

PUBLIC ACCOUNTS COMMITTEE
(1971-72)

(FIFTH LOK SABHA)

THIRTEENTH REPORT

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 107th Report (Fourth Lok Sabha) on Audit Report (Civil) 1969 relating to the Ministries of Home Affairs, External Affairs and Departmental Parliamentary Affairs.]



LOK SABHA SECRETARIAT
NEW DELHI

July, 1971/Shaavana 1893 (Saka)

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CORRIGENDA TO THIRTEENTH REPORT OF P.A.C.
(1971-72) PRESENTED TO LOK SABHA ON 17.11.71.

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PUBLIC ACCOUNTS COMMITTEE
(1971-72)

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SECRETARIAT

Shri B. B. Tewari—*Deputy Secretary.*

Shri T. R. Krishnamachari—*Under Secretary.*

INTRODUCTION

1. the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Thirteenth Report on the Action Taken by Government on the recommendations of the Public Accounts Committee contained in their 107th Report (Fourth Lok Sabha) relating to Ministries of Home Affairs, External Affairs and Department of Parliamentary Affairs.

2. On the 8th July, 1971, an "Action Taken" Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:

- | | |
|---------------------------------------|------------------|
| 1. Shri B. S. Murthy— <i>Convener</i> | |
| 2. Shri Bhagwat Jha Azad | } <i>Members</i> |
| 3. Shri Ram Sahai Pandey | |
| 4. Shri C. C. Desai | |
| 5. Shri Thillai Villalan | |
| 6. Shri Shyam Lal Yadav. | |

3. The Action Taken Notes furnished by the Government were considered by the Action Taken Sub-Committee of the Public Accounts Committee (1970-71) at their sitting held on 18th December, 1970. Consequent on the dissolution of the Lok Sabha on the 27th December, 1970, the Public Accounts Committee ceased to exist from that date. The Action Taken Sub-Committee of the Public Accounts Committee (1971-72) considered and adopted this Report at their sitting held on the 4th August 1970 based on the suggestions of the Sub-Committee of PAC (1970-71) and further information received from Ministries Concerned. The Report was finally adopted by the Public Accounts Committee on the 31st August 1971.

4. For facility of reference the main conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main recommendations/observations of the Committee is appended to the Report (Appendix).

5. The Committee place on record their appreciation of the commendable work done by the Convener and the Members of the Action Taken Sub-Committee (1970-71) in considering the Action Taken notes and offering suggestions for this Report which could not be

finalised by them because of the sudden dissolution of the Fourth Lok Sabha.

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

NEW DELHI;
August 31, 1971.
Bhadra 9th, 1893 (S).

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

1.5. The Committee will now deal with the action taken by Government on some of the recommendations.

Avoidance of unnecessary increase in staff strength
(Paragraph 1.17—Sr. No. 5).

1.6. In paragraph 1.11 of their 107th Report (Fourth Lok Sabha) the Public Accounts Committee had dealt with the recommendations of the Administrative Reforms Commission regarding the staffing pattern in Government offices. Referring to the over staffing in the Government offices, the Committee made the following observation in paragraph 1.17 of the Report:

“1.17—In order to check further unnecessary increase in staff strength, the Committee would also suggest sifting of all proposals for further accretion to the present strength in Government organisations by an independent and well equipped agency like the Staff Inspection Unit as recommended by the Administrative Reforms Commission.”

1.7. In their reply dated the 23rd October, 1970, the Ministry of Finance (Department of Expenditure) have stated as follows:—

“The A. R. C. in their Report on ‘Finance, Accounts and Audit’ had recommended as under:—

“Proposals of the administrative Ministries for additional staff or creation of new posts should be considered by an independent agency, namely a well-equipped and well-trained Staff Inspection Unit (Recommendation No. 15(1).”

The above recommendation was examined by Government, but was not found to be practicable. If all proposals for creation of new posts were to be considered by a Staff Inspection Unit, it would be necessary to expand that Unit considerably and there were likely to be delays in the process of getting clearance from the Unit. It was also not considered necessary to make it an “independent agency” in the sense of changing its location from the Ministry of Finance to some other Ministry like the Ministry of Home Affairs or the Cabinet Secretariat as recommended by the Study Team on Financial Administration, because there were sufficient in-built safeguards in the existing procedures to achieve the underlying purpose of objectivity in the assessment made by Staff Inspect-

tion Unit. While, therefore, it was not found possible to accept A.R.C.'s recommendation, it was decided that in each Ministry/Department a properly equipped Internal Work Study Unit should be set up with well-defined functions and close links with the Central Staff Inspection Unit. The orders issued in this respect envisage coordination of the work of the internal units with that of the Staff Inspection Unit, which would also periodically exercise functional test-check over their work. This arrangement will ensure systematic and continuous study of the staffing of all central Government organisations, speedy examination of proposals for creation of new posts and general supervision by the expert central body.

A.R.C. took note of the above decisions of Government and observed as follows in their Report on Delegation of Financial and Administrative Powers:—

“In our report on Finance, Accounts and Audit, we drew attention to the general complaint that the increase in staff in Government offices was out of proportion to the needs of work. We recommended that proposals for additional staff or creation of posts should be considered by a well-trained Staff Inspection Unit composed of officers with adequate training in methods of work study and work measurement..... We notice, however, that the Government of India have been unable to accept our recommendations in this regard on grounds of practical difficulties..... While we appreciate the need to deal with the practical difficulties pointed out, it cannot be denied that if unplanned proliferation of personnel is to be avoided, a greater overall control in respect of the creation of posts is necessary. If this basic proposition is accepted, then it should not be beyond the realm of practicability to devise ways and means to ensuring this greater overall control in respect of creation of posts.

If the reference to an outside authority in every case is likely to lead to delay, the reference may be restricted to cases involving the creation of posts, above a certain level. If, in spite of this, the Staff Inspection Unit fails to deal

with the cases referred to it in time the period upto which emergency appointments may be made can be raised to six months."

These recommendations are under the consideration of Government.

It will thus be seen that Government have already considered the recommendation now made by Public Accounts Committee in the context of A.R.C.'s recommendations and found it not practicable. A.R.C. themselves have appreciated the validity of Government's point of view and have made certain alternative recommendations which are receiving the consideration of Government."

1.8. The Committee note that the revised recommendations of the Administrative Reforms Commission regarding the review of staff proposals by an independent outside authority viz. the Staff Inspection Unit, are still under consideration of Government. As the need for an overall control in respect of creation of new posts at least above a certain level to arrest further unnecessary increase in staff strength cannot be over-emphasised, the Committee would like Government to come to an immediate decision in the matter and inform them and in the meanwhile no new posts should be created.

1.9. The Committee have been given to understand that Internal Work Study Unit is to be set up in each Ministry/Department which will inter alia be responsible for ensuring systematic and continuous study of the Staff position. In view of the known surplus staff in Government offices as brought out by the Staff Inspection Units of the Ministry of Finance between 1964-65 and 1968-69, a reference to which was made in paragraph 1.8 of the Ninetieth Report (Fourth Lok Sabha), the Committee suggest that the work study units should have a targetted programme to expeditiously identify the extent of surplus personnel in each Ministry/Department and report to the Cabinet Secretariat for considering their gainful utilisation. The Committee would also like to be apprised of the action taken in this regard.

Paragraph 1.24—Sr. No. 6

1.10. Referring to the transportation of 5,982 quintals of food grains by Government between 25th March, 1966 and 30th March.

1966 from Gauhati to Miao which resulted in an extra expenditure of Rs. 1.06 lakhs, the Committee made the following observation in paragraph 1.24 of their 107th Report (Fourth Lok Sabha):

“1.24—The Committee note that Government transported 5,982 quintals of food grains between 25th March, 1966 to 30th March, 1966 when they could well have deferred the transport for a few days till April, 1966, when the same contractor could have been asked to transport them at rates which were much lower. The resultant extra expenditure was Rs. 1.06 lakhs. The case is stated to have been referred to the Central Bureau of Investigation. The Committee would like to be apprised of the findings and the action taken thereon.”

1.11. In their reply dated the 29th November, 1970 the Ministry of Home Affairs have stated as follows:—

“The NEFA Administration approached this Ministry to take action against the then Director of Supply and Transport, Powriah, NEFA. The case was entrusted for investigation to the Central Bureau of Investigation on the 15th July, 1969. They have registered a case RC No. 20/69 on 30th July, 1969 against the officer concerned and have intimated on 8th July, 1970 that the investigation is in final stages and is expected to be completed soon after the statement of the officer concerned is recorded by the Investigation officer. The Central Bureau of Investigation are being reminded periodically. Final action in the case will be intimated to P.A.C.”

1.12. The Committee desire that the Central Bureau of Investigation should expedite the completion of the investigation of the case and results intimated to them.

Excessive Office Accommodation of an Indian Mission Abroad

Para 2.20—Sr. No. 8

1.13. Commenting on the excessive office accommodation acquired by an Indian Mission abroad, the Committee observed in paragraph 2.20 of their 107th Report (Fourth Lok Sabha) as under:

"2.20: The question of excess accommodation has, however, now assumed greater importance, in view of further reduction in the staff strength of the Mission which is under the contemplation of Government. A team of Foreign Service Inspectors who inspected the Mission in June-July, 1969 has recommended that 258 posts in the Mission should be reduced. This constitutes over 30 per cent of the sanctioned strength of the Mission which as on 31st March, 1969 was 814. The Committee note that these proposals are under the consideration of Government. The Committee would like Government to come to an immediate decision on this question, so that the Mission may not continue to be burdened with surplus staff. As an off-shoot to this, Government should also explore the possibility of giving up immediately either in whole or in part, as may be warranted the accommodation in one of the buildings the lease for which is due to expire in December, 70."

1.14. In their reply dated the 9th November, 1970 the Ministry of External Affairs have stated:

"The total effective space in the three buildings of the High Commission of India, London, was 69,756 sq. ft. till December, 1969. Out of the 29,700 sq. ft. of the effective space in the building at Acton the High Commission has already surrendered in January, 1970 an area of 5,164 sq. ft. resulting in a saving of Rs. 790,910 at £0-17-0 per sq. ft. Notice of surrender of further area of 2,086 sq. ft. in the same building has also been given and this space will be surrendered in December, 1970. The savings on this account will be Rs. 31,916. The net space that will be available after December, 1970 will be 62,506 sq. ft. The High Commission in London is also examining the scope for further surrender of space, in consultation with India Supply Mission and other concerned departments located in the Acton building."

"The staff position in the High Commission in London is under constant review on the basis of the recommendations of

the Foreign Service Inspectors. The Mission has till July, 1970 effected the following reduction in the posts:—

India—based	..	..	6
Local	..	..	46
		Total	52

The Mission has also kept unfilled the following vacant posts:—

India based	..	..	8
Local	..	..	31
		Total	39

Thus the posts reduced/kept unfilled are 91. However, with a view to streamline the functioning of some of the departments and clearing of arrears the following posts have been created:—

India—based	..	..	25
Local	..	..	13
			38
		Total	

Of these, two India-based and 12 local posts are purely for a limited period for clearing arrears of work in the Consular Department. When the arrears are cleared these posts will be abolished. Taking into account the above temporary increase in posts, the effective reduction in staff of the High Commission is of the order of 53 posts resulting in an annual saving of £ 52,000 per annum.

It may be added in this connection that the reduction of 237 posts recommended by the Foreign Service Inspectors is to be carried over a period of a few years in a phased manner, but the question of reductions on the basis of the Foreign Service Inspectors' recommendations is a subject of a continuous review both by the High Commission and this Ministry.

The fact that the office space requirements are related to the strength of the High Commission is noted and the High Commission is already seized of the question of surrendering as much leased accommodation as is possible in accordance with this Ministry's circular letter No. Q/BF.II/7453(3)/DP/68 dated 25th October, 1969. The High Commission has reported that it has taken up a detailed review in consultation with the India Supply Mission and other

Department on the basis of the mean of the U.K. Government (minimum/maximum) scales. It has expressed the view that there is no ikelihood of its being possible during the next two or three years to accommodate in existing buildings of the staff at present located at Acton and therefore it will not be possible to give up that building in that time."

1.15. The Committee observe that as against reduction of 258 posts recommended by the Foreign Service Inspectors, the Mission has reduced/kept vacant 91 posts and created 38 additional posts, thereby effecting a net reduction of only 53 posts. Although according to Government the reduction recommended by the Foreign Service Inspectors, is to be carried over a period of a few years in a phased manner, the Committee are not satisfied with the progress made so far. The Committee are also not satisfied with the creation of additional posts. In their view, it is not desirable to continue the surplus staff for a long time. They would accordingly suggest that the reduction of the remaining posts should be expedited. The requirements of office accommodation should also be kept under constant review with a view to surrendering surplus accommodation promptly.

1.16. The Committee would also like Government to review the staff requirements in the India Supply Missions in London and Washington in the light of actual trend of purchases through these agencies from year to year and inform them of the results at an early date.

Reduction of Staff in Bigger Missions abroad

Paragraph 2.22—Sr. No. 10

1.17. Drawing attention to the proposals for reduction of staff in the Mission contained in latest Inspection Report (June-July, 1969) of the Foreign Service Inspectorate of the Ministry of External Affairs and to the review of staff strength in other Missions-visited by the Staff Inspection Unit, the Committee in paragraph 2.22 of their 107th Report (Fourth Lok Sabha) made the following observations:—

Paragraph 2.22:

“An important question arises out of the data made available to the Committee in this case. The number of posts recommended for reduction in the Mission, which is relatively one of the bigger missions overseas, amounts to over 30 per cent of the sanctioned strength of the Mission. In some of the other Missions also, which were inspected by the Staff Inspection Unit, a fairly substantial reduction has been made on their recommendations as would appear from the data given at pages 15 and 16 of this report. A doubt does, therefore, arise whether other Missions abroad also carry on their rolls staff in excess of requirements. The Committee had already touched upon this matter in paragraph 1.16 of their Forty-Sixth Report (Fourth Lok Sabha). They would like Government to consider a comprehensive review of the position in all the bigger missions by an independent agency like the Staff Inspection Unit of the Ministry of Finance.”

1.18. In their reply dated the 9th November, 1970. the Ministry of External Affairs have stated:

“Posts borne on the strength of the Missions abroad are mostly functional in the case of local recruits and positional in the case of India-based personnel. The former category cover posts like Receptionists Telephone Operators, Messengers, Gardeners, Chauffeurs, Interpreters etc. There are also India-based functional posts like Cypher Asstt., Consular Assistants and Security Guards. The India-based positional posts are those of Private Secretaries, Stenographers, Heads of Missions etc. These posts are to be retained without reference to their work load as they are the basic necessities in overseas representation. Thus a majority of the posts in Missions comes under these two categories and are not liable to assessment with reference to actual work load. The remaining posts are, however, dependent on the work load and other factors. In respect of this category also a review could be conducted by an in-built agency with reference to functional needs of the Missions. It may be added that assessment of staff requirements is one of the several items of work

that is entrusted to Foreign Service Inspectors, one of whom is the representative of the Ministry of Finance. The Foreign Service Inspectors, who have a thorough understanding and intimate knowledge of the problems of functioning of the Indian Missions|Posts abroad and their unique needs are in an eminent position to assess the staff requirements on the basis of on the spot study with reference to the norms laid down by the Government for this purpose. The Staff Inspection Unit of the Ministry of Finance had also conducted inspection of the Missions in London, Kathmandu, Colombo and Rangoon. A permanent set up of the Foreign Service Inspectors had been in existence for on the spot inspection of all functional aspects of the Mission|Posts abroad including the staff requirements. It may be added that the question of rationalisation of staff pattern in Missions abroad with a view to make it officer-oriented is under constant consideration of this Ministry."

1.19. The Committee are not convinced with the reply furnished by Government. Earlier in their Hundred and Seventh Report (Fourth Lok Sabha) they had recommended a comprehensive review of staff position in all the bigger Missions. Such a review has not so far been conducted except in London. They would, therefore, like to reiterate that necessary action should be initiated to have a comprehensive review of all the other bigger missions completed within a year.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

1.13. The Committee regret that due to delay in finding suitable posts of certain officers on their return from leave/deputation, Government had to incur an infructuous expenditure of about Rs. 68,000 as salaries paid to them for the period of their 'compulsory waiting'. In one case alone, involving an officer of the rank of a Secretary, the period of waiting amounted to as much as ten months and the official had to be paid during this period salaries amounting to Rs. 40,750.

1.14. The Committee had occasion to comment on a similar case in paragraph 2.8 of their Sixty-Second Report (Third Lok Sabha). Apart from entailing infructuous expenditure, the recurrence of these cases will have a demoralising effect on the administration.

1.15. The Committee would like effective procedures to be evolved to prevent repetition of cases of this kind. A drill for this purpose is stated to have been worked out in respect of appointments to posts below the rank of Secretary to Government where the fear that the matter may be brought to the notice of the Appointments Committee of the Cabinet is stated to have worked as a deterrent against delays. For appointments to the level of Secretary, it is the Appointments Committee of the Cabinet which has to approve the appointments. A procedure will have to be worked out to ensure that all proposals are processed for approval by the Committee well in time.

[S. Nos. 1 to 3 of Appendix IV (Paras. 1.13 to 1.15) of the P.A.C. 107th Report (4th Lok Sabha)]

Action taken

A procedure has been evolved with the approval of the Appointments Committee of the Cabinet and suitable instructions have been issued to all Ministries etc. vide d.o. letter No. F.30(7)-EO/69, dated 4th October, 1969, a copy of which is reproduced below:—

"The procedure for the selection and appointment of officers to Secretariat posts of and above the rank of Under Secretaries to the Government of India and certain important non-Secretariat posts has already been laid down with the approval of the Cabinet *vide* Ministry of Home Affairs O.M. No. 31(21)-EO/58 dated the 11th August, 1958. These instructions, however, did not specifically indicate the procedure to be adopted where an immediate posting is required to be found for the officer on priority basis.

It has been noticed that sometimes when an officer goes on leave, the Ministry concerned takes the opportunity to fill up the vacancy on regular basis and the officer on return from leave has to be found a posting elsewhere. There are also instances where officers proceeding on deputation for training, which is initially considered useful to the Ministry, are rendered surplus when they return on completion of their training. These cases create problems in posting officers and this sometimes results in the officer compulsorily waiting for his next posting thereby receiving pay without doing any work.

We had placed this matter before the Appointments Committee of the Cabinet. They have desired that the Ministries may be advised not to fill up such vacancies on a regular basis and that an officer should be expected to return to his post after the leave, unless by agreement the officer is transferred to some other Ministry. Similarly, when a officer is deputed for training, the post should not be filled up on a regular basis but should be available to the officer on his return from training. I shall be grateful if these instructions are kept in view."

[Ministry of Home Affairs O.M. No. 7|8|70-ACII dated 16th July 1970].

Recommendation

The Committee observe that the Indian High Commission at London is at present housed in three buildings, two of which have been leased from outside parties. The rent paid for the leased buildings amount to £34,520 per annum (or Rs. 6.2 lakhs). The Mission was actually occupying four buildings paying a rent of £43,020 till 1969, when it surrendered one of the buildings on the expiry of its

lease. The data furnished to the Committee indicate that for quite some time, even after application of U.K. liberal scales of accommodation, which were at variance with the officially approved scales, as well as a progressive reduction in the strength of staff, the accommodation with the Mission has been substantially in excess of requirements. The situation could not possibly be remedied earlier, as the lease for one of the buildings which was given up in 1969 was for a fixed term. Even then the Mission could have explored the possibility of surrendering part of the accommodation in another building (at Acton) which it has been sharing with other parties.

[Sl. No. 7, Para 2.19 of Appendix IV to 107th Report—4th Lok Sabha].

Action taken

The recommendation has been noted.

[Ministry of External Affairs O.M. No. Q|BF.II|7340|2|70 dated 9-11-70]

Recommendation

The Committee have pointed out earlier that the Mission calculated its requirements of accommodation on scales which were at variance with those officially prescribed. It was explained during evidence that the Mission employed a large complement of staff based on U.K. conditions, and that, therefore, it was felt that the scales of accommodation laid down by the U.K. Government should be adopted. The Committee do not consider this a very valid reason; the representative of Ministry of External Affairs himself admitted that it is not altogether a satisfactory reply. The Committee hope that Government will ensure that Missions abroad adhere to scales prescribed by Government, while hiring accommodation due allowance being made, however, wherever circumstances so warrant.

(Sr. No. 9, Para 2.21 of Appendix IV to the 107th Report—4th Lok Sabha).

Action taken

The recommendation has been noted. A copy of the instructions issued in this Ministry's letter No. Q|BF.II|7453(3)|DP|68 dated 25th October, 1969 is enclosed.

[Ministry of External Affairs O.M. No. Q|BF.II|7340|2|70 dated 9-11-70]

IMPORTANT

Q|BF. II|7453(3)|DP|68
 GOVERNMENT OF INDIA

MINISTRY OF EXTERNAL AFFAIRS

New Delhi, the 25th Oct. 1969.

SUBJECT:—Scale of office accommodation—review of.

Dear Mission,

Government have laid down the scales of office accommodation in this Ministry's Circular letter No. GI 23/111(a) dated the 29th July, 1954 vide pages 381—385 of the Manual of External Affairs Instructions for the years 1947—56. It has, however, been observed that these scales are not being reviewed whenever there has been change in the composition of the strength of Missions. The result has been that there has been surplus office accommodation due to reduction of staff or deficit accommodation due to increase in the staff strength. It has, therefore, been considered necessary to institute a system of annual review of office accommodation with reference to the above scales vis-a-vis the strength of the Mission.

2. It is requested that the above review should be undertaken commencing from the year 1969-70. The results of the review may be reported to the Ministry alongwith recommendations for securing alternative accommodation as justified on the basis outlined above in the enclosed proforma.

3. Please acknowledge receipt.

Yours ever,
 Ministry.

All Indian Missions/Posts abroad.

Copy forwarded to:—(1) OSD(ADS) for information.

(2) U.S. (Property).

(3) Property I Section.

It is requested that the return relating to the above review to be sent by the Missions/Posts may please be brought on the calendar of returns maintained by the Prop. I Section and necessary steps taken to ensure receipt of the returns from the Missions.

4. BF. I|BF. II|BF. III Sections—While scrutinising budget estimates of the Missions the accommodation requirements may also be kept in view.

Sd| - A. N. RAO,
 Officer on Special Duty (Internal Finance).

REVIEW OF OFFICE ACCOMMODATION

S. No.	No. of bldgs. used for office	Area (Sq. ft.)	Rent	Number of officers & Staff	Area permissible as per the Ministry's Circular of 29-7-54	Remarks
1	2	3	4	5	6	7

Recommendation

The Committee note that an expenditure of about £6,100 (Rs. 1.8 lakhs) was incurred in 1965 on the renovation of the residence of the Deputy High Commissioner in London. The work was started on an assessment which put the cost at £1,648. Repairs of this order were considered essential in view of the condition of the building. However, by stages, the scope of the work was progressively increased till it amounted to about £6100. It was stated by the representative of the Ministry of External Affairs that the magnitude of the work increased, because more and more defects came to notice as the repairs progressed and it was considered undesirable to postpone these items of work. The Committee, however, observe from the details of the supplementary work carried out that the bulk of the work related to redecoration. Items like fixing 'new bathroom suite', constructing 'kitchen unit in recess below window', installation of bookshelves, changing colour of paintwork to windows, fitting formica tops or redecorating cooks bedroom and W.C. etc. could hardly be considered essential items of repairs arising out of the bad condition of the building.

The Committee see little justification for public funds being expended in this manner by Missions abroad for provision of superfluous amenities. In this case, the value of works executed without calling for tenders amounted to thrice that of the original work. Moreover, the expenditure was incurred by the Mission without the requisite sanction of Government who regularised it ex-post facto. The Committee would like Government to issue instruction to the Missions abroad to exercise utmost prudence in expending public funds so as to avoid recurrence of instances of this type. The procedure prescribed in the matter of sanctions to expenditure should also be scrupulously adhered to by them.

[S. No. 11 & 12 of the Appendix IV of the 107th Report—4th Lok Sabha.]

Action taken

As desired by the Public Accounts Committee suitable instructions have been issued to the Missions/Posts abroad in this Ministry's letter No. Q|BF.II|7340|2|70, dated 18th June, 1970 (copy enclosed).

[Ministry of External Affairs O.M. No. Q|BF.II|7340|2|70 dated 31st October, 1970]

S. Krishnamurti,
Additional Secretary (AD).

IMMEDIATE|CONFIDENTIAL
PUBLIC ACCOUNTS COMMITTEE

No. Q(BFII)7340/2.70

GOVERNMENT OF INDIA

MINISTRY OF EXTERNAL AFFAIRS

New Delhi, the 18th June, 1970

SUBJECT: 107th Report of the Public Accounts Committee (Fourth Lok Sabha—1969-70) relating to excess accommodation in Indian Missions/Posts abroad and proper expenditure from Public Funds.

My dear Ambassador/High Commissioner/Consul-General, etc.;

I enclose a statement showing certain recommendations/observations of the Public Accounts Committee made in their report mentioned above and action proposed to be taken by the Government. These instructions may kindly be brought to the notice of all the officers and staff under you.

I need hardly stress the role of the Public Accounts Committee as the instrument through which Parliament exercises control over public expenditure. It is incumbent on all of us to pay serious attention to the criticisms and recommendations of the Committee. For some time past, the Committee has been high-lighting the need for toning up financial administration in our Missions abroad. I am, therefore, to request you kindly to ensure that the recommendations of the Public Accounts Committee and Government's decisions thereon are strictly observed.

Yours sincerely,

Sd/-

To

All Heads of Missions/Posts abroad.
(excluding Honorary posts)

Copy forwarded for information to:—

1. Director (XP) Division.
2. OSD(ADS).
3. OSD(FSII) with reference to Item No. 2 of the statement.
4. US(Property).
5. US(SE).
6. Prop. I|Prop. II|S.E.|FS II|BF I|BF III Sections.

Sd|-

for officer on Special Duty (IF)

MINISTRY OF EXTERNAL AFFAIRS, NEW DELHI

Government's decisions on the recommendations/observations of the Public Accounts Committee (Fourth Lok Sabha—1969-70) contained in Appendix IV to their Report.

Item S. No. in Appx. Para No. IV of the Report No.			Recommendations/observations of the Committee	Decisions the Government
1	2	3	4	5
1.	7.	2-19	The Committee observe that the Indian High Commission at London is at present housed in three buildings, two of which have been leased from outside parties. The rent paid for the leased buildings amounts to £34,520 per annum (or Rs. 6.2 lakhs). The mission was actually occupying four buildings paying a rent of £43,020 till 1969, when it surrendered one of the buildings on the expiry of its lease. The data furnished to the Committee indicates that for quite some time even after application of U.K. liberal scales of accommodation which were at variance with the officially approved scales, as well as a progressive reduction in the strength of staff, the accommodation with the Mission has been substantially in excess of requirements. The situation could not possibly be remedied earlier, as the lease for one of the buildings, which was given up in 1969 was for a fixed term. Even then the Mission could have explored the possibility of surrendering part of the accommodation in another building (at Action) which it has been sharing with other parties.	The office accommodation available with Missions/ Posts abroad may be reviewed annually (as per instructions issued vide Ministry's letter No. Q/ BF11/7453/3/DP/68 dated the 25th October, 1969) with reference to the instructions laid down vide this Ministry's circular letter No. GI/23/111(a) (Circular No. 47/54) dated 29-7-1954, printed at pages 381—385 of the Manual of E.A. Instructions for the year 1947—56] and keeping in view the observations of the Public Accounts Committee. The result of the review duly approved by the Head of Mission/Post may kindly be reported to the Ministry by 1st April, every year.
8.		2-20	The question of excess accommodation has, however, now assumed greater importance, in view of further reduction in the staff strength of the Mission which is under the contemplation of Government. A team of Foreign Service Inspectors who inspected the Mission in June-July, 1969 had recommended that 258 posts in the Mission should be reduced. This constitutes over 30 per cent of the sanctioned strength of the Mission which as on 31st March, 1969 was 814. The Committee note that these proposals are under	

the consideration of Government. The Committee would like Government to come at an immediate decision on this question, so that the Mission may not continue to be burdened with surplus staff. As an offshoot to this, Government should also explore the possibility of giving up immediately either in whole or a part, as may be warranted, the accommodation in one of the buildings the lease for which is due to expire in December, 1970.

9. 2-21 The Committee have pointed out earlier that the Mission calculated its requirements of accommodation on scales which were at variance with those officially prescribed. It was explained during evidence that the Mission employed a large complement of a staff based on U.K. conditions, and that, therefore, it was felt that the scales of accommodation laid down by the U.K. Government should be adopted. The Committee do not consider this a very valid reason, the representative of Ministry of External Affairs himself admitted that "it is not altogether a satisfactory reply". The Committee hope that Government will ensure that Missions abroad adhere to scales prescribed by Government while hiring accommodation, due allowances being made, however, where circumstances so warrant.

2. 10. 2-22 An important question arised out of the date made available to the Committee in this case. The number of posts recommended for reduction for in the Mission, which is relatively one of the bigger missions overseas, amounts to over 30 per cent of the sanctioned strength of the Mission. In some of the other Mission also, which were inspected by the Staff Inspection Unit, a fairly substantial reduction has been made, on their recommendations as would appear from the data given at pages 15 and 16 of this report. A doubt does, therefore, arise whether other Missions abroad also carry on their rolls staff in excess of requirements. The Committee had already touched upon this matter in

The staff position of all the Indian Missions/Posts abroad will be reviewed periodically by the Foreign Service Inspectorate on the basis of usual norms. This is supplementary to the annual review conducted by the Ministry on the basis of data furnished by Missions in connection with proposals for continuance of posts. It is imperative that complete statistics relating to work load are furnished.

paragraph 1-16 of their Forty-Sixth Report (Fourth Lok Sabha). They would like Government to consider a comprehensive review of the position in all the bigger missions by an independent agency like the Staff Inspection Unit of Ministry of Finance.

3. 11. 2.13 The Committee note that an expenditure of about £6,100 (Rs. 1.8 lakhs) was incurred in 1965 on the renovation of the residence of the Deputy High Commissioner in London. The work was started on an assessment which put the cost at £1,648. Repairs of this order were considered essential in view of the condition of the building. However, by stages, the scope of the work was progressively increased till it amounted to about £6,100. It was stated by the representative of Ministry of External Affairs that the magnitude of the work increased, because more and more defects came to notice as the repairs progressed and it was considered undesirable to postpone these items of work. The Committee, however, observe from the details of the supplementary work carried out that the bulk of the work related to redecoration. Items like fixing 'new bathroom suite', constructing 'kitchen unit in recess below window', installation of bookshelves, 'changing colour of paintwork to window's 'fitting 'formica tops' OR redecorating 'cooks' 'bedroom and W.C.' etc., could hardly be considered essential items of repairs arising out of the bad condition of the building.
12. 2.31 The Committee see little justification for public funds being expended in this manner by Missions abroad for provision of superfluous amenities. In this case, the value of works executed without calling for tenders amounted to thrice that of the original work. Moreover, the expenditure was incurred by the Mission without the requisite sanction of Government who regularised it ex-post-facto. The Committee would like Government to issue instruction to the Missions abroad to exercise utmost prudence in expending public funds, so as to avoid recurrences of instances of this type. The procedure prescribed in the matter of sanctions to expenditure should also be scrupulously adhered to by them.
1. It is reiterated that all Missions/Posts abroad should follow strictly the prescribed financial rules and regulations and accounting procedures.
 2. Heads of Chanceries are primarily responsible for ensuring strict compliance with these rules.
 3. It must be insured that no important expenditure from public funds is incurred in the Mission without the personal knowledge of the Head of Mission even when it is covered under the financial powers delegated to the Head of Chancery.
 4. Prior approval of the Government of India must be obtained in all cases not covered by the financial powers delegated to Heads of Missions abroad. *In all those cases (where expenditure is incurred in Missions/Posts abroad without the prior approval of the Government the amount in question will be recovered from the officer concerned [in terms of Ministry of External Affairs letter No. F. 13(7) Prop. 11/57 (C.O. 142/57) dated 19-7-1957—printed on page No. 134 of Manual of E.A. Instruction 1957].*

Recommendation

3.4. The Committee feel that it was highly improper for Government to have issued executive orders fixing ad-hoc the emoluments payable to Government Deputy Chief Whips. These orders virtually equated Deputy Chief Whips with Deputy Ministers though Government were fully aware that the Salaries and allowances of Ministers Act, 1952 does not recognise such an equation or authorise such remuneration.

3.5. The Deputy Chief Whips are Members of Parliament and their entitlement, in the normal course, is regulated by the Salaries and Allowances of Members of Parliament Act, 1954 and Rules made thereunder. If Government wanted to remunerate them on a basis different from that laid down in or under this Act in consideration of their discharging certain functions, propriety required that they should have brought the matter before Parliament through suitable legislation.

3.6. What is particularly regrettable is that Government should have chosen to issue executive orders on the subject even after the Ministry of Law had indicated that in the interests of "propriety" Government should enact legislation on this subject. Pointing out that "There is no legal impediment to Deputy Chief Whips being given the same status as Deputy Ministers" one view expressed in the Ministry of Law stated that "the proper course for implementing the proposal would be to make suitable amendments in the Salaries and Allowances of Members of Parliament Act, 1954". It was also "recalled" in this connection "that on an earlier occasion this Ministry (Ministry of Law) had advised that provisions for facilities like a free furnished house, free telephone and daily allowance on duty given to Deputy Chief Whips should be made by making suitable provision in the Salaries and Allowances of Members of Parliament Act 1954 and not by an executive order."

3.7. While deprecating what has been done, the Committee note that Government have since decided to bring forward suitable legislation before Parliament to cover all these matters. The Committee would like this to be done without any further delay so that further payments do not continue indefinitely without specific Parliamentary authorisation therefor.

[Sr. Nos. 13 to 16 of Appendix IV (Paras 3.4 to 3.7) of the 107th Report of PAC (Fourth Lok Sabha)].

Action Taken

Keeping in view the observations in paras 3.4, 3.5, 3.6 and 3.7 of 107th Report of the Public Accounts Committee and having noted the recommendation of the Committee that further payment to the Government Deputy Chief Whips should not continue indefinitely without a specific Parliamentary authorisation therefor, it was decided to discontinue the offices of the Government Chief Whips with effect from the afternoon of 30th June, 1970. Accordingly, these offices have been abolished from that date. In view of this, the urgency of bringing forward suitable legislation to cover these matters no longer exists.

[Depart. of Parliamentary Affairs O.M. No. F10(1) [70-Admn. dated
28-9-70]

CHAPTER III

RECOMMENDATIONS|OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF GOVERNMENT.

Recommendation

“There is another point which the Committee would like to mention in this context. There are grounds to believe that a number of organisations under Government carry surplus staff on their rolls. The Committee had called attention to this matter in paragraph 1.8 of their Ninetieth Report (Fourth Lok Sabha) where they had pointed out that on an average one out of seven posts was found surplus in organisations examined by the Staff Inspection Units of Ministry of Finance between 1964-65 and 1968-69. The studies conducted by the staff inspection unit had also disclosed that the number of surplus posts has tended to increase over the years. The findings in a late part of this Report would also show that one of the bigger Indian Mission Overseas has surplus staff to the extent of 30 per cent of its sanctioned strength. The representative of the Ministry of Home Affairs also admitted that there was “room for review” of the staff position. The Committee would, therefore, like to reiterate their earlier recommendation for a periodical review of the staff position in Government organisations on the basis of which suitable actions should be taken.”

[S. No. 4 of Appendix IV to the 107th Report (4th Lok Sabha)]

Action Taken

The earlier recommendation contained at S. No. 1 of Appendix to the 90th Report (4th Lok Sabha) was examined and “action taken note” has already been sent to the Committee vide F. 8(2)-B|70, dated 15-9-1970. A copy of that note is enclosed herewith. This note has been vetted by A.G.C.R.

! [Min. of Finance O.M. No. F. 12 (30) -E (Coord.) |70 dated 23-10-1970]

No. F. 8(2)-B/70

GOVERNMENT OF INDIA

Ministry of Finance

(Department of Economic Affairs)

New Delhi, the 4th September, 1970

Statement of 'Action taken' on the recommendations of the Public Accounts Committee contained in their 90th Report—(4th Lok Sabha).

Recommendation of the Committee

(i) The Committee observe that as a result of studies of the staff position in various organisations conducted by the staff position in various organisations conducted by the Staff Inspection Unit of the Ministry of Finance between 1964-65 and 1968-69, as many as 11,664 posts were found surplus. This constitutes over a seventh of the total number of posts studied. Another interesting fact that emerges is that the number of surplus posts detected has tended to increase over the years. All these facts suggest the need for a periodical assessment of the staff position in Government departments and undertakings. The Committee would prefer such studies to be undertaken by the Staff Inspection Unit or an independent body rather than the Internal Work Study Unit of a Ministry.

(ii) The Committee note from the information furnished to them that no periodicity has been prescribed for the reviews to be conducted by the Staff Inspection Unit. The Committee would like Government go into this matter and issue suitable instructions.

[S. No. 1 of Appendix to 90th Report—4th Lok Sabha]

Action taken by Government

In 1968, as part of the scheme for financial control and delegation of financial powers to Ministries, which was approved by the Cabinet, it was decided to set up in the each Ministry/Department an internal Work Study Unit with well defined functions and close links with the Central Staff Inspection Unit. The main reasons for the decision were:—

- (i) The total number of regular Central Government Employees as on 31st March, 1967 was 25.46 lakhs. It would not have been possible for a single unit like the Staff Inspection Unit to carry out a systematic study of all the

Central Government organisations within a reasonably short period. Therefore, the creation of an internal body within each Ministry|Department with functions similar to those of the SIU was necessary.

- (ii) In keeping with the trend towards decentralisation of financial powers, as an integral part of which, provision has been made for developing adequate internal financial control mechanism within the Ministries, the responsibility for proper staffing should appropriately be vested in the Ministries themselves rather than in an external organisation.
- (iii) Often, the Ministries undertake new schemes and activities for which additional staff is required. These requirements have to be speedily determined. The SIU with its pre-determined work study programme would not have been in a position to speedily examine these proposals

2. With a view, however, to ensure that the work of the internal work Study Unit is integrated with that of the SIU, the orders issued in 1968 provided that

- (i) the internal Units should draw up cyclical programmes for conducting studies and each cycle should ordinarily be completed in a period of about 3 years. They should also send copies of their programmes and reports to SIU.
- (ii) SIU may issue separate instructions regarding the methodology to be adopted in conducting work studies and the form of reporting the results thereof.
- (iii) The SIU will continue to conduct its studies in accordance with its programmes and the standards evolved by it for jobs common to several Ministries will be made available to all Ministries.
- (iv) Norms/standards evolved by the internal Units for jobs pertaining to their Ministries will be subject to review by the SIU.
- (v) In suitable cases, other studies conducted by the internal Units will also be subject to test-checks by SIU.

3. It is considered that the working of the above scheme which, in most cases, would have come into effect from April, 1969 should be watched for some time before considering any modifications.

4. The question of determining the periodicity for staff inspection by the SIU has been considered but it has not been found practicable to fix any periodicity for the following reasons:—

- (i) The number of Central Government organisations is very large and they are located all over the country. So far it has not been found possible to cover all the offices even once. The SIU will have to be expanded very considerably if even a modest attempt at covering all the offices over a reasonable cycle is to be made.
- (ii) It has been the experience that sometimes the programme of staff studies drawn up by the SIU in advance had to be altered or dropped in view of some unforeseen difficulties arising in the concerned organisations. Per contra, sometimes studies have to be undertaken by the SIU at the request of some organisations on account of special considerations like re-organisation of the office, delegation of functions to Public Sector etc.
- (iii) The Department of Administrative Reforms undertakes methods and procedure studies of various organisations. Where such studies have been done by the DAR, it is not considered appropriate for the SIU to do a staff study immediately, as some time has to elapse after the revised methods and procedures suggested by the DAR have been tried and put into operation.

It is, therefore, not possible to have a fixed periodicity for staff studies. The SIU, however, does try and conduct staff studies of the various offices in rotation.

CHAPTER IV

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

Recommendation

The question of excess accommodation has, however, now assumed greater importance, in view of further reduction in the staff strength of the Mission which is under the contemplation of Government. A team of Foreign Service Inspectors who inspected the Mission in June-July, 1969 had recommended that 258 posts in the Mission should be reduced. This constitutes over 30 per cent of the sanctioned strength of the Mission which as on 31st March, 1969 was 814. The Committee note that these proposals are under the consideration of Govt. The Committee would like Government to come to an immediate decision on this question, so that the Mission may not continue to be burdened with surplus staff. As an off-shoot to this, Government should also explore the possibility of giving up immediately either in whole or in part, as may be warranted the accommodation in one of the buildings the lease for which is due to expire in December, 70.

[Sl. No. 8—Para 2.20 of Appendix IV to 107th Report—4th Lok Sabha]

Action taken

The total effective space in the three buildings of the High Commission of India, London, was 69,756 sq. ft. till December, 1969. Out of the 29,700 sq. ft. of the effective space in the building at Action, the High Commission has already surrendered in January, 70 an area of 5164 sq. ft. resulting in a saving of Rs. 79,010|- at £ 0-17-0 per sq. ft. Notice of surrender of further area of 2086 sq. ft. in the same building has also been given and this space will be surrendered in December, 70. The savings of this account will be Rs. 31,916|-. The net space that will be available after December, 1970 will be 62,506 sq. ft. The High Commission in London is also examining the space for further surrender of space, in consultation with India Supply Mission and other concerned departments located in the Action building.

The staff position in the High Commission in London is under constant review on the basis of the recommendations of the Foreign Service Inspectors. The Mission has till July, 70 effected the following reduction in the posts:—

India-based	..	..	6
Local	..	..	46
			<hr/>
Total	..	..	52
			<hr/>

The Mission has also kept unfilled the following vacant posts:—

India-based	..	..	8
Local	..	..	31
			<hr/>
Total	..	..	39
			<hr/>

Thus the posts reduced|kept unfilled are 91. However, with a view to streamline the functioning of some of the departments and clearing of arrears the following posts have been created:—

India-based	..	..	25
Local	..	..	13
			<hr/>
Total	..	..	38
			<hr/>

Of these, two India-based and 12 local posts are purely for a limited period for clearing arrears of work in the Consular Department. When the arrears are cleared these posts will be abolished. Taking into account the above temporary increase in posts, the effective reduction in staff of the High Commission is of the order of 53 posts resulting in an annual saving of £.52,000 per annum.

It may be added in this connection that the reduction of 237 posts recommended by the Foreign Service Inspectors is to be carried over a period of a few years in a phased manner, but the question of reductions on the basis of the Foreign Service Inspectors' recommendations is a subject of a continuous review both by the High Commission and this Ministry.

The fact that the office space requirements are related to the strength of the High Commission is noted and the High Commission is already seized of the question of surrendering as much leased accommodation as is possible in accordance with this Ministry's circular letter No. Q|BF.II|7453(3)|DP|68 dated 25th October, 1969.

The High Commission has reported that it has taken up a detailed review in consultation with the India Supply Mission and other departments on the basis of the mean of the U.K. Government (minimum|maximum) scales. It has expressed the view that there is no likelihood of its being possible during the next two or three years to accommodate in existing buildings of the staff at present located at Action and therefore it will not be possible to give up that building in that time.

[Ministry of External Affairs O.M. No. Q|BF.II|7340|2|70 dt.
9-11-1970]

CHAPTER V

RECOMMENDATIONS|OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

In order to check further unnecessary increase in staff strength the committee would also suggest sifting of all proposals for further accretion to the present strength in Government organisations by an independent and well-equipped agency like the Staff Inspection Unit as recommended by the Administrative Reforms Commission.

[S. No. 5 (Para 1.17) of Appendix IV to 107th Report (4th Lok Sabha)].

Action Taken

The A.R.C. in their Report on 'Finance, Accounts and Audit' had recommended as under:—

"Proposals of the administrative Ministries for additional staff or creation of new posts should be considered by an independent agency, namely a well-equipped and well-trained Staff Inspection Unit (Recommendation No. 15(1))."

The above recommendation was examined by Government, but was not found to be practicable. If all proposals for creation of new posts were to be considered by a Staff Inspection Unit, it would be necessary to expand that Unit considerably and there were likely to be delays in the process of getting clearance from the Unit. It was also not considered necessary to make it an "independent agency" in the sense of changing its location from the Ministry of Finance to some other Ministry like the Ministry of Home Affairs or the Cabinet Secretariat as recommended by the Study Team on Financial Administration, because there were sufficient in-built safeguards in the existing procedures to achieve the underlying purpose of objectivity in the assessment made by Staff Inspection Unit. While, therefore, it was not found possible to accept A.R.C.'s recommendation, it was decided that in each Ministry|Department a properly equipped Internal Work Study Unit should be set up with well-defined functions and close links with the Central Staff Inspection Unit. The orders issued in this respect envisage coordination of the work of the internal units with that of the Staff Inspection Unit,

which would also periodically exercise functional test-check over their work. This arrangement will ensure systematic and continuous study of the staffing of all central Government organisations, speedy examination of proposals for creation of new posts and general supervision by the expert central body.

2. A.R.C. took note of the above decisions of Government and observed as follows in their Report on Delegation of Financial and Administrative Powers:—

“In our report on Finance, Accounts and Audit, we drew attention to the general complaint that the increase in staff in Government offices was out of proportion to the needs of work. We recommended that proposals for additional staff or creation of posts should be considered by a well-trained Staff Inspection Unit composed of officers with adequate training in methods of work study and work measurement. . . . We notice, however, that the Government of India have been unable to accept our recommendations in this regard on grounds of practical difficulties. . . . While we appreciate the need to deal with the practical difficulties pointed out, it cannot be denied that if unplanned proliferation of personnel is to be avoided, a greater overall control in respect of the creation of posts is necessary. If this basic proposition is accepted, then it should not be beyond the realm of practicability to devise ways and means to ensuring this greater overall control in respect of creation of posts.

If the reference to an outside authority in every case is likely to lead to delay, the reference may be restricted to cases involving the creation of posts above a certain level. If, in spite of this, the Staff Inspection Unit fails to deal with the cases referred to it in time the period upto which emergency appointments may be made can be raised to six months.”

These recommendations are under the consideration of Government.

3. It will thus be seen that Government have already considered the recommendation now made by Public Accounts Committee in the context of A.R.C.'s recommendations and found it not practicable. A.R.C. themselves have appreciated the validity of Government's

point of view and have made certain alternative recommendations which are receiving the consideration of Government.

[Ministry of Finance O.M. No. F. 12(30)-E (Coord) 70 dated 23-10-1970].

Recommendation

The Committee note that Government transported 5,982 quintals of foodgrains between 25th March, 1966 and 30th March, 1966, when they could well have deferred the transport for a few days till April, 1966, when the same contractor could have been asked to transport them at rates which were much lower. The resultant extra expenditure was Rs. 1.06 lakhs. The case is stated to have been referred to the Central Bureau of Investigation. The Committee would like to be apprised of the findings and the action taken thereon.

[Para 1.24 S. No. 6 of Appendix IV of the 107th Report of P.A.C. (4th Lok Sabha)].

Action taken

The NEFA Administration approached this Ministry to take action against Shri Hipshon Roy, IFAS, the then Director of Supply and Transport, Rowriah, NEFA. The case was entrusted for investigation to the Central Bureau of Investigation on the 15th July, 1969. They have registered a case RC No. 20/69 on 30-7-1969 against Shri Roy and have intimated on 8-7-1970 that the investigation is in final stages and is expected to be completed soon after the statement of Shri U. Hipshon Roy is recorded by the Investigating Officer. The Central Bureau of Investigation are being reminded periodically.

[Ministry of Home Affairs O.M. No. 17/2/70-NEFA dated 24-11-70].

Recommendation

An important question arises out of the data made available to the Committee in this case. The number of posts recommended for reduction in the Mission, which is relatively one of the bigger missions overseas, amounts to over 30 per cent of the sanctioned strength of the Mission. In some of the other Missions also, which were inspected by the Staff Inspection Unit, a fairly substantial reduction has been made, on their recommendations as would appear from the data given at pages 15 and 16 of this report. A doubt does, therefore, arise whether other Missions abroad also carry on their rolls staff in excess of requirements. The Committee had already

touched upon this matter in paragraph 1.16 of their Forty-Sixth Report (Fourth Lok Sabha). They would like Government to consider at a comprehensive review of the position in all the bigger missions by an independent agency like the Staff Inspection Unit of the Ministry of Finance

[S.No. 10—Para 2.22 of Appendix XIV to the 107th Report—4th Lok Sabha].

Action taken

Posts borne on the strength of the Missions abroad are mostly functional in the case of local recruits and positional in the case of India-based personnel. The former category cover posts like Receptionists, Telephone Operators, Messengers, Gardners, Chauffeurs, Interpreters etc. There are also India-based functional posts like Cypher Asstts., Consular Assistants and Security Guards. The India-based positional post are those of Private Secretaries, Stenographers, Heads of Missions etc. These posts are to be retained without reference to their work load as they are the basic necessities in overseas representation. Thus a majority of the posts in Missions comes under these two categories and are not liable to assessment with reference to actual work load. The remaining posts are, however, dependent on the work load and other factors. In respect of this category also a review could be conducted by an in-built agency with reference to functional needs of the Missions. It may be added that assessment of staff requirements is one of the several items of work that is entrusted to Foreign Service Inspectors, one of whom is the representative of the Ministry of Finance. The Foreign Service Inspectors, who have a thorough understanding and intimate knowledge of the problems of functioning of the Indian Missions| Posts abroad and their unique needs are in an eminent position to assess the staff requirements on the basis of on the spot study with reference to the norms laid down by the Government of this purpose. The Staff Inspection Unit of the Ministry of Finance had also conducted inspection of the Missions in London, Kathmandu, Colombo and Rangoon. A permanent setup of the Foreign Service Inspectors has been in existence for on the spot inspection of all functional aspects of the Mission| Posts abroad including the staff requirements.

It may be added that the question of rationalisation of staff pattern in Missions abroad with a view to make it officer-oriented is under constant consideration of this Ministry.

[Ministry of External Affairs O.M. No. 9|BF. II|7340|2.70 dated 9-11-70].

NEW DELHI;
August 31, 1971
Bhadra, 9, 1893 (5).

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

APPENDIX

Statement showing the Main Conclusions/Recommendations

S. No.	Para No.	Ministry/Deptt. Concerned	Main recommendations/observations
1	2	3	4
1	1.4	Ministry of <u>Home Affairs</u> <u>External Affairs</u>	The Committee hope that final replies in regard to those recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by audit.
2	1.8	Home Affairs	The Committee note that the revised recommendations of the Administrative Reforms Commission regarding the review of staff proposals by an independent outside authority viz. the Staff Inspection Unit, are still under consideration of Government. As the need for an overall control in respect of creation of new posts at least above a certain level to arrest further unnecessary increase in staff strength cannot be over-emphasised, the Committee would like Government to come to an immediate decision in the matter and inform them and in the meanwhile no new posts should be created.
3	1.9	do.	The Committee have been given to understand that Internal Work Study Unit is to be set up in each Ministry/Department which

will *inter alia* be responsible for ensuring systematic and continuous study of the Staff position. In view of the known surplus staff in Government offices as brought out by the Staff Inspection Units of the Ministry of Finance between 1964-65 and 1968-69, a reference to which was made in paragraph 1.8 of the Ninetieth Report (Fourth Lok Sabha), the Committee suggest that the work study units should have a targetted programme to expeditiously identify the extent of surplus personnel in each Ministry/Department and report to the Cabinet Secretariat for considering their gainful utilisation. The Committee would also like to be apprised of the action taken in this regard.

- 4 1.12 do. The Committee desire that the Central Bureau of Investigation should expedite the completion of the investigation of the case and results intimated to them.
- 5 1.15 External Affairs The Committee observe that as against reduction of 258 posts recommended by the Foreign Service Inspectors, the Mission has reduced|kept vacant 91 posts and created 38 additional posts, thereby effecting a net reduction of only 53 posts. Although according to Government the reduction recommended by the Foreign Service Inspectors, is to be carried over a period of a few years in a phased manner, the Committee are not satisfied with the progress made so far. The Committee are also not satisfied with the creation of additional posts. In their view, it is not desirable to continue the

1	2	3	4
			surplus staff for a long time. They would accordingly suggest that the reduction of the remaining posts should be expedited. The requirements of office accommodation should also be kept under constant review with a view to surrendering surplus accommodation promptly.
6	I.16	External Affairs	The Committee would also like Government to review the staff requirements in the India Supply Missions in London and Washington in the light of actual trend of purchases through these agencies from year to year and inform them of the results at an early date.
7	I.19	do.	The Committee are not convinced with the reply furnished by Government. Earlier in their Hundred and Seventh Report (Fourth Lok Sabha) they had recommended a comprehensive review of staff position in all the bigger Missions. Such a review has not so far been conducted except in London. They would, therefore, like to reiterate that necessary action should be initiated to have a comprehensive review of all the other bigger missions completed within a year.

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