

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

**MINISTRY OF FINANCE  
(DEPARTMENT OF EXPENDITURE)**

**PUBLIC ACCOUNTS  
COMMITTEE  
2014-2015**

**TWENTIETH REPORT**

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SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT  
NEW DELHI**

TWENTIETH REPORT

PUBLIC ACCOUNTS COMMITTEE  
(2014-2015)

(SIXTEENTH LOK SABHA)

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

MINISTRY OF FINANCE  
(DEPARTMENT OF EXPENDITURE)

*Presented to Lok Sabha on 29 April 2015*  
*Laid in Rajya Sabha on 29 April 2015*



LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2015/Vaisakha, 1937 (Saka)*

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## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2014-15) .....	(iii)
COMPOSITION OF SUB-COMMITTEE-IV OF THE PAC (2014-15) .....	(v)
INTRODUCTION .....	(vii)

### REPORT

#### PART I

I. Introductory .....	1
II. Non-compliance in timely submission of ATNs on non-selected Audit paragraphs by Ministries and the role of Monitoring Cell, Ministry of Finance in ensuring compliance .....	4
III. Non-compliance in timely submission of ATNs on non-selected Audit paragraphs relating to Ministry of Environment, Forests and Climate Change .....	9
IV. Non-compliance in timely submission of ATNs on non-selected Audit paragraphs relating to Ministry of Railways .....	12
V. Non-compliance in timely submission of ATNs on non-selected Audit paragraphs relating to Ministry of Home Affairs .....	15
VI. Non-compliance in timely submission of ATNs on non-selected Audit paragraphs relating to Ministry of Defence .....	20
VII. Non-compliance in timely submission of ATNs on non-selected Audit paragraphs relating to Ministry of Human Resource Development .....	24

#### PART II

Observations and Recommendations .....	29
--	----

#### ANNEXURE

Minutes of Sitzings .....	35
---------------------------	----

#### APPENDIX

Tables .....	52
--------------	----

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2014-2015)

Prof. K.V. Thomas — *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri S.S. Ahluwalia
3. Shri Sudip Bandyopadhyay
4. Shri Ranjit Singh Brahmputra
5. Shri Nishikant Dubey
6. Shri Gajanan Kirtikar
7. Shri Bhartruhari Mahtab
8. Shri Ramesh Pokhriyal “Nishank”
9. Shri Neiphiu Rio
- \* 10. Shri Dushyant Singh
11. Shri Janardan Singh Sigriwal
- \* 12. Shri Shiv Kumar Udasi
13. Dr. Kirit Somaiya
14. Shri Anurag Thakur
- \*\*\* 15. Dr. P. Venugopal

*Rajya Sabha*

16. Shri Satyavrat Chaturvedi
17. Shri Vijay Goel
18. Dr. Satyanarayan Jatiya
19. Shri Bhubaneswar Kalita
20. Shri Shantaram Naik
21. Shri Sukhendu Sekhar Roy
22. Shri Ramchandra Prasad Singh

SECRETARIAT

- |                           |   |                            |
|---------------------------|---|----------------------------|
| 1. Shri A.K. Singh        | — | <i>Joint Secretary</i>     |
| 2. Smt. Anita B. Panda    | — | <i>Director</i>            |
| 3. Shri T. Jayakumar      | — | <i>Additional Director</i> |
| 4. Shri Paolienlal Haokip | — | <i>Deputy Secretary</i>    |

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\* Elected *w.e.f.* 3rd December, 2014 *vice* Shri Rajiv Pratap Rudy who has been appointed as Minister *w.e.f.* 9th November, 2014.

\* Elected *w.e.f.* 3rd December, 2014 *vice* Shri Jayant Sinha who has been appointed as Minister *w.e.f.* 9th November, 2014.

\*\*\* Elected *w.e.f.* 3rd December, 2014 *vice* Dr. M. Thambidurai who has been chosen as Hon'ble Deputy Speaker, Lok Sabha and has since resigned from the membership of the Committee.

COMPOSITION OF SUB-COMMITTEE-IV  
OF THE PUBLIC ACCOUNTS COMMITTEE  
(2014-2015)

Shri Bhartruhari Mahtab — *Convenor*

*Lok Sabha*

- |    |                       |   |                           |
|----|-----------------------|---|---------------------------|
| 2. | Shri Nishikant Dubey  | — | <i>Alternate Convenor</i> |
| 3. | Shri Gajanan Kirtikar | — | <i>Member</i>             |
| 4. | Shri Shiv Kumar Udasi | — | <i>Member</i>             |

*Rajya Sabha*

- |    |                              |   |               |
|----|------------------------------|---|---------------|
| 5. | Shri Ramchandra Prasad Singh | — | <i>Member</i> |
|----|------------------------------|---|---------------|

## INTRODUCTION

I, the Chairperson, Public Accounts Committee, (2014-15) having been authorized by the Committee, do present this Twentieth Report (Sixteenth 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. Taking cognizance of the persistent delay on the part of various Ministries/Department in timely submission of Action Taken Notes on the non-selected audit paragraphs of the reports of C&AG of India, the Public Account Committee (2014-15) carried over the subject which was selected by the PAC (2013-14) for detailed examination and Report. Sub-Committee-IV of the PAC under the Convenorship of Shri Bhartruhari Mahtab, M.P. and a Member of the PAC, was again constituted to further examine the subject and make a report.

3. The Sub-Committee took evidences of various Ministries in their sittings held on 18.11.2014, 28.01.2015, 02.02.2015, 11.02.2015, 19.02.2015 and 23.03.2015. The draft Report on the subject was finalized by the Sub-Committee and approved by Convenor, and subsequently by the Chairperson, PAC. Thereafter, it was considered and adopted by the Main Committee at their sitting held on 27.04.2015. The minutes of the sittings are annexed to the report.

4. The Committee thanks the Convenor and members of the Sub-Committee-IV (PAC) for their untiring efforts in examining the subject, which involves taking evidences of representatives of various Ministries and making a report thereon.

5. The Committee also would like to express their gratitude to the representatives of the Ministries of Finance (Department of Expenditure), Environment, Forests and Climate Change, Railways, Defence, Home Affairs and Human Resource Development, who have deposed before the Sub-Committee and have provided all the information required by the Sub-Committee in their examination of the subject.

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

NEW DELHI;  
27 April, 2015  
7 Vaisakha, 1937 (Saka)

PROF. K.V. THOMAS  
Chairperson,  
Public Accounts Committee.

## **REPORT**

### **PART I**

#### **I. INTRODUCTORY**

Executive accountability to Parliament is the corner stone of parliamentary democracy. The Reports of the Comptroller and Auditor General of India, after being laid in the Parliament as per Article 151 of the Constitution of India, stand referred to the Public Accounts Committee for their scrutiny. Every year, a number of reports are presented to the Parliament by the C&AG, bringing into light inefficiencies, wasteful expenditure and indiscretion in the implementation of policies and programmes approved by Parliament. Due to paucity of time and voluminous reports of the C&AG it is almost impossible for the PAC as a body to scrutinise all such reports. In fact, it has neither the time for a thorough scrutiny of the entire activities of the Government, nor it is practically feasible to do so. Therefore, the Public Accounts Committee has evolved a system whereby Government departments concerned are required to furnish remedial/corrective Action Taken Notes in respect of all non-selected paragraphs contained in the Audit Reports to the Committee through the Ministry of Finance within four months from the day of laying Audit Reports on the Table of the House.

2. There was no system for ascertaining the Action Taken by the Ministries/ Departments till 1981 on the Audit Paragraphs not selected by the Committee for detailed examination. The Public Accounts Committee (1981-82) at their sitting held on 30.6.1981 decided that the Ministries concerned be asked to furnish the Remedial/ Corrective Action Taken Notes on the Audit paragraphs/Reports of the C&AG for the year 1979-80 which had not been selected by the Committee for detailed examination. Subsequently, the Public Accounts Committee at their sitting held on 7.4.1982 decided that the various Audit Reports for the year 1980-81 be referred to the Ministries concerned for furnishing notes duly vetted by Audit showing Remedial/Corrective Action Taken on all the paragraphs contained therein. The Committee also decided on 16.4.1982 that these instructions were to be treated as 'standing instructions' for future also. Accordingly, the Lok Sabha Secretariat informed the Ministry of Finance (Department of Expenditure) on 19.4.1982 that the Ministries concerned be asked to furnish in future notes indicating the Remedial/Corrective Action Taken by them on the various Audit paragraphs contained in Audit Reports for the year 1980-81 as soon as the same were laid on the Table of the House. The Ministry of Finance (Department of Expenditure) was enjoined to coordinate and collect the notes from the various Ministries and forward the same to the Lok Sabha Secretariat.

3. Taking note of the inordinate delay and persisting failure on the part of the Ministries in reporting to the Committee the Corrective Action Taken on Audit



Paragraphs, the Committee in their 105th Report (10th Lok Sabha – 1995-96) had observed that the results of audit of Government's financial transactions would largely remain in vain, unless an adequate mechanism was devised to ensure timely submission of the Action Taken Notes. The Committee, therefore, recommended that the Action Taken Notes on all paragraphs of the Reports of C&AG should be furnished to the Committee through the Ministry of Finance (Department of Expenditure) within a period of 4 months from the date of laying of Audit Reports on the Table of the House (Starting from 31.3.1996 onwards). The Remedial Action Taken Notes and briefs on 'non-accepted' paras are then circulated to the Members of the PAC for their perusal and then the Remedial Action Taken Notes reach the stage of finality. If not satisfied any of these categorized Paras/Reports/Subjects can be taken up for in-depth examination and Report. From the year 2009-10 onwards, the Public Accounts Committee have been examining the subject 'Non-compliance by the Ministries/Departments in timely submission of Action Taken Notes on Non-Selected Audit Paragraphs' the Reports on which are also presented to the Parliament.

4. Since inordinate delays were noticed in the receipt of Action taken Notes from the various Ministries/Departments, the PAC (2008-09) took cognizance of the matter and asked the Ministry of Finance (Department of Expenditure—Monitoring Cell) hereinafter mentioned as Monitoring Cell, to look into the matter and expedite submission of the Action Taken Notes. Taking a serious view of the inordinate delay in submission of Remedial/Corrective Action Taken Notes by various Ministries/Departments, the Committee asked the Ministry of Finance (Department of Expenditure) on 15.9.2008 to take necessary action for furnishing all the pending Remedial/Corrective Action Taken Notes to them within a period of three months *i.e.* by 14.12.2008. The Ministry was also directed to furnish Ministry/Department-wise position of the paras on which Remedial/Corrective Action Taken Notes were awaited from the concerned Ministries/Departments.

5. During the first sitting of Public Accounts Committee (2010-11) held on 21.5.2010, the Comptroller and Auditor General of India apprised the Committee about the pendency of large number of Action Taken Notes from various Ministries/Departments. Consequently, the Committee selected the subject "Non-Compliance by the Ministries/Departments in timely submission of replies to the Audit paragraphs of the C&AG" for detailed examination and a Sub-Committee of the PAC (2010-11) was constituted (Sub-Committee-I) for examination of the subject. The observations and recommendations of the Committee (58th Report) were:—

- (i) Inordinate delay and huge pendency in respect of the Ministry of Finance, Department of Revenue and the two boards under its administrative control, namely Central Board of Direct Taxes (CBDT) and Central Board of Customs Excise (CBEC) and recommended that the Ministry chalk out an effective and time bound procedure to reduce the pendency of ATNs on audit paragraphs;

- (ii) Mismatch of figures supplied by the Ministry of Finance (Monitoring Cell) and office of the Comptroller and Auditor General (C&AG) and desired that all the Ministries/Departments take urgent steps to reconcile the figures in consultation with the Audit;
- (iii) Fixing of common date for compilation of the pending ATNs with the concurrence of the C&AG to avoid mismatch of figures;
- (iv) Setting up of Standing Audit Committee (SAC) by all the Ministries/Departments and holding of regular SAC meetings to review the pending ATNs and also to ensure that ATNs in respect of new Audit Reports are furnished to the Monitoring Cell within the prescribed time frame of four months;
- (v) Holding of meetings of Committee of Secretaries (CoS) chaired by the Cabinet Secretary once in three months to take stock of the pendencies to ensure that the ATNs are invariably submitted within the prescribed period; and
- (vi) Apprising the Committee about the impact of the Audit Para Monitoring System (APMS) and the difference it made in wiping out the pendencies.

6. The PAC (2013-14) at their first meeting held on 17.05.2013 decided to pursue further the subject-matter of 'Non-Compliance by Ministries/Departments in timely submission of Action Taken Notes on the non-selected Audit Paragraphs of the C&AG of India'. A Sub Committee on the subject under Shri Bhartruhari Mahtab, MP and a Member of the PAC, as Convener, was constituted to pursue the matter.

7. The PAC (2014-15) carried over the subject and its first report presented in both Houses of Parliament on 25.11.2014 was on the subject. C&AG was requested to furnish a Background Note on the subject which contains status of the pending Remedial/Corrective Action Taken Notes pertaining to various Ministries/Departments as on 31.10.2014. As per the information furnished by Audit, the follow-up action by the Ministries/Departments concerned on the C&AG's Reports still continues to be highly unsatisfactory as large number of Remedial/Corrective Action Taken Notes are still pending submission by the Ministries/Departments concerned, some for several years. According to information received from Monitoring Cell, as many as 491 paras were pending with various Ministries/Departments as on 31.10.2014. The information submitted by Audit is attached as *Appendix I* to this report.

8. Out of the 491 pending paras as on 31.10.2014, 93 paras pertained to the Ministry of Defence. The Ministry of Railways had 96 paras, the Ministry of Human Resource Development had 20 paras pending, whereas the Ministry of Environment, Forests and Climate Change had a pendency of 15 paras.

9. The Committee, therefore, again formed a Sub-Committee (Sub-Committee-IV) under the same Convener in order to pursue and thus minimize the non-compliance of

ATNs not selected by the PAC. This time, the Sub-Committee decided to focus on the non-compliance in timely submission of ATNs on non-selected Audit paragraphs relating to Ministries of Environment, Forests and Climate Change, Human Resource Development (Department of Higher Education & Department of School Education & Literacy), Railways (Railway Board), Home Affairs and Defence. Oral evidences of respective Ministries were taken by the Sub-Committee in the meetings held on 28.01.2015, 02.02.2015, 11.02.2015, 19.02.2015 and 23.03.2015 respectively. Prior to these evidences, the Sub-Committee first took evidence of representatives of Department of Expenditure, Ministry of Finance on 18.11.2014 to take an overall view of the pendency of Audit Paras with various Ministries of the Government of India as per their Monitoring Cell and to assess the measures taken to coordinate and monitor the progress by the Ministry of Finance.

## II. NON-COMPLIANCE IN TIMELY SUBMISSION OF ATNS ON NON-SELECTED AUDIT PARAGRAPHS BY MINISTRIES AND THE ROLE OF MONITORING CELL, MINISTRY OF FINANCE IN ENSURING COMPLIANCE

10. The Monitoring Cell, under the Department of Expenditure (Ministry of Finance) has been entrusted to coordinate and collect the Remedial/Corrective Action Taken Notes on the various Audit Paragraphs contained in different Audit Reports from all the Ministries/Departments concerned duly vetted by Audit and forward the same to the Public Accounts Committee within the stipulated period of four months from the date of presentation of Audit Reports to the Parliament. The Sub-Committee therefore took evidence of representatives of the Department of Expenditure, Ministry of Finance on 18.11.2014 to get an overall picture of non-compliance by the Government in timely submission of ATN on Audit paras not selected by PAC for examination. The Sub-Committee noted that since 21.05.2010 when the PAC had for the first time selected "Non-Compliance by the Ministries/Departments in timely submission of replies to the Audit paragraphs of the C&AG" as a subject for detailed examination, there have been a noticeable decline in the number of pending paras. According to the Ministry, from 4216 paras with pending ATNs as on 30.06.2010, the number had come down to 491 as on 31.10.2014, as against figure of 514 given by the office of C&AG.

11. Later, a statement of pendency as on 31.3.2015 of the various Ministries was obtained from Audit. Same is given in the following table:—

### **Total Number of Reports / paras on which ATNs are pending as on 31.03.2015**

No. of Reports/ Paras on which ATNs have not been received even for the first time from the Ministry/ Department	No. of Reports/ paras on which revised ATNs are awaited from Ministry/Department	ATNs finally vetted by Audit but pending with Ministry / Monitoring Cell for submission to PAC	No. of ATNs with Audit for Vetting	Total
189	223	67	160	639

Thus, from the figures given on the table above, it is noted that the total pendency of ATNs has increased from 514 to 639. The figures furnished by Monitoring Cell, Ministry of Finance again differed from that furnished by the C&AG to 869, which showed that the reconciliation of pendency figures between the two have not been fully redressed. However, some new paras, which have in the meantime become due, have been added to the total pendency. Ministry- wise pendency as on 31.3.2015 is at *Appendix II*.

12. The Sub-Committee noted the efforts of the Department in upgrading the web-based Audit Para Monitoring System (APMS) and in organizing training for officers of Ministries on the usage of the APMS. However, they were concerned with the lukewarm response of certain Ministries to the directions for adopting APMS and sponsoring officers for training on APMS. Out of 91 Ministries and Departments, 54 were reported to have pending Audit Paras, out of which 35 have reportedly adopted the APMS.

13. Elaborating on the improved APMS portal, the representative of the Ministry during evidence stated:—

"Consequent upon up gradation of the Portal, it has become possible to upload the Monthly Progressive Review Report electronically. A training schedule has also been drawn up in this context, which has begun and will go on up to 13th January 2015 for all Ministries and Departments to make them familiar with the new upgraded facilities on the portal."

14. When it was pointed out to the Department of Expenditure that the figures they provided with regard to number of Audit Paragraphs with various Ministries do not tally with the figures given by the Audit and were asked about the steps taken by the Monitoring Cell to reconcile the data, the Ministry informed:—

"Monitoring Cell has been regularly interacting with the C&AG and Ministries and Departments to reconcile the data on submissions of ATNs. Following sustained efforts the discrepancies in the figures has come down to 110 from 206 as on the date of the Oral Evidence. This figure has now further come down to 80. The reconciliation process is being electronically taken up with C&AG on regular monthly basis to ensure better efficiency."

15. On whether any time-limit has been prescribed by the Department of Expenditure within which all the Ministries/Departments would start using the APMS portal to its full potential and the follow up action taken, the Department of Expenditure submitted:—

"Group of Officers (Go) in August, 2013 had asked all Ministries and Departments to ensure usage of APMS portal by 30.04.2014 (Annexures II & VIII). Training is being imparted to officers regularly to facilitate usage of the portal. The latest such ongoing training schedule is from 17.11.2014 to 13.01.2015. Also CGA's Office has been holding regular meetings with the nodal officers nominated by Ministries/Departments for the purpose."

16. Asked to furnish the names of Ministries that have so far sent officers for training in the use of APMS, the Ministry submitted as follows:—

List of Ministries that attended the training on APMS portal as on 31.3.2015

Sl. No.	Name of Ministry/Department	Sl. No.	Name of Ministry/Department
1	2	3	4
1.	Administrative Reforms and Public Grievances	39.	Justice
2.	Agri. Res. Education	40.	Labour and Employment
3.	Agriculture and Cooperation	41.	Legislative
4.	Animal Husbandary	42.	Legal Affairs
5.	AYUSH	43.	Micro, small And Medium Enterprises
6.	Bio-Technology	44.	Minority Affairs
7.	CBDT	45.	National Aid Control Organisation
8.	Custom	46.	New and Renewable Energy
9.	Central Excise	47.	Overseas Indian Affairs
10.	Chemicals and Petrochemicals	48.	Pensions and Pensioners Welfare
11.	Coal	49.	Personnel and Training
12.	Commerce	50.	Planning Commission
13.	Consumer Affairs	51.	Petroleum and Natural Gas
14.	Corporate Affairs	52.	Posts
15.	Culture	53.	Power
16.	Defence	54.	Railways
17.	Disinvestment	55.	Road Transport and Highways
18.	Drinking Water and Sanitation	56.	Rural Development
19.	DSIR/CSIR	57.	Revenue
20.	Development of North-Eastern Region	58.	School Edu. and Literacy
21.	External Affairs	59.	Science and Technology
22.	Earth Sciences	60.	Shipping
23.	Economic Affairs	61.	Social Justice and Empowerment
24.	Environment and Forests	62.	Space
25.	Expenditure	63.	Statistics and Programme Implementation
26.	Fertilizers	64.	Steel
27.	Financial Services	65.	Sports

1	2	3	4
28.	Food and Public Distribution	66.	Textiles
29.	Food Processing Industries	67.	Telecommunication
30.	Health and Family Welfare	68.	Tourism
31.	Health Reaserch-ICMR	69.	Urban Development
32.	Home Affairs	70.	Woman and Child Development
33.	Heavy Industry	71.	Water Resources
34.	Higher Education	72.	Civil Aviation
35.	Housing and Urban Poverty Alleviation	73.	Land Resources
36.	Industrial Policy and Promotion	74.	Mines
37.	Information and Broadcasting	75.	Tribal Affairs
38.	Information Technology	76.	Youth Affairs

17. On whether the Ministry/Monitoring Cell have any monitoring mechanism to ensure timely uploading of information about Action Taken Notes on the portal by all the Ministries/Departments concerned, they submitted as under:—

"In the present APMS System, uploading of C&AG paras, ATNs and clearance of ATNs are to be uploaded at each stage by Ministries/Departments. However, office of C&AG may need to automate the process of uploading the paras. Monitoring Cell has been in touch with C&AG's office in this regard. However, presently the C&AG paras are being manually uploaded by the Monitoring Cell in respect of individual Ministries/Departments. A system of alerts/blinks from APMS portal to concerned Ministries to indicate pending para status has been developed and is expected to be functional by January, 2015, which will further facilitate regular monitoring."

18. The Sub-Committee desired to be apprised whether the obstacles, if any, for Ministries in using the APMS portal have been identified and the corrective steps taken thereon. The Ministry in their written reply, stated as under:—

"The reasons have been analyzed and obstacles identified. Action has been / is being taken to remove the obstacles faced by the Ministries /Departments for using the APMS through training of officers, meeting with nodal officers of Ministries/Departments, issue of reminders and regular interaction with the office of C&AG."

19. Based on some of the issues the Ministries have highlighted with regard to the functionality of the APMS portal to facilitate vetting of ATNs, including claims by Ministries of C&AG not uploading the replies to ATNs, the Sub-Committee sought comments of the C&AG. In reply, the office of C&AG submitted as follows:—

"It is stated that all the concerned audit offices/wings were instructed to ensure the optimal usage of APMS for online vetting of ATNs vide this office."

U.O. No. 262 dated 10.07.2014 (copy enclosed) and requested to submit status update on the usage of the portal. In response, certain issues were raised by the field offices which needed to be addressed by the Monitoring Cell-e. These issues were communicated to M.C. *vide* this office letter No. 351/93/Rep. C/PAC/2014-15 dated 02.09.2014 (copy enclosed)\*\* A list of officers who required further training on the APMS usage was also forwarded along with this letter. However, no response regarding the resolution of these issues or holding of training sessions was received from Monitoring Cell. In compliance of the directions of Public Accounts Committee, Instructions regarding the uploading of vetting comments on APMS as soon as the Action Taken Notes are uploaded by the concerned Ministries are again being issued to the concerned audit offices/wings."

20. Asked if any instructions have been issued by the Department of Expenditure to the Ministries/Departments concerned prescribing the time schedule to be adhered to for finalization of audit paragraphs, it was submitted as follows:—

"The Monitoring Cell had circulated the time schedule prescribed by the Lok Sabha Secretariat (PAC Branch) to all the Ministries/ Departments *vide* O.M. dated 10.06.2004, which *inter-alia* stated that Remedial/Corrective action taken notes on all paras of the C&AG's Reports be submitted to the Lok Sabha Secretariat through Monitoring Cell within stipulated period of four months from the date of laying of Audit Reports on the Table of the House, as otherwise the very purpose of seeking Remedial/Corrective ATNs would get defeated if the submission of ATNs is delayed inordinately... Monitoring Cell has been issuing regular communication to the Secretaries/Financial Advisors to ensure timely resolution of pending paras. As a result of various measures taken, the number of pending audit paras has been reduced from 1494 as on 30.03.2012 to 491 as on 31.10.2014."

21. Replying to a query whether any instructions to the Ministries/Departments concerned have been issued for fixing responsibility on the concerned officials for delay on their part in timely submission of ATNs, the Ministry submitted:—

"Department of Expenditure has been following up with all Ministries / Departments emphasizing on the need to make special efforts to clear the pending ATNs/ATRs on CAG Audit Paras and PAC Recommendations... In pursuance of the CoS meetings held on 05.03.2010 and 17.06.2010, it was communicated to Secretaries of all Ministries / Departments that as Chief Accounting Authorities that they will be personally responsible for ensuring that ATNs/ATRs on Audit Paras / PAC Reports are finalized within the prescribed time frame. They were also asked to include timely submission of ATRs/ATNs as one of the targets in the RFD of their Ministry/Department as the direct responsibility of the Chief Accounting Authority... In addition, the Financial Advisors have been advised to ensure that status of pending ATNs in respect of paras selected by PAC is furnished on Quarterly basis to the Department of Expenditure."

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\*\*Appendix III



### III. NON-COMPLIANCE IN TIMELY SUBMISSION OF ATNs ON NON-SELECTED AUDIT PARAGRAPHS RELATING TO MINISTRY OF ENVIRONMENT/FORESTS AND CLIMATE CHANGE

22. As on 20.01.2015, the total number of Action Taken Notes on Audit paragraphs not selected by PAC due to be submitted to the Committee by Ministry of Environment, Forests and Climate Change stood at eleven. Out of these two were those on which ATN have not been received even for the first time, three on which revisions were awaited and six which were pending with Audit.

23. A statement of pendency as on 31.3.2015 of the Ministry as obtained from the C&AG is given in the following table:—

Comparative Number of Audit Paras for which ATNs are pending	
As on 31.10. 2014	15
As on 31.03.2015	19

From the comparative figures given on the table above, it could be seen that the pendency of the ATNs on Audit paras in respect of Ministry has increased.

24. During the oral evidence of the representatives of the Ministry, the Sub-Committee desired to be apprised whether they have taken leverage of the advances in Information Technology towards speedy finalization and submission of Action Taken Notes on Audit Paragraphs. The Ministry stated they are yet to have a system for electronic management of replies to Audit observations. While expressing certain reservations on the efficiency and reliability of the APMS portal which is in use in certain Ministries, the representative of the Ministry admitted the absolute need to leverage IT for faster disposal of replies/action taken notes to Audit and promised to put in place a system for electronic management of Action Taken Notes in the Ministry. The Sub-Committee were also informed that the Ministry have not so far sent its officials for training on APMS organized for handling ATNs.

25. However, subsequently the Committee noted that the Ministry responded in the positive in their post-evidence replies to queries on whether they have started using the APMS and whether they have sponsored their officials for training on APMS operation.

26. Asked to explain the monitoring mechanism in the Ministry for timely submission of ATNs keeping in view the pending Audit paragraphs pertaining to the years 1998 and 1999, the Ministry representative submitted as follows:—

"Generally, what happens when we get an ATN it is marked to the Division concerned in the Ministry. If they do have the information with them in the Division, then, those are compiled and then we respond to each of the points referred to in that audit para... If we need to go back to any subordinate offices of ours, then we get the information from them. We take into account their response and then the concerned division, they work on this and after they



have examined that in detail with reference to the response given by the subordinate office, duly scrutinized by the concerned divisions, it comes to my division, that is, the Integrated Finance Division. We also see the veracity of the information and after that has been vetted by us, we respond to the Audit. This is the mechanism. Apart from this, we have a Standing Audit Committee in the Ministry. What we do is, since it might pertain to different divisions once in a quarter this Committee meeting takes place which is chaired by the Secretary and all these things which are under examination or are being monitored at that level, we take that into account and as per the directions given by the Standing Audit Committee we respond. More or less that is a monitoring committee to respond. Notwithstanding the monitoring committee the activities relating to the response of Audit goes on in the concerned division duly vetted by the Finance Division."

27. Asked if the Ministry has any mechanism to avoid delay in submission of ATN on Audit Paras and whether it is effective enough, the Ministry in their reply, stated:—

"Upon receiving information about laying of the reports in the Parliament, the paras are furnished to the divisions for submission of ATNs in time."

28. The Sub-Committee also found that the Ministry did not reply to some important questions that were sent to them, in particular to questions like whether they have evolved any system, to ensure that irregularities pointed out by C&AG do not recur in subsequent audits, whereby systemic deficiencies, wherever pointed out, may be remedied. They also evaded answers on the question whether they have identified officers responsible for delays in timely submission of ATNs, whether inter-ministerial consultations were held with concerned Ministries to resolve audit objections involving other Ministries, etc.

29. The Committee also went into some detail on the contents of the various Audit Paragraphs outstanding against the Ministry. The Committee were especially concerned over the huge amount of Compensatory Afforestation Fund (CAF) to the tune of Rs. 23,607.67 crore placed under the Ad-hoc Compensatory Afforestation Management and Planning Authority (Ad-hoc CAMPA) without any legislative sanction and diversion of funds from CAMPA. The standalone report No. 21 of 2013 on 'Compensatory Afforestation in India' was discussed in detail on which the Ministry agreed to send detailed information. Asked to furnish a comprehensive statement on the status of Action Taken Notes on audit's observations on Compensatory Afforestation Management Fund and Planning Authority (CAMPA) and Compensatory Afforestation Fund (CAF) based on audit report No. 21 of 2013, the Ministry submitted as follows:—

"The C&AG's Report on 'Compensatory Afforestation in India' (21 of 2013) was tabled in the Parliament on the 6th September, 2013. Immediately on receipt of the said Report, the following action was taken *viz.*:—

- (1) Principal Secretaries, Forest Departments in all States/ UTs were addressed by a letter dated 16th September, 2013 from the Inspector General of Forests

(Forest Conservation), Ministry of Environment and Forests, Government of India; and Chief Executive Officer, Ad-hoc CAMPA in which it was requested that the comments of the State/ UT on the contents of the Executive Summary, Chapter IV to Chapter VI, and also the portions concerning the State in Chapter VII of the Report may kindly be sent very early, to reach in any case by the 30th September, 2013, without fail; and

- (2) The above communication was followed by a D.O.letter dated 17th September, 2013 from the Director General of Forests and Special Secretary, Ministry of Environment and Forests, Government of India (Chairman, Ad-hoc CAMPA) in which attention was drawn to the communication dated 16th September, 2013, and it was requested to issue suitable instructions to ensure that the time schedule that has been prescribed, viz., 30th September, 2013 is adhered to, so that requisite action at our end is completed well in time.

Comments were received from various States/ UTs. The last of the comments were received as recently as in August, 2014. As and when the comments of the C&AG Report were received, these were transmitted onwards to the concerned officer in the FC Division, Ministry of Environment and Forests, for forwarding the Ministry's comments on the State Government's reactions... Concurrently, the replies received from the States/UTs were examined in the Ad-hoc CAMPA. It transpired that the States had mostly offered comments on the State specific observations under Chapter VII of the Report. Further, the replies of many of the States required in-extenso revision and updation and essential details/ specifics were wanting.... It was felt that in view of the 'gaps' in the replies received, interaction with the States/UTs would be necessary. As individual interactions with all the 30 States/UTs involved was not practicable, it was considered appropriate that the interactions be held in meetings to be taken by the Additional Principal Chief Conservators of Forests in the Regional Offices of the Ministry of Environment Forests and Climate Change in which the concerned officers from the States in their territorial jurisdiction will be asked to participate... In terms of the above decision, interaction was held in separate meetings held under the Chairmanship of the Addl. Principal Chief Conservators of Forests, in-charge of the Regional Offices of the MoEF&CC. The concerned Nodal Officers dealing with FCA matters in the States (at the level of Addl. PCCF/ CCF); and also the officers concerned with CAMPA matters, attended these meetings. Where necessary, repeat meetings were also held with the Addl. PCCFs in-charge of the Regional Offices of the MoEF&CC, and/ or officers of the State Governments.....Efforts to obtain the completed replies from the other States/UTs is in progress. In view of the fact that responses from 30 States have to be coordinated, the PAC may be pleased to allow some more time for finalization of the responses."

30. The Sub-Committee noted further irregularities including purchase of cars and construction of forest range office buildings with CAMPA funds reported by Audit. They took strong objection to the gross mismanagement of CAMPA funds meant for compensatory afforestation (CA). They also noted that the Forest Conservation Act, 1980, mandates collection of money from user agencies given forest lands for compensatory Afforestation, that the funds were earlier used by State Governments, and that in 2002, the Supreme Court ordered to constitute authorities for handling the fund after expressing concern that a large amount of funds were not being realised from the user agencies in states. The Sub-Committee observed with serious concern that the fundamental raison d'etre, for which the Hon'ble Supreme Court had observed that the Compensatory Afforestation Fund (CAF) would not be a part of general revenues of the Union, of the States or part of the Consolidated Fund of India was to ensure that no diversion of the funds meant for Compensatory Afforestation takes place and that compensatory Afforestation is effectively implemented, and the same seems to have been undermined, if not defeated, by the mismanagement, inaction, delays and even diversion of funds under Ad-hoc CAMPA for non-core Compensatory Afforestation activities, as pointed out in report of the C&AG.

#### IV. NON-COMPLIANCE IN TIMELY SUBMISSION OF ATNs ON NON-SELECTED AUDIT PARAGRAPHS RELATING TO MINISTRY OF RAILWAYS

31. The Sub-Committee took evidence of representatives of Ministry of Railways on 2.2.2015. The Committee were pleased to note that the pendency of ATNs with the Railway Ministry is on the decline. From an outstanding of 429 in 2010, the figure has dropped to 92 as of 29.01.2015.

32. A comparative statement of pendency as on 31.10.2014 and 31.3.2015 of the Ministry as obtained from the Ministry is given in the following table:—

	As on 31.10.2014 (Reports upto 2011-12)	As on 31.3.2015 (Reports upto 2011-12)
No. of Audit Paras for which ATNs are pending	96	83*

\*7 paras have been vetted by audit and will be sent to monitoring cell shortly after Hindi translation. Hence, the actual pendency is only 76.

From the comparative figures given on the table above, it is seen that the Ministry had been able to clear only 20 additional Paras since October, 2014.

33. Explaining the efforts of the Ministry during the last few years to clear all pending Audit Paras and the reason for delays, the representative of the Ministry stated:—

"Over the years, I am happy to tell you, that the number of outstanding ATNs, which was 429 in 2010, has been brought down to 121 in January, 2015. All efforts are being made to see that we send the replies and get our final closure.

Secondly, in the past four years, we have closed 458 audit paragraphs. Coming to the current outstanding of 122 paragraphs, the position is that out of 122, we have replied for 92 paras to Audit. Out of that, Audit's closure advice is awaited for 56 paras and in 36 cases; Audit has raised further queries on which replies are under issue from the Ministry of Railways. I would like to re-assure the Committee that there is no effort which is being spared in this regard. However, the Railways do have some constraint because of the vast network involving 17 Zonal Railways and so many divisions and field units where we have to collect data from and then, compilation also takes some time. It is especially so when it comes to the issues for which we have to get information from all the Railways. ...Recently in the first PAC Report of this year, there are also some cases where recovery is due. We accept the audit contention in this regard. In the latest PAC Report of 2015, it is recommended that where the Ministry of Railways have accepted the recoveries, pending those recoveries, the Audit could consider closure and thereafter, the matter related to those recoveries awaited by the Railways should be reported to the Audit. With this, I think things could also improve... We do have a number of steps taken for closing these audit paras. An office order has been issued prescribing the time schedule for finalisation of paras in 2013. In this Report again the PAC has drawn a reference to that saying that the Railways has a good system and the Ministry of Expenditure may also probably follow suit and issue such instructions for other Ministries to follow and ensure that timelines are set. There was a concept of Standing Audit Committees which are held with the Board Members concerned. From the beginning, 17 meetings have been held. Recently, even on this, the PAC has said—now it is convened at the JS level—that we should have a once a month regular system of meetings so that followup could be expedited. We have our own internal systems of sending reminders Railway-wise, getting their replies and periodically meetings are being held. This is also being occasionally discussed in the Board meetings when there are very high outstanding of draft paras....Recently, the CGA has started the audit para monitoring system wherein after the audit paras are issued and the first ATN is sent, we upload it on the system. It was a good monitoring mechanism. After that, I think, the replies on the remarks are not forthcoming. So, this system of monitoring has not achieved the desired levels which it could have probably achieved. Otherwise, from our side, we are trying our best to bring down the number of paras. From 429, we have brought it down to 122 and there is no lacking in effort to try to see that these are closed. For 2008-09, there were 38 paras and for 20 cases we have sent replies. They are with the audit. On 18, they have come back for which we have to send back the response. Our effort is to see that they are replied as expeditiously as possible. There was one item you had mentioned about 2010-11 paras vetted by audit but not submitted to PAC. We will have to check on this and we will come back."

34. Asked to state the difficulties faced by the Ministry in adhering to the time limit of 4 months for submission of duly vetted ATNs to the PAC on the Audit Paragraphs pertaining to them, the Ministry submitted:—

"Following difficulties are being faced by this Ministry in finalizing the paras within the stipulated time:—

- (i) In cases of Performance Review Paras or Thematic/Special Audit Paras, ATNs are to be framed after collecting information from more than 140 accounting units involving 68 division and 16 zonal railways and also from different Directorates of this Ministry. The information to be collected is also extensive and framing of ATN is held up for want of replies from all field units.
- (ii) The time taken to finalize the paras increases further when Audit makes observations on the ATNs sent by the Ministry of Railways requiring back references to the field units/divisions/Zonal Railways which delays the finalization of the reply to audit.
- (iii) Based on a suggestion of Ministry of Finance, a request was made to PAC by Ministry of Railways for increasing the time limit for submission of vetted ATNs from 4 months to 6 months. This was, however, not agreed to.
- (iv) In a lot of cases, audit directs Railways to recover the outstanding dues. The recovery is done by following the due process including settling of court cases/arbitration cases etc. which often takes a lot of time and the para remains pending till the recovery is completed. PAC in its 1st Report have recommended that in such cases, ATNs may be submitted and recovery position advised in due course. Pursuant to this recommendation, action is being taken to submit to audit the paras that are pending for completion of recovery drawing their attention to the aforesaid recommendation and requesting for closure.
- (v) Sometimes audit objections involve policy issues. Resolving these matters take time. For example, many paras are pending for want of review of siding agreements especially with Coal sidings. The revised format of siding agreement is under deliberation in consultation with Ministry of Coal for several years. In such cases vetting of ATNs get delayed.
- (vi) In view of the complexities of many of the cases, a fairly long time is taken by the audit for checking up with their field audit officer and also in field verification/observations on ATN/final vetting. In some cases, audit's further comments are received after more than one year."

35. The Sub-Committee desired to know if the Ministry has put in place a Computerized Audit Para Monitoring System. The representative of the Ministry informed the Sub-Committee that though they have well trained personnel to service

the APMS system put in place by the Ministry of Finance, the system is rendered useless because the response of C&AG to first Action Taken Notes uploaded by them are not uploaded on the portal. The Committee sought the comments of the C&AG on the issue and they submitted:—

"...all the concerned audit offices/wings were instructed to ensure the optimal usage of APMS for online vetting of ATNs *vide* this office U.O. No. 262 dated 10.07.2014 ... and requested to submit status update on the usage of the portal. In response, certain issues were raised by the field offices which needed to be addressed by the Monitoring Cell. These issues were communicated to Monitoring Cell-e *vide* this office letter No. 351/93/Rep. C/PAC/2014-15 dated: 02.09.2014.... A list of officers who required further training on the APMS usage was also forwarded along with this letter. However, no response regarding the resolution of these issues or holding of training sessions was received from Monitoring Cell. In compliance of the directions of Public Accounts Committee, Instructions regarding the uploading of vetting comments on APMS as soon as the Action Taken Notes are uploaded by the concerned Ministries are again being issued to the concerned audit offices/wings."

36. The Sub-Committee during evidence of the Ministry had expressed particular concern over some rather significant issues highlighted in the Audit Paras pending submission of remedial action taken notes by the Ministry. Some of these issues are:—

1. Para 3.2.1 of C&AG Report No. 9 of 2002 on "Non-recovery of cost and maintenance charges of deposit works (NR)".
2. Para 2.2.3 of C&AG Report CA 6 of 2008 on "loss due to irregular booking of traffic at trainload class rates".
3. Para 5.1 of Report No. CA 6 of 2008 (Railways) on "Non-recovery of cost and maintenance charges on ROBs/ RUBs".
4. Para 2.2 Chapter 3 of C&AG Report No. 25 of 2013 (Railways) (Union Government-Compliance Audit Report) on "Revenue loss due to irregular grant of concessional tariff rate for booking of iron ore traffic".
5. Para 2.3 of C&AG Report No. 25 of 2013 (Union Government-Compliance Audit Report) on "Avoidable payment of lease charges due to ambiguity in agreement clause".
6. Report No. 25 of 2013 (Volume II) of the C&AG on "Maintenance of Locomotives in Indian Railways".

#### V. NON-COMPLIANCE IN TIMELY SUBMISSION OF ATNs ON NON-SELECTED AUDIT PARAGRAPHS RELATING TO MINISTRY OF HOME AFFAIRS

37. Ministry of Home Affairs had 22 Paras and an entire report on which ATNs

are pending as on 31.10.2014. It is also seen from the information provided by the Office of the C&AG that up to 29.01.2015, Action Taken Notes on 22 Audit Paragraphs pertaining to the year 2011-12 to 2013-14 have not been submitted to the PAC by the Ministry of Home Affairs. The Sub-Committee took evidence of its representatives on 11.02.2015. A comparative statement of pendency as on 31.10.2014 and 31.3.2015 of the Ministry as furnished by the Ministry is given in the following table.

Comparative Table of Number of Audit paras for which Action Taken notes are Pending as on 31.10.2014 and 31.03.2015

Number of Pending Paras as on 31.10.2014	Number of New Paras received between 31.10.2014 and 31.03.2015	Number of Paras settled between 31.10.2014 and 31.03.2015	Number of Pending Paras as on 31.03.2015
D=A+B-C			
18 Paras	8 Paras	9 Paras	17 Paras

From the comparative figures given on the table above, it is clear that only 9 Paras had been cleared by the Ministry since October, 2014.

38. Drawing a distinction between pending Paras and delayed paras, and elaborating on their efforts and achievements to dispose the paras, the Ministry's representative submitted:—

"Sir, the delay is in context of 13 audit paras, but as on date, we have 18 on hand and five of them are the ones which we received in the month of December.... Against these 13, 4 paras have been sent to Monitoring Cell. Seven audit paras have been referred for the first time. So, that makes it 11. In case of two, revised ATNs have been sent. This is what we have done with respect to 13 audit paras where we are already delayed. Against the remaining 5 paras, one first reference we have sent last week."

39. Even though the pendency in the Ministry appeared less as compared to those of Ministries of Defence and Railways, the issues involved and highlighted by audit were considered critical to public good by the Sub-Committee. The failures also pertain to services for the public who are in the margins of the nation both physically and economically. Asked to explain the lapse, the representative submitted:—

"...I would like to humbly admit that there has been undue delay in processing the Audit Paragraphs in this Ministry. I would not present any reason or justification for the delay but I would like to ensure that it will be ensured in future that the requisite timeframe is strictly adhered to."

40. Appraising the Sub-Committee on the steps taken for timely submission of remedial action taken notes on Audit Paras, the representatives of the Ministry stated:—

"I would like to apprise the hon. Committee that the review meetings to review



the progress made in finalization of these pending paragraphs and to expedite the finalization of these pending paragraphs are being held regularly. In the year 2014, four such meetings had been held on 15th of January, 5th of May, 5th of August and 26th of November respectively. The next review meeting will be held by me on 18th February.... out of 23 pending audit paras or so, 5 paras with final action taken notes, duly vetted by Audit, have been sent to the Office of the Director-General of Audit. In case of 2 paras, revised ATNs incorporating audit observations have been sent for final vetting. In case of 10 paras, they have been lately submitted, as reported on 3rd of February, to Audit. The remaining 6 paras of C&AG Report No. 25 of 2014 have been received in the Ministry on 9.12.2014 and the due date for submission is in the month of March. We will surely submit the replies within the scheduled time-frame, by the last week of March....I submit before the hon. Committee that effective steps have already been initiated in this Ministry for speedy disposal of the pending audit paras and necessary instructions for strict compliance of the time-limit have been issued. We have also commenced a strict monitoring regime where pending audit paras will be reviewed quarterly with the concerned head of the Administrative Division. We have, in the meanwhile, connected to the APMS, Audit Para Monitoring System, software and phase-wise training is being conducted by the Monitoring Cell of the Finance Ministry. The next phase of APMS training is scheduled to be held on 12 and 13th February, 2015. With this mechanism in place, I am sure, there will not be any further delay in submission of ATNs in future. I assure that the Ministry will comply with the prescribed timelines for submission of ATNs in respect of all the pending audit paras. ..I may also say that instructions have been issued by the Joint Secretary (UT) in case of undue delay to all the Union Territories not to have such delayed report and also to take immediate necessary action where there is an irregularity."

41. The Sub-Committee also delved into some specific issues on which Audit have given their observations from the Paras that were pending with the Ministry. One issue on which the Sub-Committee sought explanation from the Ministry relates to Avoidable expenditure on an outlived vessel (A&N, Administration) as per Para 8.2 of C&AG Report No. 13 of 2012-13. Asked to throw light on the subject, the representative of the Ministry submitted:—

"There were two passenger ferries. Unfortunately, the organization which constructed them was a Government body, Garden Reach Shipbuilders. The problem also lies with the design given by the erstwhile NSDRC. They gave a wrong sort of design. .... the thing got delayed. It is a vehicle ferry from one place to the second. They had a faulty design. To rectify that, we kept corresponding with them and they had given it to a third party and so on and so forth... for about three to four years, these vehicle ferries were lying there. Then, I persuaded the Department that we have to do something. They, on their own, rectified one of the ferries. It is now working without costing the Government anything."

42. The Committee also asked for clarifications on the action taken relating to air



ambulance facility for Lakshadweep (Non-commissioning of Radar transponders-Para No. 14.8 of Report No. 19 of 2013) and recovery from Vipul Shipyards Private Limited (Failure to procure Landing Barges resulted in wasteful expenditure of Rs. 12.21 crore as contained in Para No. 14.7 of Report No. 19 of 2013) based on the audit's observations. The Ministry submitted as follows:—

"Lakshadweep islands are situated and scattered in the Arabian Sea 400 Kilometres off the coast of Kerala. In case of an emergency, patients from other islands have to be evacuated to Kavaratti or RGSH, Agatti. Further all those cases which the Government Hospital at Kavaratti and Agatti cannot attend to are referred to mainland for emergency medical treatment. In the given circumstances, the only way by which emergency medical evacuations can be effected are by relying on the helicopter. In fact, the helicopter which is now operating in Lakshadweep is functioning primarily as an ambulance helicopter for emergency medical evacuations. If for want of helicopter the serious patients have to be evacuated by the normal schedules of the ships, precious lives would be lost. Alternatively, in the event of helicopter being withdrawn from service, the Administration will have to requisition helicopters from Indian Air Force or Indian Navy for emergency medical evacuation of serious patients.. The Helicopter operations since its introduction are carried out by Dauphin Helicopter provided by Pawan Hans Helicopter Ltd. and the same has been replaced with Dauphin N3 Model from 31st August 2006. Dauphin N Model Helicopter was deployed as Second Helicopter which started operation on 10th January 2009. Both these helicopters are basically used for medical evacuations for serious patients. The evacuation sorties are performed as per the requisitions made by the Department of Medical and Health Services. Besides operation of these helicopters for patient evacuation, the service is also utilized for connecting Kavaratti (Headquarter Island) with Agatti (only Airport Island) for the connectivity of flight passengers. During monsoon period when all fair-weather vessels are withdrawn, these helicopters are also operated for inter-island connectivity after meeting the requirements of evacuations. No. of evacuations carried out for the last five years is as follows:—

Year	No. of evacuations
2008-2009	161
2009-2010	198
2010-2011	189
2011-2012	357
2012-2013	416
2013-2014	348
2014-2015	416

### **Status on recovery of payments made to Vipul Shipyard, Goa**

The payments made to Vipul Shipyard, Goa is pending for recovery. The Administration has already filed proceedings under Arbitration and Reconciliation Act seeking attachment of assets of M/s. Vipul Shipyard, Goa in the District Court of Ernakulam. Moreover the matter is also referred to CBI and CBI have initiated preliminary enquiry on the matter."

43. When the Sub-Committee pointed out that the DSS had ignored the applicable provision of Inland Vessels and Merchant Shipping Act while preparing their initial proposal for construction of the vessels and violated the instructions of SFC and MoS, compromising the safety of passengers thereby, the representative of the Ministry submitted:—

"..we have fully surveyed and got the necessary certificate of safety. The question is that it is not generating adequate power to generate the speed. So, speed is one limitation and we are not able to ply it in very busy routes as of now."

44. The Sub-Committee also highlighted other specific Audit observations during evidence of the Ministry. Some of the issues include:—

1. Unclaimed deployment charges of SSB as contained in Para 8.1 of Report No. 25 of 2014.
2. Non-achievement of objectives due to non-utilization of cess of Rs. 28.04 crore collected for welfare of construction workers as contained in Para No. 14.12 of Report No. 19 of 2013.

45. While the Sub-Committee delved on some specific issues on certain pending paras and observed that most of the Audit observations could have been avoided had the Ministry put in place a system of internal audit, the Ministry representative admitted:—

"Internal Audit is very short staffed and we have not enough manpower for internal audit of all the UTs that we have."

46. Asked as to what initiatives have been taken by the Ministry for expeditious submission of ATNs in the past, the Ministry informed:—

"Regular Review Meetings to review the progress made in finalizations of pending Audit Paras and to expedite the finalization of pending paras are being held. To ensure timely submission of ATNs on audit paragraphs, regular review meetings are held at the level of Special Secretary & Financial Adviser (Home) and Chief Controller of Accounts (Home)... It is felt that there is a need for more effective co-ordination among the divisions and more stringent monitoring to be undertaken. ...It has been decided that concrete steps will be taken for effective coordination and follow-up with the organizations for timely receiving of the requisite information and documents required for preparing the ATNs. The matter of reviewing of Audit Paras will also be included in agenda of seniors officers meeting chaired by Home Secretary."

47. Asked about the mechanism the Ministry has for timely forwarding of Audit Paragraphs to various field formations and for obtaining the replies from them so as to avoid delay in preparation of ATNs, the Ministry submitted in writing as under:—

"As and when the Audit Reports are laid on the Table of both the Houses, the same is then downloaded from the C&AG's website and immediately forwarded to the concerned Head of the Divisions advising them to strictly follow the prescribed time frame. Reasons for the pendency are because preparation of the Action Taken Notes necessitates compilation of information/credentials from many different organizations and even requires involvement of other ministries/departments which essentially devour lot of time in this course of action."

48. Asked, if any system has been evolved/devised in the Ministry to ensure that irregularities pointed out by C&AG do not recur in subsequent cases and remedial action taken where systemic deficiencies have been pointed out, the Ministry replied:—

"The content of Paras where such issues have been pointed out by C&AG, the para is communicated at Special Secretary and Financial Adviser (Home) level to higher authority that may be DG of CAPF or Administrators of Union Territories. Besides this, we have issued a compendium of advice on delegation of financial powers so that no violation happens. Ministry wants to bring system in place by issuing instructions like this compendium of orders on time to time basis."

49. The Sub-Committee pointed out that there are various stages in which the Ministry has sufficient time to give response to Audit observations before their inclusion in the Report which eventually will help in minimizing the number of Audit objections. Asked if they agree that more attention needs to be given during the course of audit to take corrective action before finalization of the Audit Report to minimize audit objections, the Ministry in a reply wrote:—

"Yes .... Divisions of the Ministry are instructed to give suitable replies to the Paras of the Inspection Reports, Draft paras and Audit observations within the specific time period *i.e.* four weeks to the audit and also are advised to coordinate with the O/o audit in case of their observations so as to settle the audit objections in their initial stage. Maximum draft paras are settled within the prescribed time frame but in few cases the audit observations fail to settle. However, it is submitted that a very few number of audit paras are pending in respect of this Ministry as also going by the size of this Ministry."

#### VI. NON-COMPLIANCE IN TIMELY SUBMISSION OF ATNs ON NON-SELECTED AUDIT PARAGRAPHS RELATING TO MINISTRY OF DEFENCE

50. The Ministry of Defence had 21 Paras and four entire reports on which ATNs are pending as on 31.10.2014. The Sub-Committee took evidence of its representatives on 19.02.2015. A comparative statement of pendency as on 31.10.2014 and 31.3.2015 furnished by them is given in the following table.—

	No. of ATNs sent to Monitoring Cell of MoF	No. of ATNs vetted by Audit pending for submission to MC	No. of ATNs sent to Audit for vetting	Total O/S	ATN not sent to Audit even once
As on 31.10.2014	21	3	44	122	12
As on 31.03.2015	38	5	47	104	16

From the comparative figures given on the table above, it could be seen that the Ministry had not made much progress during the last five months. The number of ATNs not sent to audit even for the first time in fact registered an increase. The total outstanding had marginally fallen from 122 to 104.

51. Asked to explain the Ministry's lapse in timely submission of remedial action taken notes on the large number of Audit Paras, the representative of the Ministry submitted:—

"At the outset, I would like to accept that the progress in respect of the ATNs concerning this Ministry has not been even up to our satisfaction, though we have made some improvements from the time the Committee last called us for evidence in September 2013. At that time, we had 46 cases outstanding where ATNs had not been sent even for the first time to the audit whereas the number has reduced to 31 at the stage as on 31st January 2015. Out of that also only 25 paras relate to last year's audit and only six are from the prior years..... We have tried to make some improvement. There is a scope of a lot of improvement. I definitely assure that we will regularly monitor it and ensure that the situation improves drastically. As far as delay in submission of audit is concerned, the Ministry of Defence by the very structure, despite our efforts, takes a lot of time to get information from the units because it, travels through the entire channel of the formations of Army, Air Force and Navy. At times it becomes very difficult to adhere to these timelines stipulated as four months. But we will try to adhere to that timeline. At the same time, in case of the performance audit reports, as they have an all India perspective and the number of units is very large, especially in case of Army and Air Force, it becomes very difficult to keep the timelines particularly in those cases. So, we submit it for consideration of the Committee whether in case of performance audit the timeline could be a little more for submission of the ATNs. That is for the kind consideration of the Committee."

52. The Sub-Committee impressed upon the Ministry that the timeline of four months for submission of ATNs cannot be considered by the Sub-Committee as the decision was taken by the full Committee of PAC in consultation with the Ministry of Finance. Thereafter, the Ministry representative promised to try to adhere to the existing timeline.

53. Making further submissions on the pendency in the Ministry, the representative stated:—

"As on 31st March, as there are a large number of reports, the figure which DGDS may have a little difference because everyday reports go and come back. As far as our available data as on 31st January 2015 is concerned, there are a total of 112 paras outstanding. Out of that 31 have already been sent to Monitoring Committee. Five cases have been vetted by audit and we are in the process of sending it to the Monitoring Committee. Forty two cases have been sent to audit for vetting and 55 paras are pending in the Ministry at different levels. It makes it to 112."

54. When it was pointed out that the total figure of pending Paras submitted by them differed with the figure that is with the Sub-Committee which stands at 117, the representative explained:—

"The figure which we have compiled is based on 31st January 2015 figure. In last 15-20 days it may have changed but more or less the figures remain the same and there is no discrepancy as such in that term. About 31 cases, where we have not sent the ATNs even for the first time, as I told you, there are 25 cases relating to last year, four cases are relating to 2013 and two cases are relating to 2010. The two audit paras have been examined by the PAC and ATNs have been submitted after consideration by PAC."

55. During evidence, it has come to light that there prevails some confusion as to the treatment to be given to Paras selected by the PAC. The Ministries were found taking umbrage of the selection of the Paras by PAC as the reason for their failure to submit ATNs on time. Seeking the Sub-Committee's guidance on the matter, the representative of the Ministry submitted:—

"In some of these cases, the Action Taken Notes have not been submitted to the Audit Para but the information that the PAC has given whether in the questionnaire form or whether ATRs were to be submitted on the PAC reports, in that there has been no delay. In fact, we would seek your guidance as to what progress we should make in these cases because once they are selected by the PAC, the ATN on the Audit Para does not progress unless the PAC deliberations are completed."

56. To this, the Sub-Committee stated as follows:—

"Let us be clear. There need not be any confusion. Perhaps there is a lack of communication between us. If an Audit Report is selected by the PAC, you need not wait for the questionnaires to come to you. You have to be prepared within four months' time with your Action Taken Report on that report. You need not depend on our Secretariat to submit you certain questions."

57. The Sub-Committee also took note of some important issues in the pending Paras for discussion with the representatives. One such Para relates to avoidable expenditure of Rs. 227 crore on procurement of 100 aero engines for AN-32 aircraft (Para 2.3 of Report No. 4 of 2014 of the C&AG). Asked to submit a detailed statement on the audit's observation, the Ministry submitted:—

"The draft Action Taken Note on the subject Audit Para 2.3 regarding "Avoidable

expenditure in procurement of aero-engines" has already been sent to the office of principal Director of Audit (Defence Services) on 09.03.2015... The contract for procurement of aero engines of AN-32 aircraft was concluded in consonance with the periodicity of Provisioning Review (PR) as per provisions of IAP 1541 leaflet 11, which is 03 years cycle based on Maximum Potential Establishment (MPE) period of 39 months for non-perishable Class-A items, consisting of 15 months stock at Depot and 24 months stocks in pipeline. It is further stated that aero engines are high value life units which have defined warranty and shelf life. IAF does not anticipate the total requirement for the life cycle at one go while provisioning for aero engines. The cost of stocking aero engines and losing their shelf life/warranty is a major point which is taken into account while anticipating arisings... The initial life of the D-30 KP II aero engine was 6000 hours/10 years. Hence, in the first instance, the case for Total Technical Life Extension (TTLE) in respect of AI-20 D Serious — 5 aero engines for AN-32 aircraft was taken up with the original Equipment Manufacturer (OEM), M/s Motor Sich, Ukraine in June, 2004. The company informed that such extension was not possible. Accordingly, it was decided to carry out Provisioning Review of all engines with respect to their authorization, current holding, engines getting life expired in the next 03 years (2006-07, 2007-08, 2008-09) to arrive at the net requirement for procurement, in accordance with the provisioning regulations as laid down in Leaflet No. 11, IAP 1541 ..... The census of subject aero engines was received from 3 Base Repair Depot (BRD) in September 2005 and taking into account the arisings and holdings a net requirement of Qty-17 was projected for Procurement Action. Accordingly, the case for procurement of 17 aero engines was initiated in October 2005..... In February 2006, a presentation was coordinated by M/s Spectra Techno Export (STE), Ukraine for Total Technical Life Extension of AN-32 aircraft. During presentation, M/s Motor Sich, Ukraine, the OEM of AI-20D aero engines informed that assigned life of aero engines could be extended upto 20000 hours from 6000 hours... The matter was followed up with the firm, however, in the first instance, they backtracked stating that it was erroneously mentioned. Subsequently in March 2006, the firm agreed that the Total Technical Life could be extended upto 9000 hours from 6000 hours and requested Air HQ provide 10-15 Total Technical Life expired aero engines for study. The possibility of Life Extension was reiterated by the firm in June 2006. The firm also informed that the first batch of such Total Technical Life extended engines would be delivered to IAF in 1½ to 02 years. Air HQ was of the view that undertaking Total Technical Life Extension of the aero engines would be a better option. Thus, the procurement of Qty-17 aero engines was held in abeyance in August, 2006... Later in September 2006, M/s Motor Sich informed that the decision on life extension could be confirmed only after 1 to 1½ years from the date they received the engines for investigation. Further on their request, the photocopies of Total Technical Life expired aero engine Log Books were also forwarded to them. Despite repeated reminders, the firm resorted to delays on flimsy grounds and did not provide non-obligatory quotes for Total Technical Life Extension.. The final position on the refusal of the firm to extend life of engines from 6000 hours to 9000 hours became clear only in October, 2006

and not June, 2004 as stated in the Audit Para. The actions taken during the entire process was based on the existing provisions laid down in IAF and the presumptions that the Original Equipment Manufacturer would extend the life of engines from 6000 hours to 9000 hours.... The situation was reviewed in October 2006 and decision was taken to go ahead with the procurement. The quote for procurement of 17 aero engines had already been received and it was felt prudent to enter into contract for the operational requirements of IAF. The contract was, thereafter, signed on 21st June 2007 with delivery period of 210 days.... A special Review of the entire assets of aero engines operating in AN-32 aircraft was carried out (for 2008-09, 2009-10, 2010-11), and the net requirement emerged as Qty.-113 to cater to the requirements up to year 2011 against the arisings due to life expiry. The calculations undertaken to arrive at the net requirements was based on the life of AN-32 aircraft as 25 years, the then existing life of the aircraft... Out of the requirement of 113 aero engines, 13 were procured through the Option Clause of 17 aero engines procurement contract at the same terms and conditions. The case for procurement of remaining 100 aero engines, as required, was progressed separately and finalized in December, 2009.... The steps taken by IAF under above circumstances were, therefore, in accordance with the provisioning philosophy taking into account the cost of stocking aero engines and the risk of losing their shelf life/warranty. Thus, the decision taken was as per established procedure and bonafide."

58. The Sub-Committee also highlighted some important cases of violation of rules and financial impropriety observed by Audit during evidence. Some of the issues were:—

1. Acquisition of helicopters for VVIPs (No. 10 of 2013)
2. Performance of Ordnance Equipment Group of Factories [No. 24 of 2013 (Performance Audit)]
3. Inordinate delay in procurement and integration of Radar Warning Receiver System based on Para 2.2 of Report No. 17 of 2012.

59. The Sub-Committee impressed upon the Ministry that even with paras selected for detail scrutiny by the PAC, the ATNs have to be furnished to Audit anyways within the stipulated period of four months. Thereafter, if and when the PAC follows through with comprehensive scrutiny of the Paras and submit its report, the Action taken notes on the report can be furnished separately.

#### VII. NON-COMPLIANCE IN TIMELY SUBMISSION OF ATNs ON NON-SELECTED AUDIT PARAGRAPHS RELATING TO MINISTRY OF HUMAN RESOURCES DEVELOPMENT

60. The pendency status of ATN in the Ministry as on 31.10.2014 as received from Audit was three Paras, two chapters and an entire report. The status Report on Pending Action Taken Notes (ATNs) for the Ministry received up to 28.02.15 by the C&AG was as given below.



## (Ministry-wise) Pendency of ATN as on 28.02.15

Sl. No.	Name of the Ministry	No. of ATNs NOT RECEIVED from the Ministry even for the first time	No. of ATNs RECEIVED BUT RETURNED WITH observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally VETTED by audit but have not been submitted with by the Ministry to PAC	No. of ATNs Pending Audit	Total Pending
Civil & Autonomous Bodies						
1.	HIRD	14	4	8	Nil	26

A comparative statement of pendency as on 31.10.2014 and 31.3.2015 of the Ministry furnished by them is given in the following table:—

Comparative Pendency status	
As on 31.10.2014	22
As on 31.03.2015	24 (includes 8 paras newly added pertaining to Report No. 25 of 2014)

From the comparative figures given on the table above, it could be seen that the Ministry have failed to clear a single ATN since 30.10.2014.

61. Asked to explain their lapse during the evidence taken on the 23.03.2015, the representative of the Department of Higher Education submitted:—

"...the reply to the audit paras has been submitted today and I would also like to inform you that most of the paras are either with DG audit or there on Hindi translation. We are not very proud of the delay but at the same time I will seek the kind of indulgence hon. Chairman and Members to give us some more time. We will give you the replies in the Action Taken Report."

62. Thereafter, the representative of the Department of School Education & Literacy made the following submission:—

"We have one Para from the School Education & Literacy side. This was regarding release of funds to Madarsas in Jammu & Kashmir Government and we regret that we have not been able to finalize the report and make it available but we have looked at it and we have some issues which were raised earlier. One was the irregularity in sanction and the other was about the compliance of the utilization. The reason why we deeply regret but we could not finalize it is that my Department has written to the Jammu & Kashmir Government 10 times including me. We have also called a meeting with them on 30th of June this year to be able to finalize this and to be able to submit it for vetting.... We seek your indulgence for this one issue. We are continuing to lean on the J&K Government. I will do another effort to get their compliance on this."

63. On being asked about the penalty if some State Governments do not comply, the representative stated:



"We try to give the State Government an opportunity to plead or state their case but in this case as I said about ten times over the last three years we have been pursuing with them. We even called a meeting which was partially attended; only the Jammu part could be sorted out but the Kashmir part could not be sorted out. I would appeal to you that we should give them one more opportunity failing which if the State Government does not comply. We normally would cut their funds against some other releases. It is an effort which we would not like to do because it would deprive the State Government of funds for some other scheme."

64. The Sub-Committee noted that Audit's observation, stating that the Ministry did not ensure fulfilment of the eligibility condition of the *madarsas* while releasing the grants, was as a result of the Central Ministry's reliance on the certification by the State Government, and the primary responsibility in that aspect was of the State Government. Nevertheless, the Sub-Committee felt the need to have some mechanism in place through which the Ministry can have some amount of control and responsibility after funds have been released to programmes executed in States. Asked to give a detailed statement on the issue of irregular release of grant to Madarsas in J&K, the Ministry in their reply submitted:—

"The Government of J&K had submitted a proposal covering 372 Madarsas under SPQEM benefiting 722 teachers... As per the scheme guidelines the J&K Government had submitted a proposal covering 372 Madarsas under the SPQEM Scheme benefiting 722 teachers. Member Secretary of the State GIAC had certified that the proposal is within the parameters of the said scheme. It may be mentioned here that it is the responsibility of the State GIAC to certify that the proposal is within the parameters of the said scheme. The State Government *vide* its letter dated 22.01.2013 had requested for release of further recurring grant under the scheme. From the utilization certificate enclosed with the request, it was observed that out of the total grant of Rs. 886.45 lakh, only Rs. 149.256 lakh have been utilized and the remaining amount of Rs. 737.194 lakh is still unutilized with the State Government. As this utilization certificate was signed by the Joint Director, Planning, Education Department of J&K, they were requested to furnish the UC under the signatures of Commissioner/Secretary, Education Department. The State Government was also requested to furnish reasons for non utilization of this amount till date and also to certify that all the 372 madarsas recommended by the State Government fulfilled the criteria for coverage under the scheme..... A number of reminders were sent on 19.02.2013, 15.03.2013, 08.07.2013, 02.08.2013 and 29.05.2014, at various levels, in Education Department, Government of J&K for furnishing the utilization certificate of Rs. 737.194 Lakh duly signed by the Commissioner/Secretary..... Economic Advisor, Department of SE&L had *vide* letter dated 12.06.2014 requested the Commissioner cum Secretary J&K, Government to depute an officer well versed with all the facts of the case. Consequently, Mr. H.R. Pakhroo, Joint Director (Training) attended the meeting on 30.06.2014. However he represented Jammu only. It was also informed by him that Rs. 70.64 lakh have been utilized and Rs. 134.05 lakh were lying unspent

with Jammu region. There was neither any representation nor any information about Kashmir region. It was once again requested that the representative from Kashmir region may be deputed for a meeting on 14.08.2014..... Economic Advisor, Department of SE&L again requested Commissioner cum Secretary, J&K, State Government, on 01.08.2014 to furnish the details of the releases and utilization of the funds with respect to Kashmir region or to depute an officer of the Kashmir region for a meeting on 14.08.2014 in view of the audit para. It may be mentioned here that no representative came for the meeting nor any communication/letter was received from the State Government Therefore, another reminder was sent on 10.09.2014 to Commissioner cum Secretary, J&K, State Government, requesting again to depute any officer well versed with the facts and figure for a meeting on 16.09.2014 to expedite the matter. It was once again requested to utilize the unspent balance of Rs. 134.05 lakh for the Jammu region..... Again reminder was issued on 25.02.2015 from Secretary (SE&L) to Commissioner cum Secretary to expedite the matter..... On 24th March 2015 Additional Secretary (SE&L) requested chief Secretary to depute Senior Officers for a meeting with her along with all documents and relevant information immediately.....It is pertinent to mention here that there has been constant follow up on the basis of the Ministry of HRD and constantly reminders were issued to the J&K State Government. However, there was no response from the State Government in this regard.....Consequent to the meeting of the Sub-Committee — IV (Non compliance by Ministries/Departments in timely submission of the Action Taken Notes (ATN) on the non selected Audit Paragraphs (Civil and Other Ministries) of Public Accounts Committee was held on 23rd March, 2015, Commissioner/Secretary to School Education Department, Government of Jammu and Kashmir *vide* letter No. Edu/NC-Department, Government of Jammu and Kashmir *vide* letter No. Edu/NC-SE/25/2015 dated 31.03.2015 received on 31.03.2015 has informed that funds to the tune of Rs. 886.47 lakhs were released by the MHRD to the State for 372 Madarsas during 2009-10 & 2010-11 under the Scheme Providing Quality Education in Madarsas (SPQEM). ..... The Scheme being a purely voluntary one, only 103 Madarsas (58 in Kashmir Division and 45 in Jammu Division) were disbursed the amount of Rs. 149.256 lakhs (Rs. 100.323 Kashmir Division and 48.933 in Jammu Division) & accordingly Utilization Certificate (UC) was submitted on 22.01.2013 to the MHRD. The balance amount of Rs. 737.214 lakhs remains unutilized with the State.....They have further requested for revalidation of the unspent amount, Secretary to GOI, Department of (SE&L) has been requested to revalidate the unspent amount of Rs. 737.214 lakhs and authorize the State to utilize the same, as per norms, during 2015-16 which will be examined as per norms, of the scheme of SPQEM..... In view of the position explained above, there has been no irregular release of grant to Government of J&K. The draft ATN is also being prepared and will be sent to DGACE for vetting."

65. The Sub-Committee also noted with concern the issue brought to light by the Audit, of UGC's negligence of its regulatory functions leading to the decline in

standards and accountability in some Central Universities. The Ministry stated that it has since submitted final ATN duly vetted by Audit on the relevant paras on 9.4.2015.

66. The Sub-Committee pointed out that there are various stages in which the Ministry has sufficient time to give response to Audit observations before their inclusion in the Report which eventually will help in minimizing the number of Audit objections. Asked if they agree that more attention given during the course of audit to take corrective action before finalization of the Audit Report could minimize audit objections, the Ministry in reply wrote:—

"A sound and fool proof mechanism should be implemented by the Ministry urgently to ensure prompt and timely action in future. The Committee have desired that action should be initiated against the officers responsible for the serious lapse on their part in furnishing the remedial/corrective ATNs on all the non-selected paragraphs pertaining to the Ministry."

## PART II

### OBSERVATIONS AND RECOMMENDATIONS

The Committee at the outset would like to place on record their observation that one of the major reasons for pendency of ATNs is the failure of the Ministries to prioritize policy issues and policy related decisions, which, because they have wider ramifications, often have a cascading effect resulting in delays at every point in the governance system. The Committee felt that the Government/Ministries need to focus on policy matters and take decisions expeditiously failing which the pendency of ATNs would be difficult to liquidate.

As per the procedure evolved by the Public Accounts Committee, the Action Taken Notes on all the paragraphs of the Reports of C&AG of India should be furnished to the Committee through the Ministry of Finance (Department of Expenditure-Monitoring Cell) within a period of 4 months from the date of laying of Audit Reports on the Table of the House, starting from 31st March, 1996 onwards. Public Accounts Committee (2008-09) and (2010-11) had reviewed the position in their 11th and 58th Reports and recommended that all the Ministries/Departments should chalk out an effective and time bound procedure to reduce the pendency of ATNs. The Committee had also recommended setting up of Standing Audit Committee (SAC) and introduction of Audit Para Monitoring System (APMS) by all the Ministries.

The PAC (2013-14) also reviewed the position with respect to timely submission of Action Taken Notes on the non-selected Audit Paragraphs of the C&AG of India by the Ministries/Departments and constituted a Sub-Committee (Sub-Committee-IV) to pursue the matter. The PAC 2014-15 carried over the examination and submitted its first report on the subject. The Sub-Committee also continued and after accessing the position of pendency of ATNs in various Ministries as on 31.10.2014, which was 514 paras, decided to take evidence of specific Ministries to identify problems faced by Ministries and systemic flaws, if any, and to explore remedial solutions. In the meantime as on 31.03.2015, the pendency increased to 639 audit paras, as per the C&AG office. However, the Sub-Committee noted the pendency figure cited by the Monitoring Cell as 869. They would like to be apprised of the reasons for the discrepancy in both the figures.

#### *Role of Monitoring Cell, Ministry of Finance*

1. The Committee observe that the efforts of Monitoring Cell, Department of Expenditure, Ministry of Finance to get 76 Ministries and Departments having pending ATNs to adopt APMS, while appreciable, needs to be extended to all Ministries and Departments of the Government of India irrespective of whether or not they have pending ATNs. The portal is meant to show compliance by all Ministries in timely submission of ATNs as much as it is to monitor non-compliance by some Ministries.

C&AG conducts random and sample audits of any Ministry/Department and its units. Thus, all Ministries and departments are liable to have Audit Paras for ATNs at some point or the other. So, the operation of APMS should not be confined to Ministries/Departments having pending Audit Paras alone. Therefore, the Committee recommend that Monitoring Cell should ensure that all Ministries and Departments of the Government of India are included in the Audit Para Monitoring System (APMS) and involved in the training programmes organized by the Ministries on utilization of APMS for their officers. The Committee desire that this exercise may be completed within six months from the date of presentation of this report to Parliament.

2. The Committee are aware of certain technical improvisations required in the APMS portal based on the feedback taken from the Audit field offices, for instance, requirement of C&AG Branch Offices for a sub-user facility, editing facility for letters/reference numbers and date of uploading of replies/vetting comments, facility for classifying ATNs which require vetting comments, those requiring no comments and those on which Final comments of Audit have been given, etc. so as to make the portal serve its intended purpose of being an online and updated source of information on current status of submission of remedial action taken notes by various Ministries on Audit Observations/Paras. The Committee recommend that Monitoring Cell-e of the Department of Expenditure, Ministry of Finance, must take steps in a time-bound manner to further upgrade the APMS portal to accommodate the requirements of all stakeholders so as to facilitate usage of APMS by all the Ministries/Departments concerned as well as the audit field offices.

3. The Committee note the stand taken by Monitoring Cell that they cannot fix responsibility for non-compliance as its mandate is only to coordinate and monitor progress across Ministries of the efforts to submit remedial action taken notes on Audit Paras within the stipulated period of four months from the laying of C&AG Reports in Parliament. The Committee also note that Secretaries of concerned departments/ministries, as Chief Accounting Authorities (CCA) have absolute responsibility to ensure timely submission of ATNS. Legal propriety of expenditure and efficient execution being equally important, if not more, to effective implementation of Government programs, the Committee recommend that a suitable mechanism to make the CCAs accountable may be put in place. The Committee desire that such mechanism should incorporate a range of stringent disincentives for the CCAs for graded levels of non-compliance, keeping in view the importance of strengthening the system of audit and financial accountability in the country. Among other things, the Committee desire that such a mechanism incorporate allocation of adequately high points to submission of ATNs on time, second only to effective execution of programs. The Committee further note that the Department of Expenditure had asked all the Ministries, way back in the year 2010, to include timely submission of ATNs as one of the targets of Result Framework Document (RFD) of their Ministry, as the direct responsibility of their CAA. However, the Committee found that even though five years have elapsed, very few Ministries like Ministry of HRD have reflected it as one of their priorities in their RFDs. The Committee, therefore, desire that the initiating of such a mechanism in the RFDs by

all Ministries may be reported to them within six months from the presentation of this report.

*Ministry of Environment, Forests and Climate Change*

4. The Committee while examining the pendency of ATNs in the Ministry of Environment, Forests and Climate Change have found that most of the delays were unwarranted and could have well been submitted in time with a little more commitment and attention given to the monitoring mechanism within the Ministry. This observation of the Committee is buttressed by the fact that most audit objections could have been explained to the Audit team during Audit Inspections, thereafter while replying to Inspection reports of Audit and then within four months after the Audit reports are laid in Parliament. Further delays whatsoever defy all logic and manifests sheer negligence by the Ministries. The Committee, however, noted with some satisfaction that the Ministry have lately adopted the online Audit Para Monitoring System (APMS) operated by the Monitoring Cell, Ministry of Finance after having admitted to non-utilization of the system during their evidence before the Sub-Committee. At the same time the Committee note with concern the shortcomings in the NIC-developed system for Computerized Audit Para Monitoring that the Ministry had highlighted during their evidence and desire that continuous efforts are essential to perfect the portal meant to facilitate timely submission of ATNs by Ministries. They, therefore, recommend that the Ministry of Environment, Forests and Climate Change take up the matter with the Monitoring Cell, which, in turn can get the shortcoming addressed through the developer of the software for APMS.

5. While examining various pending ATNs, the Committee noted with great concern the gross mismanagement, inaction, delays and even diversion of CAMPA funds meant for Compensatory Afforestation. They express disappointment over the failure of the Ministry to submit remedial action taken notes on the Audit's observations, especially keeping in view the responsibility of the Ministry to have taken proactive steps to check such mismanagement even before Audit has taken it up. The Committee are surprised that ATNs having serious ramifications were left unattended by the Ministry. They, therefore, recommend that the Ministry expedite the submission of ATNs on the said report on CAMPA as well as all pending Paras of the C&AG reports.

6. The Committee were constrained to note a lackadaisical and casual approach of the Ministry towards the system of financial accountability mandated in the Constitution of the country under which the Public Accounts Committee has been recognized as the apex audit authority.

The Committee, therefore, having considered all the issues at length, and in reaffirming the importance of ensuring financial accountability of the executive, recommend:—

- (a) That, the Ministry of Environment, Forests and Climate Change should put in place a more robust mechanism to monitor and ensure timely submission of remedial Action Taken Notes to Audit observations and objections.

- (b) That, the Ministry should take necessary action to train and maintain adequate number of trained officials to handle ATNs for timely submission.

7. The Committee further recommend that henceforth, the Ministry of Environment, Forests and Climate Change, and all other Ministries having outstanding ATNs should issue a Standing Order to all their divisions and units across the country to the effect that Audit objections at the time of actual audit should be taken note of and shared with all their divisions and units which are liable to such objections by virtue of similarity of functions. Thereafter, as soon as the C&AG reports are tabled in Parliament, concerned units/divisions should promptly process and submit the Action Taken Notes for approval without awaiting instructions from the Ministry Headquarters. The Heads of each divisions/units should be acquainted with audit obligations and made accountable to ensure necessary action in this regard.

8. The Committee further desire that the Ministry of Finance may coordinate with all Ministries regarding compliance to this recommendation of the Committee and apprise the Committee of the progress achieved within six months.

*Ministry of Railways*

9. The Committee note the improvements affected in the mechanism in place in the Ministry of Railways to deal with the pendency of ATNs. They nevertheless reiterate the need for a mechanism within each Ministry especially the larger ones like the Ministry of Railways to internally share Audit observations and Action Taken Notes thereon among all their divisions/units. The Committee, while reiterating its recommendation in the earlier Report, further desire that the system of prescribing the time schedule for finalisation of paras as practised in the Railway Ministry should be adopted by all Ministries and Departments.

10. The Committee recall that during evidence, a number of Paras concerning Railways had been discussed in detail due to either the importance of issues involved or the unusually long delays for instance, para 3.2.1 of C&AG Report No. 9 of 2002 regarding "Non-recovery of cost and maintenance charges of deposit works (NR), para 2.2.3 of C&AG Report No. CA 6 of 2008 on 'loss due to irregular booking of traffic at trainload class rates'. ATNs on the same are still awaited from the Ministry. The Committee are of the opinion that such long delay prove that adequate prioritization of timely submission of ATNs is, perhaps, still lacking in the Ministry. The Committee, therefore, recommend that keeping in view the vast network of the Ministry enhanced mechanisms should continue to be evolved and put in place for timely submission of ATNs by all units/field/zonal offices of the Ministry.

*Ministry of Home Affairs*

11. The Committee observe that the system in place in the Ministry of Home Affairs with regard to monitoring the distribution of Audit paras to concerned divisions/units, the monitoring of progress in timely submission of remedial action taken notes and instructions for giving suitable replies to inspection reports of Audit for minimizing Audit objections is appreciable and needs to be maintained,



improved and replicated in other ministries. The Committee, therefore, desire the good practices of the Ministry to be notified to all Ministries by the Monitoring Cell. The Committee also recommend that all good practices of any Ministry/Department relating to timely submission of ATNs may be collected by the Ministry of Finance and notified to all other Ministries/Departments. Further, that while notifying Civil Service Awards, the Government may consider one or two officials who have been instrumental in bringing about the good practices for recognition.

12. The Committee however note with concern that there is a severe shortage of staff for internal audit in the Ministry. Observing that a strong system of internal audit would greatly reduce audit objections and consequently, pendency with respect to submission of remedial ATNs subsequently, the Committee recommend that Ministry should take immediate steps to provide adequate staff to its internal audit division and that the Ministry of Finance should take necessary steps to ensure that the internal audit system of all Ministries are adequately strengthened.

13. The Committee delved in to, in some detail, the issues highlighted by Audit during the evidence and considering the importance of the issues on which objections were raised, express their concern over the Ministry of Home Affairs as well as UT Administration's failure to submit suitable ATNs on time. The Committee also note that there are numerous other Paras on the Ministry on which ATNs are pending for long, despite the Ministry's claims of having a structured and functional mechanism to monitor progress in timely submission of ATNs. The Committee were particularly concerned about the audit observations on failure to procure landing barges and non-commissioning of radar transponders which showed the administration of UTs in very poor light. The Committee, therefore, desire that the Ministry must take steps not only to clear all audit Paras on time, and clear the pendency with regard, especially, to those the Committee had dwelled on during evidence, but also strengthen the administrative machinery of Union Territories and make them accountable for lapses committed by them.

#### *Ministry of Defence*

14. The Committee observe that one of the reasons as to why the Ministry, as also other Ministries/Departments of the Government of India, have not been attending to the preparation of ATNs on Paras/Subjects selected by the PAC for examination due to a misconstrued assumption that the ATN on such Paras need to be prepared only after the PAC finalize their report, and the presumption that the PAC will be able to follow through with the detailed examination of all the selected Paras. The Committee, therefore, recommend that henceforth, all the Ministries and Departments shall furnish ATNs to Audit observations within the stipulated period of four months irrespective of whether a particular Para has been selected or not, by the PAC, for detail scrutiny. In the rare instance where the recommendations of Audit and the PAC differ with reference to a Para on which the Ministry had already submitted ATN based on Audit's recommendations and the PAC later on had taken up the Para for detail scrutiny, it needs to be noted that the PAC is the apex Auditing institution of the country and the remedial action taken shall have to be modified according to the PAC recommendations. The Committee desire that the Ministry of



Finance (Department of Expenditure) should issue necessary instructions to all Ministries for better clarity and necessary compliance in future.

15. The Committee observed that the Ministry have failed to submit ATNs on several entire reports on functioning of important units of the Ministry, not to mention the numerous Audit Paras on which ATNs are pending, particularly, those concerning mismanagement in procurement processes. They feel alarmed at the serious gaps between the actual requirement and procurement of Defence equipment highlighted in several audit paras and reports. The Committee, therefore, desire that the Ministry should take timely steps towards expeditious submission of ATNs on Audit Paras, especially on the Standalone Reports of C&AG on the Ministry's functioning, while making earnest efforts to take decisions well in time so as not to compromise on the country's Defence preparedness.

*Ministry of Human Resource Development*

16. The Committee note that from the depositions made by the Ministry during evidence and their replies to questions post evidence, most of which are not reproduced in this report for purposes of brevity, the Ministry had adopted the APMS operated by the Monitoring Cell, had trained officials on its use and had satisfactory mechanisms for timely preparation and submission of remedial ATNs to audit objections. During the evidence, the Audit Para No. 8.2 of C&AG Report No. 19 of 2013 concerning irregular release of grant of Rs. 8.86 crore to State Government of Jammu and Kashmir for 372 Madarsas was discussed in detail, which was not accepted by the Ministry. However, subsequent to the Sub-Committee's evidence, the matter was pursued by the Ministry and the Committee note that the State Government having sent utilization certificate for Rs. 149.256 lakh disbursed to 103 Madarsas and having sought revalidation for unspent balance of Rs. 737.214 lakhs, the irregularity has now been rectified. The pendency of ATNs concerning UGC based on Para 1.3 of C&AG Report No. 4 of 2002 and its larger ramifications was discussed in detail. The Committee are pleased to note that the Ministry has finally settled the same. However, the Committee found the number of other pending and delayed ATNs on several other Paras unacceptable. They further feel that the Ministry needs to focus on policy matters and take decisions expeditiously failing which the pendency of ATNs concerning HRD would be difficult to liquidate.

The Committee further recommend that the Ministry expedite the implementation of their Standing Audit Committee (SAC) recommendation to have action initiated against officers responsible for serious lapses in furnishing remedial/corrective ATNs on Audit paras. The Committee, further reiterating its earlier recommendation, desire that a system of fixing responsibility for serious lapses be put in place by all Ministries. The Committee also desire that Monitoring Cell of the Ministry of Finance may communicate this recommendation to all Government of India Ministries/Departments and monitor its implementation.

NEW DELHI;  
27 April, 2015  
7 Vaisakha, 1937 (Saka)

PROF. K.V. THOMAS  
*Chairperson,*  
*Public Accounts Committee.*

ANNEXURES

MINUTES OF THE FIRST SITTING OF SUB-COMMITTEE-IV OF THE PUBLIC  
ACCOUNTS COMMITTEE (2014-15) HELD ON 5<sup>TH</sup> NOVEMBER, 2014

The Sub-Committee sat on Wednesday, the 5th November, 2014 from 1100 hrs. to 1200 hrs. in Room No. 'G-074', Parliament Library Building, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Jayant Sinha
3. Shri Nishikant Dubey

SECRETARIAT

1. Shri Jayakumar T. — *Additional Director*
2. Smt. Bharti S. Tuteja — *Deputy Secretary*
3. Smt. Anju Kukreja — *Under Secretary*

**Representatives from the Office of the Comptroller and Auditor General of India**

1. Shri A.K. Singh — Dy. C&AG (Report Central & LB)
2. Shri S. Nandkeolkar — Director General (Railways)
3. Shri P.K. Mishra — Director General
4. Shri Parag Prakash — Director General (Defence Services)
5. Shri L.S. Singh — Principal Director
6. Shri Manish Kumar — Principal Director

2. At the outset, the Convenor welcomed the Members of the Sub-Committee and the Audit officers to the sitting of the Sub-Committee. He informed the Members that the sitting had been convened to chalk out the future programme of action to examine the subject 'Non-compliance by Ministries/Departments in timely submission of Action Taken Notes on the Non-selected Audit Paragraphs (Civil and other Ministries)'.

3. The Convenor, then explained in brief about the procedure for submission of Action Taken Notes on the non-selected Audit paragraphs of the C&AG of India. He also apprised the Members that as per procedure evolved by the Public Accounts Committee in their 105th Report (10th Lok Sabha) the ATNs on all the paragraphs of the

Reports of C&AG of India should be furnished to the Committee through the Ministry of Finance (Department of Expenditure-Monitoring Cell) within a period of 4 months from the date of laying of Audit Reports on the Table of the House with effect from 31st March, 1996. However, Ministry of Railways had requested to increase the prescribed 4 months period for submission of ATNs on non-selected audit paras to 6 months. The request of the Ministry was placed before Hon'ble Chairperson, PAC for his kind consideration, who, *inter-alia* opined that 'status quo may continue'.

4. Thereafter, the Officers of the C&AG of India briefed the Sub-Committee on the various issues concerning the subject. They had also apprised the Sub-Committee about the pendency of Action Taken Notes with various Ministries/Departments as on 30 September, 2014. Further they advised the Sub-Committee on certain more significant paragraphs/Audit Reports which can be taken up for detailed examination. The Officers of the C&AG of India also clarified various issues raised by the Members and assured that the information sought by them would be furnished to the Sub-Committee expeditiously.

5. The Convenor, then informed the Members that those Ministries/Departments, which have the maximum number of Audit paragraphs pending, would be called for evidence before the Sub-Committee. However, the Sub-Committee decided to first call the Ministry of Finance (Department of Expenditure), which is the Nodal/Co-ordinating Ministry, for evidence before the Committee.

6. The Convenor then thanked the officers of the C&AG of India for providing valuable assistance in examination of the subject.

*The Sub-Committee, then, adjourned.*

MINUTES OF THE SECOND SITTING OF SUB-COMMITTEE-IV OF THE PUBLIC  
ACCOUNTS COMMITTEE (2014-15) HELD ON 18<sup>TH</sup> NOVEMBER, 2014

The Sub-Committee sat on Tuesday, the 18th November, 2014 from 1500 hrs. to 1630 hrs. in Committee Room No. 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Gajanan Kirtikar

3. Shri Nishikant Dubey

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*

2. Smt. Bharti S. Tuteja — *Deputy Secretary*

3. Smt. Anju Kukreja — *Under Secretary*

**Representatives from the Office of the Comptroller and Auditor General of India**

1. Shri A.K. Singh — *Dy. C&AG (Report Central & LB)*

2. Shri Purushottam Tiwari — *Principal Director*

**Representatives of the Ministry of Finance (Department of Expenditure)**

Smt. Anjuly Chib Duggal — *Special Secretary (Expenditure)*

Shri. Jawahar Thakur — *Controller General of Accounts*

Smt. Archana Nigam — *Addl. Controller General of Accounts*

Smt. Annie George Mathew — *Joint Secretary*

2. At the outset, the Convenor welcomed the Members of the Sub-committee and the Audit officers to the Sitting of the Sub-Committee. The Convenor then apprised the Members that the Sitting had been convened to take oral evidence of the representatives of the Ministry of Finance (Department of Expenditure) on the subject “Non-compliance by Ministries/Departments in timely submission of Action Taken Notes on the Non-selected Audit paragraphs (Civil and other Ministries). Thereafter, Sub-Committee discussed about the important paragraphs/Audit Reports which can be taken up for detailed examination. Then, the representatives of the Ministry of Finance (Department of Expenditure) were called in. Before commencing the examination, the Convenor made it clear that the deliberations of the Sub-Committee were confidential and were not to be divulged to any outsider until the Report on the subject was

presented to Parliament. The Sub-Committee then proceeded with the examination of the subject.

3. Members sought clarifications on various issues which *inter-alia* included introduction of Para Monitoring System (APMS) by all the Ministries/Department, status of establishment of Standing Audit Committees (SAC), Monitoring of Pending Audit Paras by the Committee of Secretaries, reasons for delay in preparation and submission of ATNs, reasons for not attending the Training Programmes by the Ministries/Departments that was organized by the Monitoring Cell (Department of Expenditure) and monitoring of Pending Audit Paragraphs by the Controller General of Accounts (CGA) etc. The representatives of the Ministry clarified many issues raised by the Members and assured that the information sought by them would be furnished to the Sub-Committee expeditiously.

4. Before concluding, the Convenor thanked the representatives of the Ministry of Finance (Department of Expenditure) and also asked them to furnish the requisite information that was sought by the Members. The Convenor also thanked the representatives of the Office of the C&AG of India for providing valuable assistance to the Sub-Committee in the examination of the subject.

*The witnesses then withdrew*

A copy of the verbatim proceedings of the Sitting was kept on record.

*The Sub-Committee, then, adjourned.*

MINUTES OF THE THIRD SITTING OF THE SUB-COMMITTEE-IV NON-  
COMPLIANCE BY MINISTRIES/DEPARTMENTS IN TIMELY  
SUBMISSION OF ACTION TAKEN NOTES ON THE NON-  
SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER  
MINISTRIES) OF THE PUBLIC ACCOUNTS  
COMMITTEE (2014-15) HELD  
ON 28th JANUARY, 2015

The Sub-Committee sat on Wednesday, the 28th January, 2015 from 1130 hrs. to 1250 hrs. in Room No. 63, Parliament House, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Nishikant Dubey — *Alternate Convenor*
3. Shri Shiv Kumar Udasi
4. Shri Gajanan Kirtikar

SECRETARIAT

1. Shri A.K Singh — *Joint Secretary*
2. Smt. Anita B. Panda — *Director*

**Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri A.K. Singh — Deputy CAG (Report Central)
2. Smt. Gurveen Sidhu — Principal Director (Scientific Department)
3. Shri L.S. Singh — Principal Director (RC)
4. Shri P Tiwary — Principal Director (PAC)

**Representatives of the Ministry of Environment, Forests and Climate Change**

1. Shri Shashi Shekhar — Special Secretary
2. Shri S.S. Mohanty — AS & FA
3. Dr. Rashid Hasan — Advisor
4. Dr. D.K. Sharma — DIGF (RT)
5. Shri Ashwani Kumar — Director General, Indian Council of Forestry Research and Education, Dehradun
6. Shri B.K. Singh — Director (Parl.)

2. At the outset, the Convenor welcomed the representatives of the Office of the C&AG to the sitting of the Sub-Committee. Apprising that the sitting had been convened to take oral evidence of the representatives of the Ministry of Environment, Forests and Climate Change on the subject "Non-compliance by Ministries/ Departments in timely submission of Action Taken Notes on the non-selected Audit Paragraphs of the C&AG (Civil and other Ministries)", the Convenor invited the Audit Officers to brief the Sub- Committee on the finer points of the subject. The Audit Officers accordingly briefed the Sub-Committee explaining various audit paras pertaining to the Ministry on which ATNs/Revised ATNs were pending.

3. Thereafter, the representatives of the Ministry of Environment, Forests and Climate Change were called in. Welcoming them, the Convenor called for their explanation to the Sub-Committee on their position regarding Non-compliance by them in timely submission of Action Taken Notes on the non-selected paragraphs of the C&AG of India including one stand alone Report No. 21 of 2013 (Union Government) on "Compensatory Afforestation in India" and another paragraph relating to repeated unauthorized creation and upgradation of posts in Central Pollution Control Board. The Convenor also sought the reasons for the pendency and difficulties being faced by them in not adhering to the time limit of four months for submission of ATNs to the Committee. Members also emphasized upon the need to train officers in the Ministry in monitoring Audit Paras so as to submit their ATNs well in time. The Ministry apprised the Committee of the initiatives taken by them in ensuring the timely submission of remedial action taken notes by the Ministry.

4. The Convenor also specifically raised the issue of the stand alone Report No. 21 of C&AG which was submitted to Parliament in September, 2013 on "Compensatory Afforestation in India" (CAMPA). However, even after 16 to 18 months, the Ministry had not submitted their ATNs to the Committee. The Sub-Committee also enquired about status of the CAMPA Fund, which according to the Ministry, was set up as per orders of the Supreme Court. The Sub-Committee then decided to take up the Audit Report No. 21 of 2013 for detailed examination separately. The representatives of the Ministry assured the Sub-Committee to send detailed information on the matter. The Convenor also directed the representatives of the Ministry to furnish written information to the questions which they could not answer or answered partly.

5. The Convenor then, thanked the representatives of the Ministry of Environment, Forests and Climate Change for appearing before the Sub-Committee and for furnishing information in connection with the examination of the subjects.

*The witnesses, then, withdrew.*

A copy of the verbatim proceedings was kept on record.

*The Sub-Committee, then, adjourned.*

MINUTES OF THE FOURTH SITTING OF THE SUB-COMMITTEE-IV NON-  
COMPLIANCE BY MINISTRIES/DEPARTMENTS IN TIMELY  
SUBMISSION OF ACTION TAKEN NOTES ON THE NON-  
SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER  
MINISTRIES) OF THE PUBLIC ACCOUNTS  
COMMITTEE (2014-15) HELD ON  
2<sup>ND</sup> FEBRUARY, 2015

The Sub-Committee sat on Monday, the 24<sup>th</sup> February, 2015 from 1135 hrs. to  
1245 hrs. in Committee Room No. G-'074', Parliament Library Building, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Nishikant Dubey — *Alternate Convenor*

SECRETARIAT

1. Shri A.K Singh — *Joint Secretary*

2. Smt. Anita B. Panda — *Director*

**Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri S. Nandkeolyar — *Director General of Audit (Railways)*

2. Shri T. Theethan — *Director General of Audit (RBA)*

**Representatives of the Ministry of Railways (Railway Board)**

1. Ms. Rajalakshmi Ravikumar — *Financial Commissioner  
(Railways)*

2. Shri Navin Tandon — *Member (Electrical)*

3. Shri Pradeep Kumar — *Member (Staff)*

4. Shri Ajay Shukla — *Advisor (Commercial)*

5. Shri N.K. Sinha — *Advisor (Bridges)*

6. Shri P.V. Vaidialingam — *Advisor (Finance)*

2. At the outset, the Convenor welcomed the representatives of the Office of the C&AG to the sitting of the Sub-Committee. Apprising that the sitting had been convened to take oral evidence of the representatives of the Ministry of Railways (Railway Board) on the subject "Non-compliance by Ministries/Departments in timely



submission of Action Taken Notes on the non-selected Audit Paragraphs of the C&AG (Civil and other Ministries)", the Convenor invited the Audit Officers to brief the Sub-Committee on the finer points of the subject. The Audit Officers accordingly briefed the Sub-Committee explaining various issues pertaining to the subject.

3. Thereafter, the representatives of the Ministry of Railways were called in. Welcoming them, the Convenor called for their explanation to the Sub-Committee on their position regarding Non-compliance by them in timely submission of Action Taken Notes on the Non-selected paragraphs of the C&AG of India. The representative of the Ministry apprised that as against the pendency of 429 Paras in 2010, the figure as in January 2015 is 122, which shows good progress in reducing pendency. Further the Sub-Committee were apprised of the initiatives taken by them in ensuring timely submission of remedial action taken notes by the Ministry. The Convenor directed the representatives of the Ministry to furnish written information after reconciling certain discrepancies in consultation with Audit, to the questions raised by the Members during evidence.

4. The Convenor then, thanked the representatives of the Ministry of Railways (Railway Board) for appearing before the Sub-Committee and for furnishing information in connection with the examination of the subjects.

*The witnesses, then, withdrew.*

A copy of the verbatim proceedings was kept on record.

*The Sub-Committee, then, adjourned.*

MINUTES OF THE FIFTH SITTING OF THE SUB-COMMITTEE-IV NON-  
COMPLIANCE BY MINISTRIES/DEPARTMENTS IN TIMELY  
SUBMISSION OF ACTION TAKEN NOTES ON THE NON-  
SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER  
MINISTRIES) OF THE PUBLIC ACCOUNTS  
COMMITTEE (2014-15) HELD ON  
11<sup>TH</sup> FEBRUARY, 2015

The Sub-Committee sat on Wednesday, the 11th February, 2015 from 1500 hrs. to 17.00 hrs. in Committee Room No. '53', Parliament House, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Nishikant Dubey — *Alternate Convenor*
3. Shri Gajanan Kirtikar

SECRETARIAT

1. Shri Jaya Kumar T. — *Additional Director*

**Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri A.K. Singh — Deputy CAG (RC & LB)
2. Ms. Shubha Kumar — Director General (RC)
3. Shri B.P. Yadav — Principal Director (RC)

**Representatives of the Ministry of Home Affairs and Home Affairs (UT)**

1. Shri Suresh C. Panda — Special Secretary & FA (H)
2. Shri B. Nanda — CCA
3. Shri H. Atheli — CA (H)
4. Shri Rakesh Singh — JS (UT)
5. Shri V.Vumlunmang — JS (PM)
6. Shri Anand Prakash — Chief Secretary, A&N
7. Shri Rajeev Yaduvanshi — Commissioner, A&N
8. Shri Rakesh Bali — Secretary, A&N
9. Shri H. Rajesh Prasad — Administrator, Lakshadweep
10. Ms. Bhawna Garg — Special Finance Secretary, Chandigarh

11. Shri Vijay Dev	—	Adviser to the Administrator, Chandigarh
12. Shri R.P. Upadhyaya	—	IGP, Chandigarh
13. Shri A.S. Cheema	—	DIG, Chandigarh

2. At the outset, the Convenor welcomed the Officers of the C&AG of India to the sitting of the Sub-Committee-IV to take oral evidence of the representatives of the Ministry of Home Affairs and Home Affairs (U.T.) on non-compliance by them in timely submission of Action Taken Notes on non-selected Audit Paragraphs/Reports tabled in Parliament by the C&AG. Then, the Deputy C&AG briefed the Sub-Committee about the pending position of the ATNs with the Ministry.

3. Thereafter, the representatives of the Ministry of Home Affairs and Home Affairs (U.T.) were called in. The Convenor welcomed the representatives of the Ministry and briefed them about the purpose of convening the evidence, *i.e.* the pendency of Action Taken Notes on Audit paragraphs/Reports, informing them that 22 ATNs pertaining to the year 2011-12 and 2013-14 were yet to be submitted to PAC by the Ministry. As per the statement forwarded by the C&AG's Office, 4 paragraphs were related to Home Affairs and 18 paragraphs were related to UT Division of the Ministry. In 15 cases, ATNs on 7 paragraphs of various Reports and one entire Report on 'Disaster Preparedness in India' were not submitted for vetting of the C&AG by the Ministry even for the first time. Revised ATNs were pending in respect of 3 paragraphs (1-Home Affairs and 2-UT) and in case of 4 paragraphs (4-UT) the Ministry was required to submit final remedial/corrective ATNs.

4. Then, the Sub-Committee discussed in detail the reasons for inordinate delay in timely submission of ATNs on various Audit Reports/paragraphs by the Ministry relating to Border Security Force and three Union Territories *viz.* Andaman and Nicobar Islands, Lakshadweep and Chandigarh, with their representatives. Members raised various queries on Report No. 5 of 2013 pertaining to 'Disaster Preparedness in India' as well as audit paragraphs on 'Failure to procure landing barges' resulting in wasteful expenditure of Rs.12.21 crore and non-commissioning of already installed radar Transponders in Lakshadweep island resulting in inconvenience to passengers as well as critically ill patients, based on para Nos. 14.7 & 14.8 of C&AG Report No. 19 of 2012. The representatives of the Ministry of Home Affairs resolved the queries and assured the Committee that in future the requisite time frame for submission of ATNs shall be strictly adhered to. The Convenor directed the representatives of the Ministry to furnish written information to the Committee after reconciling discrepancies, if any, in consultation with the Audit, to the questions raised by the Members during evidence.

5. The Convenor then, thanked the representatives of Ministry of Home Affairs and Home Affairs (UT) for appearing before the Sub-Committee and for furnishing information in connection with the examination of the subjects.

*The witnesses, then, withdrew.*

A copy of the verbatim proceedings was kept on record.

*The Sub-Committee, then, adjourned.*

MINUTES OF THE SIXTH SITTING OF THE SUB-COMMITTEE-IV OF THE  
PUBLIC ACCOUNTS COMMITTEE (2014-15) ON THE SUBJECT "NON-  
COMPLIANCE BY MINISTRIES/DEPARTMENTS IN TIMELY  
SUBMISSION OF ACTION TAKEN NOTES ON THE NON-  
SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER  
MINISTRIES)" HELD ON 19<sup>TH</sup> FEBRUARY, 2015

The Sub-Committee sat on Thursday, the 19th February, 2015 from 1500 hrs. to 1615 hrs. in Committee Room No. '62', Parliament House, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Nishikant Dubey — *Alternate Convenor*
3. Shri Shiv Kumar Udasi

SECRETARIAT

1. Shri Jaya Kumar T. — *Additional Director*
2. Shri G.C. Dobhal — *Deputy Secretary*

**Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri Parag Prakash — *Director General of Audit (Defence)*
2. Shri Rajiv Pandey — *Principal Director (Air Force)*
3. Shri Purushottam Tiwary — *Principal Director (PAC)*

**Representatives of the Ministry of Defence**

1. Shri Ravikumar — *Additional Secretary*
2. Ms. Vandana Srivastava — *Financial Advisor (Defence Services)*
3. Shri P.K. Kataria — *Joint Secretary and Addl. FA*
4. Shri Kanwaldeep Singh — *OSD (Budget)*
5. Dr. Arun Kansal — *AFA (Budget-II)*

2. At the outset, the Convenor welcomed the representatives of the Office of the C&AG to the sitting of the Sub-Committee. Apprising that the sitting had been convened to take oral evidence of the representatives of the Ministry of Defence on the subject "Non-compliance by Ministries/Departments in timely submission of

Action Taken Notes on the non-selected Audit Paragraphs of the C&AG (Civil and other Ministries)", the Convenor invited the Audit Officers to brief the Sub-Committee on the finer points of the subject. The Audit Officers accordingly briefed the Sub-Committee explaining various issues pertaining to the subject.

3. Thereafter, the representatives of the Ministry of Defence were called in. Welcoming them, the Convenor called for their comments to the Sub-Committee on their position regarding non-compliance by them in timely submission of Action Taken Notes on the Non-selected paragraphs of the C&AG of India. The Convenor also mentioned that the information provided by the Office of the C&AG upto 16th February, 2015, revealed that the Ministry of Defence had not submitted 127 ATNs in violation of the laid down rules of the House. In all cases, the Action Taken Notes on the Report were to be presented to Public Accounts Committee by the Ministry within the stipulated period of four months. Several paragraphs of the Audit Reports were delayed more than 10 to 20 years. Further, 20 ATNs though vetted by the Audit, were pending with the Ministry of Defence for final Action Taken Notes. Among the most important cases, the Committee particularly pointed out the delay on the submission of Action Taken Notes on the Audit Report No. 6 of 2010-11 on 'Performance Audit of Supply Chain Management of Rations in Indian Army', Audit Report No. 14 of 2010-11 on 'Canteen Stores Department', Audit Report No. 10 of 2013 on 'Acquisition of Helicopters', several paragraphs of Audit Report No. 30 of 2013 and Audit Report No.4 of 2014. The representatives of the Ministry apprised the Sub-Committee of the initiatives taken by them in ensuring timely submission of remedial action taken notes by the Ministry. They also explained the reasons for delay in some cases that those were selected by the Public Accounts Committee for detailed examination and the Ministry would take action as per the Committee's directions. The Sub-Committee refuted the reason proffered by the Ministry for not submitting Action Taken Notes on the plea that those were selected by the Public Accounts Committee for detailed examination. The Sub-Committee clarified that 'selection of the subjects for detailed examination by the Public Account Sub-Committee is one aspect whereas submission of Action Taken Notes on Audit Reports/Paragraphs is another aspect and the Ministry should address both the aspects separately'. The Committee directed the representatives of the Ministry to submit Action Taken Notes on all reports pertaining to their Ministry within four months of presentation of such reports by the C&AG in Parliament irrespective of the fact that the same has been taken up for examination by the committee or not. The Convenor directed the representatives of the Ministry to furnish written information after reconciling certain discrepancies in consultation with Audit, to the questions raised by the Members during evidence.

4. The Convenor then, thanked the representatives of the Ministry of Defence for appearing before the Sub-Committee and for furnishing information in connection with the examination of the subjects.

*The witnesses, then, withdrew.*

A copy of the verbatim proceedings was kept on record.

*The Sub-Committee, then, adjourned.*

MINUTES OF THE SEVENTH SITTING OF THE SUB-COMMITTEE-IV OF  
THE PUBLIC ACCOUNTS COMMITTEE (2014-15) ON THE SUBJECT  
"NON-COMPLIANCE BY MINISTRIES/DEPARTMENTS IN TIMELY  
SUBMISSION OF ACTION TAKEN NOTES ON THE NON-  
SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER  
MINISTRIES)" HELD ON 23<sup>ND</sup> MARCH, 2015

The Sub-Committee sat on Monday, the 23rd March, 2015 from 1430 hrs. to 1615 hrs. in Committee Room No. 'G-074', Parliament Library Building, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Nishikant Dubey — Alternate Convenor
3. Shri Shiv Kumar Udasi

SECRETARIAT

1. Shri Jaya Kumar T. — *Additional Director*
2. Shri G.C.Dobhal — *Deputy Secretary*

**Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri A.K. Singh — Dy. C&AG (RC/LB)
2. Ms. Shubha Kumar — Dir. (RC)
3. Shri B.P. Yadav — Principal Director (AB/LB)
4. Ms. K. Mani — Director

**Representatives of the Ministry of Human Resource Development**

1. Shri Satyanarayan Mohanty — Secretary, Department of Higher Education
2. Smt. Vrinda Sarup — Secretary, Department of School Education & Literacy
3. Prof. Ved Prakash — Chairman, UGC
4. Shri Avinash Pant — Chairman, AICTE
5. Ms. Reena Ray — Additional Secretary

2. At the outset, the Convenor welcomed the representatives of the Office of the C&AG to the sitting of the Sub-Committee. Apprising that the sitting had been

convened to take oral evidence of the representatives of the Ministry of Human Resource Development on the subject "Non-compliance by Ministries/Departments in timely submission of Action Taken Notes on the non-selected Audit Paragraphs of the C&AG (Civil and other Ministries)", the Convenor invited the Audit Officers to brief the Sub-Committee on the finer points of the subject. The Audit Officers accordingly briefed the Sub-Committee explaining various issues pertaining to the subject.

3. Thereafter, the representatives of the Ministry of Human Resource Development were called in. Welcoming them, the Convenor called for their comments to the Sub-Committee on their position regarding Non-compliance by them in timely submission of Action Taken Notes on the Non-selected paragraphs of the C&AG of India. The Convenor also mentioned that the information provided by the Office of the C&AG upto 28th February, 2015, revealed that the Ministry of Human Resource Development had not submitted 26 ATNs in violation of the laid down rules of the House. In all cases, the Action Taken Notes on the Report should have been presented to the Public Accounts Committee by the Ministry within the stipulated period of four months. Out of these 26 ATNs, in 14 cases, Action Taken Notes have not been submitted by the Ministry to C&AG even for the first time, including 8 paragraphs of Audit Report No. 25 of 2015 which have been selected by the Public Accounts Committee (2014-15) for detailed examination. Similarly, 4 revised Action Taken Notes are yet to be submitted by the Ministry. Further, 8 Action Taken Notes vetted by the Audit but final Action Taken Notes are still pending with the Ministry. It is regretted that Action Taken Notes on two paragraphs are of the Audit Reports pertaining to the Ministry have been delayed for more than 12 years. As informed by C&AG, no paragraph is pending with them for vetting as on 28th February, 2015.

The representatives of the Ministry apprised the Sub-Committee of the initiatives taken by them in ensuring timely submission of remedial action taken notes by the Ministry. They also explained the reasons for delay in some cases. The Sub-Committee also went into some of the important issues that Audit has reported. The Sub-Committee directed the representatives of the Ministry to submit Action Taken Notes on all reports pertaining to their Ministry within four months of presentation of such reports by the C&AG in Parliament irrespective of the fact that the same has been taken up for examination by the Committee or not. The Convenor directed the representatives of the Ministry to furnish written information on the questions raised by the Members during evidence.

4. The Convenor then, thanked the representatives of the Ministry of Human Resource Development for appearing before the Sub-Committee and for furnishing information in connection with the examination of the subjects.

*The witnesses, then, withdrew.*

A copy of the verbatim proceedings was kept on record.

*The Sub-Committee, then, adjourned.*

MINUTES OF THE EIGHTH SITTING OF THE SUB-COMMITTEE-IV OF  
THE PUBLIC ACCOUNTS COMMITTEE (2014-15) ON THE SUBJECT  
"NON-COMPLIANCE BY MINISTRIES/DEPARTMENTS IN TIMELY  
SUBMISSION OF ACTION TAKEN NOTES ON THE NON-  
SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER  
MINISTRIES)" HELD ON 6th APRIL, 2015

The Sub-Committee sat on Monday, the 6th April, 2015 from 1400 hrs. to 1500 hrs. in Chairman's Chamber, Room No. '51', Parliament House, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Convenor*

MEMBERS

*Lok Sabha*

2. Shri Nishikant Dubey — *Alternate Convenor*

3. Shri Shiv Kumar Udasi

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*

2. Smt. Anita B. Panda — *Director*

3. Shri Paolienlal Haokip — *Deputy Secretary*

2. At the outset, the Convenor welcomed the members and apprised them of the work done so far on the subject. He stated that the Sub-Committee had so far taken Oral evidence of Ministries of Environment, Forests and Climate Change, Railways, Home Affairs, Defence and Human Resource Development. The Sub-Committee then deliberated on further course of action and decided to prepare a report. They also delved on the broad outlines and content of the report which will be considered for adoption during the next sitting of the Sub-Committee.

3. The Convenor then thanked the members and concluded the meeting after giving directions for the draft report to be compiled.

*The Sub-Committee, then, adjourned.*



MINUTES OF THE TWENTIETH SITTING OF THE PUBLIC ACCOUNTS  
COMMITTEE (2014-15) HELD ON 27th APRIL, 2015

The Public Accounts Committee sat on Monday, the 27th April, 2015 from  
1000 hrs. to 1045 hrs. in Room No. '51', Parliament House, New Delhi.

PRESENT

Prof. K.V. Thomas — *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri Nishikant Dubey
3. Shri Gajanan Kirtikar
4. Shri Bhartruhari Mahtab
5. Shri Neiphiu Rio
6. Shri Dushyant Singh
7. Shri Janardan Singh Sigriwal
8. Dr. Kirit Somaiya

*Rajya Sabha*

9. Shri Bhubaneswar Kalita
10. Shri Sukhendu Sekhar Roy

SECRETARIAT

- |                        |   |                     |
|------------------------|---|---------------------|
| 1. Shri A.K. Singh     | — | Joint Secretary     |
| 2. Smt. Anita B. Panda | — | Director            |
| 3. Shri T. Jaya Kumar  | — | Additional Director |
| 4. Shri P. Haokip      | — | Deputy Secretary    |
| 5. Shri A.K. Yadav     | — | Under Secretary     |

**Representatives of the Office of the Comptroller and Auditor General of India**

- |                     |   |                          |
|---------------------|---|--------------------------|
| 1. Ms. Shubha Kumar | — | Director General         |
| 2. Shri L.S. Singh  | — | Principal Director (PAC) |

2. At the outset, the Chairperson welcomed the Members and the representatives  
of the Office of the C&AG of India.

3. The Chairperson, then, apprised that the meeting had been convened to consider the Draft Report of the Sub-Committee-IV on "Non-Compliance by Ministries/ Departments in Timely Submission of Action Taken Notes on the Non-Selected Audit Paragraphs (Civil and Other Ministries)".

4. Giving an overview of the issues contained in the Draft Report, the Chairperson solicited the views/suggestions of the Members.

5. After some discussions, the Committee adopted the above-mentioned Report without any modification and authorized the Chairperson to finalize the report in the light of factual verification received from the Audit and present the same to the House on a date convenient to him.

*The Committee, then, adjourned.*

# Appendix I

Consolidated Pending CAG Paras as on 31.10.2014

Sl.	Name of the	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	2013 Total
No.	Ministry/Department	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
1.	Administrative Reforms and public grievances																										
2.	Agri. Res. Education ICAR										1																1
3.	Animal Husbandry, Dairy & Fisheries																										1
4.	Agri. & Coop.																										0
5.	Atomic Energy											2	2	1							3		1		4		13
6.	AYUSH																										0
7.	Bio-Technology															1											1
8.	CBDT																								2	13	15
9.	CBEC (CE&ST)															3	3	3	3	3	4	3	1		3		29
10.	Chemical and Petrochemical																										0
11.	Civil Aviation																					1	1		1		3
12.	Coal																										0
13.	Commerce												1				2	2	1	2	7	2	11				28
14.	Consumer Affairs																							1			1
15.	Corporate Affairs																										0
16.	CSIR							2		3	1	1	1		1		1		1	1	4			1		3	19
17.	Culture										1			2			1			1			1	1	1	2	9

[illegible]

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
41.	Electronics & Information Technology																								1	1
42.	Justice														1											1
43.	Labour & Employment																			1	1				1	3
44.	Legal Affairs																									0
45.	Legislative																									0
46.	Land Resources																									0
47.	Micro, Small & Medium Enterprises																									0
48.	Mines																								1	1
49.	Minority Affairs																									0
50.	NACO																				1	1				2
51.	New & Renewable Energy																									0
52.	Overseas Indian Affairs																							1	1	1
53.	Panchayati Raj																									0
54.	Parliamentary Affairs																									0
55.	Pension & Pensioners Welfare																									0
56.	Personnel & Training																							1		1
57.	Petroleum & Natural Gas																									0
58.	Pharmaceuticals																									0
59.	Planning Commission																									0
60.	Posts																		1	1						2



## APPENDIX II

### Comparative table of Number of Audit Paras for which Action Taken Notes are pending as on 31.10.2014 and 31.03.2015

Sl. No.	Name of the Ministry/Department	As on 31.10.2014	As on 31.03.2015
1	2	3	4
1.	Administrative Reforms and Public Grievances	0	0
2.	Agri. Res. Education 1CAR	1	1
3.	Animal Husbandry, Dairy & Fisheries	1	1
4.	Agri. & Coop.	0	0
5.	Atomic Energy	13	13
6.	AYUSH	0	0
7.	Bio Technology	1	1
8.	CBDT	15	76
9.	CBEC (CE & ST)	29	111
10.	Chemical And Petrochemical	0	0
11.	Civil Aviation	3	3
12.	Coal	0	0
13.	Commerce	28	7
14.	Consumer Affairs	1	2
15.	Corporate Affairs	0	0
16.	CSIR	19	21
17.	Culture	9	11
18.	Custom	13	102
19.	Defence	93	185
20.	Development of North-Eastern Region	1	0
21.	Disinvestment	0	0
22.	DSIR	3	0
23.	Drinking Water & Sanitation	2	1
24.	Earth Sciences	4	7
25.	Economic Affairs	0	0
26.	Environment & Forests	15	21
27.	Expenditure	0	0
28.	External Affairs	6	11
29.	Fertilizers	1	1
30.	Financial Services	4	4
31.	Food Processing Industries	0	3
32.	Food & Public Distribution	3	2
33.	Health	10	13

1	2	3	4
34.	Health Research	5	5
35.	Heavy Industry	0	0
36.	Higher Education	19	22
37.	Home Affairs	17	17
38.	Housing and Urban Poverty Alleviation	0	0
39.	Industrial Policy & Promotion	2	0
40.	Information Broadcasting	3	1
41.	Electronics & Information Technology	1	2
42.	Justice	1	1
43.	Labour & Employment	3	3
44.	Legal Affairs	0	0
45.	Legislative	0	0
46.	Land Resources	0	0
47.	Micro, Small & Medium Enterprises	0	2
48.	Mines	1	1
49.	Minority Affairs	0	0
50.	NACO	2	0
51.	New & Renewable Energy	0	0
52.	Overseas Indian Affairs	1	1
53.	Panchayati Raj	0	0
54.	Parliamentary Affairs	0	0
55.	Pension & Pensioners Welfare	0	0
56.	Personnel & Training	1	2
57.	Petroleum & Natural Gas	0	1
58.	Pharmaceuticals	0	2
59.	Planning Commission	0	2
60.	Posts	2	7
61.	Power	1	2
62.	Public Enterprises	0	0
63.	Personnel, Public Grievances & Pension	0	0
64.	Railways	96	110
65.	Revenue	3	8
66.	Road Transport & Highways	0	1
67.	Rural Development	2	5
68.	School Edu. and Literacy	1	1
69.	Science and Technology	12	14
70.	Shipping	3	5
71.	Social Justice & Empowerment	3	3
72.	Space	10	23
73.	Statistics & P.I.	1	0
74.	Steel	0	0
75.	Telecommunications	9	12
76.	Textiles	4	5
77.	Tourism	0	2



1	2	3	4
78.	Tribal Affairs	2	2
79.	Urban Development	1	0
80.	Water Resources	2	2
81.	Women and Child Development	5	4
82.	Youth Affairs & Sports	3	4
Total		491	869

### APPENDIX III

भारत के नियंत्रक-महालेखापरीक्षक का  
कार्यालय  
9, दीन दयाल उपाध्याय मार्ग,  
नई दिल्ली-110 124



No. 59/71/RC/PAC/2014-15  
OFFICE OF THE COMPTROLLER &  
AUDITOR GENERAL OF INDIA  
9, DEENDAYAL UPADHAYAYA MARG,  
NEW DELHI-110 124

13.04.2015

दिनांक / Date \_\_\_\_\_

From: L.S. Singh  
Principal Director (PAC)

To: Sh. A.K. Singh  
Joint Secretary  
Lok Sabha Secretariat

**Subject:** Uploading of vetting comments on APMS portal.

With reference to your D.O. letter No. 27/4/2/2014/PAC dated 07.04.2015, it is stated that all the concerned audit offices/wings were instructed to ensure the optimal usage of APMS for online vetting of ATNs *vide* this office U.O. No 262 dated 10.07.2014 (copy enclosed) and requested to submit status update on the usage of the portal. In response, certain issues were raised by the field offices which needed to be addressed by the Monitoring Cell-e. These issues were communicated to Monitoring Cell-e *vide* this office letter no 351/93/Rep C/PAC/2014-15 dated: 02.09.2014 (copy enclosed). A list of officers who required further training on the APMS usage was also forwarded along with this letter. However, no response regarding the resolution of these issues or holding of training sessions was received from Monitoring Cell-e. In compliance of the directions of Public Accounts Committee, instructions regarding the uploading of vetting comments on APMS as soon as the Action Taken Notes are uploaded by the concerned Ministries, are again being issued to the concerned audit offices/wings.

Sd/-  
(L.S. Singh)  
Principal Director (PAC)

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA,  
NEW DELHI

**Subject:** Current status. on the usage of APMS portal for vetting of ATNs.

On the recommendations of PAC, Audit Para Management System (APMS) was launched by the Ministry of Finance to streamline and speed up the process of submission of ATNs on C&AG paras. In order to report its progress to the PAC, Ministry of Finance has requested for a status report on the use of APMS by all the concerned stakeholders. It is, therefore, requested that current status on the use of APMS may kindly be furnished urgently so that the same could be made available to Monitoring Cell (MoF) for further submission to PAC.

2. Recently, training sessions were also conducted by Monitoring Cell-e for audit officers to familiarise them with the usage of APMS web portal. This must have facilitated the online process. of vetting of ATNs. It is, therefore, requested that all the wings/field offices may ensure optimal usage of this online system for vetting of ATNs. In case there is requirement of further training, a list of such staff may kindly be sent to us.

Sd/-  
(Purushottam Tiwary)  
Principal Director (PAC)

Director General (Def. & Comm.); O/o the CAG, New Delhi  
Director General (Report Central), O/o the CAG, New Delhi  
Director General (Direct Taxes); O/o the CAG, New Delhi-A .  
Director General (Railways); O/o the CAG, New Delhi.  
Principal Director IND—Central Excise, O/o the CAG, New Delhi  
Principal Director (INDT—Customs), O/o-the CAG, New Delhi  
Principal Director (INDT—Service tax, O/o the CAG, New Delhi  
Principal Director (Report Central—O/o the CAG, New Delhi  
Director General of Audit (Central Expenditure), New Delhi  
Director General of Audit (Defence Services), New Delhi  
Director General of Audit (Post and Telecommunications) New Delhi  
Principal Director of Audit (Scientific Departments), New Delhi  
Principal Director of Audit (Air Force), New Delhi  
Principal Director of Audit (Ordnance Factories), Kolkata  
Principal Director of Audit (Economic and Service Ministries), New Delhi  
Principal Director of Audit (Navy), Mumbai

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Copy to: Under Secretary-MC (Mr. Rajesh Kumar Jain), O/o the CAG, New Delhi  
CAG UO No.: 7262/93/Report©/PAC/2012/Vol. II dated:10.07.2014

**Office of the Comptroller and Auditor General of India,  
New Delhi**

No: 351 /93/Report © /PAC/2014-15

Dated: 02.09. 2014

**Subject:** Usage of APMS portal for vetting of ATNs.

With reference to the usage of APMS for online vetting; a feedback was called for from the concerned, field offices in which the following issues have emerged:—

- (1) Field offices dealing with the ATNs relating to Ministry of Defence have stated that the ATNs on their paras are not being uploaded on the portal. They have further requested that a break-up of paras relating to different wings (Army, Navy, Air Force, Ordnance Factory) may be displayed against the paras on the portal.

(O/o Director General Audit Def. Services, Principal Director Audit -AF&  
Navy, Principal Director Audit -Ordn. Fact.)

- (2) (a) While uploading the vetting comments, the letter/reference No. and the date of upload remains static and cannot be edited/updated.
- (b) Many ATNs are to be vetted by the concerned branch offices located in different cities such as Bangalore, Mumbai, Kolkata. A facility for adding a sub-user for uploading the initial vetting comments, which can then be finally vetted by the field office before being-made accessible to the Min./Deptt. for further comments, may be provided.
- (c) Some Min./ Deptts. are uploading the ATNs in pdf format.

(O/o Principal Director Audit Scientific Department)

- (3) ATNs in which 'no comments' have been offered or those in which final comments have been issued by audit, are being uploaded on the portal.

(O/o Director General Central Expenditure, Director General Direct Taxes)

- (4) ATNs are not being signed by Sect'y/ Jt.Secty.

(O/o Director General Central Expenditure)

These issues may kindly be looked into to facilitate the increased use of APMS for vetting of ATNs.

Further, many field officers have requested for training of more officials in the usage of this system. It is requested that training sessions may kindly be arranged for such training. An office-wise list of nominated officials is enclosed.

Sd/-  
O/c Administrative Officer (PAC)

To

Smt. Renu Kakkar,  
Under Secretary,  
Department of Expenditure,  
O/o CGA, Monitoring Cell-e,  
4th Floor, B-.Wing,  
Lak Nayak Bhawan,  
Khan Market, New Delhi-110 003.