

COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1988-89)

(EIGHTH LOK SABHA)

TWENTY-FIFTH REPORT

[Presented on 26 April, 1989]



L O K S A B H A S E C R E T A R I A T
N E W D E L H I

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**PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE
TABLE
(1988-89)**

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Shri Swarn Singh—*Officer on Special Duty.*

INTRODUCTION

I, the Chairperson of the Committee on Papers laid on the Table of the House, having been authorised by the Committee to present this Report on their behalf, present this their Twenty-Fifth Report.

2. As a result of examination of some papers laid during the Eleventh Session (Eighth Lok Sabha), the Committee have come to certain conclusions in regard to delay in laying of the Annual Reports and Audited Accounts of the (i) National Bicycle Corporation of India Limited, Bombay for the year 1986-87 ; (ii) Jute Corporation of India Limited for the year 1986-87 ; (iii) Central Institute of Higher Tibetan Studies, Sarnath, Varanasi for the year 1986-87 ; (iv) T. B. Centre, New Delhi for the year 1986-87 ; (v) Inland Waterways Authority of India for the year 1986-87 ; and (vi) Central Institute of Buddhist Studies, Leh-Ladakh for the years 1982-83 and 1983-84 and have made certain recommendations. The conclusions of the Committee are reflected in the Report.

3. On 6 February, 1989, the Committee took oral evidence of the representatives of the Ministry of Human Resource Development (Department of Culture) on the delay in laying Annual Reports and Audited Accounts of the Central Institute of Buddhist Studies, Leh-Ladakh.

4. The Committee wish to express their thanks to the Officers of the Ministry of Human Resource Development (Department of Culture) for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on 20 April, 1989.

6. A statement showing summary of recommendations/observations made by the Committee is appended to the Report (Appendix).

NEW DELHI ;

April, 1989

Vaisakha, 1911(S)

NIRMALA KUMARI SHAKTAWAT,

Chairman,

Committee on Papers laid on the Table.

CHAPTER I

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE NATIONAL BICYCLE CORPORATION OF INDIA LIMITED, BOMBAY FOR THE YEAR 1986-87

The Annual Report and Audited Accounts of the National Bicycle Corporation of India Ltd., Bombay for the year 1986-87 were laid on the Table of Lok Sabha on 2 August, 1988 along with Review and Delay statement.

1.2 In terms of recommendation of the Committee on Papers Laid on the Table contained in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these papers were required to be laid on the Table of Lok Sabha by 31 December, 1987 i.e. within 9 months of the close of the accounting year. Thus, the period of delay involved in this case was about 7 months.

In the delay statement the reasons for delay had been explained as under :

“As per existing orders, the Annual Report and Audited Accounts of National Bicycle Corporation of India Ltd. for the year 1986-87 are required to be placed before the two Houses of Parliament within a period of 9 months of the close of the financial year. The reports are, however, being placed on the Table of the Houses after a delay of about 6½ months.

National Bicycle Corporation of India Ltd., Bombay is a sick unit taken over by the Govt. of India in October, 1980. There was some inherent organisational weaknesses of the company because of which the initial accounts of the company for the year 1981-82 could be finalised and placed on the Table of the House after a delay of 24 months. This has had a chain reaction and has delayed laying of the subsequent reports for the years 1982-83, 1983-84, 1984-85 and 1985-86 on the Table of both Houses though the period of delay had been reduced.

In the meeting of the Board of Directors held on 13-5-1988 the audited accounts were approved. The audited accounts together with the comments of the Comptroller and Auditor General of India were placed and accepted at the Annual General Meeting of the Company held on 1st July, 1988.

The delay in finalisation of Accounts had taken place because of the following reasons :—

- (i) The delay in finalisation of 1985-86 accounts has caused delay in starting the work on 1986-87 accounts. The 1985-86 accounts were finalised and placed on the Table of Parliament in December, 1987 only, with a delay of about one year.
- (ii) There had been delay on the part of the Statutory Auditors to take up the work earlier than the time when they had started. The Company could get the accounts finalised and approved by the Board of Directors on 13-5-1988.
- (iii) Thereafter, the audit by the Comptroller and Auditors General of India was taken up and completed on 23-6-1988 and was adopted by the AGM on 1-7-1988.

The Rajya Sabha Secretariat has given extension of time for placing the copies of the Report by the end of May, 1988. However, the copies could not be placed on the Table of the House due to the above mentioned reasons though every effect was made to expedite the finalisation of the accounts by both units of the Corporation. It would be observed that the delay in 1986-87 accounts was less than that in 1985-86 accounts.”

1.3 On 8 August, 1988, the Ministry of Industry (Department of Industrial Development) were requested to furnish information on certain points. The points on which the information was sought and replies of the Ministry thereto were as under :—

| <i>POINTS</i> | <i>REPLIES</i> |
|--|---|
| I. The dates when— | |
| (a) C & AG was approached for appointment of Statutory Auditors ; | Company Law Board was approached for appointment of Statutory Auditors on 18-12-1987. |
| (b) Statutory Auditors were appointed by C & AC ; | Statutory Auditors were appointed by the Company Law Board on 28-1 1988. |
| (c) the accounts were compiled and were ready for being handed over to the | The Annual Accounts were compiled and ready for audit on 15-2-1988. |

POINTS**REPLIES**

Statutory auditors for auditing ;

- (d) the accounts were handed over to the Auditors ; Auditors were informed of the readiness of the accounts on 19-2-1988 but books could be handed over to them only on 21-3-1988 when they commenced the Audit.
- (e) the auditing of accounts commenced and the time taken in it ; The audit commenced on 21-3-1988 and a time of about 2 months was taken for audit.
- (f) queries, if any, raised by Statutory Auditors ; { During the course of Audit, the auditors raised a number of queries which were }
 (g) queries of the Auditors resolved ; { resolved on a continuous basis and often }
 { across-the-table. It was, therefore, difficult }
 { to give any specific dates in this regard. }
- (h) the Auditors furnished final Audit Report to the Company/Organisation ; The Auditors furnished the final report to the Board on 13-5-1988 and CAG review report was received on 23-6-88.
- (i) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Company ; The Annual General Meeting of the Company was called for on 24-6-88 but had to be adjourned for want of quorum. Adjourned meeting was held on 1-7-1988.
- (j) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it ; Printed Annual Reports in English were ready on 24-6-88 and Hindi translated printed reports on 11-7-1988.
- (k) the 'Review' report was prepared and furnished to the Ministry/Department ; and The review report was furnished to the Ministry on 13-7-1988.
- (l) Annual Report and Audited Accounts together Annual report and audited accounts were sent to the Ministry for laying on the Table

*POINTS**REPLIES*

- with the delay statement were sent to the Ministry of Industry for laying on the Table of the House. of the House on 13-7-1988.
- II. The latest position of the Annual Report and Audited Accounts of the Corporation for the year 1987-88. When these are expected to be placed before the Parliament. The Company have approached the Company Law Board on 5-8-1988 for the appointment of auditors for the 1987-88 accounts. The accounts were expected to be handed over to the auditors by the middle of October, 1988 and it was expected that the accounts would be placed before the Parliament by December, 1988.
- III. The remedial measures proposed to be taken to ensure laying of the annual reports and audited accounts of the Corporation within the stipulated period of 9 months from the close of the accounting year. If the accounts of 1987-88 would have been completed in time, there would have been no delay.

1.4 The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 6 January, 1989.

1.5 The Committee note that the Annual Report and Audited Accounts of the National Bicycle Corporation of India Limited, Bombay for the year 1986-87 were laid on the Table of Lok Sabha on 2 August, 1988. In accordance with the recommendations of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), these documents ought to have been laid within 9 months of the close of the accounting year i.e. by 31 December, 1987. There was thus a delay of about 7 months in laying the papers on the Table of the House. The Committee find from the information furnished by the Ministry that the delay took place mainly at the stages of appointment of Statutory Auditors and compilation of accounts.

1.6. The documents for the subsequent year i.e. 1987-88 have not yet been laid. The Ministry have, however, assured that with the accounts of 1987-88 having been completed in time, there would be no delay in future in laying the documents of the Corporation on the Table of Lok Sabha. The Committee need hardly emphasise that the guidelines laid down by the Committee in regard to laying of the annual reports and audited accounts on the Table of Lok Sabha should be scrupulously followed and all efforts should be made to ensure that the required documents are laid before the House within 9 months of the close of the accounting year.

CHAPTER II

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF JUTE CORPORATION OF INDIA LIMITED FOR THE YEAR 1986-87

The Annual Report and Audited Accounts of the Jute Corporation of India Limited for the year 1986-87 were laid on the Table of Lok Sabha on 5 September, 1988 alongwith a copy of the delay statement and 'Review'.

2.2. In terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha) these documents were required to be laid on the Table of Lok Sabha by 31 March, 1988. (The accounting year of the Corporation being from 30 June, 1987) i.e. within 9 months of the close of the accounting year of the Corporation. Thus, the period of delay involved in this case was about 5 months.

2.3. In the delay statement, the reasons for delay in laying the Annual Report and Audited Accounts had been explained as under :-

"Delayed-receipt of statements/returns relating to Annual accounts for the year 1986-87 from most of the Regional Offices situated all over the Jute growing states. The time taking in this regard was mainly to update the accounting records at the field offices of JCI which remained in arrear pursuant to about a year's delay in finalisation of Annual Accounts of the previous year (1985-86) due to suspension of accounting work by a section of field staff over their demand for posting of additional staff in some of the field offices of the JCI.

Frequent break down of the data processing machine at HQ (Unit Recorder—IBM make) and the resultant delay in processing the data statement relating to Annual Accounts has further attributed to this delay. All possible steps were taken to complete the Annual Accounts by May 1988 so that the same, duly audited and approved, could be laid on the Table of both the Houses of Parliament by early June, 1988. While it has been possible for the Corporation to complete the audit of the Annual Accounts for the year 1986-87 by the statutory auditors in early May, 1988, the Government

Commercial Audit could complete the scrutiny and release their comments on accounts ia end-June, 1988.

Thereafter the Adjourned Annual General Meeting of the Corporation was held at a shorter notice on 14.7.88 to consider and adopt the Annual Accounts".

2.4. In this connection, the Ministry of Textiles were requested on 13th September, 1988 to furnish information on certain points. The points on which the information was sought and the replies furnished thereto on 21 November, 1988 by the Ministry were as under :—

POINTS

REPLIES

I. The dates when—

- | | |
|---|---|
| (a) C & A.G. was approached for appointment of Statutory Auditors ; | On 26.2.1987 JCI approached the Company Law Board, Ministry of Industry, Department of Company Affairs for appointment of statutory Auditors. |
| (b) Statutory Auditors were appointed by C & AG ; | On 30.3.1987 statutory auditors were appointed by the Company Law Board. |
| (c) The Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing ; | } On 8.4.1988 Annual Accounts of the Corporation were finalised and handed over to the Statutory Auditors for their scrutiny and report. |
| (d) The accounts were handed over to the Auditors ; | } } } |
| (e) The auditing of accounts commenced and the time taken in it ; | On and from 5.2.1988 Statutory Auditors took up their audit work of JCI's accounts and completed the process by 22.4.1988. |
| (f) queries, if any, raised by Statutory Auditors ; | On and from 28.3.1988 JCI started receiving queries from Statutory Auditors last of which was received on 22.4.1988. |
| (g) queries of the Statutory auditors resolved ; | Replies to the above queries were furnished to statutory auditors between 5.4.88 and 25.4.1988. |
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POINT

REPLIES

- (h) the Auditors furnished final Audit Report to the Corporation ;
- (i) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it ;
- (j) The review report was prepared and furnished to the Ministry/Department ;
- (k) Delay statement prepared and submitted to the Ministry/Department ;
- (l) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Textiles for laying on the Table of the House.
- II, The latest position of the Annual Report and Audited Accounts of the Company for the year
- Soon after the Board accorded approval to the Annual Accounts for 1986-87 in its 109th meeting held on 3.5.1988. Same was furnished to Statutory Auditors on 3.5.88.
- Annual Accounts together with Statutory Auditor's Accounts were furnished to the office of the C.A.G. on 4.5.1988 for their scrutiny and comments. The queries raised by the office of the C.A.G. in course of their scrutiny of the approved and Audited Accounts were also replied on 1.9.1988. C & AG cleared JCI's accounts 1986-87 on 28.6.88. Thereafter same were placed before the members of the Adjourned AGM held on 14.7.1988. Annual Report for 1986-87 on being adopted in AGM was sent to the Ministry on 18.7.88. Cyclostyled bilingually in required copies. Meanwhile orders were placed with the printers for printing out copies of Annual Report for distribution.
- Statement giving reasons for the delay in laying the Annual Report on the Table of both the Houses of Parliament was forwarded to the Ministry over telex dated 3.8.1988. Thereafter the 'Review' Report was furnished to the Ministry by letter dated 16.8.1988.
- As already mentioned Annual Report for 1986-87 was forwarded to the Ministry on 18.7.1988. On 16.8.88 'Review' Report and Delay Statement for consideration to lay the same together with Annual Report for 1986-87 were forwarded to the Ministry.
- All efforts were made to finalise the Annual Accounts of the Corporation for 1987-88 well in time ensuring laying the same before 31st March, 1989 duly completed in all respect.

POINTS**REPLIES**

1987-88. When these are expected to be placed before Parliament ?

- III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Corporation within the stipulated period of 9 months from the close of the accounting year in future.
- The Corporation has reported that they intend to form a special cell at Head Office in Finance Division for follow up closely and co-ordinate with other sections as also with field offices on matters connected with the compilation, preparation and finalisation of Annual Accounts. The cell was proposed to be entrusted with the task of initiating action on a day to day basis for ensuring timely finalisation of Annual Accounts and completion of Auditors thereof both by the Statutory Auditors and Government Commercial Audit. On implementing above finalisation of accounts and laying the same on the Table of the Houses of Parliament within stipulated period of 9 months from the close of the accounting year should be possible.

2.5. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 6 January, 1989.

2.6. The Committee note that the Annual Report and Audited Accounts of the Jute Corporation of India Ltd. for the year 1986-87 were laid on the Table of Lok Sabha on 5 September, 1988. In accordance with the recommendation of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), these documents ought to have been laid within 9 months of the close of the accounting year i.e. by 31 March, 1988 (close of the accounting year being 30 June, 1987). There was thus a delay of about 5 months in laying the papers on the Table of the House.

2.7. The Committee find from the information furnished by the Ministry that the delay occurred mainly at the stages of compilation of accounts and auditing of the accounts by the Statutory Auditors. As regards, corrective measures taken by the Ministry, they have stated that they intended to form a special cell which would be entrusted with the task of completing all the formalities by initiating action on a day to day basis for ensuring timely completion of the

Audit and laying of the relevant documents on the Table of the House within stipulated period.

2.8. The Committee recommend that the proposed special cell be set up without delay so that the Annual Report and Audited Accounts of the Corporation could be laid on the Table of the House within 9 months of the close of the accounting year, in future. The Committee would like to be apprised of the action taken in the matter. The position in regard to laying of documents for the year 1987-88 may also be clarified.

CHAPTER III

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE CENTRAL INSTITUTE OF HIGHER TIBETAN STUDIES, SARNATH, VARANASI FOR THE YEAR 1986-87

The annual report and audited accounts of the Central Institute of Higher Tibetan Studies, Sarnath, Varanasi for the year 1986-87 which were required to be laid by 31 December, 1987 were laid on the Table of Lok Sabha on 11 August, 1988 after a delay of about 7½ months. In the delay statement laid together with the annual report and audited accounts, the reasons for delay have been explained as under :—

“The Central Institute of Higher Tibetan Studies, Sarnath, Varanasi, is an autonomous organisation fully funded by the Government of India in the Department of Culture. It is registered under the Societies Registration Act, 1860. The Annual Report along with the audited accounts for 1986-87 were required to be laid on the table of both Houses of Parliament within nine months of the close of the financial year i.e. by 31st December, 1987, or in case either House of Parliament was not in session during that period, as soon as the Parliament met thereafter. The Annual and Audited Report for the year 1986-87 were received from the Institute on 29.12.87 and at that time, both houses of Parliament were not in session, due to which these documents could not be placed before both the Houses of Parliament.

2. The step-wise progress of work for the submission of the report is as under :—

- | | |
|--|-----------|
| 1. Date on which annual accounts were complied. | 30.4.1987 |
| 2. Date on which copies of annual accounts were supplied to audit. | 18.5.1987 |
| 3. Date of discussion of inspection report. | 29.6.1987 |

- | | |
|--|---------------------------|
| 4. Duration of audit. | 22.6.1987 to 30.6.1987 |
| 5. Date on which draft audit report was received from A.G., U.P., Allahabad. | 13.8.1987 |
| 6. Date on which draft audit report was replied to. | 21.8.1987 |
| 7. Date of receipt of final audit report (English version). | 8.9.1987 |
| 8. Date of receipt of copy of the Hindi version of audit report from Accountant General (I) U.P., Allahabad. | 8.9.1987 |
| 9. Date of requisite number of copies of audited accounts and audit report furnished to Department of Culture, Government of India, New Delhi. | 29.12.1987 |
| 10. Correspondence with Institute for clarification, etc. | January-April, 1988 |
| 11. Date of receipt of final reply from the Institute. | 16.4.1988 |

3. The Annual Report together with the audited accounts of the Central Institute of Higher Tibetan Studies, Sarnath, Varanasi for the year 1986-87 (both English and Hindi version) are now laid on the Table of Parliament.

4. All efforts will be made in future to ensure that the documents are placed before the Parliament in time."

3.2. The Committee on Papers Laid on the Table had examined the delay in laying annual report and audited accounts of the Institute for the year 1981-82 and had recommended in their 22nd Report (7th Lok Sabha) that the annual report and audited accounts of the Central Institute of Higher Tibetan Studies should, in future, be laid on the Table of the House together within 9 months of the close of the accounting year. The Ministry of Human Resource Development in their action taken replies to this recommendation had stated that they will endeavour to follow the instructions of the Committee to lay together within the prescribed period, annual reports, audited accounts and audit report of the Institute on the Table of the House.

In the present case the Ministry of Human Resource Development have failed to comply with the recommendations of the Committee.

3.3. The Ministry of Human Resource Development (Department of Culture) were requested on 26 August, 1988 to furnish information on certain points. The points on which the information was sought and the replies of the Ministry thereto received on 23 September, 1988 are as under :—

POINTS

REPLIES

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|--|---|
| <p>I. The reasons for taking about 4 months in obtaining clarifications from the Institute (from January to April, 1988).</p> | <p>The Institute submitted its Annual and Audited Accounts for the year 1986-87 to the Department on 29.12.1987 by which time Parliament was adjourned on 16.12.1987. Therefore these reports could not be laid on the Table of the two Houses before the scheduled date viz. 31.12.1987. Then the Institute was informed on 18th January, 1988 to send the delay as well as Review statement of the Institute for the year 1986-87 immediately so that these reports could be placed before both Houses in the Budget Session. But no reply was received from the Institute. During February and March, 1988 whenever any of the Staff member/Administrative Officer of the Institute visited this Department for the meetings they were requested to send the delay statement immediately. But no reply was received from the Institute. Then finally in April, 1988 they were reminded telegraphically to send the statement immediately. On 16.4.1988 the Institute submitted the 'Delay Statement' only.</p> |
| <p>II. The reasons for not laying Annual Reports and Audited Accounts on the Table of the House by the Ministry in the Tenth Session (8th Lok Sabha) which ended on 13 May, 1988 with a view</p> | <p>On the basis of their Tenth Annual Report a Review Statement was prepared and file with Annual and Audited Reports and 'Delay and Review Statements' was submitted on 26.4.88 for the approval of Minister of State (Education & Culture). As the drafts were amended the file was resubmitted on 5.5.88 for the approval of Minister of State (Education &</p> |
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POINTS

REPLIES

to minimise delay.

Culture). The file was received back with the approved draft statements from the office of Minister of State (Education & Culture) only on 11.5.1988. After getting translation and duplication done on 12.5.1988, the file was submitted for authentication. As Minister of State (Education & Culture) was away in Japan in connection with the Festival of India these papers were submitted to the Minister of Human Resource Development for the authentication. But these could not be authenticated by Minister of Human Resource Development on 13.5.1988 which was the last day of the Session. As a result these papers could not be laid before the House during the Budget Session and hence were held up for Monsoon Session of the Parliament. Delay in laying these reports is very much regretted.

III. The latest position of the Annual Report and Audited Accounts of the Institute for the year 1987-88. When these are expected to be placed before Parliament.

IV. The remedial measures taken to ensure laying of Annual Reports and Audited Accounts of the Institute within the stipulated period of nine months from the close of the accounting year, in future.

The Accounts of the Central Institute of Higher Tibetan Studies, Sarnath, Varanasi for the year 1987-88 have been audited by the Accountant General, Allahabad and the same has been approved and adopted by the Board of Governors of the Institute at a Meeting held on 11.8.1988. It is expected that this Department will be in position to submit these papers before the Parliament by the scheduled date of 31.12.1988. (Laid on 1.12.1988).

3.4. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 17.1.1989.

3.5. The Committee feel concerned to note that despite clear guidelines laid down by them in para 3.5 of their First Report (Fifth Lok Sabha) and para 1.10 of their Twenty-second Report (7th Lok Sabha) for presentation to Parliament within 9 months of the close of the accounting year, the annual reports and audited accounts of the Central Institute of Higher Tibetan Studies, Sarnath, Varanasi for the year 1986-87 were laid on the Table of Lok Sabha with a delay of about 7½ months.

3.6. The Committee are unhappy to note that the Institute took about 3½ months to furnish copies of the audited accounts and audit report to the Ministry of Human Resource Development (Department of Culture) after their receipt on 8 September, 1987 from the Accountant General, Uttar Pradesh. Thereafter, the Ministry took 4 months to obtain delay statement and review from the Institute. The Ministry also took a long time of 3 months in getting the documents authenticated from their Minister. The Committee feel unhappy with the casual manner in which the matter seems to have been treated at all levels. The Committee cannot but emphasize that the documents required to be presented to Parliament should always be laid within the stipulated time.

CHAPTER IV

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF T.B. CENTRE, NEW DELHI FOR THE YEAR 1986-87

The Annual Report and Audited Accounts of T.B. Centre, New Delhi for the year 1986-87 were laid on the Table of Lok Sabha on 22 August, 1988 along with a copy of delay statement.

4.2. In terms of recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these documents were required to be laid on the Table of Lok Sabha by 31 December, 1987. Thus, the period of delay involved in this case worked out to be about 7½ months.

4.3. In the delay statement, the reasons for delay in laying the Annual Report and Audited Accounts had been explained as under :—

“The names of New Delhi T.B. Centre and Lala Ram Sarap T.B. Hospital, Mehrauli have been included only this year, in the list of grantee institutions whose Annual Reports and Audited Statement of Accounts for the year 1986 have to be laid on the Table of the House in accordance with Government of India decision (6) below Rule 150 of the General Financial Rules.

The Annual Reports containing the Audited Statement of Accounts have been received from the New Delhi T.B. Centre on 5th July, 1988. These documents (both in Hindi and English) are not laid on the Table of the Sabha.”

4.4. The Ministry of Health and Family Welfare were requested to furnish information on certain points on 5 September, 1988. The replies to the points received thereto on 28 September, 1988 were as under :—

| POINTS | REPLIES |
|--|--|
| I. Whether the accounts of the Centre were audited by the Auditors appointed by C. & A. G. if not, the | The New Delhi T.B. Centre was functioning under the Tuberculosis Association of India, which was a registered Society. The Grants-in-aid were sanctioned to the Tuberculosis |

POINTS**REPLIES**

reasons therefor.

Association of India for the maintenance of New Delhi T.B Centre. The accounts of the registered Societies could be audited by Chartered Accountant. Moreover, according to the terms and conditions of the sanction for the release of Grants-in-aid to the Association the Accounts of the Association were opened to test check at the discretion of the C & A.G.

II. The dates when—

- (a) the Annual Accounts were compiled and were ready for being handed over to the Auditors for auditing ; The Annual Accounts for the year 1986-87 were compiled and were ready for audit in the month of June, 1987.
- (b) the accounts were handed over to the Auditors ; The accounts were handed over to the Auditors M/s. A.F Ferguson and Company, Chartered Accountants in the last week of June, 1987.
- (c) the auditing of accounts commenced and the time taken in it ; The auditors started the audit of accounts in the last week of June, 1987.
- (d) queries, if any, raised by Auditors ; The queries of the auditors were received in July, 1987.
- (e) queries of the Auditors resolved ; The queries of the auditors were resolved in July, 1987.
- (f) the Auditors furnished final Audit Report to the Centre ; The final audited report was received in the last week of August, 1987.
- (g) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Centre ; The annual report for the year 1986 and audited accounts for the year 1986-87 were placed before the Managing Committee meeting of the Centre on 31st August, 1987 and these were approved by the Managing Committee.

POINTS**REPLIES**

- (h) **Annual Report and Audited Accounts** were taken up for translation and printing and time taken in it ;
- The Annual Report and Audited Accounts were given for printing in September, 1987 in English version. The annual report in English version were printed in November, 1987, which was forwarded to the Ministry of Health and Family Welfare on 5.7.1988 for laying on the Table of the Sabha. The Annual Report was given for Hindi translation and cyclostyling on 15.7.1988. The Hindi version was sent to the Ministry of Health and Family Welfare on 29.7.1988.
- (i) **Delay statement prepared and submitted to the Ministry/Department ; and**
- The delay statement was not furnished by the New Delhi T.B. Centre.
- (j) **Annual Report and Audited Accounts together with the delay statement were sent to the Ministry of Health and Family Welfare for laying on the Table of the House.**
- As already stated above, the Annual Report and Audit Accounts for laying on the Table of Parliament English version, was furnished to the Ministry of Health and Family Welfare on 5.7.1988 and Hindi version thereof was furnished on 29.7.88.
- III. **The reasons for not placing before Parliament 'Review' detailing about performance of the Centre.**
- The delay statement was not furnished by the New Delhi T.B. Centre, New Delhi T.B. Centre was already indicated at pp. 3-4 of the Annual Report already laid, which had already been approved by the Managing Committee of the Centre.
- IV. **The latest position of the Annual Report and Audited Accounts of the Centre for the years 1987-88. When these are expected to be placed before Parliament.**
- The Centre had promised to furnish the Annual Report by the end of October, 1988. In case these were received by the date mentioned by them the action will be initiated for placing the same before the Parliament soon thereafter.

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- V. The remedial measures proposed to be taken to ensure laying of the annual reports and audited accounts of the Corporation within the stipulated period of 9 months from the close of the accounting year.
- To ensure that in future the Annual Report and Audited Statement were placed before the Parliament within the stipulated period the terms and conditions of the Grants-in-aid were being suitably modified.

4.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 17 January, 1989.

4.6. The Committee were concerned to note that the Annual Report and Audited Accounts of T.B. Centre, New Delhi for the year 1986-87 were laid on the Table of Lok Sabha on 22 August, 1988 i.e. after a delay of about 7½ months. The Committee are also unhappy to note that the documents for the subsequent year i.e. 1987-88 have not yet been laid on the Table of Lok Sabha despite the assurance given by the Ministry that the same will be laid in Lok Sabha by the end of October, 1988.

4.7. The Committee find that the delay had occurred mainly at the stages of approval of the accounts by the Managing Committee and laying of the documents on the Table of the House. In order to eliminate such delays in future, the Committee recommend that the Ministry of Health and Family Welfare may in consultation with the T.B. Centre lay down a time schedule for completion of various stages such as compilation of accounts, their auditing, adoption of annual reports and accounts, translation, printing and finally laying them on the Table of the House within the stipulated period of 9 months of the close of the accounting year. There should also be a system of monitoring in the Ministry to ensure that the time schedule was strictly adhered to. The Committee would like to be apprised about the action taken in this behalf.

CHAPTER V

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE INLAND WATERWAYS AUTHORITY OF INDIA FOR THE YEAR 1986-87

The Annual Report and Audited Accounts of the Inland Waterways Authority of India for the year 1986-87 were laid on the Table of Lok Sabha on 1st September, 1988 alongwith 'Review' and Delay statement.

5.2. In terms of recommendation of the Committee on Papers Laid on the Table contained in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these papers were required to be laid on the Table of Lok Sabha by 31 December, 1987 i.e. within 9 months of the close of the accounting year. Thus, the period of delay involved in this case worked out to be 8 months. In the delay statement the reasons for delay had been explained as under :—

“According to Section 24 of the Inland Waterways Authority of India Act, 1985 the Annual Report and the Auditor's Report on the accounts of the Authority shall be laid by the Central Govt. as soon as may be after they are received before each House of Parliament.

Inland Waterways Authority of India which came into being on 27.10.1986, is required under IWAI Rules, 1986 to forward its Annual Report and the annual accounts together with auditor's report, to the Central Government by the end of October of the following year. However, the annual report and accounts and the auditor's report thereon for the period from 27.10.1986 to 31.3.1987 were submitted to the Govt. on 4th May, 1988. Copies of Hindi version were received on 8th August, 1988.

The IWAI being a new organisation took some time to set up its accounts department staffed with qualified personnel, for preparation of the accounts and get them audited. The auditor's report was received on 4th May, 1988.

Accordingly, the Annual Report/Accounts of the IWAI are being laid on the table of the Sabha.”

5.3. On 13 September, 1988, the Ministry of Surface Transport were requested to furnish information on certain points. The points on which the information was sought and replies of the Ministry thereto were as under :—

| <i>POINTS</i> | <i>REPLIES</i> |
|---|--|
| I. The dates when— | |
| (a) C & AG was approached for appointment of Statutory Auditors; | C & AG was approached for appointment of Statutory Auditors on 21.10.87 vide Authority's letter No. IWAI/B & A/26/87. |
| (b) Statutory Auditors were appointed by C & AG ; | The Audit was entrusted to Member Audit Board-I, New Delhi by C & AG vide letter No. 596-CAIV/31/86 dated 1.12.87. |
| (c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing ; | The Annual Accounts were completed and then placed before the Authority for adoption and handing over to the Auditor on 27th January, 1988. |
| (d) the accounts were handed over to the Auditors ; | The accounts were handed over to the auditors (MAB I) on 1.2.88, Member (Finance) of the Authority also took over charge on this date. |
| (e) the auditing of accounts commenced and the time taken in it ; | The audit was commenced on 15.2.88 and auditors took 3 weeks to complete the audit of accounts. |
| (f) queries, if any, raised by Statutory Auditors; | Draft Audit Report received from Member Audit Board for comments on 21.3.88. |
| (g) queries of the Statutory Auditors resolved ; | Reply to queries contained in Draft Audit Report was furnished to Member Audit Board vide our letter No. IWAI/B & A/82/88 dated 25th March, 1988. |
| (h) the Annual Reports and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Company ; | Final audit report on the accounts of the Authority was received from Member Audit Board on 4.5.88 and adopted by the Board Members of the Authority by circulation on the same day. |

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- (i) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it ; English version of the report was got printed and submitted to the Administrative Ministry on 10th May, 1988. However, Hindi version could not be made ready before the next session in August, 1988.
- (j) the 'Review' report was prepared and furnished to the Ministry/Department; and The Review Report was furnished on 30th August, 1988 by Ministry of Surface Transport.
- (k) delay statement prepared and submitted to the Ministry/Department. Delay statement prepared and submitted to the Ministry on 5.5.88.
- II The latest position of the Annual Report and Audited Accounts of the Company for the year 1987-88. When these are expected to be placed before Parliament ? The Accounts of the Authority for the year 1987-88 were ready for placement before the Authority Meeting and after adoption in the Authority Meeting, the same would be furnished to Member Audit Board for commencement of Audit. The Auditors would require a minimum period of 3 months to complete audit and thereafter 45 days were required for getting the same finally adopted by the Authority, printing of the report, in its translation and submission to the Ministry. Thus the accounts for the year 1987-88 were expected to be placed before Parliament by February, 1989.
- III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Company within the The Authority which was formed on 27.10.88 was still in the formative stage and the organisation as a whole was yet to be augmented to the required level. It was proposed to initiate regular internal audit of accounts from the accounting year 1989-90. Keeping the

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stipulated period of nine months from the close of the accounting year, in future.

above in view it was expected that the Authority would be in a position to ensure the submission of Annual Report and Audited Accounts in Parliament within the stipulated period.

5.4. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 17 January, 1989.

5.5. The Committee note that the Annual Report and Audited Accounts of the Inland Waterways Authority of India for the year 1986-87 were laid on the Table of Lok Sabha on 1st September, 1988. In accordance with the recommendations of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), the documents ought to have been laid within 9 months of the close of the accounting year, i.e. by 31 December, 1987. There was thus a delay of about 8 months in laying the papers on the Table of the House.

5.6. The Committee find from the information furnished by the Ministry of Surface Transport that the delay took place mainly at the stages of appointment of statutory auditors, compilation of accounts and auditing of accounts.

5.7. The Committee recommend that in future, the time schedule prescribed for processing of the Report and the accounts at various stages should be strictly adhered to. A senior officer of the Ministry as well as of the Inland Waterways Authority of India might be made responsible for monitoring the progress of the finalisation of the accounts etc. with a view to ensure that the required documents are laid on the Table of the House within the prescribed time.

CHAPTER VI

DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE CENTRAL INSTITUTE OF BUDDHIST STUDIES LEH-LADAKH FOR THE YEARS 1982-83 AND 1983-84.

The Annual Reports and Audited Accounts of the Central Institute of Buddhist Studies, Leh-Ladakh for the years 1982-83 and 1983-84 were laid together with a delay statement and 'Review' on the Table of Lok Sabha on 11 August, 1988 i.e. after the delay of about 55½ months and 42½ months respectively of the close of the relevant accounting years. In terms of the recommendation of the Committee contained in paragraph 3.5 of their First Report (Fifth Lok Sabha) these papers should have been laid on the Table of the House latest by 31 December, 1983 and 31 December, 1984 respectively. In the delay statement the reasons for delay had been explained as under :—

“The Central Institute of Buddhist Studies, Leh (formerly known as School of Buddhist Philosophy, Leh) an autonomous organisation under the administrative control of the Ministry of Human Resource Development (Department of Culture), is fully financed by the Government of India. It was established in 1959 to provide facilities for study of Buddhist Philosophy and Classical Tibetan Studies on the Monastic pattern. It is a registered body under the Jammu & Kashmir Societies Registration Act of 1941.

Until 1977-78, the accounts of the Institute were being audited by a Chartered Accountant. In 1978, it was decided that from 1978-79 onwards the audit of the accounts of the Institute would be conducted by the Comptroller and Auditor General of India under Section 20(1) of the C.A.G. (DPC) Act, 1971.

The accounts of the Institute for the years 1978-79, 1979-80, 1980-81 and 1981-82 were placed on the Tables of both Houses of Parliament on 22-12-1983. The Accountant General, Jammu & Kashmir sent the audit report along with the audited statement of accounts for the years 1982-83 and 1983-84 only on 21-4-1987 which are now laid on the tables of both Houses of Parliament.

The step-wise progress of finalisation of the Audit Reports is as under :—

1. Date on which copies of the annual 1982-83—15-7-1983
accounts for the year 1982-83 and 1983-84 1983-84—First week of
were supplied to the Audit. September, 1984.
2. Duration of audit. 23 days from 31-8-84 to
22-9-84.
3. Date of discussion of Inspection Reports 22-9-84.
1982-83 and 1983-84.
4. Date on which the draft audit reports 21-11-1984.
were received from Accountant General,
J & K.
5. Date on which parawise replies to the 28-11-1984.
draft audit reports were sent.
6. Correspondence with Accountant General. January, 1984 to April,
J & K through letters and personal visits 1987.
for finalisation of audit reports.
7. Date of receipt of copies of final audit 24-4-1987.
reports (English version) from Accountant
General, J & K.
8. Date of receipt of the Hindi version of 22-7-1987.
the audit reports from Accountant
General, J & K.
9. Date on which the Board of Management 30-3-1988.
approved and adopted audit reports and
delay statement.
10. Correspondence between Department of April, 1988.
Culture and the Institute in connection
with reasons for delay.
11. Review of documents finalised in the 21-5-1988.
Department.

All efforts would be made in future to submit the cases to Parliament
in time."

62. The Committee on Papers Laid on the Table had examined the reasons for delay in laying on the Table of the House the Annual Report and Audited Accounts of the Institute which was earlier called the school of Buddhist Philosophy, Leh-Ladakh for the years 1978-79, 1979-80 and 1980-81 and had made certain observations/recommendations in their Twentieth Report (Seventh Lok Sabha) presented to Lok Sabha on 8 May, 1984, for compliance by the Ministry of Human Resource Development. The observations/recommendations made by the Committee and the action taken replies thereto furnished by the Ministry on 25 July, 1984 are reproduced as under :

| | |
|---|---|
| <p>Observations/recommendations made by the Committee in their 20th Report (7th Lok Sabha) presented to Lok Sabha on 8 May, 1984.</p> | <p>Action taken replies furnished by the Ministry of Human Resource Development on 25 July, 1984.</p> |
|---|---|

The Committee note that the Audited Accounts of the School of Buddhist Philosophy, Leh-Ladakh for the years 1978-79, 1979-80 and 1980-81 which should have been laid on the Table of Lok Sabha by 31 December, 1979, 31 December, 1980 and 31 December, 1981 respectively, were actually laid on 22 December, 1983 i.e. with the delay ranging from 2 to 4 years.

The Committee do not appreciate the reasons advanced by the Ministry of Education and Culture that the introduction of a new system of getting the accounts audited by the Accountant General, Jammu & Kashmir from the year 1978-79 in lieu of the earlier system of having the accounts audited from the Chartered Accountants, caused abnormal delay in finalising the accounts of the School. The Committee are also not convinced by the reasons advanced by the Ministry that the change in the set up of the Administration of the School had resulted in inordinate delay in having the accounts of the School audited.

| | |
|---|--|
| <p>The Committee are surprised to find that certain basic records such as Receipt Book,</p> | <p>Subsequent to Audit pointing out certain defects in the</p> |
|---|--|

Cash Book, Payees' Receipt, General Receipt Books, foils of challans, Cheque Books etc. for the year 1978-79 had not been maintained in the School and hence were not made available to A.G., J & K for audit. These irregularities are of a serious nature involving financial implications and the Committee take serious note of them. The Committee feel that had the Ministry been vigilant from the beginning, such a lapse would not have taken place in the said school. The Committee hope that the Ministry would pay serious attention to this matter in order to obviate any scope for such irregularities in future.

accounts of the Institute, a team of Accountants from the Internal Audit Inspection Unit of the Ministry was sent to the Institute to make a thorough investigation and to suggest remedial measures, On the basis of its recommendations, the Institute was asked to take action to rectify the defects.

Recently a team of officials of the Ministry of Education and Culture, visited this Institute to guide it as to how to maintain accounts and to render assistance in preparing its annual accounts in the prescribed manner. The team, in addition to advising the staff gave detailed guidelines in writing so that the Institute does not commit such mistakes in future. It is hoped that the Institute will not find any difficulty in future in maintaining its accounts according to the procedure prescribed for the purpose (*Vide* M/o Education and Culture O.M. No. 8-28/83-CH-3 dated 25 July, 1984).

The Committee also trust that the Ministry would lay on the Table of the House the Annual Report, Audited Accounts and Audit Report thereon of the School together in future

From the current financial year, the Ministry will endeavour to follow the instructions of the Committee to

to enable the Members of Parliament to assess the performance of the School in its true perspective.

lay the Annual Report, Audited Accounts and Audit Report thereon of the Institute, together, on the Table of the House. (*Vide* Ministry of Education & Culture O.M.No. 8-28/83-CH-3 dated 25 July, 1984).

6.3. The Ministry of Human Resource Development (Department of Culture) were requested on 25 August, 1988 to furnish information on certain points. The points and the replies there to received on 21 November, 1988, are as under :—

| <i>POINTS</i> | <i>REPLIES</i> |
|---|--|
| I. The dates when : — | |
| (a) C. and A.G./A.G. Jammu and Kashmir were approached for appointment of Statutory Auditors. | 4-6-1983 (for the accounts of 1982-83) 24-4-1984 (for the accounts of 1983-84). |
| (b) Statutory Auditors were appointed by C. & A.G./A.G., Jammu & Kashmir. | 7-8-1984. |
| (c) The Annual accounts were compiled and were ready for being handed over to Statutory Auditors for auditing. | 15-7-1983 (accounts of 1982-83 were sent to A.G., Jammu and Kashmir) 1st week of September, 1984 (Accounts for the year 1983-84 were handed over to the auditors). |
| (d) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Human Resource Development for laying on the Table of the House. | Annual Report ; February, 1985. Audit Report ; July, 1987. Delay Statement ; January, 1988] |
| II. The reasons for taking five and half months in handing | Auditors were appointed only on 7-8-84 and the accounts were handed over in the first |

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over accounts of the year, 1983-84 to the auditors for auditing.

week of September, 1984. Therefore there was no delay.

III. The reasons for taking about eight months in placing Audit Report before the Board of Management for their approval/adopting after their receipt from A.G. Jammu & Kashmir on 22 July, 1987.

The draft audit report was placed before the Board on 21-11-84 and it was adopted by the Board. The Institute was of the view that it was not necessary to place the final report again before the Board. However, as the final report was not adopted by the Board, this Department directed the Institute in December, 1987 to get it adopted by the Board. The Board met only on 30-3-88 when it adopted the final audit report.

IV. Why was it not possible for the Institute for furnishing to the Department of Culture the delay statement and review on the working of the organisation to avoid further delay in the matter.

The delay statement submitted by the Institute along with the Audit Report in July, 1987 was incomplete. Hence, the Institute was directed to submit a detailed delay statement. This was received in January, 1988. Further clarification was sought by this Deptt. in February, 1988. The Institute got the final Delay statement approved by the Board on 30-3-88. The Institute sent the same to this Department in April, 1988, but still some further clarifications were needed and hence the Delay statement could be finalised only in May, 1988.

V. The latest position of the annual reports and audited accounts of the Institute for the year 1984-85 to 1987-88. When these are expected to be placed before Parliament.

The Annual Report for 1987-88 and the audited accounts from 1984-85 to 1987-88 are ready to be placed for adoption before the next meeting of the Board of management likely to be held before the end of 1988. All efforts will be made to place these before Parliament in the next session (i.e. Budget Session 1989).

VI. Whether a time bound programme has been drawn up to clear the backlog of the annual reports and

The Ministry as well as the Institute are trying their best to place the Annual Report and Audited Accounts before Parliament within the prescribed time limit. The

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accounts of the Institute. If not, what remedial measures have been taken by the Ministry and the Institute to ensure laying of annual report and audited accounts within the stipulated period of 9 months from the close of the accounting year in future.

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accounts of the Institute upto 1987-88 have been finalised and will be placed before the Parliament at the earliest. However due to the difficult geographic and climatic conditions of Leh, the auditors from Srinagar cannot visit Leh during the Winter for at least 6-7 months in the year as the Leh-Srinagar highway remains closed and it becomes terribly cold in Leh. This is the inherent reason why the auditing of accounts get delayed every time. However, the Institute has been asked to draw up the most suitable time schedule and adhere to the same as far as possible, so that the necessary reports could be placed before Parliament within the stipulated period or with the minimum of delay.

6.4. The Committee on Papers laid on the Table at their sitting held on 17 January, 1989 considered the matter and decided to call the representatives of the Ministry of Human Resource Development (Department of Culture) to appear before the Committee to explain the reasons for delay in detail.

6.5. On 6 February, 1989, the Committee heard oral evidence of the representatives of the Ministry of Human Resource Development (Department of Culture) on the question of delay in laying annual reports and audited accounts of the Central Institute of Buddhist Studies, Leh-Ladakh for the years 1982-83 and 1983-84.

6.6. On being asked about the total grants sanctioned and the amount actually spent yearwise by the Government of India for the Institute for 1983-84 onwards, the Secretary (Culture) gave the following figures :—

| Year | Non Plan (in lakhs) | Plan (in lakhs) | Total (in lakhs) | Actual expenditure incurred by the Institute as per audited accounts |
|---------|------------------------|--------------------|---------------------|---|
| 1983-84 | 17.91 | 10.22 | 28.19 | 28.93 |
| 1984-85 | 12.17 | 15.00 | 27.17 | 21.96 |
| 1985-86 | 23.68 | 5.00 | 28.68 | 29.20 |
| 1986-87 | 16.50 | 41.44 | 57.94 | 63.33 |
| 1987-88 | 20.95 | 16.21 | 37.16 | 38.79 |

6.7. On being pointed out that the expenditure was always more than the sanctioned grant in most of the years, the witness stated that the differences could be on account of two reasons ; one was the opening balance carried forward and the second was internal receipts which the Institute might be having from the sale proceeds of books, bank interest etc.

6.8. Explaining the reasons for delay in laying annual reports and audited accounts of the Institute, the witness stated that the main problem was the lack of qualified and experienced accounts staff and initial problem of compilation of accounts. Due to difficult climatic conditions in winter, no qualified and experienced staff were willing to go and stay there. The Audit party could go there only between March and August or September. As a result, the Institute had to make use of persons who were available with them. They have been struggling to prepare accounts which would be satisfactory from the audit point of view. This has been the position upto the accounts of 1982-83 and 1983-84. The Ministry had then sent a special team including an experienced accounts officer to study the audit objections and reconcile them. Even after the preparation of these accounts and resolving the audit objections by the special team of officials, things were not quite satisfactory from the audit point of view and their subsequent audit certification took about 3 years despite several personal discussions with the A.G., J & K.

6.9. The Committee then asked about the reasons why it took about a year in finalisation of delay statement. The witness stated that the delay statement furnished by the Institute was found to be incomplete and was returned to them several times for detailed clarification. The witness admitted that an unduly long time had been taken. This could have been avoided by deputing an official of the Ministry for the purpose.

6.10. The Committee pointed out that the Ministry had in their action taken reply furnished on 25 July, 1984 stated that from financial year 1984-85 the Ministry would endeavour to follow the instructions of the Committee for laying the annual reports and audited accounts and audit report of the Institute on the Table of the House simultaneously within the prescribed period. But the documents for the years 1984-85 to 1987-88 were yet to be laid on the Table of the House. In reply the witness stated that the Ministry were very over-optimistic at that time. They could not have envisaged a delay of 3 years that occurred in certification of the annual accounts for the years 1982-83 and 1983-84. They could not have anticipated the problem. The Ministry could not have anticipated the deficiencies which arose. The empty assurance was thus made and could not be honoured. But once this barrier in respect of 1983-84 and 1984-85 was crossed, they would move fast and clear the arrears.

6.11. When asked about the mechanism, if any, available in the Ministry for securing the accountability of the Institute and for ensuring that the grants sanctioned every year were spent for the purpose for which they are intended, the witness informed the Committee that there is a Finance Committee of the Institute which was presided over by the Director (Finance) of the Department of Culture. The Committee consists of the Principal of the Institute, Deputy Educational Adviser and Director (Finance) in the Department of Culture who is also the Chairman of the Committee. The Budget grants of the Institute are considered by this Finance Committee and then by the Board. Thereafter, the Budget is sent to the Government and on that basis the grant is given to the Institute after it is duly passed by Parliament. So far as the accountability part is concerned, the Institute spent its grants more or less in accordance with the Budget on the basis of which the Government has given them the grant.

6.12. Asked to indicate the position of the annual reports and audited accounts of the Institute for the years 1984-85 to 1987-88, the witness informed that the accounts for 1984-85, 1985-86 and 1986-87 have already been audited and certified by the Accountant General. These would be examined by the Finance Committee on 14 March, 1989 and laid on the Table of the House in the Budget Session of 1989. As far as accounts for the years 1987-88 and 1988-89 are concerned, auditing was being arranged in June to August, 1989 so that the required documents in respect of both the years are placed before Parliament during Winter Session of 1989 or the Budget Session of 1990.

6.13. When asked to indicate whether the irregularities noticed earlier in the accounts of the Institute had been rectified and the basic records were not being maintained properly, the witness expressed his inability to give a categorical answer. He, however, stated that the A. G., J & K might have certified the accounts of the subsequent years after having the basic deficiencies removed as per accounting procedure.

6.14. The matter relating to delay in appointment of the Statutory Auditors for auditing the accounts for the years 1982-83 and 1983-84 was taken up with the Office of the C. & A.G. on 15 February, 1988. The Office of C. & A.G. furnished the following facts on 6 March, 1989 :-

“The Annual Accounts of the Institute for 1978-79 to 1981-82, were certified as a special case on 12.8.1983. The Accountant General (Audit), Jammu and Kashmir, simultaneously advised the Financial Adviser, Ministry of Education and Culture on 12.8.1983, to take urgent action for revision of accounts in view of the observations

made in the Audit Report and to ensure that these defects did not occur in the accounts for 1982-83. It was also brought to the notice of the Ministry that this audit would be deferred pending confirmation by the Ministry that the accounts had been revised.

The Institute wrote to the Accountant General, Jammu & Kashmir in March, 1984 that the accounts had been recast and requested for taking up audit of the accounts for 1982-83. The Annual Accounts for 1982-83 and 1983-84 made available on 1.9.1984 and 14.9.1984 respectively were audited by the Accountant General (Audit), Jammu & Kashmir during the period 31.8.1984 to 22.9.1984. From the report, it will be noticed that the defects mentioned in the Audit Report were still persisting and it appeared that the Ministry had not taken any action to have the accounts revised to depict the balances correctly.

The A.G., J and K in his D.O. letter dated 3.1.1985 brought this position to the notice of the Financial Adviser, Ministry of Education and Culture and enquired whether the Ministry would like to have the accounts to be certified inspite of these defects. This matter was further pursued by the A.G., J and K and also C and A.G.'s Office with the Secretary, Ministry of Education in writing on 30 July, 29 August, 1985, 3 January and 6 May, 1986.

It was however, intimated by the Addl. Principal of the Institute to the A.G., J and K on 8.8.1985 that "more thorough study of the accounts of the years 1982-83 and 1983-84 has been conducted and necessary revisions carried out.... However, seriously we try to recast the accounts, our attempts are being hampered by the non-availability of a few important records. And it seems, very difficult that the accounts can, at all be recast." This matter had all along been pursued vigorously by this Department with the Ministry of Human Resource Development. No response was, however, received from the Government of India, Ministry of Human Resource Development and as reported by the Accountant General, Jammu and Kashmir in December, 1986, the irregularities/omissions pointed out in the earlier Audit Report continued to exist.

The Annual Accounts of the Institute for the year's 1982-83 and 1983-84 were thereafter certified and the Audit Report was issued to Government of India on 20.4 1987 alongwith a negative audit certificate indicating that "in view of the observations in the Audit

Report, the accounts and Balance Sheet are *not properly drawn up* so as to exhibit a true and fair view of the state of affairs of the Central Institute of Buddhist Studies, Leh-Ladak."

It was also pointed out in para 2 of the Audit Report for 1982-83 and 1983-84 that the main defects in the accounts and suspected cases of loss of funds, as brought out in the Audit Report for 1978-79 to 1981-82, had not been rectified/investigated and the position remained the same as before, as verified again in September, 1986.

The above facts, thus contributed to the delay substantially. It took also 3 months in translating the English version of Audit Report into the Hindi, but steps are being taken by this Department to avoid such delays in future."

6.15. The Central Institute of Buddhist Studies, Leh (formerly known as School of Buddhist Philosophy, Leh), an autonomous organisation under the administrative control of the Ministry of Human Resource Development (Department of Culture), is fully financed by the Government of India. The total grants sanctioned annually by the Government of India ranged from Rs. 27.17 lakhs in 1984-85 to 57.94 lakhs in 1986-87. Until 1977-78, the accounts of the Institute were being audited by a Chartered Accountant. In 1978 it was decided that from 1978-79 onwards the audit of the accounts of the Institute would be conducted by the Comptroller and Auditor General of India under Section 20(1) of the C. & A.G. (DPC) Act, 1971. The accounts of the Institute for the years 1978-79, 1979-80, 1980-81 and 1981-82 were placed on the Table of both Houses of Parliament on 22nd December, 1983 involving delays ranging from 2 to 4 years. The Committee in their 20th Report (7th LS) presented to Lok Sabha on 8th May, 1984 had *inter-alia* emphasised that the Annual Report, Audited Accounts and Report thereon of the Institute should be laid before Parliament within the stipulated time i.e. within nine months of the close of the relevant accounting year. The Committee had been assured by the then Ministry of Education and Culture through the action taken notes submitted on 25th July, 1984 that efforts will be made to follow the instructions of the Committee in regard to laying of annual reports and audit reports on the Table of the House.

6.16. The Committee are concerned to note that things have not improved since then as the Annual Reports and Audited Accounts of the Institute for the years 1982-83 and 1983-84 were laid on the Table of the House after a delay of about 55½ months and 42½ months respectively. These documents for the subsequent years *namely* 1984-85, 1985-86, 1986-87 and 1987-88 which were required to be laid before Parliament by 31st December, 1985, 1986, 1987 and 1988 respectively are yet to be finalised and laid before Parliament. From the

above, the Committee cannot but conclude that the administrative Ministry has failed to exercise any control or supervision over the activities of the Institute although huge sums of money are being sanctioned in the form of grants from year to year. The Committee need hardly point out that while sanctioning grants for such autonomous bodies, a duty is cast on the administrative Ministry to keep a watch to ensure that the funds sanctioned are utilised for the purpose for which they were intended. In the absence of Audited Accounts and Audit Reports thereon how the Ministry are able to secure accountability of the Institute is not clear to the Committee.

6.17. From the information made available to the Committee it is seen that the Institute is not maintaining accounts in the proper form with the result that certification thereof by the C. & A.G. has been delayed. The office of C. & A.G. has informed the Committee that the annual accounts of the institute for 1978-79 to 1981-82 were certified as a special case on 12-8-83. The Accountant General (Audit) Jammu and Kashmir had then advised the Financial Adviser, Ministry of Education and Culture on 12-8-1983 to take urgent action for revision of accounts of the Institute in view of the observations made in the Audit Report and to ensure that these defects did not recur in the accounts for 1982-83. The Annual Accounts for 1982-83 and 1983-84 made available to the Accountant General (Audit) Jammu and Kashmir during September, 1984 however suffered from the same defects as had been pointed out by the Audit earlier. Obviously the Ministry had not taken any action to have the accounts of the Institute revised to depict the balances correctly. From September, 1984 onwards there has been continuous exchange of correspondence between the Financial adviser, Ministry of Education and Culture and the Audit office for recasting of the accounts with a view to obviating irregularities/omissions pointed out in the earlier Audit Report. Ultimately after a lapse of about 3 years, the accounts for 1982-83 and 1983-84 were certified by Audit alongwith a negative Audit certificate indicating that "in view of the observations in the Audit Report, the accounts and balance sheet are not properly drawn up so as to exhibit true and fair view of the state of affairs of the Central Institute of Buddhist Studies, Leh-Ladakh. It was this Audit Report containing negative audit certificate which was laid on the Table of the House on 11th August, 1985 after a delay of about 55½ months and 42½ months respectively of the close of the relevant accounting years. The Ministry owe an explanation as to why such an audit report with negative certificate was allowed to be placed in Parliament.

6.18. This is a sorry state of affairs and the Committee cannot but deplore the total lack of concern on the part of the Ministry of Human Resource Development to ensure that the defects in the accounts and suspected cases of

loss of funds as revealed in the Audit Reports for 1978-79 to 1981-82 were investigated/rectified without delay. The result is that the position continues to be as sordid as before. The Committee desires that the Ministry should take immediate steps to sort out the issue of proper maintenance of accounts by the Institute in the format acceptable to Audit and the action taken in the matter may be reported to the Committee within three months.

6.19. The Committee would also expect that annual accounts of the Institute for the years 1984-85 onwards will be finalised and get certified by Audit in the shortest possible time and laid before Parliament at the earliest.

NEW DELHI
April, 1989

Vaisakha, 1911 (S)

NIRMALA KUMARI SHAKTAVATS
Chairman

Committee on Papers Laid on the Table

APPENDIX

Summary of Recommendations/Observations contained in the Report

| S. No. | Reference to para No. of the Report | Summary of recommendations/observations |
|--------|--|---|
| 1 | 1.5 | The Committee note that the Annual Report and Audited Accounts of the National Bicycle Corporation of India Limited, Bombay for the year 1986-87 were laid on the Table of Lok Sabha on 2 August, 1988. In accordance with the recommendations of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), these documents ought to have been laid within 9 months of the close of the accounting year i.e. by 31 December, 1987. There was thus a delay of about 7 months in laying the papers on the Table of the House. The Committee find from the Information furnished by the Ministry that the delay took place mainly at the stages of appointment of Statutory Auditors and compilation of accounts. |
| 2 | 1.6 | The documents for the subsequent year i.e. 1987-88 have not yet been laid. The Ministry have, however, assured that with the accounts of 1987-88 having been completed in time, there would be no delay in future in laying the documents of the Corporation on the Table of Lok Sabha. The Committee need hardly emphasise that the guidelines laid down by the Committee in regard to laying of the annual reports and audited accounts on the Table of Lok Sabha should be scrupulously followed and all efforts should be made to ensure that the required documents are laid before the House within 9 months of the close of the accounting year. |
| 3 | 2.6 | The Committee note that the Annual Report and Audited Accounts of the Jute Corporation of India Ltd. for the year 1986-87 were laid on the Table of Lok Sabha |

| S. No. | Reference to para No. of the Report | Summary of recommendations/observations |
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| | | <p>on 5 September, 1988. In accordance with the recommendation of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), these documents ought to have been laid within 9 months of the close of the accounting year i.e. by 31 March, 1988 (close of the accounting year being 30 June, 1987). There was thus a delay of about 5 months in laying the papers on the Table of the House.</p> |
| 4 | 2.7 | <p>The Committee find from the information furnished by the Ministry that the delay occurred mainly at the stages of compilation of accounts and auditing of the accounts by the Statutory Auditors. As regards, corrective measures taken by the Ministry, they have stated that they intended to form a special cell which would be entrusted with the task of completing all the formalities by initiating action on a day to day basis for ensuring timely completion of the Audit and laying of the relevant documents on the Table of the House within stipulated period.</p> |
| 5 | 2.8 | <p>The Committee recommend that the proposed special cell be set up without delay so that the Annual Report and Audited Accounts of the Corporation could be laid on the Table of the House within 9 months of the close of the accounting year, in future. The Committee would like to be apprised of the action taken in the matter. The position in regard to laying of documents for the year 1987-88 may also be clarified.</p> |
| 6 | 3.5 | <p>The Committee feel concerned to note that despite clear guidelines laid down by them in para 3.5 of their First Report (Fifth Lok Sabha) and para 1.10 of their Twenty-second Report (7th Lok Sabha) for presentation to Parliament within 9 months of the close of the accounting year, the annual reports and audited accounts of the Central Institute of Higher Tibetan Studies, Sarnath, Varanasi for the year 1986-87 were laid on the Table of Lok Sabha with a delay of about 7½ months.</p> |

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|--------|-------------------------------------|---|
| 7 | 3.6 | <p>The Committee are unhappy to note that the Institute took about 3½ months to furnish copies of the audited accounts and audit report to the Ministry of Human Resource Development (Department of Culture) after their receipt on 8 September, 1987 from the Accountant General, Uttar Pradesh. Thereafter, the Ministry took 4 months to obtain delay statement and review from the Institute. The Ministry also took a long time of 3 months in getting the documents authenticated from their Minister. The Committee feel unhappy with the casual manner in which the matter seems to have been treated at all levels. The Committee cannot but emphasize that the documents required to be presented to Parliament should always be laid within the stipulated time.</p> |
| 8 | 4.6 | <p>The Committee were concerned to note that the Annual Report and Audited Accounts of T. B. Centre, New Delhi for the year 1986-87 were laid on the Table of Lok Sabha on 22 August, 1988 i.e. after a delay of about 7½ months. The Committee are also unhappy to note that the documents for the subsequent year i.e. 1987-88 have not yet been laid on the Table of Lok Sabha despite the assurance given by the Ministry that the same will be laid in Lok Sabha by the end of October, 1988.</p> |
| 9 | 4.7 | <p>The Committee find that the delay had occurred mainly at the stages of approval of the accounts by the Managing Committee and laying of the documents on the Table of the House. In order to eliminate such delays in future, the Committee recommend that the Ministry of Health and Family Welfare may in consultation with the T. B. Centre lay down a time schedule for completion of various stages such as compilation of accounts, their auditing, adoption of annual reports and accounts, translation, printing and finally laying them on the Table of the House within the stipulated period of 9 months of the close of the accounting year. There should also be a system of monitoring in the Ministry to ensure that the time schedule was strictly adhered to. The Committee</p> |

| S. No. | Reference to para No. of the Report | Summary of recommendations/observations |
|--------|-------------------------------------|---|
| | | would like to be apprised about the action taken in this behalf. |
| 10 | 5.5 | The Committee note that the Annual Report and Audited Accovnts of the Inland Waterways Authority of India for the year 1986-87 were laid on the Table of Lok Sabha on 1st September, 1988. In accordancs with the recommendations of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), the documents ought to have been laid within 9 months of the close of the accounting year i.e. by 31 December, 1987. There was thus a delay of about 8 months in laying the papers on the Table of the House. |
| 11 | 5.6 | The Committee find from the information furnished by the Ministry of Surface Transport that the delay took place mainly at the stages of appointment of statutory auditors, compilation of accounts and auditing of accounts. |
| 12 | 5.7 | The Committee recommend that in future, the time schedule prescribed for processing of the Report and the accounts at various stages should be strictly adhered to. A senior officer of the Ministry as well as of the Inland Waterways Authority of India might be made responsible for monitoring the progress of the finalisation of the accounts etc., with a view to ensure that the required documents are laid on the Table of the House within the prescribed time. |
| 13 | 6.15 | The Central Institute of Buddhist Studies, Leh (formerly know as School of Buddhist Philosophy, Leh), an autonomous organisation under the administrative control of the Ministry of Human Resource Development (Department of Culture), is fully financed by the Government of India. The total grants sanctioned annually by the Government of India ranged from Rs. 27.17 lakhs in 1984-85 to 57.94 lakhs in 1986-87. Until 1977-78, the |

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| 14 | 6.16 | <p>accounts of the Institute were being audited by a Chartered Accountant. In 1978 it was decided that from 1978-79 onwards the audit of the accounts of the Institute would be conducted by the Comptroller and Auditor General of India under Section 20(1) of the C & AG (DPC) Act, 1971. The accounts of the institute for the years 1978-79, 1979-80, 1980-81 and 1981-82 were placed on the Table of both Houses of Parliament on 22nd December, 1983 involving delays ranging from 2 to 4 years. The Committee in their 20th Report (7th LS) presented to Lok Sabha on 8th May, 1984 had <i>inter-alia</i> emphasised that the Annual Report, Audited Accounts and Report thereon of the Institute should be laid before Parliament within the stipulated time i.e. within nine months of the close of the relevant accounting year. The Committee had been assured by the then Ministry of Education and Culture through the action taken notes submitted on 25th July, 1984 that efforts will be made to follow the instructions of the Committee in regard to laying of annual reports and audit reports on the Table of the House.</p> <p>The Committee are concerned to note that things have not improved since then as the Annual Reports and Audited Accounts of the Institute for the years 1982-83 and 1983-84 were laid on the Table of the House after a delay of about 55½ months and 42½ months respectively. These documents for the subsequent years namely 1984-85, 1985-86, 1986-87 and 1987-88 which were required to be laid before Parliament by 31st December, 1985, 1986, 1987 and 1988 respectively are yet to be finalised and laid before Parliament. From the above, the Committee cannot but conclude that the administrative Ministry has failed to exercise any control or supervision over the activities of the Institute although huge sums of money are being sanctioned in the form of grants from year to year. The Committee need hardly point out that while sanctioning grants for such autonomous bodies, a duty is cast on the administrative Ministry to keep a watch to</p> |

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ensure that the funds sanctioned are utilised for the purpose for which they were intended. In the absence of Audited Accounts and Audit Reports thereon how the Ministry are able to secure accountability of the Institute is not clear to the Committee.

- 15 6.17 From the information made available to the Committee it is seen that the Institute is not maintaining accounts in the proper form with the result that certification thereof by the C & AG has been delayed. The office of C & AG has informed the Committee that the annual accounts of the institute for 1978-79 to 1981-82 were certified as a special case on 12.8.1983. The Accountant General (Audit) Jammu & Kashmir had then advised the Financial Adviser, Ministry of Education and Culture on 12.8.1983 to take urgent action for revision of accounts of the Institute in view of the observations made in the Audit Report and to ensure that these defects did not recur in the accounts for 1982-83. The Annual Accounts for 1982-83 and 1983-84 made available to the Accountant General (Audit) Jammu and Kashmir during September, 1984 however suffered from the same defects as had been pointed out by the Audit earlier. Obviously the Ministry had not taken any action to have the accounts of the Institute revised to depict the balances correctly. From September, 1984 onwards there has been continuous exchange of correspondence between the Financial adviser, Ministry of Education and Culture and the Audit office for recasting of the accounts with a view to obviating irregularities/ommissions pointed out in the earlier Audit Report. Ultimately after a lapse of about 3 years, the accounts for 1982-83 and 1983-84 were certified by Audit alongwith a negative Audit certificate indicating that "in view of the observations in the Audit Report, the accounts and balance sheet are not properly drawn up so as to exhibit a true and fair view of the state of affairs of the Central Institute of Buddhist

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| | | <p>Studies, Leh-Ladakh. It was this Audit Report containing negative audit certificate which was laid on the Table of the House on 11th August, 1988 after a delay of about 55½ months and 42½ months respectively of the close of the relevant accounting years. The Ministry owe an explanation as to why such an audit report with negative certificate was allowed to be placed in Parliament.</p> |
| 16 | 6.18 | <p>This is a sorry state of affairs and the Committee cannot but deplore the total lack of concern on the part of the Ministry of Human Resource Development to ensure that the defects in the accounts and suspected cases of loss of funds as revealed in the Audit Reports for 1978-79 to 1981-82 were investigated/rectified without delay. The result is that the position continue to be as sordid as before. The Committee desire that the Ministry should take immediate steps to sort out the issue of proper maintenance of accounts by the Institute in the format acceptable to Audit and the action taken in the matter may be reported to the Committee within three months.</p> |
| 17 | 6.19 | <p>The Committee would also expect that annual accounts of the Institute for the years 1984-85 onwards will be finalised and got certified by Audit in the shortest possible time and laid before Parliament at the earliest.</p> |