

**NON-COMPLIANCE BY MINISTRIES IN TIMELY SUBMISSION
OF ACTION TAKEN NOTES ON THE NON-SELECTED AUDIT
PARAGRAPHS OF THE C&AG OF INDIA**

[Action Taken by the Government on the Observations/Recommendations of
the Committee contained in their 20th Report (16th Lok Sabha)]

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

**PUBLIC ACCOUNTS COMMITTEE
(2016-17)**

FIFTY-EIGHTH REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

PAC NO. 2091

FIFTY-EIGHTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(2016-17)

(SIXTEENTH LOK SABHA)

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



Presented to Lok Sabha on:

Laid in Rajya Sabha on:

22 NOV 2016

**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2016 / Kartika, 1938 (Saka)

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ANNEXURE

**Not appended to the cyclostyled copy of the Report*

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2016-17)**

Prof. K.V. Thomas

Chairperson

MEMBERS

LOK SABHA

2. Shri Sudip Bandyopadhyay
3. Shri Prem Singh Chandumajra
4. Shri Nishikant Dubey
5. Prof. Richard Hay
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Smt. Riti Pathak
9. Shri Neiphiu Rio
10. Shri Janardan Singh Sigiwal
11. Shri Abhishek Singh
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar C. Udasi
15. Dr. P. Venugopal

RAJYA SABHA

16. Shri Naresh Agrawal
17. Shri Satyavrat Chaturvedi
18. Shri Bhupender Yadav
19. Shri Bhubaneswar Kalita
20. Shri Shantaram Naik
21. Shri Sukhendu Sekhar Roy
22. Shri Ajay Sancheti

SECRETARIAT

- | | |
|---------------------------|------------------------|
| 1. Shri A.K. Singh | - Additional Secretary |
| 2. Shri S. C. Chaudhary | - Joint Secretary |
| 3. Shri Tirthankar Das | - Additional Director |
| 4. Shri Paolienlal Haokip | - Deputy Secretary |

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2016-17), having been authorized by the Committee, do present this Fifty Eighth Report (Sixteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Twentieth Report (Sixteenth Lok Sabha) on 'Non-Compliance by Ministries/Departments in timely submission of Action Taken Notes on the non-selected Audit paragraphs of the C&AG of India' relating to Ministry of Finance (Department of Expenditure).

2. The Twentieth Report was presented to Lok Sabha and laid in Rajya Sabha on 24 April, 2015. Replies of the Government to all the Observations/Recommendations contained in the Report were received. The Public Accounts Committee considered and adopted the Fifty Eighth Report at their sitting held on 10 November, 2016. Minutes of the sitting are given at Appendix I.

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

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

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

NEW DELHI;
November, 2016
Kartika, 1938(Saka)

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

1

CHAPTER – I REPORT

This Report of the Public Accounts Committee deals with Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Twentieth Report (Sixteenth Lok Sabha) on "Non-Compliance by Ministries / Departments in timely submission of Action Taken Notes on the Non-selected audit paragraphs of the C&AG of India" based on the Oral evidences of selected Ministries/Departments having huge number of Audit paragraphs pending submission of ATNs within the stipulated four months period from the date of on which the relevant C&AG reports were laid before Parliament.

2. The Twentieth Report (Sixteenth Lok Sabha) was presented to Lok Sabha/laid in Rajya Sabha on 29.04.2015. It contained 16 Observations/Recommendations. Action Taken Notes in respect of all the Observations/Recommendations have been received from the concerned Ministries and categorized as under:

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

Paragraph Nos. 1,2, 4, 6-16.

Total: 14
Chapter- II

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

Paragraph Nos. 3

Total: 01
Chapter- III

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

Nil

Total: 00
Chapter- IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies:

Paragraph Nos. 5

**Total: 01
Chapter- V**

3. The examination of the Non-compliance by Ministries/Departments in timely submission of Action Taken Notes on Non-selected Audit of the C&AG reports as a subject by the Committee during the period 2014-15 had revealed that even though there had been tremendous improvement overall in the timely submission of remedial/corrective action taken notes on Audit observations by concerned Ministries/Departments of the Government of India, some Ministries still have fairly large numbers of Audit Paragraphs on which they could not furnish remedial/corrective Action Taken notes within the stipulated time. The Committee had taken Oral evidence of the representatives of the Ministries of Finance, Defence, Railways, Environment & Forests and Climate Change, Home Affairs and Human Resource Development during the course of the examination.

4. The Committee, apart from examining the issue of timely submission of ATNs had also taken up select pending paragraphs for detailed discussion with the respective Ministries/Departments during the oral evidences taken of concerned Ministries and, based on the findings thereof, had made certain recommendations on important issues highlighted in those select Audit paragraphs/reports.

5. The Action Taken Notes furnished by the concerned ministries on the observations/recommendations of the Committee contained in their Twentieth Report (Sixteenth Lok Sabha) have been reproduced in the relevant chapters of this report. In the following paragraphs, the Committee have dwelled on the action taken by the Government on some of their observations/recommendations made in the original Report which either need reiteration or merit comments.

II. Inclusion of timely submission of ATNs as one of the targets of Result Framework Document (RFD) of Ministries.

(Recommendation No. 3)

6. The Committee in their earlier Report, had noted 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 date of laying of C&AG Reports in Parliament. The Committee had also noted 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 programmes, the Committee had recommended that a suitable mechanism to make the CCAs accountable may be put in place. The Committee had desired 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 had desired that such a mechanism should incorporate allocation of adequately high points to submission of ATNs on time, second only to effective execution of programs. The Committee had further noted 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 had found that even though five years had elapsed, very few Ministries like Ministry of HRD have reflected it as one of their priorities in their RFDs. The Committee, therefore, had desired 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.

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

"The observations of Public Accounts committee have been communicated to Cabinet Secretariat, Performance Management Division as they are the nodal agency of Result Framework Document (RFD) (copy enclosed.)

2. This Action Taken Note has been vetted by Audit vide their note No.RC/PAC/93/2015-16/123 dated 30.05.2016

3. Cabinet Secretariat, Performance Management Division have informed that they have dispensed with the Result Framework Document w.e.f 2014-15 (Copy enclosed)"

8. The Committee are constrained to note that Cabinet Secretariat, Performance Management Division have informed that they have dispensed with the Result Framework Document w.e.f 2014-15. However, they would like to re-emphasize the fact that the substance of their recommendation was to make timely submission of remedial Action Notes an important element of performance appraisal of Ministries. The Committee have sought comments of the Performance Management Division (PMD), Cabinet Secretariat on a viable alternative mechanism of performance monitoring to reflect timely submission of ATNs by Ministries and they have stated that many other mechanisms/monitoring agencies such as Ministry of Statistics and Programme Implementation, NITI Ayog, e-samiksha, e-nivesh, e-suvidha, etc. are in place and suggested that Monitoring Cell may suggest a suitable mechanism for effective monitoring of ATRs/ATNs. The Committee recommend that PMD of Cabinet Secretariat may study the cited mechanisms and identify the most appropriate performance monitoring mechanism which can reflect timely submission of ATNs by Ministries/Departments as an important parameter and also take up the matter with the Monitoring Cell for appropriate incorporation.

III. Expedite submission of ATN on report of C&AG on CAMPA funds

(Recommendation No. 5)

9. The Committee while examining various pending ATNs, had noted with great concern the gross mismanagement, inaction, delays and even diversion of CAMPA funds meant for Compensatory Afforestation. They expressed 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 which should have taken proactive steps to check such mismanagement even before Audit has taken it up. The Committee were surprised that ATNs having serious ramifications had been left

unattended by the Ministry. They, therefore, had recommended that the Ministry to expedite the submission of ATNs on the said report on CAMPA as well as all pending paras of the C&AG reports.

10. The Ministry in their Action Taken Note have stated as under:

"It is mentioned at the outset that the funds being managed by the Ad-hoc Compensatory Afforestation Management and Planning Authority (Ad-hoc CAMPA) are kept outside the general revenues, the Consolidated Fund, or the Public Account of India, or the States. In this connection, the Order dated 29th October 2002; the judgment dated 26th September 2005; the Order dated 5th May 2006; the Order dated 10th July 2009, and the judgment dated 12th March 2014 of the hon'ble Supreme Court of India, in Writ Petition (Civil) No. 202 of 1995:TN Godavarman Thirumalpad Vs UOI & Ors, are relevant.

In the above background, a doubt had arisen whether the Report, 'Compensatory Afforestation in India' (21 of 2013) ought to have been laid in the Parliament. The then Secretary (Environment and Forests) was advised as under, in d.o. letter No. 15 93)-B(SD)/2012 dated the 29th July 2013 from the then Secretary, Department of Economic Affairs, Ministry of Finance:

"2. Presently money is credited into and disbursed from CAMPA fund, and this fund is not a part of the Consolidated Fund of India. Hon'ble Supreme Court (SC) in its judgement on 26.09.2005 in WP(C) No. 202 of 1995 had stated that Article 283 of the Constitution and provisions of CAG (DPC) Act are not applicable to this fund. Therefore, after reading the Constitutional provisions related to CAG, CAG(DPC) Act and the opinion of SC, it may be construed that the Report may not be laid in the Parliament."

Notwithstanding the above advice, the Report in question was Tabled in Parliament, by the Ministry of Finance.

Nevertheless, addressing the concerns expressed both in the above communication, and also, variously about the large funds remaining outside legislative control, the Compensatory Afforestation Fund Bill 2015 has been tabled in the Parliament. The Bill has been referred to the Department related Parliamentary Standing Committee on Science & Technology and Environment & Forests. Their Report is awaited.

In so far as preparation of a reply to the above Report is concerned, the position is that in addition to the 'Executive Summary', and the 6 Chapters on the issues dealt with in the Report, there is also a Chapter concerning 30 State/UTs. Efforts had been set afoot to obtain the responses of the States/UTs in February 2013 itself when the Report was in the draft stage. Efforts were continued and stepped up, when the Report was tabled in the Parliament. The responses from the States/UTs had, without exception, to the revised through a process of

consultations involving telephone discussions, personal visits, and interactive Conferences with the States, the last of them having been held in the month of May 2015. The revised responses of many States were received in the course of the meeting itself.

The task of studying, and collating the responses of the States, which comprises the bulk of the Report of the C&AG of India—the responses, together run to thousands of pages—is currently in progress; and substantial work has been done. It is expected that after further consultations with the States/UTs (none of whom have responded, after the interactive Sessions held with them in the month of May 2015) it would be possible to finalize the replies, soon.

In so far as observation of the hon'ble Public Accounts Committee, that there has been diversion of CAMPA funds meant for Compensatory Afforestation, is concerned, it is submitted with due deference that the use/utility for which the funds being collected under various 'heads' and deposited into the corpus being managed by the Ad-hoc Compensatory Afforestation Fund Management and Planning Authority is concerned the same are guided by the 'State CAMPA' Guidelines which have been approved by the hon'ble Supreme Court of India, in their Order dated the 10th July 2009. The funds forming part of the corpus are deposited under various heads, like 'Compensatory Afforestation', 'Net Present Value', 'Catchment Area Treatment plans', and funds realized from user agencies in pursuance of the orders of the hon'ble Supreme Court of India or the decisions taken by the National Board for Wildlife involving cases of diversion of forest land in protected areas (which is to form a distinct corpus and shall be used exclusively for undertaking protection and conservation activities in protected areas of the State).

The provisions in the State CAMPA Guidelines provide that:

1. the money received for compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, Catchment Area Treatment Plan and for any other site specific scheme may be used as per site-specific schemes submitted by the State alongwith the approved proposals for diversion of forest land under the Forest (Conservation) Act, 1980;
2. after receipt of the money, State CAMPA shall accomplish the afforestation for which money is deposited in the Compensatory Afforestation Fund within a period of one year or two growing seasons after project completion, as may be appropriate;
3. the money received on account of Net Present Value (NPC) shall be used for natural assisted regeneration, forest management, protection, infrastructure development, wildlife protection and management, supply of wood and other forest produce saving devices and other allied activities;

4. Monies realized from the user agencies in pursuance of the Hon'ble Supreme Court's orders or decision taken by the National Board for Wildlife involving cases of diversion of forest land in protected areas shall form a distinct corpus and shall be used exclusively for undertaking protection and conservation activities in protected area of the State.

In terms of the orders of the hon'ble Supreme Court of India, release of funds and their utilization has to be in terms of the Annual Plans of Operation drawn-up by the States, with the approval of the State level Steering Committees.

It is submitted, further, that the Ad-hoc Compensatory Afforestation Fund Management and Planning Authority had drawn up an elaborate list of activities in which the States were dissuaded from incurring expenditure from out of the CAMPA funds released to them. This list of activities was considered by the National CAMPA Advisory Council, in its 4th Meeting held on 25th January 2012, in which the following was decided:

"16. As regards the principles for release of funds to State CAMPAs, and the items of expenditure on which expenditure should be, and should not be permitted, like of providing vehicles to the functionaries above the Range Officer level, and also, about the provision of POL for such vehicles; and communication facilities to the field officials, the PCCFs present in the meeting argued that senior officers too should be treated as field officers for the purpose of providing vehicles and communication facilities, as they are required to tour extensively in their jurisdiction. The Chairperson observed that no view could be taken unless such requirements were examined vis-à-vis the CAMPA Guidelines and Supreme Court orders in the matter. She clarified that notwithstanding the paucity of infrastructure in the States, CAMPA funds cannot be envisaged as an avenue to substitute for the States' lack of resources.

Following the above deliberations, a Committee of senior officers was constituted under the then Additional Director General of Forests (Forest Conservation) in the Ministry of Environment Forests and Climate Change. The issue of items of work to be permitted / not permitted from the CAMPA funds was one of the issues deliberated upon by the Committee. The recommendations of the High level Committee were considered in the 5th meeting of the National CAMPA Advisory Council held on 24th November 2014, in which the following decisions were taken and circulated to all States/ Union Territories:

"on the items of work on which the States have been dissuaded from incurring expenditure from out of the CAMPA funds (as in Annexure 'A') following is the decision:

(a) the funds meant for Compensatory Afforestation (including Addl CA, Pensla CA) should be used for CA alone, and cannot be diverted for any other use;

(b) the same applies to funds for Catchment Area Treatment and Safety zone afforestation fund, which should be used for these specific works, only

(c) the orders of the Hon'ble Supreme Court of India are very clear on restriction of the funds obtained in compensation for areas falling in wildlife and protected areas. Therefore, the only funds that could, if at all, be used for administrative, recurring and staff expenditure are the funds realized as Net Present Value.

Out of the total allocation under the head 'NPV' in any Annual Plan of Operation, Sub allocation will be in the following manner:

- (i) a cumulative not less than 70% should be earmarked for 'core activities' which include assisted natural regeneration (ANR), plantations, implementation of Working Plan prescriptions, forest protection and conservation measures, and management of notified forest/ Protected Areas;
- (ii) up to 5% may be used for applied and need based research;
- (iii) up to 10% may be used for communication/ ICT and capacity building and training programmes;
- (iv) not more than 15% of the allocation to the State out of the NPV component may be allowed to be used for items hitherto placed in the capacity of items of work on which States are dissuaded from incurring expenditure.

In this context, the following provisions from the 'Overarching Objectives and Core Principles' of the State CAMPA Guidelines are reproduced:

"State CAMPA provide an integrated framework for utilizing multiple sources of funding relating to protection and management of forests and wildlife. Its prime task would be regenerating natural forest and building up the institution engaged in this work in the State Forest Department including training of the forest officials at various levels with an emphasis on training of the staff at cutting edge level (forest range level). The amount received by it will also be utilized for providing residential accommodation to the field staff and necessary machinery to them. These include appropriate arrangement for their conveyance during inspection and protection duty. In short, the arrangement would be modernized to protect and regenerate the forests and wildlife habitat".

11. The Committee had expressed great concern over the gross mismanagement, inaction, delays and even diversion of CAMPA fund meant for compensatory afforestation. The Ministry have stated that the CAMPA fund are kept outside the general revenues of Consolidated Fund of India or the Public Accounts of India or the States. They have also quoted the Supreme Court's judgment that Article 283 of the Constitution and provisions of CAG(DPC) Act are

not applicable to this fund. Hence, it was construed that the said report on CAMPA may not be laid in Parliament. However, addressing the concerns about the large funds remaining outside legislative control the Compensatory Afforestation Fund Bill, 2015 has been tabled in Parliament. The Committee has also noted the recommendations of the National CAMPA advisory Council's decision dated 24-11-2014 that the fund meant for Compensatory Afforestation should be used only for compensatory afforestation and can't be diverted under any circumstances. The Committee are deeply disappointed to note that the Ministry still have not been able to compile the final ATN on the report of the C&AG on CAMPA funds, despite claiming to make efforts since 2013. The Committee find the inability on the part of the Ministry to furnish ATNs on the plea that the replies have to be obtained from 30 States/UTs, to be unreasonable and unacceptable as the Audit report on the subject was laid in Parliament as far back as September, 2013. The Committee, therefore, express their strong displeasure with the lax and casual attitude of the Ministry and desire that the Ministry conclude consultations with all States/UTs at the earliest and obtain the desired information. They further desire that the Action Taken on each actionable paragraph of the Audit report should be furnished within two months of this report being presented to Parliament.

IV. Standing order on processing Audit objections

(Recommendation No. 7)

12. The Committee had further recommended 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 division/units should be acquainted with audit obligations and made accountable to ensure necessary action in this regard.

13. The Ministry in their Action Taken Note have stated as under:

"The above observation/recommendation of the PAC regarding timely submission of ATNs/ATRs has been circulated to all Divisional Heads of MoEF&CC vide B&A OM No. G - 20011/04/2015 - B&A dated 29.05.2015 (Copy enclosed). The instructions issued by Ministry of Finance, Department of Expenditure vide their OM No. 12(22)/E.Coord/2015 dated 07/09/2015 regarding Para No. 7 have been circulated to all divisional heads of this Ministry vide OM no. G-20011/04/2015-B&A dated 01.10.2015 (copy enclosed). It is also stressed in the meeting of Standing Audit Committee (SAC) to settle the outstanding CAG/PAC paras at the earliest and submit the ATNs in r/o, New Paras within the stipulated time period. Audit objections at the time of actual audit will be taken note of and thereby ATNs will be promptly processed and submitted for approval."

14. The Committee had further desired 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.

Recommendation (Para No. 8)

15. The Ministry of Finance, Department of Expenditure, in their Action taken reply stated as under:

"The observations of the Committee were circulated to all the Ministries/Departments with the request to ensure that Heads of their subordinate/attached office are acquainted with Audit objections as well as procedure for dealing with PAC matters (copy enclosed). In response, a large number of Ministries/Departments have confirmed that they have issued instructions to their subordinate/attached offices.

2. This Action Taken Note has been vetted by Audit vide their note No. 90/RC/PAC/93/2015-16 dated 29.03.2016."

16. The Committee had recommended that the Ministry of Finance may coordinate with Ministries on issuing standing orders 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 divisions having similar objections and for concerned divisions/units to promptly process and submit the action taken Notes for approval. The Committee had also recommended that such exercise should be initiated by all the units without awaiting instructions from the Ministry Headquarters, as soon as the C&AG reports are tabled in Parliament, making heads of divisions/units accountable in this regard.

The Committee note that the Ministry of Finance, Department of Expenditure had on 7th September, 2015 communicated the recommendation of the Committee to all the Ministries, seeking their compliance by 17.09.2015.

The Committee are, however, constrained to note that the Ministry of Finance, Department of Expenditure has not been able to place before the Committee the details of compliance by Ministries and that their claims of a large number of Ministries having confirmed issuing instruction to subordinate/attached offices is vague at best. The Committee, therefore, reiterate their earlier recommendation and desire the Ministry of Finance, Department of Expenditure to obtain statements of compliance from all Ministries/Departments and place the same before the Committee within two months of presentation of this report.

V. Action against officers responsible for serious lapses in furnishing remedial/corrective ATNs on Audit paras

(Recommendation No. 16)

17. The Committee, had noted 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 mechanism 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 Madarasas 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 disbursed to 103 Madarasas 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 were 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 felt 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 had further recommended 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 had, further reiterating its earlier recommendation, desired that a system of fixing responsibility for serious lapses be put in place by all Ministries. The Committee also had desired that Monitoring cell of the Ministry of Finance may communicate this recommendation to all Government of India Ministries/Departments and monitor its implementation.

18. The Ministry in their Action taken reply have stated as under:

"1) Audit Para No.8.2 of C&AG Report No.19 of 2013 (Department of School Education & Literacy) - Irregular release of grant of Rs.8.86 crore to State Government of Jammu and Kashmir for 372 Madarasas.

Action Taken : Final Action Taken Note (ATN) has been sent to Monitoring Cell, Department of Expenditure, Ministry of Finance vide letter No.8-9/2010-EE-19 dated 12th November, 2015 (Annexure - I).

2) Audit Para No. 1.3 of C&AG Report No.4 of 2002 (Department of Higher Education) - University Grants Commission

Action Taken : Final Action Taken Note (ATN) has been sent to Lok Sabha Secretariat, PAC Branch vide OM No.4-43-2001-U1(part) dated 23rd March, 2015 (Annexure - II).

3) (i) The Committee has noted the Action Taken in the matter and was pleased to note that the Ministry have finally settled the above pending audit paras.

(ii) Instructions have been issued in the Ministry of HRD to strictly adhere to the time schedule for Formulating and sending to the Monitoring Cell the final ATNs of pending Audit paras. Further, the recommendations of the PAC (16th Lok Sabha vide Para No. 16 of the Report No.20) that "that 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" have also been brought to the notice of all Bureau Heads in the MHRD for strict compliance (Annexure – III).

(iii) In the case of AICTE (missing/untraceable of records), AICTE had constituted a Committee to investigate the issue of loss of records and for fixing responsibility. The final ATN, in this regard, had been sent to Monitoring Cell, D/o Expenditure vide OM No.1-2/2013-TS-II dated 26.10.2015 (Annexure – IV).

(iv) It is also mentioned here that the APMS portal is being used in all stages i.e. the ATNs have been uploaded on the APMS portal in draft stage and also in final stage. Since March, 2015, the final ATN of 13 (Thirteen) C&AG paragraphs have been settled and the requisite number of copies have also been sent to the Monitoring Cell, Department of Expenditure. There is a regular monitoring for preparation of pending Draft/Final ATNs and to ensure a regular and sustained monitoring of outstanding paras in respect of Central Educational Institutes (CEIs)/Autonomous Bodies (Abs)/Subordinate Offices under the administrative control of MHRD; Nodal Officers in the respective Bureaus have also been appointed (Annexure – V).

(v) At present there are 17 (seventeen) C&AG paras pending against the Department of Higher Education. Out of these 17 paras, the draft ATN of 9 (nine) paras, have been prepared and sent to Audit for vetting. These Draft ATNs have also been uploaded on APMS portal.

(v) The systems and procedures in place in MHRD for monitoring of pending Audit Paras have been recognized by the Ministry of Finance, Department of Expenditure and it has circulated the procedure adopted by MHRD, amongst all the Ministries for information and guidance (Annexure – VI)."

19. The Ministry of Finance, Department of Expenditure, in their action taken note on the above recommendation have stated as under:

"The recommendations of the Committee contained in para 16th of its 20th Report (16th Lok Sabha) have been circulated to all the Ministries/Departments of Government of India for necessary compliance vide OM No. 1/20.2015-MC/352 dated 8th December 2015 (copy enclosed). All Ministries/Departments have been advised to put in place a system of fixing responsibility for serious lapses in furnishing corrective Action Taken Notes (ATNs) on Audit observations.

2. This Action Taken Note has been vetted by Office of the C&AG of India vide their U.O. RC/PAC/93/2015-16/125 dated 01.06.2016"

20. The Committee note that the Ministry of Finance (Department of Expenditure) had, on 8 December, 2015, written to all Ministries, Government of India asking for compliance to the Committee's recommendation requiring all Ministries to put in place a system of fixing responsibility for serious lapses in timely submission of ATNs and to intimate the action taken thereon to the Monitoring cell by 18th December, 2015. However, the Ministry are yet to furnish any details regarding the action taken by various Ministries on the recommendation of the Committee. They, therefore, reiterate their earlier recommendation and emphasize that the Ministry, being mandated by the Public Accounts Committee, as the nodal Ministry in this regard, should closely follow up with all the Ministries of the Government of India and report the status of compliance by Ministries to this recommendation of PAC within three months of the presentation of this report.

NEW DELHI;
16 November, 2016
25 Kartika, 1938 (Saka)

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