University

The Ministry of Education and Social Welfare Department of Education have already started laying of Annual Reports of the Central Universities on the Table of the House.

Would be more meaningful if the accounts are laid along with the Annual Report inasmuch as Parliament would get a clearer picture of the working of the University when both the documents are placed before it simultaneously.

32 Sixteenth Report
(Sixth Lok Sabha) 1.38
[Ministry of Education
and Social Welfare]

In December 1970 the Ministry of Education and Social Welfare had accepted the recommendation contained in para 2.19 of the 114th Report (Fourth Lok Sabha) of the Public Accounts Committee and in implementation thereof started laying on the Table of the House, the certified accounts of the Central Universities pending incorporation of necessary provisions in the relevant Acts of the Universities. The Committee are surprised that Government have not as yet brought forth any amendment to any of the Acts of six Central Universities, i.e. Aligarh Muslim University, Banaras Hindu University, Delhi University, Jawaharlal Nehru University, North Eastern Hill University and Visva Bharati University to make necessary provisions for the laying of accounts before Parliament. The Committee trust that Ministry of Education and Social Welfare would not delay the matter any further and the Acts of the Central Universities would be suitably amended to provide for the laying of Annual Accounts, Audit Reports and Annual Reports

The Annual Accounts of all the Central Universities are being laid before Parliament as a matter of convention and non-existence of a statutory provision is not proving any hindrance in that regard. The Ministry do not consider it worthwhile to introduce legislation for this solitary purpose alone. However, needful will be done at the appropriate time. *Vide* Ministry of Education and Social Welfare (Deptt. of Education (O.M. No. F.) 18/2/79 Desk(U) dt. 29-8-1979).

of the Central Universities before Parliament. However, till such time as necessary provisions are made in the relevant Acts, as a matter of convention, Government should lay on the Table the Annual Reports of all the Central Universities including Jawaharlal Nehru University, Delhi University and Banaras Hindu University.

The observations of the Committee have been noted for compliance. [Vide M/O Education and Social Welfare (Deptt. of Education O.M. No. F.18-2/79 Desk (U) dt 18-8-1979)]

The Committee would also like the Government to prepare comprehensive 'Review' on the functioning of the Jawaharlal Nehru University and lay the same on the Table of the House in accordance with the Committee's recommendation made in para 3.8 of their Second Report (sixth Lok Sabha) mentioning therein the salient points of achievements, total expenditure incurred on the University and some details about the schemes and programme for the future. Where the Reports or the Audit Report mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry it is expected of the Government to include in the 'Review' the remedial steps which had been taken or are proposed to be taken in that direction.

The Ministry of Education and Social Welfare have noted the observation/ recommendation of the Committee for compliance *vide* their O.M. No. F. 18(3)/74-Desk(U) dated 10 October, 1979.

From the information given to the Committee in connection with the preparation of accounts of the Visva-Bharati University the Committee find that the University compiled and placed the accounts for 1973-74 before the Accountant-General (Central) West Bengal in July, 1974, but

33 Sixteenth Report
(Sixth Lok Sabha) 1:39
[Ministry of Education
Social Welfare (JNU)]

34 Seventeenth Report
(Sixth Lok Sabha) 1:32
[Ministry of Education
& Social Welfare/Visva
Bharati University]

the Audit took more than a year in issuing the Audit Certificate (issued on 11-6-1976) after the University had furnished replies to the Inspection Report in May, 1975. Again the accounts for 1974-75 were audited by the Accountant-General from July to September, 1975 but the Audit Report was issued in January, 1977, i.e. 16 months after auditing of accounts. The Audit Certificates relating to the accounts for the years 1975-76 and 1976-77 were received from Audit Office in June, 1977 and March, 1978 respectively. The Committee feel that the Visva Bharati University cannot be absolved of its responsibility in causing delays in laying the accounts before Parliament in time as it appears, the Visva-Bharati took no steps to pursue the matter vigorously with the Audit for getting the Audit reports in time particularly when these were being delayed by the Audit year after year. The complacency on the part of the university is amply revealed by the fact that during the period of 13 months (May 1975 to June, 1976) taken by Audit in submitting the Audit Report on the accounts for 1973-74 the University did not even care to send a written reminder to Audit. The information given to the Committee during evidence that "verbal reminders were sent" itself proves lack of seriousness on the part of the University in finalising the accounts. The Committee have no doubt that had the Visva-Bharati University follow-

wed up the matter at a higher level with the Audit through written communications, things would have moved quickly and the results would definitely have been better. The Committee therefore, need hardly stress that such omissions in office procedure should not be repeated in future and written communications should invariably be sent to get things done speedily. To watch progress in this regard the University should entrust this job to some senior officer in the University so that things do not remain stuck up in the Audit Department.

During evidence it was also revealed that lack of proper arrangements for printing of accounts and reports of the University were also a major factor which contributed towards delay in laying them before both the Houses of Parliament. For instance in the case of accounts for 1973-74 the University took more than 10 months in reprinting English version and 12 months in cyclostyling Hindi version, after receipt of the Audit Certificate in June, 1976. The Committee also note from the information repeatedly given by the Ministry in almost all the statements showing reasons for delay that "it has not been possible for the University Press to arrange the printing of these audited accounts on a priority basis on account of other more pressing jobs like printing question papers for periodical and final examination that neither the Ministry nor the University

The Ministry of Education and Social Welfare have noted the recommendation of the Committee for compliance *vide* their O.M.No. F. 18(3)/74—Desk (U) dated 10 October, 1979.

attached any importance to this job knowing fully well that the accounts are to be laid before Parliament within the stipulated period. The Committee are not at all convinced with these repeated reasons as printing of question papers for examinations is a regular feature with the University. The University should have by now made some permanent arrangement for the printing of audited accounts and Audit Reports. The Committee trust that in future such lame excuses will not be advanced to justify delay and adequate steps would be taken in right earnest to overcome the difficulty in printing of reports and accounts.

36 Seventeenth Report
(Sixth Lok Sabha) 1.34
[Ministry of Education
and Social Welfare/
Visva Bharati University]
17]

The Committee are surprised to find that their recommendation made in para 1.16 of their First Report (Fifteenth Lok Sabha) - presented to Lok Sabha on 8-3-1976 was communicated by the Ministry of Education and Social Welfare to the Central Universities in February, 1978, i.e. about 2 years after the presentation of the Report. The Committee take a serious note of this lapse. It was expected of the Ministry of Education and Social Welfare to bring the recommendation of the Committee to the notice of the Central Universities with utmost promptitude. The Committee, therefore, cannot help concluding that their recommendation was not given due regard

Noted by the Ministry of Education and Social Welfare for compliance, [Vide their O.M. No. F. 19(3) the 74-Desk (U) dated 10 October, 1979].

and importance. The Committee have no hesitation in holding the Ministry of Education and Social Welfare mainly responsible for delay in laying the accounts for the years under report and consequently for depriving Parliament of their right to get information about the affairs of the Visva-Bharati University in time. The Committee therefore, recommend that their recommendations should in future be brought to the notice of the concerned organisations at the earliest opportunity after copies of the Report are received by the Ministry concerned.

37 Seventeenth Report
(Sixth Lok Sabha) 1.35
[Ministry of Education
& Social Welfare/Visva
Bharati University]

The Annual Report of the Visva-Bharati University was previously not being laid before Parliament as Section 35 of the Visva-Bharati Act, 1951 dealing with the Annual Report does not provide for its laying. The Committee are, however, happy to note that in pursuance of a decision recently taken by Government to lay the Annual Reports for 1977-78 before Parliament in respect of the Central Universities in whose Acts there is provision for submission of Annual Report to the Visitor, the Annual Report (English version) of the Visva-Bharati University has been laid on the Table of Lok Sabha on 26-3-1979. The Committee hope that Hindi version thereof will be laid on the Table without delay.

38 Seventeenth Report
(Sixth Lok Sabha) 1.36
[Ministry of Education

The Committee recommend that the Ministry of Education and Social Welfare should take immediate action to make suitable provision in the Visva-Bharati

The Ministry of Education and Social Welfare have acted as per recommendation of the Committee.

and Social Welfare/
Visva-Bharati University

Act, 1951 for laying before Parliament Annual Accounts, Audit Reports and Annual Reports of the Visva-Bharati in terms of the recommendations of the Committee made in paras 1.12 and 1.14 of their Second Report (Sixth Lok Sabha).

[Vide Ministry of Education and Social Welfare O.M. No. F. 18(3)74-Desk (U) dated 10 October, 1979]

39 Seventeenth Report
(Sixth Lok Sabha) 1.37
[Ministry of Education
and Social Welfare/
Visva-Bharati University]

The Committee hope that the certified accounts for 1977-78 would be laid on the Table without any further delay and in future the Annual Report, audited accounts and the Audit Report of the Visva-Bharati University would be laid together within the time limit prescribed by the Committee together with a Review giving the salient features about the achievements of the University, total expenditure incurred by the Government on the University and broad details of future programmes of the University. Where the Report or the Audit Report mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry, it was expected that Government would make a mention in the 'Review' of the action being taken in that direction.

The Report for 1977-78 has already been laid on the Table of Lok/Rajya Sabha in May, 1979. The other observations have been noted for further examination and compliance.

(Vide Ministry of Education and Social Welfare O.M. No. F. 18(3)74-Desk(U) dated 10 October, 1979).

40 Seventeenth Report
(Sixth Lok Sabha) 1.38
[Ministry of Education
& Social Welfare]

The Committee need hardly emphasise that the requirement to lay the "Review" should not be treated as a mere formality by the Government but on the country the "Review" should be realistic and it should present a true picture of the working of the organisation, which it relates.

The Ministry of Education and Social Welfare have noted the recommendation of the Committee for compliance vide their O.M. No. F. 18(3)74-Desk (U) dated 10 October, 1979.

41 Eighteenth Report (Sixth Lok Sabha) 1.23
[Ministry of Education & Social Welfare]

It is highly unsatisfactory that Government should take such an extraordinary long time in prescribing forms for preparing annual accounts and the Statement of Liabilities. The Committee feel that Government have not taken any serious note of the observations made by the Audit in their successive Audit Reports. The Committee are of the view that had the Ministry been serious, these procedural matters could have been settled long back and not allowed to linger on for years. The Committee feel that these forms should have been prescribed within the minimum possible time so that the Staff College could prepare their accounts properly and efficiently every year. The Committee, therefore, need hardly stress that the requisite form of statement of Liabilities should be finalised and approved without further delay.

42 Eighteenth Report (Sixth Lok Sabha) 1.24
[Ministry of Education & Social Welfare]

The Committee also do not appreciate the routine manner in which Ministry have said in the statement along with the report that "the Government is in agreement with the Report and hence no review statement is being laid". When the point regarding Statement of Liabilities having not been prepared had been raised in the Audit Report contained in the Annual Report 1970-71 to 1974-75, it was duty of the Ministry to have touched this point in their review and explained in Parliament the steps being taken to meet the audit objection. The Committee hope that in future, review on a report will be prepared after careful examination of all aspects of the report and particular care will be taken to mention the shortcomings or deficiencies noted from the report and action taken to remedy the situation.

The Ministry of Education and Social Welfare have stated that the C&AG have since prescribed the forms for Receipts and Payment of Account Income and Expenditure Account and Statement of Assets and Liabilities & these have been communicated to the National Institute of Educational Planning and Administration. In future, the accounts will be prepared and submitted in the prescribed form. (Vide Ministry of Education and Social Welfare, O.M. No. F. 1-30/79-P.N. 1, dated 9 August, 1979).

The Ministry of Education and Social Welfare have assured that in future a 'Review' report on the audit observation will be prepared and appended to the Annual Report as desired by the Committee.

(Vide Ministry of Education and Social Welfare O.M. No. F. 1-30/79-P.N. 1, dated 9 August, 1979).

43 Eighteenth Report (Sixth Lok Sabha) 1.25 [Ministry of Education and Social Welfare/National Staff College for Educational Planners & Administrations]

The Committee note that Rule 37 of the Rules of the National Staff College for Educational Planners and Administrators is not comprehensive in as much as it does not specify the time limits for completion of various stages of finalisation of accounts and their laying before Parliament. Further Rule 38 there of does not provide for laying of annual report before Parliament, even though it is being laid on the Table in actual practice.

44 Eighteenth Report (Sixth Lok Sabha) 1.26 [Ministry of Education and Social Welfare/National Staff College for Educational Planners & Administration]

The Committee, therefore, recommend that urgent steps should be taken to amend the relevant rules of Staff College suitably to make it obligatory on the part of the Ministry of Education and Social Welfare to lay on the Table of both Houses of Parliament the Annual Reports, Accounts and Audit Report of the College within 9 months of the close of the accounting year.

The Rules of the National Staff College for Educational Planners and Administrators were amended in the First Special Meeting of the Council of the NSC held on 15th July, 1978 and 19th October, 1978 respectively. The Amended Rules have been registered with the Registrar of Cooperative Societies on 31st May, 1979. According to the Amended Rule 37 (d), it is obligatory on the part of the National Institute of Educational Planning and Administration to submit the Annual Report, including Parliament the accounts, as certified by the Auditors, together with the audit report thereon to the Government of India in accordance with the prescribed time schedule. The Ministry of Education will also ensure that these are placed before the Parliament within the stipulated time, that is, within 9 months of the close of the accounting year. (*Vide* Ministry of Education and Social Welfare O.M. No. F. 1-30/79-P.N. 1, dated 9 August, 1979).

Nineteenth Report
[Sixth Lok Sabha] 1.21
Ministry of Industry/
Tannery & Footwear
Corporation of India]

The Committee are distressed to note the delay in laying on the Table the Annual Reports on Tannery and Footwear Corporation of India for 1973-74, 1974-75, 1975-76 and 1976-77 which are laid on the Table of Lok Sabha on 22-6-1977, 3-8-1977, 23-12-1977 and 23-8-1978 respectively despite recommendation made by the Committee in para 4.16 of their Second Report (Fifth Lok Sabha) --- Presented on 12-5-1976 that reports of Government Companies pertaining to the periods up to the end of 1974-75 should be laid on the table along with the statements showing reasons for delay in laying the report, accounts by 31-12-1976 and that the report for 1975-76 and subsequent years should be laid on the Table within 9 months of close of the accounting year and if for any reason, it was not possible to lay the Report of any company within that time, Government should lay within 30 days from expiry of the prescribed period a statement showing reasons for not laying the Reports within that period and if the House was not in session at that time, the statement should be laid on the Table within 7 days of reassembly of the House.

Steps have been taken by the Corporation to ensure that in future the accounts are finalised, audited and adopted as quickly as possible after close of the accounting year and printed copies made available to Government immediately thereafter. Suitable measures have also been taken in the Ministry to ensure that Annual Reports are laid on the Table without undue delay after their receipt from the Corporation. As a result of the measures taken, the Annual Report for the year 1977-78 could be laid on the Table of Parliament within 9 months from the close of the accounting year. In future also, it will be ensured that all avoidable delays are eliminated and the Annual Report laid on the Table within the stipulated period.

[Vide Ministry of Industry (Department of Industrial Development) O.M. No. 12/24/78-Leather, dated 10 August, 1979]

46 Nineteenth Report (Sixth Lok Sabha) 1.22
[Ministry of Industry/
Tannery & Foot wear
Corporation of India]

From the statement (Appendix-I) furnished by the Ministry of Industry, showing dates of completion of accounts and printing of Annual Reports of the Tannery and Footwear Corporation of India for the years 1973-74, 1974-75, 1975-76 and 1976-77, the Committee find that after the appointment of Auditors to audit the accounts of the Corporation

Steps have been taken by the Corporation to ensure that in future accounts are finalised, audited and adopted as quickly as possible after close of the accounting year and printed copies made available to Government immediately thereafter

for those years, 11 months time, 8 months time, 16 months time and 7-1/2 months time, respectively, was taken in finalising the accounts of those years, their auditing and their adoption at the respective Annual General Meetings of the Corporation and after the Annual Reports of the Corporation for those years were sent to the Press, it took 10 months time, 5 months time, 3 months time and 3-1/2 months time respectively in printing them. The Committee further note that on receipt of the copies of Annual Reports for 1973-74, 1974-75, 1975-76 and 1976-77 the Ministry of Industry took about 14-1/2 months, 9 months, 2 months and 2-1/2 months respectively, in laying those Reports on the Table of Lok Sabha. This exhibits an extremely sorry state of affairs in the Corporation and an unsatisfactory role played by the Ministry in the matter of laying on the Table of the House the Annual Reports of Tannery and Footwear Corporation of India.

47 1.29 Nineteenth Report
(State Lok Sabha)
[Ministry of Law, Justice & Company Affairs/
Tannery and Footwear
Corporation of India].

The Committee find that the Department of Company Affairs are also to some extent responsible for the delay caused in laying of Annual Report of Tannery and Footwear Corporation of India for 1974-75 and 1976-77. According to the statementthe Department of Company Affairs had been requested by the Corporation for the appointment of Statutory Auditors for 1974-75 and 1976-77, even be-

Suitable measures have also been taken in the Ministry to ensure in that Annual Reports are laid on the Table without undue delay after their receipt from the Corporation. As a result of the measures taken, the Annual Report for the year 1977-78 could be laid on the Table of Parliament within 9 months from the close of the accounting year. In future also, it will be ensured that all avoidable delays are eliminated and the Annual Reports laid on the Table within the stipulated period.

(Vide Ministry of Industry (Department of Industrial Development) O.M. No. 12/24/78-Leather dated 10 August, 1979).

The Ministry of Law justice and Company Affairs have stated that the delay actually occurred on the part of the Office of the Comptroller and Auditor General of India in tendering the advice for appointment of Auditors. That Ministry have also stated that there are many

fore the closing of those years but the Department of Company Affairs took about 5 months in each case in appointing the Auditors. The Committee are of the opinion that the Department of Company Affairs should not have taken so much time in appointing the statutory Auditors. The Committee trust that the Department of Company Affairs would not take so much time in future in the appointment of Statutory Auditors after a request for the purpose is made to them by any Corporation/Company.

481.31 Nineteenth Report
(Sixth Lok Sabha)
[Ministry of Industry/
Tannery and Footwear
Corporation of India]

In the Auditors' Reports on the accounts for 1975-76, 1976-77, and 1977-78, of the Tannery and Footwear Corporation of India, the Audit have made repeatedly the following observation :—

“Although the company has an Internal Audit department, in our opinion the scope of audit covered by the said Internal Audit Department is not adequate and needs to be sufficiently enlarged.”

The Committee fail to understand as to why serious attention has not been given to such observations of the Audit. The Committee would like to re-emphasise that if accounts not maintained and

companies whose accounts are in arrears and as a result, the advice to the appointment of Auditors is made by the C & A.G. much later than the year in which it is due. Efforts are, however, being made to ensure that the orders appointing the Auditors are issued as early as possible and in any case within a month from the date of receipt of the advice from the Comptroller and Auditor General of India.

[Vide Ministry of Law, Justice and Company Affairs, O.M. No. 3/15/79]GC (Department of Company Affairs) dated 9 July, 1979].

The Ministry of Industry have noted the observation of the Committee for compliance. That Ministry have also stated that the Corporation has already appointed a full fledged Manager for Internal Audit. The Corporation is also considering to strengthen the Internal Audit Department. It is also considering the possibility of entrusting this job to an outside agency.

[Vide Ministry of Industry O.M.No. 12/24/78-Leather dated 10 August, 1979].

compiled properly, there is bound to be delay in finalising the Audit Report and this would naturally delay laying on the Table of the House the Report and the Audited Accounts. The Committee are of the opinion that in order to keep the accounts up-to-date and in proper shape it is also the more necessary that the Internal Audit Department of the Corporation must be adequate and well-equipped with accounting manual etc., which are necessary for the efficient functioning of the Audit Department of the Corporation. This will also help in the expeditious auditing of the accounts and consequently in timely laying of the Report/accounts on the Table of the House. The Committee trust that necessary and urgent steps would be taken to make up the deficiencies pointed out by the Auditors.

49 Twentieth Report (Sixth Lok Sabha) 1-34
(Ministry of Industry/
National Textile Corporation).

The Committee feel it necessary to point out that the National Textile Corporation should have immediately after the auditing of accounts for 1974-75, approached the Department of Company Affairs for the appointment of statutory auditors for auditing the accounts for 1975-76 and the Department of Company Affairs in turn should have taken prompt steps to appoint the statutory auditors. During the course of auditing of the accounts, the Corporation

The Ministry of Industry have stated that the National Textile Corporation (Holding Company) has set up a Cell for ensuring prompt appointment of Statutory Auditors and for keeping a close watch on the work relating to the auditing of accounts.

(*Vide* Ministry of Industry O.M. No. 54016/148/79-NTC dated 27 December, 1979).

The Ministry of Industry have stated that the recommendation of the Committee has been noted for future compliance.

(*Vide* Ministry of Industry, O.M. 54016/148/79-NTC dated 27 December, 1979).

The Ministry of Industry have stated that the National Textile Corporation have taken steps to strengthen its internal Audit Wing adequately to cover more areas.

(*Vide* Ministry of Industry O.M. No. 54016/148/79-NTC dated 27 December, 1979).

should have reminded the statutory auditors to expedite the work relating to the auditing of the accounts.

The Committee reiterate that the Annual Reports of Government Companies should be laid on the Table of the House within 9 months of close of the accounting year and where it is not possible for the Government to lay the Report of any Company within that period they should lay on the Table a statement explaining the reasons for not laying the Reports, within 30 days from the expiry of the period of nine months and if the House is not in Session at that time, the statement should be laid on the Table within seven days of reassembly of the House.

While examining the Reports for 1975-76, 1976-77 and 1977-78 the Committee have come across an oft-repeated audit observation that the National Textile Corporation had no effective system of Internal audit commensurate with its size. The Committee feel that such audit observations should not have been allowed to be repeated time and again and some solution should have been found out therefor. The Committee are of the opinion that in the absence of an adequate internal audit system the finalisation of accounts of the Corporation are bound to be delayed and this could lead to delay in finalisation of the audit report and consequent delay in laying the Annual Report before the House. The Committee trust that deficiencies pointed out by the Audit will be made up by the Ministry/ Corporation at the earliest.

50 Twentieth Report (Sixth Lok Sabha) 1.36
(Ministry of Industry)

51 Twentieth Report (Sixth Lok Sabha) 1.38
(Ministry of Industry/
National Textile Corporation).

52 Twenty-first Report (Sixth Lok Sabha) 1.28 [Ministry of Education & Culture].

During evidence the Committee were informed that the Central Universities had agreed to the proposal of the University Grants Commission and the Ministry of Education and Social Welfare for monthly compilation of accounts so that at the end of the year only the work regarding totalling of amounts was left. The Committee hope that this procedure will be uniformly observed by all the Central Universities in order to avoid accumulation of arrears and strict observance of this system will be watched both by the University Grants Commission and the Ministry of Education and Social Welfare to ensure that there are no bottlenecks at the end of the year. The Committee, therefore, recommend that urgent steps should be taken to set the matters right.

In pursuance of the decision taken at the meeting of the Finance Officers of the Central Universities held in August, 1978, the North-Eastern Hill University has started monthly compilation of accounts with effect from April, 1979, and this will greatly help in timely compilation of accounts, its audit by Accountant General and preparation of Final Report.

[Ministry of Education and Culture, O.M. No. F. 18-8/79 Desk (U) dated 6 March, 1980].

53 Twenty-First Report (Sixth Lok Sabha) 1.29 [Ministry of Education and Culture].

It is disquieting that the Annual Accounts and the Audit Reports for the years 1975-76, 1976-77 and 1977-78, which ought to have been laid on the Table by 31-12-1976, 31-12-1977 and 31-12-1978, in terms of the recommendation of the Committee have not so far been laid. The Committee strongly deprecate these persistent delays and urge upon the Ministry of Education and Social Welfare to take up the matter at higher level with the University urgently to get the arrears liquidated and to lay the accounts and the Audit Reports before Parliament without any further delay.

Annual Accounts and Audit Report thereon for the years 1975-76 and 1976-77 have since been laid on the Table of Lok Sabha. As desired by the Committee, the matter has been taken up with University at higher level. All efforts are now being made by the University to clear the backlog as soon as possible and to adhere in future to the time schedule prescribed by the Committee.

(Ministry of Education and Culture
O.M. No. F. 18-8/79-Desk (U)
dated 6 March, 1980].

Annual Report of the University for 1977-78 has been laid on the Table of Lok Sabha on 17-6-1979 (English version) and 28-1-1980 (Hindi version).

Ministry of Education and Culture
O.M. No. F. 18-8/79 Desk (U)
dated 6 March, 1980].

The Annual Accounts and Audit reports for the year 1975-76 and 1976-77 have already been laid on the Table of the Lok Sabha along with a statement explaining the reasons for delay. The University is making efforts to bring the position up to date and stick to the time schedule.

[Ministry of Education & Culture
O.M. No. F. 18-8/79-Desk (U)
dated 6 March, 1980].

The Annual Accounts and Audit reports for the year 1975-76 and 1976-77 have already been laid on the Table of Lok Sabha along with a statement explaining the reasons

The Committee are happy to note that Government have taken a decision to lay on the Table of the House Annual Report of the North-Eastern Hill University from 1977-78 onwards and that the Annual Report for 1977-78 has been received in the Ministry in December, 1978. The Committee hope that the Report will be laid before Parliament without further delay.

The Committee recommend that the Annual Accounts and Audit Reports of the University for the years 1975-76, 1976-77 and 1977-78, which are in arrears should be laid on the Table without any further delay, along with a statement explaining in detail the reasons for not laying them within the stipulated period so that the House may be able to assess the quantum of delay and identify the stages at which the delay has actually occurred.

The Committee trust that the Annual Report Accounts and the Audit Report for the year 1978-79 and subsequent years will be laid on the Table together within the prescribed period.

54 Twenty-first Report (Sixth Lok Sabha) 1.33
[Ministry of Education & Culture/North Eastern Hill University].

55 Twenty-first Report (Sixth Lok Sabha) 1.34
[Ministry of Education and Culture/North-Eastern Hill University].

56 Twenty-first Report (Sixth Lok Sabha) 1.35
[Ministry of Education & Culture].

for delay. The University is making efforts to bring the position up-to-date and stick to the time schedule.

[Ministry of Education and Culture, O.M. No. F.18-8/79-Desk (U) dated 6 March, 1980].

Suitable amendment will be made in the relevant section of the North-Eastern Hill University Act, 1973 as and when the Act is next amended.

[Ministry of Education and Culture, O.M. No. F. 18-8/79-Desk (U) dated 6 March, 1980].

Noted for compliance [*Vide* Ministry of Education and Culture, O.M. No. 18-4/79-Desk (U) dated 29 November, 1979].

The Committee also recommend that the Ministry of Education and Social Welfare should take early steps to amend the relevant Sections of the North-Eastern Hill University Act, 1973, suitably in the light of the recommendations of the Committee already made in paragraphs 1.12 and 1.14 of their Second Report (Sixth Lok Sabha).

The Committee would, therefore, like to reiterate their recommendation contained in para 1.16 of their First Report (Fifth Lok Sabha) that after the close of the accounting year every autonomous organisation (including the Delhi University) should complete its accounts within a period of three months and make them available for auditing. Auditing of the accounts and furnishing replies to audit objections, if any and also translation and printing of reports should be completed

57 Twenty-first Report (Sixth Lok Sabha) 1.36
[Ministry of Education & Culture/North-Eastern Hill University].

58 Twenty-second Report (Sixth Lok Sabha) 1.33
[Ministry of Education & Culture/Delhi University].

within the next six months so that the reports and audited accounts are laid before Parliament within nine months after the close of the accounting year. If for any reason, the report and audited accounts cannot be laid within the stipulated period of nine months, the concerned Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the Report and accounts could not be laid within the stipulated period.

59 Twenty-Second Report
(Sixth Lok Sabha) 1.34
[Ministry of Education
& Culture/ Delhi
University].

As regards the accounts for 1974-75 of the Delhi University, the Committee find that the University took as long as 9 1/2 months in compiling those accounts whereafter Audit took more than 13 months in auditing those accounts and furnishing final audit report to the University. Similarly, the University took 7 months in compiling the accounts for the year 1975-76 whereafter Audit took about 8 months in auditing the accounts and furnishing final audit report to the University. The Committee note that the University had taken more time than required for compiling the accounts for the year 1974-75 and 1975-76. On the other hand, the audit had also taken quite a long time in auditing the accounts and furnishing final audit reports to the University. The Committee feel that the accounts of the Delhi University had not been drawn properly as is evident from the fact that the Audit had to make queries again and again in the case of accounts for the year 1974-75.

The University, have assured that audit queries would be answered without delay, so that the audit report is compiled well in time.

[Ministry of Education and Culture,
O.M. No. 18-4/79-Desk (U) dated
29 November 1979].

Had the accounts been compiled with due care leaving as far as possible no scope for audit queries, much of the delay could have been obviated. The Committee trust that in future the Delh. University would be more careful while compiling their accounts.

The Committee do not appreciate the logic behind the decision of the Ministry of Education and Social Welfare for not laying the Annual Reports of three Universities, namely, the Delhi University, Jawaharlal Nehru University, and Banaras Hindu University. The Committee are of the view that Annual Report of the University is not a document which cannot be made public. It merely reflects the activities and achievements of the University during a particular year and the Committee do not find anything objectionable if it is laid on the Table of the House. Rather, in order to make laying of certified accounts of the University on the Table of the House more meaningful, it is necessary that its Annual Report is also laid on the Table of the House so as to enable Parliament to have, at the time of voting of demands for grants a complete picture of the progress made by the University and the manner in which the funds placed at its disposal were utilised during a particular year.

The Executive Council of the University of Delhi have since decided that the Annual Report of the University after approval by the Government be supplied to the Government for being laid before Parliament pending amendment of this Act to incorporate necessary provision in that behalf.

(Ministry of Education and Culture,
O.M. No. 18-4/79-Desk (U) dated
29 November, 1979).

60 Twenty-Second Report
(Sixth Lok Sabha) 1-36
[Ministry of Education
& Culture/Delhi University,
J.N.U. and B.H.U.]

61 Twenty-Second Report
(Sixth Lok Sabha) 1.38
[Ministry of Education
& Culture].

The Committee are, therefore, of the opinion that necessary steps should be taken without any loss of time to suitably amend the Acts of Central Universities to incorporate therein provisions for laying before Parliament not only the Annual Accounts and Audit Reports of Central Universities but their Annual Reports also together with review by the Government thereon. However, till such time as necessary provisions are made in the relevant Acts, as a matter of convention, Government should lay on the Table the Annual Reports of all the Central Universities (including Delhi University, Jawaharlal Nehru University and Banaras Hindu University) as they have been doing in the case of their accounts and audit reports.

Noted. The Executive Council of University of Delhi have since decided that the Annual Report of the University after approval by the Government be supplied to the Government for being laid before Parliament pending amendment of this Act to incorporate necessary provision in that behalf.

[Ministry of Education and Culture, O.M. No. 18-4/79-Desk (U) dated 29 November, 1979].

62 Twenty-Second Report
(Sixth Lok Sabha) 1.39
[Ministry of Education
& Culture]

The Committee would also like the Government to prepare a comprehensive 'Review' on the functioning of the Delhi University and lay the same on the Table of the House alongwith the Audited Accounts and Annual Report in accordance with the Committee's recommendation made in para 3.8 their Second Report (Sixth Lok Sabha) mentioning therein the salient points of achievements, total expenditure incurred on the University and some details about the schemes and programme for the future. Where the Report or the Audit Report mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry it is expected of the Government to include in the 'Review' the remedial steps which had been taken or are proposed to be taken in that direction.

Noted for compliance.

[Vide Ministry of Education and Culture, O.M. No. 18-4/79-Desk (U) dated 29 November, 1979].

© 1985 By LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT
OF BUSINESS IN LOK SABHA (SIXTH EDITION) AND PRINTED BY THE
GENERAL MANAGER, GOVERNMENT OF INDIA PRESS,
MINTO ROAD, NEW DELHI.