

**HUNDRED AND SIXTY-NINTH
REPORT**

**PUBLIC ACCOUNTS COMMITTEE
(1983-84)**

(SEVENTH LOK SABHA)

**REVISION OF THE FORMAT OF APPROPRIATION
ACCOUNTS (DEFENCE SERVICES)**

ACTION TAKEN ON 131ST REPORT

(SEVENTH LOK SABHA)



Presented in Lok Sabha on

25 11 1983

Laid in Rajya Sabha on

21 12 1983

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PUBLIC ACCOUNTS COMMITTEE

(1983-84)

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Shri Sunil Maitra

MEMBERS

Lok Sabha

2. Shri Chitta Basu
3. Smt. Vidyavati Chaturvedi
4. Shri C.T. Dhandapani
5. Shri G.L. Dogra
6. Shri Bhiku Ram Jain
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Rajya Sabha

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18. Smt. Pratibha Singh
19. Dr. (Smt.) Sathiavani Muthu
20. Dr. Harekrushna Mallick
21. Shri Nirmal Chatterjee
22. Shri Kalyan Roy

SECRETARIAT

1. Shri T. R. Krishnamachari—*Joint Secretary*
2. Shri H. S. Kohli—*Chief Financial Committee Officer*
3. Shri Ram Kishore—*Senior Financial Committee Officer*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Sixty-Ninth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 131st Report (Seventh Lok Sabha) on 'Revision of the format of Appropriation Accounts (Defence Services).'

2. The 131st Report dealt with proposals submitted by the Ministry of Finance (Defence Division) for revision of the format of Appropriation Accounts (Defence Services). The Committee had suggested scaling down of some of the monetary limits proposed by the Ministry of Finance (Defence) in the interest of proper accountability to Parliament in respect of Defence expenditure. The Ministry of Finance (Defence) have agreed to the Committee's suggestion and have also accepted the recommendation to effect the necessary changes in the Accounts (Defence Services) for the year 1982-83 and onwards.

3. On 12 May, 1983, the following Action Taken Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the PAC in their earlier Reports :

Shri Sunil Maitra—*Chairman*

- | | |
|---------------------------|------------------|
| 2. Shri K. Lakkappa | } <i>Members</i> |
| 3. Shri G.L. Dogra | |
| 4. Shri Ram Singh Yadav | |
| 5. Shri Bhiku Ram Jain | |
| 6. Shri Nirmal Chatterjee | |

4. The Action Taken Sub-Committee of the Public Accounts Committee considered and adopted the Report at their sitting held on 2 August, 1983. The Report was finally adopted by Public Accounts Committee on 10 August, 1983.

5. For reference facility and convenience, the recommendations and observations of the Committee have been printed in thick type in

(vi)

the body of the Report and have also been reproduced in a consolidated form in the Appendix to the Report.

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


SUNIL MAITRA

Chairman,

Public Accounts Committee.

NEW DELHI ;

August 10, 1983

Sravana 13, 1905 (S)

REPORT

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THE 131ST REPORT (SEVENTH LOK SABHA)

This Report of the Committee, deals with the action taken by Government on the Committee's recommendations and/or observations contained in their 131st Report (7th Lok Sabha) on Revision of the Format of Appropriation Accounts (Defence Services).

1.2 Action Taken Notes on the recommendations/observations of the Committee contained in the Report have been received from Government and are categorised as follows :

- (i) Recommendations/observations that have been accepted by Government.

Sl. Nos. 1 and 2

- (ii) Recommendations/observations which the Committee do not desire to pursue in view of the replies of Government.

Nil

- (iii) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration.

Nil

- (iv) Recommendations/observations in respect of which Government have furnished interim replies.

Nil

Revision of Format of Appropriation Accounts (Defence Services)

1.3 While considering a proposal for revision of format of Appropriation Accounts of Defence Services, the Public Accounts Committee in paragraphs 1.6 and 1.7 of their 131st Report (7th Lok Sabha)

had recommended as under :

“1.6 The Committee agree to the proposed revision of the format of the Appropriation Accounts of Defence Services as outlined in the note of the Ministry of Finance (Defence Division) reproduced in Appendix I of this Report, subject to the following observations :

The Committee consider that the monetary limits proposed to be adopted are some what high in some cases. In the interest of proper accountability to Parliament in respect of Defence expenditure, they suggest that the limits may be changed as indicated below :

Item	As proposed by the Ministry	As recommended by the Committee
New Section V		
(a) Appendix A		
(i) Annexure I—Cash losses due to theft, fraud or gross neglect	Exceeding Rs. 50,000	Exceeding Rs. 25,000
(ii) Annexure II—Cash losses due to other causes.	Exceeding Rs. 1,00,000	Exceeding Rs. 50,000
(b) Appendix B		
(i) Annexure I—Store losses due to theft, fraud or gross neglect.	Exceeding Rs. 1,00,000	Exceeding Rs. 75,000
(ii) Annexure II—Store losses due to other causes.	Exceeding Rs. 2,50,000	Exceeding Rs. 2,00,000

“1.7 The Committee understand that the process of compilation of Appropriation Accounts for the year 1981-82 is

at the final stages. The Committee, therefore, recommend that necessary changes may be brought about in the Appropriation Accounts (Defence Services) for the year 1982-83 and onwards."

[Sl. No. 1 and 2 (Para 1.6 and 1.7) of Appendix II to 131st Report of PAC (7th Lok Sabha)].

1.4 In their action taken note dated 19 July 1983, the Ministry of Finance [Department of Expenditure (Defence Division)] have stated as follows :

"The recommendations of the P.A.C. have been noted for implementation, Director of Audit, Defence Services has seen.."

1.5 The Committee are glad to note that the Ministry of Finance (Defence) have agreed to the scaling down of the proposed monetary limits in the revised format of Appropriation Accounts of Defence Services, as suggested by the Committee, in the interest of proper accountability to Parliament in respect of Defence Expenditure. The Committee further note that the Ministry have also accepted the recommendation of the Committee to effect the necessary changes in the Appropriation Accounts (Defence Services) for the year 1982-83 and onwards.

CHAPTER II

RECOMMENDATIONS OR OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee agree to the proposed revision of the format of the Appropriation Accounts of Defence Services as outlined in the note of the Ministry of Finance (Defence Division) reproduced in Appendix I of this Report, subject to the following observations :

The Committee consider that the monetary limits proposed to be adopted are some what high in some cases. In the interest of proper accountability to Parliament in respect of Defence expenditure, they suggest that the limits may be changed as indicated below :

Item New Section V	As proposed by the Ministry	As recommended by the committee
(a) Appendix A		
(i) Annexure I—Cash losses due to theft, fraud or gross neglect.	Exceeding Rs. 50,000	Exceeding Rs. 25,000
(ii) Annexure II—Cash losses due to other causes	Exceeding Rs. 1,00,000	Exceeding Rs. 50,000
(b) Appendix B		
(i) Annexure I—Store losses due to theft, fraud or gross neglect.	Exceeding Rs. 1,00,000	Exceeding Rs. 75,000
(ii) Annexure II—Store losses due to other causes.	Exceeding Rs. 2,50,000	Exceeding Rs. 2,00,000

The Committee understand that the process of compilation of Appropriation Accounts for the year 1981-82 is at the final stages. The Committee, therefore, recommend that necessary changes may be brought about in the Appropriation Accounts (Defence Services) for the year 1982-83 and onwards."

[Sl. No. 1 and 2 (Para 1.6 and 1.7) of Appendix II to 131st Report of PAC, 7th Lok Sabha, 1982-83].

Action Taken

The recommendations of the PAC have been noted for implementation. Director of Audit, Defence Services has seen.

[Ministry of Finance (Defence) O.M. No. 201(32/76/2517/B. II/83 dated 19 July, 1983]

CHAPTER III
RECOMMENDATIONS OR OBSERVATIONS
WHICH THE COMMITTEE DO NOT DESIRE
TO PURSUE IN THE LIGHT OF REPLIES
RECEIVED FROM GOVERNMENT

—NIL—

CHAPTER IV

**RECOMMENDATIONS OR OBSERVATIONS REPLIES
TO WHICH HAVE NOT BEEN ACCEPTED BY THE
COMMITTEE AND WHICH REQUIRE REITERATION**

-NIL-

CHAPTER V
RECOMMENDATIONS OR OBSERVATIONS IN RESPECT
OF WHICH GOVERNMENT HAVE FURNISHED
INTERIM REPLIES

—NIL—

NEW DELHI ;
August 10, 1983
Sravana 13, 1505 (Saka)


SUNIL MAITRA,
Chairman,
Public Accounts Committee.

APPENDIX

(Vide Introduction)

Conclusions/Recommendations

Sl. No.	Para No.	Ministry/ Deptt. concerned	Conclusions/Recommendations
1	2	3	4
1	1.5	Finance (Expenditure) (Defence Division)	1.5 The Committee are glad to note that the Ministry of Finance (Defence) have agreed to the scaling down of the proposed monetary limits in the revised format of Appropriation Accounts of Defence Services, as suggested by the Committee, in the interest of proper accountability to Parliament in respect of Defence Expenditure. The Committee further note that the Ministry have also accepted the recommendation of the Committee to effect the necessary changes in the Appropriation Accounts (Defence Services) for the year 1982-83 and onwards.

