

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2019-2020)**

30

SEVENTEENTH LOK SABHA

THIRTIETH REPORT

**Report on delay in laying of the Annual Reports and Audited
Accounts of the Port Blair Municipal Council, Port Blair**

(Presented on 23 September, 2020)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
SEPTEMBER, 2020/ASVINA, 1942(SAKA)**

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2019-2020)

Shri Shyam Singh Yadav

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Chairperson

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Shri Margani Bharat
4. Dr. A. Chellakumar
5. Shri Pallab Lochan Das
6. Shri Chowdhury Mohan Jatua
7. Choudhary Mehboob Ali Kaiser
8. Dr. Amol Ramsing Kolhe
9. Shri Raja Amareshwara Naik
10. Shri Jamyang Tsering Namgyal
11. Smt. Aparupa Poddar
12. Shri T.N. Prathapan
13. Shri S. Ramalingam
14. Shri Saptagiri Ulaka
15. Shri Ashok Kumar Yadav

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Shri Kushal Sarkar - Director
3. Smt. B. Visala - Director
4. Shri Munish Kumar Rewari - Additional Director
5. Shri R.K. Chaudhary - Under Secretary
6. Shri K. P. Kashyap - Assistant Committee Officer

INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2019-20), having been authorized by the Committee to present this Report on their behalf, present this Thirtieth Report in respect of delay in laying of the Annual Reports together with Audited Accounts of the Port Blair Municipal Council (PBMC), Port Blair.

2. In terms of the recommendations of the Committee on Papers Laid on the Table in its First Report, Second Report (05th Lok Sabha) and Second Report (06th Lok Sabha) presented to the House on 08th March, 1976; 12th May, 1976 and 22nd December, 1977 respectively, the Annual Report and Audited Accounts of the Organisation / company are required to be laid on the Table of the House within nine months of the closure of accounting year.

3. The Committee considered the matter of delays in laying of the Annual Reports and Audited Accounts of the Port Blair Municipal Council (PBMC), Port Blair and took oral evidence of the representatives of the Ministry of Home Affairs and the Council at their sitting held on 20th April, 2017.

4. The Committee considered and adopted this Report at their sitting held on 22 September, 2020.

5. The Committee wish to express their thanks to the officers of the Ministry of Home Affairs and Port Blair Municipal Council, Port Blair for furnishing the written replies, other material/information and for placing their views in the matter before the Committee.

6. The Observations / Recommendations of the Committee have been printed in bold letters at the end of the Report.

New Delhi
22 September, 2020
31 Bhadrapada, 1942 (Saka)

Shyam Singh Yadav
Chairperson
Committee on Papers Laid on the Table
Lok Sabha

Report

Delay in laying of the Annual Reports and Audited Accounts of the Port Blair Municipal Council (PBMC).

The Port Blair Town was constituted as a Municipal Board and came into existence from the 2nd Day of October 1957. The Municipal Council under Section 44 of A & N Islands (Municipal) Regulation 1994, performs a significant number of the functions viz. Urban planning including town planning ;Regulation of land use and construction of building; Planning for economic and social development; etc. The Funds are provided by Andaman & Nicobar Administration as Grants-in-Aid to PBMC for implementation of Plan Schemes as State Grants as per the allocation under Annual Plan in every Financial Year and Central Grant for implementation of Centrally Sponsored schemes. A statement showing Grants-in Aid released to the Port Blair Municipal Council for the years 2005-06 to 2015-16 is given at **Annexure I**.

2. In term of recommendations of the Committee on Papers Laid on the Table contained in Paras 1.16 and 3.5 of its First Report (5th Lok Sabha), Paras 4.16 and 4.18 of Second Reports of 5th Lok Sabha and Paras 1.12 and 3.6 to 3.8 of Second Report of 6th Lok Sabha presented to the House on 08.03.1976, 12.05.1976 and 22.12.1977 respectively, the Annual Report and Audited Accounts together along-with Review Statement of the Institutes/Organizations (Statutory/Autonomous Organization, Public Undertakings, corporations, Joint ventures, Societies etc.) are required to be laid within 09 months of the closer of the respective Accounting Year. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and Accounts and their auditing.

3. As regards the Act, Rules or Regulation under which papers are being laid on the Table of the House , the Ministry informed that there is no provision in the A & N Islands (Municipal) Regulation 1994 in this regard. The papers are being laid on the Table of House in accordance with the recommendation of the Committee on Paper Laid on the Table in its first report (5thLok Sabha) 1975-76. In the Compliance of the recommendation it is required that after the close of the accounting year every autonomous body should complete its accounts within a period of three months and make them available for audit and that the reports and the audited accounts should be laid before Parliament within 09 months of the close of the accounting year.

4. The scrutiny by the Committee on Papers Laid on the Table reveals that the Annual Reports and Audited Accounts of PBMC, Port Blair for the years 2006-2007 and 2007-2008 were laid on the Table of the House with delay ranging from 7 and 6 years respectively. (**Annexure-II**).

5. The chronological sequence in respect of the finalization of Annual Reports and Audited Accounts of the Port Blair Municipal Council for the year 2006-07 & 2007-08, are given in **Annexure III**.

6. The Ministry in their written note informed about the multiple factors responsible for the delay in laying of the Annual Reports and Audited Accounts of PBMC, Port Blair for the years 2006-2007 and 2007-2008 as stated below:

- 1. Not having required capacity in Account Department of the PBMC*
- 2. Non-availability of Hindi Translator*
- 3. Due to back-log, the work was voluminous and done in phased manner*
- 4. Delay in entrustment of Audit to C&AG."*

7. About the status of computerisation to facilitate speedy and timely compilation of Accounts of the aforesaid Council, the Ministry in their written reply have submitted that computerisation was yet to be done and the council was in the process to switch over to Double Entry Accounting System for streamlining the accounting process.

8. When asked about the manner in which auditing of accounts and finally timely receipt of the final Audit Reports from the Audit Authorities was managed by the Ministry/Council, the Ministry in their written reply submitted as under:-

" After compilation of accounts for the year 2006-07 and 2007-2008 by the council, the C & AG was requested for certification of account on 23.07.2010, but C & AG informed that earlier entrustment of audit is for the period upto 2005-06 only, then requested to take up the matter for further entrustment from 2006-07 onwards.

On clearance of the backlog accounts till 2005-06, the Council vide letter No.78-139/Audit/Act/2010/2085 dt.12.08.2010 has requested the Administration for taking up the matter with Ministry of Home Affairs for further entrustment of audit of account.

Entrustment of Audit to C&AG for the year 2006-07 to 2015-16 was received from the Ministry of Finance, Department of Economic Affairs (Budget Section) vide their letter No.1 (15)-B(R)/2013 dated 7th March 2013."

9. As regards the remedial measures taken or proposed to be taken by the Ministry/Council to ensure timely laying of the documents in future, the Committee was informed that PBMC has prepared Calendar for completion of its various activities so as to ensure timely submission of its Audited Accounts for laying on the Table of both the Houses of Parliament. It is stated that C&AG has carried out the certification of Accounts for the year 2014-15 and final report is awaited. PBMC has also initiated the process for auditing of Accounts for the year 2015-16 and 2016-17 and after Certification of Accounts by C &AG the same will be forwarded for placing before the Parliament."

10. The Committee considered the matters of delay in laying of Annual Report and Annual Accounts of the PBMC for year 2006-2007 and 2007-2008 and took oral evidence of the representatives of the Ministry of Home Affairs on 20.04.2017.

11. During the evidence held on 20.04.2017 the representatives of the Ministry of Home Affairs and PBMC informed the Committee about the documents related to the years 2008-09 and 2009-10 to 2013-14 as under:-

"इसमें ऑडिट रिपोर्ट केवल पांच प्रतियां दी थी, लेकिन 25-30 कॉपी ऑथेंटिकेटेड साइन का होना चाहिए वह नहीं आई थी इसलिए वह रह गया था। अभी वह कम्पलीट हो जाएगा, आने वाले सेशन में हम उसे प्रस्तुत कर देंगे। यह हम लोगों की त्रुटि है।"

(English Translation : In this audit report was given only five copies, but 25-30 copies should be of Authenticated sign, it did not come so it was left, it will be completed now, we will present it in the coming session. This is an error of us.)

Further the Committee was apprised that:-

"अभी जो एकाउंट वर्ष 2015-16 और 2016-17 पर काम चल रहा है. वर्ष 2016-17 के लिए हमारे पास 31 दिसंबर तक का समय है, वर्ष 2015-16 की रिपोर्ट में डिले है. इसके लिए जो ऑडिट टीम आती है वह एक बार आती है इसलिए इसे साथ की कर रहे हैं."

वर्ष 2015-16 और 2016-17 का 31 दिसंबर तक हो जाएगा इसके बाद कोई डिले नहीं रहेगा, हमारा काफी डिले था लेकिन हम लोगो ने इसे फैज़ मैनर में सारा पूरा कर लिया है."

(English version : Right now the work is going on in the account year 2015-16 and 2016-17. For the year 2016-17, we have till 31 December, the report for the year 2015-16 is delayed. For this, the audit team comes once, so they are doing it together.

The year 2015-16 and 2016-17 will be till 31st December, after which there will be no delay, we had a lot of delay but we have completed it all in the Faiz Manor.)

12. The Committee, subsequently note that the pending Audited Accounts for the years i.e. 2008-2009 to 2017-2018 were laid on the Table of House with delays ranging from 13 to 91 months. Though the Annual Reports for these years are yet to be laid. The Annual Reports and Audited Accounts for the year 2018-19 have not been laid on the Table of the House as yet. The date of laying and extent of delay in laying of Annual Reports and Audited Accounts of the PBMC have been given in **Annexure-II**.

Observations/Recommendations

13. The Committee note with utter dismay that there has been excessive delay in laying of Annual Reports and Audit Accounts of Port Blair Municipal Council since the year 2006-2007. The Annual Reports and Audited Accounts of the PBMC for the accounting years 2006-2007 and 2007-2008 were laid on the Table of the House with delay approximately ranging from 6 to 7 years.

14. The Committee were apprised that the cumulative factors such as not having required capacity in Account Department of the PBMC, Non-availability of Hindi Translator, voluminous back-log of the work taken up in phased manner and Delay in entrustment of Audit to C&AG had been responsible for delay caused in timely laying of the documents. The Committee, however, note that there have been undue delays at several stages which could have been very well avoided. There was already a delay of more than two years when PBMC first approached C&AG on 23.07.2010, after compilation of accounts for the years 2006-07 and 2007-08 on 30.06.2010 and 31.08.2010 respectively. Had proper planning and prompt monitoring been done, there would not have been the backlogs for the past many years i.e. from 1990-91 onwards, due to which the compilation of accounts had to be taken up in a phased manner. The Ministry of Home Affairs and PBMC apparently failed in managing the situation. The Committee note with displeasure that due to expiry of the Entrustment of Audit by C&AG in 2005-06, the same had to be taken up afresh on 12.8.2010 by the Council which was communicated by the Ministry of Finance on 07.03.2013, and this caused considerable delay in laying of the documents.

15. The Committee take note that subsequently, Ministry has laid Audited Accounts of PBMC along with the delay statement for the years 2008-09 to 2013-14, 2014-2015 and that for 2015-2016 and 2016-2017 in House on 08.08.2017, 19.12.2017 and 26.7.2019 respectively. However, the Audited Accounts for the year 2017-18 have been laid on the Table of the House on 04.02.2020 with delay of 13 months and the documents for the year 2018-19 have not been laid on the Table of the House as yet. The delay for these accounting years is as huge as that of 13 to 91 months. Further, the Annual Reports for the accounting years from 2008-09 to 2018-19 have not yet been laid despite of the Committee emphasizing time and again that both the Annual Reports and Audited Accounts of an Organization should be laid on the Table of the House simultaneously so as to enable the Members of Parliament to get a complete picture of the Government allocations, utilisation thereof and activities of the Organization. The Committee are disappointed to note that the Ministry of Home Affairs has failed to comply even with the specific recommendations of the Committee.

16. The Committee also note that PBMC is in process of switching over to Double Entry Accounting System for streamlining the accounting process and hope that by now the computerisation process would have been completed and that there would be no further delay in accounting process in future.

17. The Committee also note that the PBMC has prepared Calendar for completion of its various activities so as to ensure timely submission of its documents for laying on the Table of both the Houses of Parliament to avoid delay in laying in the future. The Committee directs that the said timeline for completion of the Annual Report and Audited Accounts is strictly adhered to, to avoid any further delay.

18. The Committee further note that there is no specific provision in the Andaman and Nicobar Islands (Municipal Board) Regulation, 1957, regarding laying of Audited Accounts and Annual Reports on the table of the House. A suitable provision in the Act is considered desirable to bring about certainty in the position.

19. The Committee also impress upon the Ministry that if due to unavoidable reasons, the Annual Reports and Audited Accounts of the PBMC could not be laid on the Table of the House within the stipulated time; a statement explaining the reasons as to why the requisite documents could not be laid within prescribed period should be laid on the Table of the House within 30 days or as soon as the House meets, whichever is later.

New Delhi
22 September, 2020
31 Bhadrapada, 1942 (Saka)

Shyam Singh Yadav
Chairperson
Committee on Papers Laid on the Table
Lok Sabha

Annexure-I
vide para 01 of the Report

Statement showing the funds/ Grant-in-aid released by the Ministry to the Port Blair Municipal Council for the years 2005-06 to 2015-16.

Year	Grant-in-aid released (In Crores-Rupees)
2005-2006	2564.64
2006-2007	10.00- non-plan
2007-2008	1683.88
2008-2009	161.00
2009-2010	2736.00
2010-2011	1771.00
2011-2012	3069.07
2012-2013	2492.84
2013-2014	2446.51
2014-2015	2578.84
2015-2016	2169.49 (Addl. Fund 1853.51)

Annexure-II
vide para 04 of the Report

**Statement showing the dates of laying of the Audited Accounts of
Port Blair Municipal Council for the years 2006-07 to 2018-2019.**

Year	Date by which required to be laid	Date of laying of Audited Accounts	Extent of delay
2006-2007*	31.12.2007	22.12.2015	96 Months
2007-2008*	31.12.2008	22.12. 2015	84 Months
2008-2009#	31.12.2009	08.08. 2017	91 Months
2009-2010#	31.12.2010	08.08. 2017	79 Months
2010-2011#	31.12.2011	08.08. 2017	67 Months
2011-2012#	31.12.2012	08.08. 2017	55 Months
2012-2013#	31.12.2013	08.08. 2017	43 months
2013-2014#	31.12.2014	08.08. 2017	31 months
2014-2015#	31.12.2015	19.12. 2017	24 months
2015-2016#	31.12.2016	26.07. 2019	31 months
2016-2017#	31.12.2017	26.07. 2019	19 months
2017-2018#	31.12.2018	04.02.2020	13 months
2018-2019#	31.12.2019	Yet to be laid	-

*** Period under examination by the Committee.**
Current Status.

Annexure-III
vide para 05 of the Report

The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Port Blair Municipal Council for the year 2006-07&2007-08.

	Activities	2006-07	2007-2008
a.	The date on which the Institute approached the Audit Authorities to appoint the auditors for auditing the accounts and the date of their appointments; Time taken in Appointment after closure of F/Y	23.07.2010, Date of appointment -----	23.07.2010 Date of appointment -----
b.	The date of compilation of Annual Accounts of the Institute; Time taken after closure of F/Y	30.06.2010 02 years 6 Months	31.08.2010 01 years 8 Months
c.	The date on which the Annual Accounts were submitted to Auditors for auditing; Time taken after compilation of Accounts	-----	-----
d.	The date and duration for auditing the Annual Accounts of the Institute by Auditors.	09.05.2013 to 10.06.2013	09.05.2013 to 10.06.2013
e.	The date of queries raised by Auditors during auditing of Annual Accounts;	10.05.2013,,30.05.2013, 31.05.2013, 05.06.2013, 06.06.2013	10.05.2013,,30.05.2013, 31.05.2013, 05.06.2013, 06.06.2013
f.	The date on which the replies to the audit queries was furnished to the Auditors;	21.05.2013, 04.06.2013 and 11.06.2013	21.05.2013, 04.06.2013 and 11.06.2013
g.	The date on which draft Audit Report was issued by Audit Authorities.	05.03.2014	08.05.2014

h.	The date on which the final Audit Report received by the Institute; Time taken after auditing of Annual Accounts	25.04.2014 06 Years 03 months and 05 days	27.06.2014 05 Years 05 months and 08 days		
i.	The date of finalization of Annual Reports; Time taken after receipt of final Audit Report	25.04.2014 01 Month 21 days	27.06.2014 01 Month 20 days		
j.	The date on which documents were got approved from the Competent Authority; Time taken after finalization of Annual Report	07.05.2014 12 days	12.08.2014 01 Month 15 days		
k.	The date on which documents were taken up for translation & printing and the time taken for completing the task;	Translation & Printing: 13.05.2014 to 11.09.2014 (03 Months 27 days)	Translation & Printing: 13.11.2015 to 18.02.2016: (03 Months 05 days)		
l.	The date on which documents were sent to the Ministry for being laid in Parliament and the reasons for delay, if any. Time taken after documents were got approved from the Competent Authority	11.11.2014 06 months and 04 days	23.02.2015 06 Months 11 days		
m.	The date of laying of the documents on the Table of the House and delay if any, on the part of Ministry in this regard Time taken by the Ministry after receipt of the Annual Report and Audited Account	LS	RS	LS	RS
		22.12.15.	16.03.16	22.12.15	16.03.16
		01 year 01 month and 13 days			09 months and 29 days

Appendix-I

**THE EXTRACTS OF THE MINUTES OF THE SITTING OF THE COMMITTEE
HELD ON 20 APRIL, 2017.**

The Committee sat on Thursday, 20 April, 2017 from 15:30 hrs to 16:30 hrs. in Committee Room No. '62', Parliament House, New Delhi.

PRESENT

Shri Chandrakant Khaire - **Chairperson**

MEMBERS

2. Smt. Veena Devi
3. Shri P.C. Gaddigoudar
4. Shri Choudhury Mohan Jatua
5. Smt. Mausam Noor
6. Shri Sanjay Kaka Patil
7. Shri Bishnu Pada Ray
8. Shri Uday Pratap Singh

SECRETARIAT

1. Shri U.B.S. Negi - Joint Secretary
2. Smt. Rita Jaikhani - Director
3. Smt. Maya Lingi - Additional Director

REPRESENTATIVES OF THE MINISTRY OF HOME AFFAIRS

1. Shri P. K. Srivastava Joint Secretary(UT)

REPRESENTATIVES OF THE PORT BLAIR MUNICIPAL COUNCIL, PORT BLAIR

1. Shri Anindo Majumdar Chief Secretary, A&N Islands

At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee and briefly apprised them about the agenda of the meeting i.e. oral evidence of the representatives of the Ministry of Home Affairs (MHA) and representative of the Port Blair Municipal Council (PBMC) in connection with delay in laying the Annual Report, Audited Accounts, Review and Delay Statements of the PBMC.

2. The representatives of the Ministry of Home Affairs and the Port Blair Municipal Council, Port Blair were, then, ushered in.

3. The Chairperson welcomed the representatives of the Ministry and PBMC to the sitting of the Committee and explained the purpose of convening the meeting. The Chairperson also explained to the witnesses the provisions of Direction 58 of Directions issued by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

4. The representatives of the Ministry and PBMC made a power-point presentation before the Committee covering genesis, functions, marketing strategy, public policy and income/expenditure pertaining to the PBMC.

5. On being asked about the reasons for delay in laying of the documents, the representative of the Ministry stated that accounts for the years 1990-91 to 2005-06 have been completed in phased manner and thereafter accounts for the years 2006-07 and 2007-08 have also been completed. Accounts for the years 2008-09 and upto 2013-14 will be laid in the forthcoming Session. Audit report for the year 2014-15 is awaited and thereafter, it will be ready. Accounts for the years 2015-16 and 2016-17 will be completed by December. PMBC has formulated a schedule for completion of the Accounts and the submission to MHA for placing before the Parliament and the same is being monitored. It was assured that there will be no delay in laying of the documents.

6. Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and PBMC for the useful discussion and requested to respond to the queries raised by the Members - in connection with examination of the subject.

The witnesses then withdrew.

8. A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

Appendix-II

**THE EXTRACTS OF THE MINUTES OF THE SITTING OF THE COMMITTEE
HELD ON 22 SEPTEMBER, 2020**

The Committee sat on Tuesday, 22th September, 2020 from 11:00 hrs to 13:00 hrs. in Committee Room 'B', Parliament House Annexe Building, New Delhi.

PRESENT

Shri Shyam Singh Yadav - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Shri Raja Amareshwar Naik
4. Smt. Aparupa Poddar
5. Shri T. N. Prathapan

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Smt. B.Visala - Director
3. Shri R.K.Chaudhary - Under Secretary

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2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee and explained the purpose of convening the meeting.

3. XX XX XX XX

4. The Committee then took up for consideration Eight Draft Reports (Original) regarding delay in laying of the Annual Reports and Audited Accounts of the :-

- (i) The Agricultural and Processed Food Products Export Development Authority (APEDA), New Delhi;
- (ii) The Maulana Azad Education Foundation, New Delhi;
- (iii) The Commission of Railway Safety, Lucknow, Uttar Pradesh;
- (iv) The National Legal Services Authority (NALSA), New Delhi;

- (v) The National Institute of Pharmaceutical Education and Research, Raebareli, U.P;
- (vi) The Ujala Society, Jammu;
- (vii) The Port Blair Municipal Council (PBMC), Port Blair; and
- (viii) The National Commission for Scheduled Tribes, New Delhi.

After deliberations, the Committee adopted these Eight Reports (Original) without modifications.

5. The Committee then took up for consideration draft Report regarding Action taken by Government on the recommendations/Observations made by the Committee in their 21st Report (16th Lok Sabha) in respect of delay in laying of the Annual Reports and Audited Accounts of the All India Institute of Medical Sciences, New Delhi.

After deliberations, the Committee adopted the Draft Action Taken Report without modifications.

6. The Committee authorized the Hon'ble Chairperson to present both the Original Reports and the Action Taken Report to the Parliament.

X X X X X

The Committee then adjourned.
