

COMMITTEE ON PAPERS LAID ON THE TABLE

(1998-99)

(TWELFTH LOK SABHA)

FIRST REPORT

(Presented on 17 December, 1998)



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1998/Agrahayana, 1920 (Saka)

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Corrigenda to First Report of the Committee
on Papers Laid on the Table (1998-99)
(Twelfth Lok Sabha)

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**COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE
TABLE (1998-99)**

Shri Arjun Charan Sethi—*Chairman*

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SECRETARIAT

1. Shri G.C. Malhotra — *Additional Secretary*
2. Shri Ram Autar Ram — *Director*
3. Shri B.D. Swan — *Under Secretary*

INTRODUCTION

1. The Chairman 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 their First Report.

2. As a result of examination of some papers laid during the Second, Third and Fourth Sessions (Eleventh Lok Sabha) the Committee have come to certain conclusions in regard to delay in laying of Annual Reports and Audited Accounts of the (i) Bal Bhavan Society, New Delhi for the year 1993-94; (ii) Indian Airlines Ltd. for the year 1994-95; (iii) National Council of Educational Research and Training, New Delhi for the year 1993-94; (iv) Engineering Export Promotion Council, Calcutta for the year 1994-95; (v) Hindustan Vegetable Oils Corporation Ltd., New Delhi, for the year 1994-95; (vi) Central Council of Homoeopathy, New Delhi for the year 1994-95; (vii) Voluntary Health Services, Madras for the year 1994-95; and (viii) National Labour Institute, Noida for the year 1994-95 and have made certain recommendations. The conclusion of the Committee are reflected in the Report.

3. The Committee considered and adopted this Report at their sitting held on 16 December, 1998.

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

NEW DELHI;
16, December, 1998

25 Agraphayana, 1920 (Saka)

ARJUN CHARAN SETHI,
Chairman,
Committee on Papers Laid on the Table.

CHAPTER I

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF BAL BHAWAN SOCIETY INDIA, NEW DELHI FOR THE YEAR 1993-94.

Bal Bhawan, a unique institution for enhancing creativity among children, was founded in a tin shed at Turkman Gate, Delhi by Pandit Jawaharlal Nehru. Since its inception in 1956 it has grown by leaps and bounds throughout the length and breadth of the country. Bal Bhawan is a movement where children have absolute freedom to create objects of their own concept. Here the children learn through playing and doing without any fear of work load as in the school system. There is a natural feeling of free environment for expression of ideas through different media of dance, drama, music, creative art, photography, computers etc. All these activities help in the all round growth and development of the child. In Bal Bhawan the child is the focal point of all activities. The Programmes of Bal Bhawan are so designed as to explore the inner potential of a child and let the child express himself/herself.

1.2. The Annual Report and the Audited Accounts of the Bal Bhawan Society India, New Delhi for the year 1993-94 were laid together with Review and Delay Statement on the Table of Lok Sabha on 22 July, 1996. As per recommendation of the Committee on Papers Laid on the Table, contained in para 3.5 of their First Report (Fifth Lok Sabha), the aforementioned documents should have been laid on the Table of Lok Sabha within 9 months of the close of the accounting year *i.e.* by 31 December, 1994. Thus, the period of delay in laying the Annual Report and Audited Accounts on the Table of Lok Sabha came to about 19 months.

1.3. In the delay statement laid alongwith Annual Report and Audited Accounts, the reasons for delay had been explained as under:—

“The Annual Report alongwith the Audited Accounts for the year

1993-94, in respect of Bal Bhavan Society India, New Delhi, were required to be laid before the two Houses of the Parliament within the prescribed period of nine months after the close of the accounting year.

The details of compilation of accounts and progress of its audit are given below:—

(i) Date of compilation of Accounts	10.8.1994
(ii) Date of submission of Accounts to the Director of Audit, Central Revenue New Delhi (DACR)	10.8.1994
(iii) Date of Audit	25.4.1995 to 24.5.1995
(iv) Date of receipt of draft Report	23.11.1995
(v) Date of reply given to audit queries	2.1.1996
(vi) Receipt of final Audit Report from DACR	
English	4.6.1996
Hindi	9.7.1996
(vii) Date of submission of Accounts to the Ministry	
English	20.6.1996
Hindi	10.7.1996

As it has been the practice to lay Annual Reports and Audited Accounts together, the Annual Report of Bal Bhavan Society India, New Delhi for 1993-94 could also not be laid in time.

All efforts are being made to ensure that there is no delay in future in laying of these documents in the two Houses of Parliament.

1.4. In this connection, the Ministry of Human Resource Development (Department of Education) who were requested to furnish information on certain points and furnished the same on 26.11.1996 as under:—

<i>Points</i>	<i>Replies</i>
1	2

I. The dated when:

- | | |
|---|-------------------------------|
| (a) the action was initiated for appointment of auditors; | 19th August, 1994 |
| (b) the auditors were appointed; | 17th January, 1995 |
| (c) the annual report was finalised; | Third week of September, 1994 |

1	2
(d) the annual report and audited accounts were got approved from the Annual General Meeting/Governing Body/Executive Committee of Bal Bhavan Society India, New Delhi;	The annual report of Bal Bhavan Society India, New Delhi, for 1993-94 was approved by Bal Bhavan Board on 9.12.94. The Audited accounts for 1993-94 and 1994-95, which have been received from DACR recently on 9.7.1996 and 31.7.1996 respectively, will be placed before the Bal Bhavan Board for ratification* in its meeting scheduled to be held on 6.9.1996.
(e) The annual report and audited accounts were taken up for translation and printing and time taken in it;	The Annual Report for 1993-94 was taken up for translation in the third week of September, 1994. It took about three months for translation and printing of the annual report. The English and Hindi versions of the audited accounts for 1993-94, duly certified, were received from DACR on 4.6.1996 and 9.7.1996 respectively.
(f) the delay statement and review were prepared by the Ministry; and	11.7.1996
(g) the annual report and audited accounts along with review statement and delay Statement were got authenticated from the Minister	(i) Annual Report—12.7.1996 and Audited Accounts. (ii) Review Statement—16.7.96 and delay statement.

* Since ratified.

	1	2						
II.	The latest position regarding finalisation of the annual report and audited accounts for the subsequent year 1994-95. When these are expected to be laid on the Table of Lok Sabha.	The annual report of Bal Bhavan Society India, New Delhi, for 1994-95, audited accounts and audit report, together with review statement and statement of reasons for delay, have been authenticated by the Minister and copies thereof are being sent to the Lok Sabha Secretariat for laying in the Lok Sabha in its current session.						
III.	The remedial measures taken or proposed to be taken both in the Ministry and the Bal Bhavan Society India, New Delhi to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of nine months from the close of the accounting years, in future.	A time bound programme has been drawn-up to ensure laying of the Annual Report, Audited Accounts and Audit Report of Bal Bhavan Society India, New Delhi, in both the Houses of Parliament within the prescribed period of nine months from the date of closing of the financial year. The matter will be pursued vigorously, both by the Bal Bhavan Society India, New Delhi, and the Ministry of Human Resource Development, with the audit authorities to eliminate delays in the audit of accounts which had been the main reason for the delay.						
IV.	The dates on which the Annual Reports and Audited Accounts for the years 1990-91, 1991-92 and 1992-93 were laid on the Table of Lok Sabha.	<table><tr><td>1990-91</td><td>23.3.1993</td></tr><tr><td>1991-92</td><td>11.5.1993</td></tr><tr><td>1992-93</td><td>10.5.1994</td></tr></table>	1990-91	23.3.1993	1991-92	11.5.1993	1992-93	10.5.1994
1990-91	23.3.1993							
1991-92	11.5.1993							
1992-93	10.5.1994							

1.5 At their sitting held on 20 January, 1997 the Committee considered the reasons for delay advanced by the Ministry of Human Resource Development (Department of Education) in laying the Annual Report and Audited Accounts of the Bal Bhawan Society India, New Delhi for the year 1993-94. Taking note of the inordinate delay in laying the documents on the Table of the House not only

for year 1993-94 but also for the years 1990-91 to 1992-93 and 1994-95, the Committee decided to take oral evidence of the representatives of the Ministry of Human Resource Development (Department of Education) for elucidation of reasons for inordinate delay.

1.6 Accordingly the representatives of the Ministry of Human Resource Development (Department of Education) appeared before the Committee on 27 March, 1997 to tender oral evidence.

1.7 When asked to explain the reasons for delay in laying the documents for the years 1990-91 to 1994-95, the representative of the Ministry stated that the validity period for auditing the accounts had been fixed for 5 years and after expiry of that period it was required to be revalidated for further periods which was not done in time. The auditors could not take up audit work for want of re-entrustment of audit work till they were re-entrusted to do so. So the delay in auditing the accounts took place and with the chain reaction of this problem subsequent stages also got delayed.

1.8 On being asked to state the steps taken by the Department to avoid such delays in future, the witness stated that they had drawn up the following time table for completing various stages involved in finalisation of the documents.

<i>S. No.</i>	<i>Task</i>	<i>Target Date</i>
1.	Drafting of Annual Report	31st May
2.	Approval of Annual Report	30th June
3.	Completion of audit by the concerned audit authorities	31st July
4.	To obtain copies of the audited accounts and audit report (English and Hindi versions) from audit authorities	15th August
5.	Printing of copies of English and Hindi versions of the Annual Report	31st August
6.	Approval of audited accounts and audit report	15th September
7.	Despatch of requisite No. of copies of the Annual Report and Audited Accounts (English and Hindi versions) to the Ministry	30th September
8.	Authentication of copies of Annual Report and audited accounts by the Minister	15th October
9.	Despatch of requisite No. of copies to Lok Sabha/Rajya Sabha Secretariats.	1st November

1.9 The witness also stated that the Joint Secretary, In-charge in the Ministry, would ensure adherence of the above mentioned time table for

timely laying of the documents on the Table of the House in future. He also added that by implementing the above time table from the last year, they could manage to lay the documents for the year 1995-96 within the stipulated period.

1.10 The Committee are unhappy to note that the Annual Reports and Audited Accounts of Bal Bhavan Society for the year 1990-91 to 1994-95 have been continuously laid with delay ranging from 4½ months to 19 months.

1.11 The Committee note that the Bal Bhavan Society initiated action for appointment of statutory auditors for auditing the accounts for the year 1993-94 as late as on 19.8.1994 i.e. after 4½ months of the close of their accounting year. The accounts of the Society were compiled in 4½ months after the close of the accounting year as against 3 months recommended by the Committee for this purpose. Further the auditors were actually appointed by the Directorate of Audit Central Revenue on 17.1.1995. Thereafter the compiled accounts remained unaudited in the Directorate of Audit Central Revenue Office for 5½ months.

1.12 The Committee do not appreciate the manner in which the issue of appointment of auditors was handled. The Committee feel that had the Society initiated the action for appointment of auditors before the expiry of their term and pursued the matter of their appointment after their writing to Directorate of Audit Central Revenue much of the delay could have been avoided.

1.13. The Committee also see that the auditing of accounts was done from 25.4.1995 to 24.5.1995 i.e. within one month but the audit authorities took 6 months to send the draft audit report to the Society to resolve queries cropped up during auditing of accounts. The Society took more than one month to resolve the queries. After receiving the draft audit report with the resolved queries the audit authorities took another 6 months to finalise the audit report.

1.14. The Committee are unhappy to see that not even at a single instance the audit authorities were reminded about the early finalisation of the audit report which resulted in unnecessary wastage of time. The Committee suggest that the Society may take up the matter with the Ministry of Finance/Audit Authorities (DACR) to devise some suitable mechanism to ensure that the accounts are audited and audit report thereon could be finalised within the minimum possible time. The Committee also suggest that the accounts of the Society should be maintained properly and the concurrent audit system in the Society is devised without loss of time so that discrepancies in the accounts could be brought to minimum at the stage of auditing by the Statutory Auditors.

1.15 The Committee take serious view of the fact that the accounts of the Society for the year 1993-94 were laid on the Table of the House on 22.7.1996 without having ratified by the Board of the Society. These were

ratified afterward by the Board on 6.9.1996. The Ministry are laying the documents without seeing whether the documents laid on the Table of the House are complete in all respects or not. The Committee direct that before laying the documents on the Table of the House the Administrative Ministry should ensure the documents have been approved by the Board of the Society.

1.16 The Committee are happy to note that in order to avoid delays in future the Ministry and the Society have drawn up a time table for completion of various stages involved in the finalisation of the documents. The Committee are also happy to note that the Annual Report and Audited Accounts of Bal Bhavan Society for the year 1995-96 have been laid on the Table of the House within the stipulated time prescribed by the Committee and hope that this trend would continue in future also.

CHAPTER II

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF INDIAN AIRLINES LIMITED FOR THE YEAR 1994-95

The Annual Report and the Audited Accounts of Indian Airlines for the year 1994-95 were laid together with Review and Delay Statement on the Table of Lok Sabha on 5.12.1996. As per recommendation of the Committee on Papers Laid on the Table, contained in para 4.16 of their 2nd Report (Fifth Lok Sabha), the aforementioned documents should have been laid on the Table of Lok Sabha within 9 months of the close of the accounting year *i.e.* by 31 December, 1995. Thus, the period of delay in laying the Annual Report and Audited Accounts on the Table of Lok Sabha came to about 11 months.

2.2 In the delay statement laid alongwith Annual Report and Audited Accounts, the reasons for delay had been explained as under:—

“The Annual Report and Audited Statement of Accounts of Indian Airlines for the year 1994-95 were required to be placed in both Houses of Parliament by 31.12.1995.”

The dates on which the accounts were processed are given in chronological order, as under:—

- | | | |
|----|--|------------|
| 1. | Adoption of accounts alongwith the Statutory Auditor's Report by the Board | 2.11.1995 |
| 2. | Holding of Annual General Meeting | 24.1.1996 |
| 3. | Receipt of Government Audit Report | 26.3.1996 |
| 4. | Holding of Adjourned Annual Meeting after receipt of Government Audit Report | 4.6.1996 |
| 5. | Submission to Ministry | 10.10.1996 |

“Since there was a change in the format of accounts as well as change in the printers and agency supervising the work of 1994-95 accounts, it is regretted that the Annual Report and Audited Accounts of Indian Airlines for the year 1994-95 could not be laid on the Table of Lok Sabha within the stipulated time”.

2.3. In this connection, the Ministry of Civil Aviation which were requested to furnish information on certain more points have furnished the same on 6.2.1997 as under:—

<i>Points</i>	<i>Replies</i>
1	2
1. The dates when:	
(a) the action for appointment of auditors for auditing the accounts of Indian Airlines for year 1994-95 was initiated by Indian Airlines;	Indian Airlines was intimated about the appointment of statutory/branch auditors on 26th May, 1995.
(b) the accounts of Indian Airlines were compiled and were ready for being handed over to auditors;	The work relating to compilation of accounts and auditing by the statutory auditors is undertaken simultaneously. The accounts
(c) the accounts were actually handed over to the auditors;	alongwith the statutory auditors report were placed in the Board
(d) the auditing of accounts commenced by the auditors and time taken in it;	Meeting on 2.11.1995. Audited accounts were then forwarded
(e) the Annual Report was finalised;	to Government Audit and the Government Audit report on the same was received on 26th March, 1996.
(f) the Annual Report and audited accounts were got approved from the A.G.M./General Body/Executive/Finance Committee of the Indian Airlines;	the adjourned annual general meeting was held on 4 June, 1996 to adopt the annual accounts alongwith the Government audit report.
(g) the Annual Report and audited accounts were taken up for translation and printing and the time taken in it;	The accounts were sent for printing on 5.6.1996 and the English copies were received and forwarded to Ministry on 10.10.1996 and Hindi copies were received and forwarded to the Ministry on 21.11.1996.

1	2																		
(h) the Delay Statement and Review were prepared by the Ministry;	The Delay Statement and Review Statements were prepared on 20.11.1996 and the same were got authenticated by the Minister on 29.11.1996.																		
(i) the Annual Report and audited accounts alongwith Review and Delay Statement were got authenticated from the Minister;																			
(j) the Annual Reports and audited accounts of Indian Airlines for the last three years i.e. 1991-92, 1992-93 and 1993-94 were laid in the Parliament;	<p>The dates on which the accounts were laid on Lok Sabha/Rajya Sabha are as follows:</p> <table> <tr> <th>Year</th> <th>Lok Sabha</th> <th>Rajya Sabha</th> </tr> <tr> <td>1991-92</td> <td>10.05.1993</td> <td>11.05.1993</td> </tr> <tr> <td>1992-93</td> <td>04.03.1994</td> <td>23.12.1993</td> </tr> <tr> <td>1993-94</td> <td>25.08.1995 (11 months)</td> <td>26.08.1995</td> </tr> <tr> <td>1993-94</td> <td>25.07.1996 (1 month)</td> <td>30.07.1996</td> </tr> <tr> <td>1994-95</td> <td>05.12.1996</td> <td>10.12.1996</td> </tr> </table>	Year	Lok Sabha	Rajya Sabha	1991-92	10.05.1993	11.05.1993	1992-93	04.03.1994	23.12.1993	1993-94	25.08.1995 (11 months)	26.08.1995	1993-94	25.07.1996 (1 month)	30.07.1996	1994-95	05.12.1996	10.12.1996
Year	Lok Sabha	Rajya Sabha																	
1991-92	10.05.1993	11.05.1993																	
1992-93	04.03.1994	23.12.1993																	
1993-94	25.08.1995 (11 months)	26.08.1995																	
1993-94	25.07.1996 (1 month)	30.07.1996																	
1994-95	05.12.1996	10.12.1996																	
II. The latest position regarding finalisation of the Annual Report and Audited accounts for the subsequent year 1995-96. When these are expected to be laid on the Table of Lok Sabha.	The accounts for the year 1995-96* were approved by the Board in its 23rd meeting held on 25.9.1996 and were forwarded to Govt. Audit on 26.9.1996. The Govt. audit report on the same is awaited.																		

* Laid on 20.11.1997

1	2
<p>III. The remedial measures taken or proposed to be taken both in the Ministry and the Indian Airlines to ensure timely laying of the Annual Report and audited accounts within the prescribed period of nine months from the close of the accounting year, in future.</p>	<p>Indian Airlines has not so far received the intimation from the Company Law Board about the appointment of Auditors for the year 1996-97. On receipt of such intimation, the Auditors shall be requested to immediately commence the audit so that it is completed as per a time bound programme. Further, the Govt. Auditors have been impressed upon to finalise their audit as per the time bound schedule also. Indian Airlines has also stressed for timely completion of 1996-97 audit. As regards printing of Annual Report, the issue has also been taken up by Indian Airlines with their Public Relation Department for timely printing and to ensure that the work is awarded to experienced printers/supervising agency which can deliver the same in a time bound programme. Efforts are, therefore, being made to ensure that the Annual Report and Audited Accounts are laid on the Table of the House within the stipulated time frame.</p>

2.4. The Committee considered the matter at their sitting held on 13 June, 1997 and noted that the Annual Report and Audited Accounts of the Indian Airlines Limited for the year 1994-95 were laid on the Table of the House on 5.12.1996, i.e., after a delay of 11 months. The documents for the years 1991-92 and 1992-93 were also laid on the Table of the House with delay of about 4½ months and 2 months i.e. on 10.5.1993 and 4.3.1994 respectively. The Audited Accounts for the year 1993-94 were laid in two parts i.e., on 25.8.1995 (for 11 months) after a delay of about 8 months and subsequently on 25.7.1996 (for 1 month) after a delay of about 19 months.

2.5. Taking note of the recurrence of the inordinate delays in laying the documents of the Indian Airlines Limited, the Committee decided to call

the representatives of the Ministry of Civil Aviation to explain the delay. Accordingly, the representatives of the Ministry of Civil Aviation appeared before the Committee on 26.9.1997 to tender evidence.

2.6. When asked to explain the reasons for delay in laying the Annual Reports and Audited Accounts of the Indian Airlines for the years 1991-92 to 1994-95 and the steps taken to rectify the delay in future, the Secretary of the Ministry, while agreeing to the fact stated that since he had joined the Ministry a few months back, he would find out the reasons for delay. However, he assured the Committee that necessary remedial steps would be taken to obviate delay in future.

2.7. On being asked about the steps taken to avoid delay at the printing stage, the witness stated that they were trying to appoint one printer for 3 years, so that the time for calling the tenders, might be saved in future.

2.8. The Committee note that the major factors which contributed towards delay in laying the Annual Report and Audited Accounts for the year 1994-95 are, late appointment of Auditors, long time taken by the Auditors for auditing the accounts and undue time taken in translation and printing of the documents.

2.9. The Committee also see that the Indian Airlines was intimated about the appointment of Statutory Auditors as late as on 26 May, 1995, i.e., after about 2 months of the close of the accounting year. The Committee suggest that the action for the appointment of Auditors should be taken well before close of the accounting year to obviate inordinate delay in subsequent stages of finalisation of the documents.

2.10. The Committee do not see any reason for taking 2½ months by the Indian Airlines in convening the General Body meeting on 4.6.96 after receipt of the audit report from auditors on 26.3.96. After approval of these documents, the Indian Airlines took 5½ months in translation and printing thereof which is not justifiable on any account.

2.11. The Committee regret to observe that there is no coordination between Indian Airlines and the Ministry of Civil Aviation and both are equally responsible for the delay.

2.12. The Committee, therefore, recommend that the Indian Airlines should timely approach the Comptroller & Auditor General for appointment of Auditors and once the Auditors are appointed and the accounts are handed over to them the Audit Authorities should be vigorously impressed upon for expeditious auditing of the accounts.

2.13. The Committee hope that Indian Airlines would make all out efforts to convene the General Body meeting after receiving the audited accounts without loss of time. The Committee desire that Indian Airlines would take adequate steps in right earnest and make some proper and permanent arrangements for translation and printing of Annual Report and Audited Accounts to eliminate the recurrence of such delay.

2.14. The Committee also recommend that the Indian Airlines in coordination with the Ministry of Civil Aviation should prepare a time schedule for completion of various stages involved in finalisation of the Annual Report and Audited Accounts. The time schedule so drawn up should be monitored by some senior officers both in the Ministry as well as in the Indian Airlines to obviate delay in future.

CHAPTER III

DELAY IN LAYING AUDITED ACCOUNTS OF NATIONAL COUNCIL OF EDUCATIONAL RESEARCH AND TRAINING, NEW DELHI FOR THE YEAR 1993-94

The Audited Accounts of the National Council of Educational Research and Training (NCERT), New Delhi for the year 1993-94 were laid alongwith Delay Statement on the Table of the House on 26 August, 1996. As per recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the aforementioned documents should have been laid by December 31, 1994 i.e. within 9 months of the close of the accounting year. Thus, the delay in laying the Audited Accounts came to about 20 months.

3.2 The Annual Report for the year 1993-94 of NCERT was laid on the Table of Lok Sabha on December 20, 1994.

3.3. In the statement, laid alongwith the Audited Accounts, the reasons for delay had been explained as under:—

“According to the Rules of the NCERT, the accounts of the Council as certified by the Comptroller and Auditor General or any other person appointed by him in this behalf together with the Audit Report thereon shall be forwarded annually to the Government of India and the Government shall cause the same to be laid before the House of Parliament within nine months of the close of the accounting year of the Council.

The Ministry has now received the Audit Report of NCERT for the year 1993-94 (English and Hindi version) after the Finance Committee on NCERT approved the report in its meeting held on 5.2.1996. The Audit Report of NCERT (English and Hindi version) is, therefore, now being laid on the Table of Lok Sabha.”

3.4. The Ministry of Human Resource Development (Department of Education) had also laid a statement indicating various stages of finalisation/compilation of Annual Accounts of NCERT as under:—

1. Date of submission of accounts to DGACR 29.06.1994
2. Duration of Audit 2.2.95—15.5.95
3. Date of receipt of Draft Audit Report 23.8.1995
4. Forwarding of the comments of the Council on the Draft Audit Report to DGACR. 24.11.1995
5. Receipt of Audit Report (English version) 23.1.1996
6. Receipt of Audit Report (Hindi version) 2.7.1996
7. Forwarding of Annual Accounts for printing (English and Hindi version) 18.12.1995
8. Forwarding of Audit Report for printing (English version) 23.1.1996
9. Forwarding of Audit Report for printing (Hindi version) 20.6.1996
(As certified version not received, translated version sent for printing)
10. Receipt of Printed Audit Report (English version) 5.2.1996
11. Date on which the Finance Committee of NCERT approved the report. 5.2.1996
12. Receipt of Printed Audit Report (English version) from NCERT. 16.2.1996
13. Receipt of Printed Audit Report (Hindi version) from NCERT 9.7.1996

3.5. The Ministry of Human Resource Development (Deptt. of Education) who were requested to furnish information on certain more points in this regard, had furnished the same on 8.11.1996 as under:—

<i>Points</i>	<i>Replies</i>
1	2
I. The dates when:	
(a) the action for appointment of auditors for auditing the accounts of NCERT for the year 1993-94 was initiated;	04.11.1993
(b) the accounts of NCERT were compiled and were ready for being handed over to auditors;	29.06.1994
(c) the delay statement was prepared by the Ministry;	18.07.1996
(d) the audited accounts and delay statement were got authenticated from the Minister; and	19.07.1996
(e) the Annual Reports and audited accounts of NCERT for the last three years i.e. 1990-91, 1991-92 and 1992-93 were laid in the Parliament.	<p>Annual Report 1990-91—sent to LS on 3.7.92 1991-92—14.5.93 1992-93—sent to LS on 18.4.94</p> <p>Audited Accounts 1990-91—7.12.93 1991-92—sent to LS on 4.5.94 1992-93—sent to LS on 31.5.95</p>
II. The latest position regarding finalisation of the Annual Reports and Audited Accounts for the subsequent years 1994-95 and 1995-96. When these are expected to be laid on the Table of Lok Sabha.	<p>Annual Report Annual Report for the year 1994-95 was sent to LS and RS Sectt. on 20.12.95 for laying in both the Houses of Parliament.*</p> <p>Annual Report for 1995-96 is yet to be tabled in the</p>

* Laid on the Table on 22.12.1995.

1	2
	<p>Parliament. This was deferred as it was advised that both annual report and annual accounts are to be placed in Parliament together.*</p>
	<p>Audited Accounts</p>
	<p>The English and Hindi versions of Audited accounts for 1994-95 are ready. However, before placing them before the Parliament, it is necessary to obtain the approval of the Finance Committee of the Council, which is scheduled to meet shortly. However, the LS and RS Sectts. were requested with the approval of the Minister of State for Education in the Human Resource Development on 20.9.96 to grant extension of time for laying the audited accounts of NCERT for 1994-95 till 31.12.96.**</p>
	<p>As regards Annual Accounts for 1995-96, action has already been initiated by NCERT to streamline compilation and submission of final accounts for certification as per schedule. The constituent units have been instructed by them to sent their accounts for compilation well in time.**</p>

* Laid on the Table on 20.12.1996.

** Laid on the Table on 9.12.1996.

- | | |
|--|--|
| <p>III. The remedial measures taken or proposed to be taken both in the Ministry and the NCERT to ensure timely laying of the annual report and audited accounts within the prescribed period of nine months from the close of the accounting year, in future?</p> | <p>Annual Accounts for the year 1995-96 has been finalised and five copies in English have been forwarded to DGACR on 27.6.96. They have been requested to conduct the audit sometime in the last week of October, 1996 or 1st week of November, 1996.</p> |
|--|--|

3.6 The Committee on Papers Laid on the Table (1978-79) had examined the delay in laying before Parliament the Audit Reports and the Annual Reports of NCERT and made their recommendations in their 14th Report (6th Lok Sabha), presented to Lok Sabha on 17 April, 1979. The Committee had recommended, *inter-alia*, as under:—

“...The Committee need hardly stress that in case the Audit Report is not forthcoming within a reasonable time, the Ministry or the organisation concerned should immediately take up the matter with the Audit authorities, so that there is no avoidable delay.”

The Ministry in their action taken replies dated 24.5.1979 to the above recommendation of the Committee stated, “This is now being done.”

The Committee had also recommended in the above said Report as under:—

“The Committee are of the opinion that as far as possible necessary clarifications sought by the Audit might be given at a meeting of the accounts officers of the Council and the Officers conducting the audit instead of entering into long and protracted correspondence. This would go a long way in reducing delay in finalisation of the audit report.”

The Ministry in their action taken replies dated 24.5.1979 to the above recommendation stated, “This practice is now being followed.”

3.7 At their sitting held on 20 January, 1997, the Committee on Papers Laid considered the reasons furnished by the Ministry of Human Resource Development regarding delay in laying Audited Accounts of National Council of Educational Research and Training, New Delhi for the year 1993-94. The reasons furnished by the Ministry were not convincing, the Committee decided to call the representatives of the Ministry of Human Resource Development (Department of Education) for further elucidation of the reasons for delay.

3.8 Accordingly, the representatives of the Ministry of Human Resource Development (Department of Education) appeared before the Committee on 27.3.1997 to tender their oral evidence.

3.9 When asked why the Annual Reports & Audited Accounts of NCERT for the years 1990-91 to 1994-95 were laid separately on the Table

of the House, the representative of the Department replied that the Annual Reports were ready but the auditing could not be taken up because the period of validity for auditing was over and it took some time for re-entrustment of the audit work to the auditors. So, the subsequent things also got delayed due to its chain effects.

3.10 On being asked about the appointment of auditors in time, the Secretary stated that they had decided to approach the Finance Ministry well in advance before the expiry of the period of validity for re-entrusting of the audit work. Simultaneously, they would also request C&AG to mention in advance for revalidation when the validity period is getting over.

3.11 On being asked why a statement explaining the reasons for not laying the documents on the Table of the House within the stipulated period, was not laid within 30 days of expiry of the prescribed period or as soon as the House met, as recommended by the Committee, the witness replied that it was a lapse on their part. He also stated that efforts would be made to see that such things would not recur in future.

3.12 The Committee are unhappy to note that despite the clear-cut recommendation of the Committee contained in Para 3.5 of their First Report (Fifth Lok Sabha) that the Annual Report and the Audited Accounts and the Audit Report thereon for a particular year should be laid together on the Table of the House within 9 months of the close of the accounting years, the Annual Reports and Audited Accounts of the NCERT for the years 1990-91 to 1994-95 were laid separately. The idea behind laying these two documents together on the Table of the House is to keep Members of Parliament fully aware of the performance and achievements of the organisation. If both these documents are not presented to the House simultaneously and within prescribed period of 9 months from the close of the accounting year, the purpose behind laying these documents is defeated.

3.13 The Committee are displeased to note that about 17 months were taken at the stage of auditing of accounts for the year 1993-94. The Committee are not convinced with the reasons advanced by the Ministry that NCERT did not anticipate for revalidation of auditing before the expiry of the validity period. The Committee feel that had the NCERT vigilant about the expiry of the validity period much of the delay could have been easily avoided, the Committee stress that this type of casual approach shown by the NCERT should be avoided in future.

3.14 The Committee recommend that to avoid such recurrence of delays in laying the Annual Reports and Audited Accounts due to re-validation of the auditors, some senior officers in the NCERT as well as in the Ministry should be entrusted with the responsibility of monitoring each and every stage involved, from the stage of appointment of auditors or their revalidation upto the laying of the Annual Reports and Audited Accounts. If for any reason the report, audited accounts and audit report cannot be laid

within the stipulated period of nine months the Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period.

3.15 The Committee are however happy to note that the Annual Report and Audited Accounts for the year 1995-96 were laid simultaneously and that too within the stipulated period of nine months i.e. on 20.12.1996. The Committee hope that this trend will be sustained in future.

CHAPTER IV

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF ENGINEERING EXPORT PROMOTION COUNCIL, CALCUTTA, FOR THE YEAR 1994-95

The Annual Report and Audited Accounts of Engineering Export Promotion Council (EEPC), Calcutta for the year 1994-95 were laid alongwith Review and Delay Statement on the Table of the House on 13.12.1996. As per recommendation of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), the aforementioned documents should have been laid by December 31, 1995 i.e. within 9 months of the close of the accounting year. Thus, the delay in laying the documents came to about 11½ months.

4.2 In the statement, laid alongwith the Annual Report and Audited Accounts, the reasons for delay had been explained as under:—

“Chronological sequence of the progress of finalisation/submission of Hindi and English versions of the Annual Report of EEPC for 1994-95:

The Accounts of EEPC were given for Auditing in	August, 1995
Date of the Working Committee meeting at which the final Accounts were approved.	25.09.1995
Date of signing the final Accounts by the Auditors.	25.09.1995
Date of the Annual General Meeting at which EEPC's Annual Report was approved.	28.12.1995
Date of submission of Annual Report (English version) to the Ministry of Commerce	29.02.1996
Date of handing over of the Annual Report to a Professional for Hindi translation.	1st week of March 1996
Date of receipt of final Hindi version after translation, typing, proof-reading, correction and finalisation.	07.05.1996
Date of receipt of the Report with printed cover and binding.	15.05.1996
Date of submission of the Annual Report (Hindi version) to the Ministry of Commerce.	17.05.1996
Date of submission of the Delay Statement.	10.10.1996

4.3 The Ministry of Commerce who were requested to furnish information on certain more points in this regard, had furnished the same on 5.3.1997 as under:—

<i>Points</i>	<i>Replies</i>
1	2
I. The dates when:	
(a) the action for appointment of auditors for auditing the accounts of Engineering Export Promotion Council, Calcutta for the year 1994-95 was initiated;	Appointment of Auditors takes place in Annual General Meeting (AGM) and Auditors for auditing 1994-95 accounts, were appointed in the AGM held on 28th September, 1994,
(b) the accounts of Engineering Export Promotion Council, Calcutta were compiled and were ready for being handed over to auditors;	August, 1995.
(c) the accounts were actually handed over to the auditors;	August, 1995.
(d) the auditing of accounts commenced by the auditors and the time taken in it;	Auditors commenced the work in terms of routine checks when it was given to them in August, 1995 and finally signed the same on 25 September, 1995.
(e) the Annual Report was finalised;	28.12.1995
(f) the Annual Report and audited accounts were got approved from the AGM/General Body/Executive/Finance Committee of the Engineering Export Promotion Council, Calcutta;	28.12.1995
(g) the Delay Statement and Review were prepared by the Ministry;	22.10.1996
(h) the Annual Report and audited accounts alongwith Review and Delay Statement were got authenticated from the Minister; and	14.11.1996

1	2
(i) the Annual Report and audited accounts of Engineering Export Promotion Council, Calcutta for the last three years i.e. 1991-92, 1992-93 and 1993-94 and were laid in Parliament.	1991-92—Forwarded to Lok Sabha Secretariat on 23.02.1993 1992-93—Forwarded to Lok Sabha Secretariat on 07.12.1993 1993-94—Forwarded to Lok Sabha Secretariat on 07.12.1994
II. The latest position regarding finalisation of the Annual Report(s) and audited accounts for the subsequent year(s) 1995-96. When these are expected to be laid on the Table of Lok Sabha?	The Annual Report for the year 1995-96 was forwarded to Lok Sabha Secretariat by this Ministry on 18.12.1996. However, the same was returned stating that the time to lay the papers was insufficient keeping in view that the Session ended on 20.12.1996. The report has now been forwarded to Lok Sabha Secretariat on 25.2.1997 for being laid on the Table of the Lok Sabha.
III. The remedial measures taken or proposed to be taken both in the Ministry and the Engineering Export Promotion Council, Calcutta to ensure timely laying of the Annual Report and audited accounts within the prescribed period of nine months from the close of the accounting year, in future.	The Ministry has already advised the Council to adhere to the rule and ensure that the documents are sent well in time, so that they could be laid on the Table of the House in time.

4.4. The Committee considered the matter at their sitting held on 14 July, 1997.

4.5 The Committee note that the Annual Report and Audited Accounts of the Engineering Export Promotion Council, Calcutta for the year 1994-95 were laid after delay of about 11½ months i.e. on 13.12.96 and the documents for the earlier year 1991-92 were laid on the Table after a delay of about 2 months i.e. on 26.2.93. However, these documents for the year

1992-93 and 1993-94 were laid within the prescribed time limit i.e. on 10.12.93 & 16.12.94 respectively. Further, the documents for the subsequent year 1995-96 which were required to be laid by 31.12.1996, have been laid after a delay of about 2 months i.e. on 28.2.1997.

4.6 The Committee note from the delay statement laid on the Table of the House and the information subsequently furnished by the Ministry of Commerce that about 5 months were taken in compilation of the accounts by the Council as against the prescribed period of 3 months recommended by the Committee. This shows the lacadaistical approach of the Council. This approach should be avoided.

4.7 The Committee are unhappy to note that the Annual Report which was required to be finalised within 6 months of the close of the accounting year, was finalised in 9 months. The Committee feel that since no outside agency was involved in finalisation of the Annual Report, the Council should not have taken an unduly long period of 9 months to finalise it. The Committee feel that the Council did not pay due attention and importance to the finalisation of the Annual Report. The Committee hope that the Council will be more careful in prompt finalisation of the Annual Report in future.

4.8 The Committee regret to note that after approval of the Annual Report, the Council did not take prompt action for its translation and took more than 2 months for sending the documents for translation. Further, 2½ months were allowed to lapse in translation and printing of the Annual Report. Had the Council taken prompt action for translation and printing immediately after the approval of the Annual Report/Audited Accounts and watched the progress made in this regard with a view to minimising the delay, much of the delay in laying the documents on the Table of the House could have been curtailed.

4.9 The Committee also note that the Annual Report and Audited Accounts of the Council for the year 1994-95 were received in the Ministry on 17.5.1996, but these were laid on the Table of the House on 13.12.1996 i.e. after about 7 months of their receipt in the Ministry. The Committee feel that the Ministry did not take the matter seriously and allowed to linger it indefinitely. The Committee observe that this type of approach is regrettable and needs to be avoided in future and the documents should be placed before Parliament as soon as they are received in the Ministry.

4.10 To avoid such delays in future, the Committee stress the need for laying a time schedule for each and every stage right from compilation of accounts to the laying of the documents on the Table of the House. There should be proper coordination and interaction between the Ministry and the Council and some responsible officer must be entrusted with the responsibility to ensure that the time schedule is being adhered to at each and every stage and the Annual Reports and Audited Accounts are laid on the Table of the House within nine months of the close of the accounting years of the Council.

CHAPTER V

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE HINDUSTAN VEGETABLE OILS CORPORATION LIMITED, NEW DELHI FOR THE YEAR 1994-95

The Hindustan Vegetable Oils Corporation Limited (HVOC) was set up by taking over the management of two Undertakings namely, the Ganesh Flour Mills Company Limited and Amritsar Oil Works Limited, under the Industries Development and Regulation Act in the years 1972 and 1974 respectively. Subsequently, these undertakings were nationalised with the main objective of providing wholesome vanaspati and refined edible oils to consumers at reasonable prices. As a consequence of nationalisation the HVOC was incorporated under the Companies Act, 1956 on 31.3.1981 as a Public Limited Company fully owned by the Government of India.

5.2 The Annual Report and Audited Accounts of the Hindustan Vegetable Oils Corporation Limited, New Delhi for the year 1994-95 were laid together with Review and Delay Statement on the Table of Lok Sabha on 18 March, 1997. As per recommendation of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha), the said documents were to be laid within nine months of the close of the accounting year *i.e.* by 31 December, 1995. Thus, the delay in laying Annual Report and Audited Accounts came to about 15 months.

5.3 The statement as laid alongwith the Annual Report and Audited Accounts for the year 1994-95 explained the reasons for delay as under:—

Although audit of the units of the Corporation was taken up in time, the audit of accounts could not be completed by the statutory auditors and the comments of the CAG also could not be obtained before 30.9.95—the time limit for adoption of the Shareholders—despite the best efforts and precautions taken by HVOC. This was brought to the notice of the Board of Directors at the meeting on 28.9.95. The Board, therefore, decided to seek extension of the time for holding the AGM for three months, as per Section 161(I) of the Companies Act, 1956. This request was granted by the Company Law Board vide its letter No. H-051/94 (Part) dated 9.11.1995. The audit report for the year 1994-95 was received from the auditors on 29.11.95, which was forwarded to the MAB for the comments of CAG if any. As the CAG's comments were not received till 29.12.1995, the AGM was held on this date and was adjourned.

After the CAG comments dated 8.3.1996 were received, the adjourned AGM was held on 27.3.1996, which passed the accounts of the Corporation for the year 1994-95.

By then, the Director (Finance) of the Corporation had superannuated.

Further, the Corporation does not have any regular Company Secretary since 1992. Several senior officers had also left the Company by taking voluntary retirement. Due to this, the printing of the Annual Report could not be completed.

Hence, Annual Report alongwith the audited accounts of the HVOC for the year 1994-95 and review of performance of HVOC for the year 1994-95 are being laid in the Budget Session 1997 of the Parliament.

5.4 The Ministry of Civil Supplies, Consumer Affairs and Public Distribution, who were asked to furnish clarifications on certain points in this connection, had furnished the same on 6.5.1997 as under:—

<i>Points</i>	<i>Replies</i>
1	2
I. The dates when:	
(a) The Hindustan Vegetable Oils Corporation Limited, New Delhi approached the audit authority for the appointment of auditors for auditing their accounts for the year 1994-95 and when were they appointed.	26th December, 1994/ 20th February, 1995.
(b) The accounts of Hindustan Vegetable Oils Corporation Limited, were compiled and were ready for being handed over to auditors.	July, 1995/August, 1995.
(c) The accounts were actually handed over to auditors.	August, 1995
(d) The auditing of accounts commenced by the auditors and the time taken in it.	3 months (from August, 1995 to 29.11.1995)

1	2
(e) the Annual Report was 27 March, 1996. finalised.	
(f) The Annual Report and April to June, 1996. audited accounts were taken up for translation and printing and the time taken in it.	
(g) The finalised Annual Report and audited accounts both in Hindi and English versions were sent to the Ministry for being laid in Parliament.	The HVOC's letter dated 10th September, 1996 was received in the Ministry on 16th September, 1996 which did not contain the reasons for delay in submission of the accounts. The same was asked for on 25th September, 1996 and information received in the Ministry on 10th October, 1996.
(h) The delay statement and review were prepared by the Ministry.	15th December, 1996.
(i) The Annual Report and audited accounts alongwith Review and delay statement were got authenticated from the Minister; and	19th December, 1996. But due to paucity of time, these papers could not be laid during Winter Session, 1996 which concluded on 20th December, 1996. The same were again got authenticated on 28th February, 1997 and were finally forwarded to Lok Sabha Secretariat (Table Office) on 10th March, 1997.
(j) The Annual Report and audited accounts of Hindustan Vegetable Oils Corporation Limited, for the last three years i.e. 1991-92, 1992-93 and 1993-94 were laid in Parliament.	1991-92—16.12.92 1992-93—20.12.93 1993-94—25.04.95

1	2
<p>II. The latest position regarding finalisation of the Annual Report and audited accounts for the subsequent year(s) of the Lok Sabha on 1995-96 and 1996-97 when these are expected to be laid on the Table of the Lok Sabha.</p>	<p>The Annual Report and Audited Accounts for the year 1995-96 were laid on the Table of the Lok Sabha on 20th December, 1996. HVOC has framed the following time table to finalise Annual Report and Audited Accounts for the financial year 1996-97:— The finalisation of accounts for the year 1996-97 is expected to be completed by 30th May, 1997. Regarding appointment of Auditors, the HVOC is pursuing the matter with the Department of Company Affairs and by 30th May, 1997 the handing over of accounts to the Auditors would be completed. It is expected that the audit would be completed by the Auditors by 30th June, 1997. Efforts would be made to finalise the Annual Report by the end of July, 1997 and completion of translation and printing of Annual Report would be done by 31st August, 1997. HVOC further hopes that Annual Report and Audited Accounts for the year 1996-97 would be forwarded to Ministry by the middle of September, 1997.</p> <p>It would be the endeavour of HVOC to ensure that dates given are strictly adhered to and accounts are finalised in such a manner and adopted by the AGM of the Company, so that these are placed before the Parliament by the stipulated date of nine months</p>

1	2
III.	<p>after the close of the financial year.</p> <p>The remedial measures taken Ministry will monitor the or proposed to be taken both action taken by the HVOC on in the Ministry and the monthly basis to ensure that Hindustan Vegetable Oils delays are reduced and the Corporation Limited, New Annual Report and Audited Delhi to ensure timely laying Accounts are finalised well in of the Annual Report and time. audited accounts within the prescribed period of nine months from the close of the accounting year, in future.</p>

5.5 The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 9 September, 1997.

5.6 The Committee regret to note that the Annual Reports and Audited Accounts of the Hindustan Vegetable Oils Corporation Limited, New Delhi for the year 1994-95 which were required to be laid on the Table of the House by 31 December, 1995, were actually laid on 18th March, 1997, i.e. after a delay of about 15 months. These documents for the preceding year 1993-94 were laid after a delay of about 4 months. Thus the delay in laying the documents on the Table of the House had the increasing trend. However, these documents for the earlier years i.e. 1991-92 and 1992-93 were laid within the stipulated time of nine months from the close of the accounting years.

5.7 The Committee find from the information furnished by the Ministry of Civil Supplies, Consumer Affairs and Public Distribution that the Corporation took about 4 to 5 months in compilation of accounts and about 3 months for translation and printing of the documents. The Committee recommend that the Annual Accounts should be compiled and made available to auditors for auditing within 3 months of the close of the accounting year as already recommended *vide* paras 1.16 & 3.5 of their 1st Report (5th Lok Sabha) and these should be handed over to the statutory auditors for auditing without any loss of time. For timely completion of audit work sincere efforts should be made by the Corporation by pursuing the matter vigorously with the auditors/Audit Authorities.

5.8 The Committee are unhappy to find that the Ministry did not pay adequate attention to the Annual Reports and Audited Accounts received by them from the Corporation and took about 5 months in laying the same on the Table of the House. The Committee feel that the work in the Ministry in this regard needs to be streamlined so as to ensure that due attention is paid at appropriate levels to adhere to the time limits prescribed by the Committee for laying these documents on the Table of the House. The Committee hope that the Ministry of Civil Supplies, Consumer Affairs and Public Distribution would make all out efforts to see that delays are

eliminated totally and the documents are laid on the Table of the House within nine months of the close of the accounting year i.e. by 31 December every year. For this purpose, the Committee recommend that the Ministry in coordination with the Corporation should prepare a time schedule for completion of work at each stages i.e. compilation of accounts, handing over of accounts to the Auditors, auditing of accounts by Auditors, placing them before Annual General Meeting, Translation/Printing of Annual Reports and Audited Accounts and sending them to the Ministry for laying on the Table of the House. The Committee also recommend that some officers, at sufficiently higher level, in the Corporation as well as in the Ministry, should be entrusted with the work of monitoring each stages so that the Annual Report and Audited Accounts of the Corporation could be laid on the Table of the House within the prescribed period of 9 months.

5.9 The Committee, however, note with satisfaction that the Ministry have laid the Annual Report and Audited Accounts for the year 1995-96 on 20.12.96 i.e. within the stipulated period of nine months from the close of the accounting year.

5.10 The Committee note with dissatisfaction that despite the assurance given by the Ministry to the Committee on 6 May, 1997 the Annual Report and Audited Accounts for the year 1996-97 have not been laid on the Table so far. The Committee hope that the Annual Report and Audited Accounts for the year 1996-97 will be laid on the Table of the House without further delay.

CHAPTER VI

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE CENTRAL COUNCIL OF HOMOEOPATHY, NEW DELHI FOR THE YEAR 1994-95

The Central Council of Homoeopathy (CCH) was constituted under the Homoeopathy Central Council Act, 1973, with a view to carrying out the purpose of the said Act, which includes regulation of Homoeopathic education and practice in the country and maintenance of a Central Register in Homoeopathy. The Council is financed by the Central Government.

6.2 The Annual Report and Audited Accounts of the Central Council of Homoeopathy, New Delhi for the year 1994-95 were laid together with Review and Delay Statement on the Table of Lok Sabha on 19.12.1996. As per recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the said documents were required to be laid within nine months of the close of the accounting year i.e. by 31 December, 1995. Thus, the period of delay in laying the Annual Report and Audited Accounts came to about 12 months.

In the Delay Statement laid alongwith the Annual Report and Audited Accounts for the year 1994-95, the reasons for delay have been explained as under:—

- | | |
|--|---|
| 1. Date of submission of Accounts | 7.6.1995 |
| to D.G.A.C.R. | |
| 2. Delay for Audit | Re-entrustment of Council's Audit beyond 1993-94 was conveyed to the D.G.A.C.R. by the Ministry of Finance on 24.01.1996. |
| 3. Period of Audit | 13.3.96 to 26.3..1996. |
| 4. Date of receipt of final Audit Report from DGACR. | 1.7.1996. |
| 5. Circulation of Report to the Ex. Committee of the Council for approval. | 18.7.1996. |
| 6. Date of issuing of letter for calling Quotations for printing of Annual Report. | 11.9.1996. |

7. Date of printing of Annual Report. 11.12.1996.
8. Date of submission of Annual Report alongwith audited report and annual accounts to the Ministry of Health and Family Welfare. 12.12.1996.

6.3 The Ministry of Health and Family Welfare (Department of Health), which were asked to furnish clarifications on certain points in this connection, had furnished the same on 20.3.1997 as under:—

<i>Points</i>	<i>Replies</i>
1	2
The dates when:	
I. (a) The Central Council of Homoeopathy (CCH) approached the audit authority for appointment of auditors for auditing their accounts for the year 1994-95 and when were the auditors appointed.	CCH approached the audit authority on 03.10.1994. The auditors were appointed on 24.01.1996.
(b) The accounts of Central Council of Homoeopathy (CCH) were compiled and were ready for being handed over to auditors.	07.06.1995
(c) The Annual Report was finalised.	18.07.1996
(d) The Annual Report and audited accounts were got approved from the General Body/ Executive Finance Committee of the Central Council of Homoeopathy.	18.07.1996
(e) The Delay Statement and Review were prepared by the Ministry.	13.12.1996
(f) The Annual Report and audited accounts alongwith Review and Delay Statement were got authenticated by the Minister.	16.12.1996

1	2
(g) The Annual Report and audited accounts of CCH for the last three years <i>i.e.</i> 1991-92, 1992-93 and 1993-94 were laid in Parliament.	1991-92 — 28.04.1993 1992-93 — 03.05.1994 1993-94 — 18.05.1995
II. The latest position regarding finalisation of the Annual Report(s) and audited accounts for subsequent year (s) 1995-96 and 1996-97. When these are expected to be laid on the Table of the Lok Sabha.	The Annual Report and audited statement of accounts of CCH for the year *1995-96 has already been submitted to the Lok Sabha/Rajya Sabha Secretariat on 12.3.97 for being laid in Parliament during the current session. Relevant papers for the year 1996-97 would be placed within the stipulated time.
III. The remedial measures taken or proposed to be taken both in the Ministry and the CCH to ensure timely laying of the Annual Report and audited accounts within the prescribed period of nine months from the close of the accounting year, in future.	Target dates have been fixed for timely preparation and submission of accounts to DGACR and approval of Annual Report by the Executive Committee and the process has been included in the Annual Action Plan of the Department for close monitoring.

*Laid on 17.3.1997.

6.4 The matter was considered by the Committee at their sitting held on 14 July, 1997.

6.5 The Committee regret to note that the Annual Report and Audited Accounts of the Central Council of Homoeopathy, New Delhi for the year 1994-95 which were required to be laid on the Table of Lok Sabha by 31.12.1995 were laid on the Table of the Lok Sabha on 19.12.1996, *i.e.*, after a delay of about 12 months.

6.6 The Committee are unhappy to note from the information furnished by the Ministry on 28.3.1997 that the Annual Reports and Audited Accounts of the Council for the years 1991-92, 1992-93 and 1993-94 were laid on 28.4.1993, 3.5.1994 and 18.5.1995, *i.e.*, after a delay of about 4 months in each year. The documents for the year 1995-96 were laid on 17.3.1997, *i.e.*, after a delay of about 2 months,

6.7 The Committee find that the Council approached the audit authorities for appointment of auditors as late as on 3.10.94 and as such the auditors

were appointed as late as on 4.1.1996 i.e. after about 9 months of the close of the accounting year. This led to delay in completing all other formalities i.e. auditing of accounts by auditors, their approval by the General Body/ Executive/Finance Committee of the Council, translation, printing and sending them to the Ministry for laying on the Table of the House. The Committee feel that much of the delay could be avoided had the Council approach the audit authorities much in advance of the close of the accounting year to see that auditors were appointed before accounts were completed.

6.8 The Committee are not satisfied with the reply furnished by the Ministry with regard to the delay which occurred at various stages of finalisation of the documents. The Committee are of the opinion that the Ministry and the Council should take seriously the recommendations of the Committee made in their First Report (Fifth Lok Sabha) and 16th Report (Sixth Lok Sabha) wherein the time bound schedule for each stage involved in finalising the documents had been recommended. The Committee feel that the recommendation should be strictly adhered and pursued vigorously at each stage by the Council and the Ministry to avoid the delay in future.

6.9 The Committee note from the information furnished by the Ministry during evidence that the remedial steps to eliminate the delay have been initiated by the Ministry and the Central Council of Homoeopathy, New Delhi to ensure timely completion, finalisation and laying the documents on the Table of the House.

6.10 The Committee recommend that for timely finalisation of the documents, some senior officers, at an appropriate level, both in the Ministry and the Council should be entrusted with the job to oversee the progress made and timely finalisation of the documents for laying them on the Table of the House within the stipulated period of 9 months after the close of the accounting year.

CHAPTER VII

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF VOLUNTARY HEALTH SERVICES, MADRAS FOR THE YEAR 1994-95

The tripartite agreement between the Government of India, United State Agency for International Development (USAID) and Voluntary Health Services (VHS), Madras was signed on 12.1.1995 with the overall objectives of the AIDS Prevention and Control (APAC) Project in Tamil Nadu & to reduce sexual transmission of Human Immune-Deficiency Virus (HIV) in the State of Tamil Nadu. The Project will seek to introduce and re-inforce HIV Prevention behaviour among those population most at risk to the infection notably commercial sex workers and their clients and Sexually Transmitted Diseases (STD). The Project is being implemented through VHS, Madras with financial support from USAID. The Project had commenced on 12/25 January, 1995.

7.2 The Annual Report and Audited Accounts of Voluntary Health Services, Madras for the year 1994-95 were laid together with Review and Delay Statement on the Table of Lok Sabha on 3.12.1996. As per the recommendations of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (5th Lok Sabha), the aforementioned documents should have been laid by December 31, 1995 i.e. within 9 months from the close of the accounting year. Thus, the period of delay involved in this case came to 11 months.

7.3 In the statement laid alongwith the Annual Report and Audited Accounts, the reasons for delay had been explained as under:—

"This was the first year of submission of the Annual Report and Audited Accounts of the AIDS Prevention and Control Project in Madras being implemented with assistance from USAID. The Project was launched on 25th January, 1995. There were procedural deficiencies in the preparation of the Report by the APAC and hence the delay in placing the Annual Report and the Accounts before the Parliament."

7.4 The Ministry of Health and Family Welfare who were requested to furnish information on certain more points, had furnished the same on 18.2.1997 as under:—

<i>Points</i>	<i>Replies</i>
1	2
I. The dates when:	
(a) the action for appointment of auditors for auditing the accounts of Voluntary Health Services, Madras for the year(s) 1994-95 was initiated.	12.9.1995
(b) the accounts of VHS were ready for being handed over to auditors.	15.9.1995
(c) the accounts were actually handed over to the auditors.	14.10.1995
(d) the auditing of accounts commenced by the auditors and the time taken in it.	14.10.1995 to 21.10.1995
(e) the Annual Report was finalised.	31.10.1995
(f) The Annual Report and audited accounts were got approved from the A.G.M./General Body/Executive/Finance Committee of the VHS.	The draft Annual Report and Audited Accounts were approved by the Programme Management Committee, APAC, Project on 19.6.1996.
(g) the Annual Report and audited accounts were taken up for translation and printing and the time taken in it.	The time taken for translation of Annual Report and Audited Accounts into Hindi ranged between 15.7.96 to 31.7.96. It has been reported that since the facilities for correct Hindi translation through competent Hindi translator were not available in Madras, the job of translation into Hindi and thereafter typing the translated material, preparation of sets etc., was done in Delhi.

1	2
(h) the finalised Annual Report and audited accounts in both Hindi and English versions were sent to the Ministry for being laid in Parliament;	31.7.1996
(i) the Delay Statement and Review were prepared by the Ministry;	The Review Statement was prepared by the Ministry on 21.8.96, while the Delay Statement was prepared on 7.10.1996.
(j) the Annual Report and audited accounts along with Review and Delay Statement were got authenticated from the Minister; and	Review Statement was got authenticated from the Minister on 7.9.96. The Delay Statement was got authenticated on 27.10.96.
(k) the Annual Report and audited accounts of the last three years i.e. 1991-92, 1992-93, and 1993-94 were laid in Parliament.	The AIDS Prevention and Control Project being implemented through the Voluntary Health Society, Madras with financial support from USAID had commenced on 12/25 January, 1995. Therefore the Annual Report for 1994-95 is the first report of AIDS Prevention and Control Project (APAC), VHS, Madras.

1	2
<p>II. The latest position regarding finalisation of the Annual Report(s) and audited accounts for the subsequent year(s) 1995-96. When these are expected to be laid on the Table of Lok Sabha.</p>	<p>The Annual Report* of the AIDS Prevention and Control Project (APAC) Voluntary Health Services, Madras (English Version only) has been received on 6.1.1997. The Voluntary Health Services (VHS), Madras has been requested to send the Audited Accounts also in both Hindi and English Version. These are yet to be received. The Project Authorities have assured to send these documents by 28.2.1997. Thereafter these documents would be placed on the Table of the Lok Sabha.</p>
<p>III. The remedial measures taken or proposed to be taken both in the Ministry and the VHS to ensure timely laying of the Annual Report and audited accounts within the prescribed period of nine months from the close of the accounting year, in future.</p>	<p>The APAC Voluntary Health Services, Madras would be asked to scrupulously adhere to the time schedule for submission of Annual Report and Audited Accounts on the Project to the Ministry so as to enable the Ministry to place these documents before the Parliament within the nine months of the close of the financial year. It is proposed to specifically raise this issue in the next meeting of the Programme Management Committee of the Project so that a strict time schedule is created for ensuring timely submission of these documents for placing on the Table of the Lok Sabha.</p>

*Laid on 18.3.1997.

7.5. The Committee on Papers Laid on the Table considered the matter at their sitting held on 13 June, 1997.

7.6. The Committee find that the year 1994-95 is the first year for the Voluntary Health Services for laying their Annual Report and Audited Accounts since the USAID project commenced in January, 1995.

7.7 The Committee regret to note that the Annual Report and Audited Accounts of the Voluntary Health Services, Madras for the year 1994-95 which were required to be laid on the Table of the House by

31.12.1995 were actually laid on the Table on 3.12.1996 i.e., after a delay of about 11 months. The Committee also note that the documents for the year 1995-96 were laid on 18.3.1997 after a delay of 2½ months.

7.8 The Committee are displeased to find from the subsequent information furnished by the Ministry of Health and Family Welfare on 7 March, 1997, that the delay had occurred almost at all the stages right from the initiation of action for appointment of auditors upto the stage of laying the documents on the Table of the House.

7.9. The action for appointment of Auditors was initiated by Voluntary Health Services as late as on 12.9.1995, i.e., after 6 months of the close of the accounting year. The Committee feel, had the Voluntary Health Services taken an advance action for appointment of Auditors much of the delay would have been avoided. The Committee observe that the auditing of accounts was completed on 21.10.1995 and the Annual Report was finalised on 31.10.95 the Voluntary Health Services took 7½ months in getting approval of the Annual Report and Audited Accounts from the Programme Management Committee on 19.6.1996. The Committee feel that this type of delays at the level of the organisation should be avoided in future. The Committee hope that the Voluntary Health Services would take earnest steps to remove the procedural delays as stated in the 'Delay Statement' laid on the Table and efforts would be made to streamline the accounting procedure.

7.10 The Committee take a serious view of the fact that the Ministry of Health and Family Welfare took four months after receipt of the documents from Voluntary Health Services on 31.7.1996 in laying them on the Table of the House.

7.11 The Committee recommend that the Voluntary Health Services in consultation with the Ministry of Health and Family Welfare should chalk out a time bound schedule for each and every stage involved right from the appointment of Auditors to the stage of laying the documents on the Table of the House and scrupulously adhere to the same so that the Annual Reports and Audited Accounts are laid on the Table of the House within prescribed time of nine months of the close of the accounting year in future. For this purpose some senior officers in the Voluntary Health Services as well as in the Ministry of Welfare should be entrusted with the job of monitoring the time schedule.

CHAPTER VIII

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF NATIONAL LABOUR INSTITUTE, NOIDA FOR THE YEAR 1994-95

The National Labour Institute, an autonomous institution was established in the year 1972 as a Society registered under the Societies Registration Act, 1860 with the objective of providing education, training, study and research in labour and related subjects. The Institute started functioning from July, 1974. Since its inception, the Institute has endeavoured through its research, training, education, consultancy work and publications to reach out to diverse groups concerned with various aspects of labour in the organised, unorganised and rural sectors. The Institute is mainly funded by the Government of India through grants-in-aid.

8.2. The Annual Report and the Audited Accounts of National Labour Institute, Noida for the year 1994-95 were laid together with Review and Delay Statement on the Table of Lok Sabha on 5 December, 1996. As per recommendation of the Committee on Papers laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the aforementioned documents should have been laid on the Table of Lok Sabha within 9 months of the close of the accounting year i.e. by 31st December, 1995. Thus, the period of delay in laying the Annual Report and Audited Accounts on the Table of Lok Sabha came to 11 months.

8.3 In the delay statement laid alongwith Annual Report and Audited Accounts, the reasons for delay have been explained as under:—

“....As per the existing instructions, the Annual Report and Audited accounts of the National Labour Institute for the year 1994-95 were to be laid before Parliament by 31st December, 1995. However, these could not be laid before the Parliament within the stipulated time as the same could not be approved by the General Council of the National Labour Institute.

The Annual Report and Audited Accounts for the year 1994-95 were approved by the General Council in its meeting held on 10.9.1996. All the relevant dates indicating various stages involved in preparation of accounts and finalising of audit report are indicated below in chronological order:—

1. Annual Accounts prepared and sent to DGACR, New Delhi, for inspection. 30.06.1995.
2. Resubmitted the accounts to AG, UP, Allahabad as the Accounts were returned by the DGACR with the request to submit the same to AG, UP, Allahabad as the audit of the Institute was entrusted to them. 04.08.1995.
3. Duration of Inspection of accounts by AG, UP, Allahabad. 09.10.1995 to 31.10.1995
4. Draft audit report received from AG, UP, Allahabad. 02.01.1996
5. Reply to draft audit report sent to AG, UP, Allahabad. 10.02.1996
6. Final audit report received. 26.02.1996
7. Meeting of General Council when Annual Report and Accounts were approved. 10.09.1996
8. Annual Report received in National Labour Institute from Press duly printed. 21.09.1996

The Printed Reports were received in the Ministry from National Labour Institute on 4.10.1996.

8.4. In this connection, the Ministry of Labour who were requested to furnish information on certain points had furnished the same on 3.2.97 as under:—

<i>Points</i>	<i>Replies</i>
1	2
1. The dates when:—	
(a) the action for appointment of auditors for auditing the accounts of N.L.I. for the year 1994-95 were initiated;	The action for appointment of auditors was initiated on 20.10.1993 and approval of Ministry of Finance for continuance of audit of accounts of N.L.I. by the C&AG of India for further 5 years was received only in December 1994. The accounts for the year 1993-94 were sent to DGACR and audit of accounts for the year 1993-94 was conducted by them.
(b) the account of N.L.I. were compiled and were ready for being handed over to auditors;	Annual Accounts for the year 1994-95 were sent to DGACR, New Delhi on 30.6.1995 for auditing as the audit of accounts for the year 1993-94 was conducted by them. But DGACR returned the accounts vide letter dated 19.7.1995 with the request to submit the same to AG, UP, Allahabad as the audit of the Institute had since been entrusted to that office. The accounts were sent to AG, UP, Allahabad on 4.8.1995 accordingly.
(c) the Annual Report was finalised;	10.9.1996
(d) the Annual Report and audited accounts were taken up for translation and printing and the time taken in it;	11.9.1996 to 03.10.1996
(e) the Delay Statement and review were prepared by the Ministry;	18.11.1996

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- (f) the Annual Report and audited 26.11.1996
accounts alongwith Review and
Delay Statement were got
authenticated from the Minister;
and

- | | | |
|--|--------------------|------------------|
| (g) the Annual Report and Audited | <i>Rajya Sabha</i> | <i>Lok Sabha</i> |
| accounts of National Labour 1991-92 | 26.07.1993 | 30.07.1993 |
| Institute for the last three years 1992-93 | 07.08.1995 | 25.08.1995 |
| i.e. 1991-92, 1992-93 and 1993-94 | 1993-94 | 22.12.1995 |
| 1993-94 | | 19.12.1995 |
- were laid in the Parliament.

- II. The latest position regarding finalisation of the Annual Report and audited accounts for the subsequent year 1995-96. When these are expected to be laid on the Table of Lok Sabha?

The accounts of the Institute for the year 1995-96 were submitted to AG, UP, Allahabad on 27.6.1996 with the request to depute the Audit Team for annual audit of the accounts. The audit of accounts commenced on 23.10.1996 and completed on 8.11.1996. The Audit Certificate is still awaited from the AG, UP, Allahabad. They have been reminded on 21.1.1997 to expedite the Certificate. On receipt of the Audit Certificate from, them the reports and accounts will be placed before Executive Council and General Council of the Institute for approval/ adoption in accordance with the Rules & Regulations of the National Labour Institute. A clear Notice of 15 days and 21 days is required to be given for convening meeting of the Executive Council and General Council respectively. Printing of the final version of the Annual Report also takes time. These are expected to be laid on the Table of Lok Sabha during the 'Monsoon Session' of the Parliament.

1	2
<p>III. The remedial measures taken or proposed to be taken both in the Ministry and the N.L.I. to ensure timely laying of the Annual Report and Audited Accounts within the prescribed period of nine months from the close of the accounting year, in future.</p>	<p>The following time schedule has been framed for completion of various formalities involved in the process of laying the Annual Report and audited accounts before the two Houses of the Parliament:—</p>
	<p style="text-align: right;">Target date</p>
	<p>(a) Preparation of accounts. —by 30 June</p> <p>(b) Audit of accounts and submission of its report. —by 30 September</p> <p>(c) Reply to audit paras. —by 15 October</p> <p>(d) Receipt of final audit report. —by 30 October</p> <p>(e) Adoption of Report by the General Council. —by 30 November</p> <p>(f) Submission of Report to Ministry of Labour. —by 10 December</p> <p>(g) Laying down of the Reports on the Tables of both the Houses of the Parliament. —by 31 December</p>

The Ministry and National Labour Institute would make all efforts to adhere to the above schedule. In case of any delay, the Ministry would seek extension of time, at the appropriate stage.

8.5 At their sitting held on 13 June, 1997, the Committee considered the reasons for 11 months delay advanced by the Ministry of Labour in laying the Annual Report and Audited Accounts of National Labour Institute, Noida for the year 1994-95. The Committee also noted that the documents for the years 1991-92, 1992-93 & 1993-94 were also laid with delay of 7 months, 20 months and about 12 months respectively.

8.6 Taking note of the inordinate delay for all these years the Committee decided to call the representatives of Ministry of Labour to elucidate the reasons. Accordingly, the representatives of the Ministry of Labour appeared before the Committee on 26.9.1997 to tender their oral evidence.

8.7 When asked about the reasons for delay in laying the Annual Reports and Audited Accounts for the years 1991-92, 1992-93, 1993-94, 1994-95 and 1995-96 which took about 7 months, 20 months, 12 months, 11 months and 7 months respectively and what steps have been taken to rectify this, the witness stated that for the last 5 years, the Post of Administrative Officer, Accounts Officer and Faculty were vacant and the National Labour Institute tried their level best to fill-up these posts but this could not be done and the work of the National Labour Institute was given to senior Faculty and they were looking after our work alongwith their own task.

8.8. When asked which posts were vacant in 1991-92. The witness stated that in 1991-92 Administrative Officer was away and this post was filled-up in 1996. The Account Officer's post fell vacant in 1994 and has not been filled-up till date. He also added that on 5.6.1993, the General Council was disbanded and on 17.8.1993 it was re-constituted and its first meeting was held on 2 February, 1995.

8.9 On being asked whether they were aware of the recommendation of the Committee contained in Para 3.5 of their 1st Report (5th Lok Sabha) that if for any reasons the Report and Audited Accounts cannot be laid within the stipulated period of nine months, the concerned Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period. The witness could not reply effectively.

8.10 On being asked when they would be able to lay the Annual Reports and Audited Accounts on the Table of the House in time in future, the witness stated that for the year 1996-97 they are trying their level best to lay the Annual Report and Audited Accounts on the Table of Lok Sabha within the prescribed period.

8.11 The Committee regret to note that the Annual Report and Audited Accounts of the National Labour Institute, Noida for the years 1991-92, 1992-93, 1993-94, 1994-95 & 1995-96 were laid on the Table on 30.7.1993, 25.8.1995, 19.12.1995, 5.12.1996 and 6.8.1997 with a delay of 7, 20, 12, 12 & 12 months respectively.

8.12 The Committee note that the accounts for the year 1994-95 were sent to the Auditor-General, U.P., Allahabad for auditing on 4.8.1995. The Institute received the final Audit Report from them on 26.2.1996. About six months were taken in auditing of accounts which includes audit objections and their removals/replies. The Committee need hardly stress that if the Audit Report is anticipated to be delayed, the Ministry or the organisation concerned should immediately take up the matter with the Audit Authorities and if there are audit objections, they must be responded quickly so that there is no delay on this accounts.

8.13 The Committee are unhappy to note that the Institute finalised its Annual Report on 10.9.1996 taking about 17½ months after close of the accounting year instead of six months as recommended by the Committee. The Committee do not see any reason why these 17½ months have been taken in finalising the Annual Report which does not involve auditing of accounts. The reasons advanced by the Ministry for this delay are not convincing. The Committee feel that the work of finalising the Annual Report have been taken up casually and nobody bothered for early finalisation of the Annual Report so that documents could be laid on the Table of the House within 9 months after the close of the accounting year.

8.14 The Committee note that the Ministry received the Printed Report from National Labour Institute on 4.10.1996 but the delay Statement & Review were prepared on 18.11.1996, i.e., after about 1½ months. The Committee feel that the administrative Ministry should avoid such unjustified delays and must be vigilant and prompt to lay these documents on the Table of the House.

8.15 The Committee are unhappy to observe the ignorance shown by the representatives of the Ministry of Labour about the laying provisions made by the Committee in para 3.5 of their First Report (5th Lok Sabha) that if for any reasons the report and Audited Accounts cannot be laid within the stipulated period of 9 months, the concerned Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the Report and Accounts could not be laid within the stipulated period. The Committee regret to observe that such an important recommendation of the Committee

has lost sight of the Ministry. The Committee reiterate their said recommendation for information and future compliance by the Ministry of Labour:—

“3.5 The Committee are of the opinion that normally the Annual Report and Audited Accounts of autonomous organisations should be presented to Parliament together to enable the House to have a complete picture of the working of that body. This decision should not be taken to imply that laying of reports and accounts could be delayed to any length of time. The Committee recommend that the Annual Report together with the audited accounts and audit report thereon for a particular year should be laid on the Table within 9 months of the close of the accounting year unless otherwise stipulated in the Act or Rules under which the organisation has been set up. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and accounts and their auditing. The Committee feel that normally a period of 3 months would be sufficient for compilation of accounts and their submission to audit; the next 6 months might be given for auditing of accounts; for printing of the report and sending it to Government for laying. If for any reasons the report, audited accounts and audit report cannot be laid within the stipulated period of nine months, the Ministry should lay within 30 days of expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period.”

8.16 The Committee also note that the Ministry of Labour have prepared a time schedule so that Annual Reports and Audited Accounts are laid on the Table of the House in time. In the said time schedule the submission of Reports to the Ministry is shown as 10 December and the laying of the documents on 31 December. The Committee feel that the Ministry have drawn up this time table in haste. Before writing the laying dates of 31 December the Ministry should have seen the history or the earlier dates about the ending of the Winter Session every year. Generally the Winter Session ends in the third week of December. Furthermore, if the printed copies of the documents are received in the Ministry on 10th of December, after that Ministry have to scrutinise the documents in all respects, to prepare review and then the documents are to be authenticated by the Minister. The Committee feel that these two dates should be looked into by the Ministry again and set such target dates so that the Annual Reports and Audited Accounts of the Institute are laid on the Table of the House within nine months from the close of the accounting year.

New Delhi;
16 December, 1998

25 Agrayana, 1920 (Saka)

ARJUN CHARAN SETHI
Chairman,
Committee on Papers Laid on the
Table of Lok Sabha (1998-99).

APPENDIX

Summary of recommendations/observations contained in the Report

S. No.	Reference to para No. of the Report	Summary of recommendations/observations
1	2	3
1.	1.10	The Committee are unhappy to note that the Annual Reports and Audited Accounts of Bal Bhawan Society for the year 1990-91 to 1994-95 have been continuously laid with delay ranging from 4½ months to 19 months.
2.	1.11	The Committee note that the Bal Bhawan Society initiated action for appointment of statutory auditors for auditing the accounts for the year 1993-94 as late as on 19.8.1994 i.e. after 4½ months of the close of their accounting year. The accounts of the Society were compiled in 4½ months after the close of the accounting year as against 3 months recommended by the Committee for this purpose. Further the auditors were actually appointed by the Directorate of Audit Central Revenue on 17.1.1995. Thereafter the compiled accounts remained unaudited in the Directorate of Audit Central Revenue Office for 5½ months.
3.	1.12	The Committee do not appreciate the manner in which the issue of appointment of auditors was handled. The Committee feel that had the Society initiated the action for appointment of auditors before the expiry of their term and pursued the matter of their appointment after their writing to Directorate of Audit Central Revenue much of the delay could have been avoided.

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4. 1.13 The Committee also see that the auditing of accounts was done from 25.4.1995 to 24.5.1995 *i.e.* within one month but the audit authorities took 6 months to send the draft audit report to the Society to resolve queries cropped up during auditing of accounts. The Society took more than one month to resolve the queries. After receiving the draft audit report with the resolved queries the audit authorities took another 6 months to finalise the audit report.
5. 1.14 The Committee are unhappy to see that not even at a single instance the audit authorities were reminded about the early finalisation of the audit report which resulted in unnecessary wastage of time. The Committee suggest that the Society may take up the matter with the Ministry of Finance/Audit Authorities (DACR) to devise some suitable mechanism to ensure that the accounts are audited and audit report thereon could be finalised within the minimum possible time. The Committee also suggest that the accounts of the Society should be maintained properly and the concurrent audit system in the Society is devised without loss of time so that discrepancies in the accounts could be brought to minimum at the stage of auditing by the Statutory Auditors.
6. 1.15 The Committee take serious view of the fact that the accounts of the Society for the year 1993-94 were laid on the Table of the House on 22.7.1996 without having ratified by the Board of the Society. These were ratified afterward by the Board on 6.9.1996. The Ministry are laying the documents without seeing whether the documents laid on the Table of the House are complete in all respects or not. The Committee direct that before laying the documents on the Table of the House the Administrative Ministry should ensure the documents have been approved by the Board of the Society.
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1	2	3
7.	1.16	<p>The Committee are happy to note that in order to avoid delays in future the Ministry and the Society have drawn up a time table for completion of various stages involved in the finalisation of the documents. The Committee are also happy to note that the Annual Report and Audited Accounts of Bal Bhawan Society for the year 1995-96 have been laid on the Table of the House within the stipulated time prescribed by the Committee and hope that this trend would continue in future also.</p>
8.	2.8	<p>The Committee note that the major factors which contributed towards delay in laying the Annual Report and Audited Accounts for the year 1994-95 are, late appointment of Auditors, long time taken by the Auditors for auditing the accounts and undue time taken in translation & printing of the documents.</p>
9.	2.9	<p>The Committee also see that the Indian Airlines was intimated about the appointment of Statutory Auditors as late as on 26 May, 1995, i.e. after about 2 months of the close of the accounting year. The Committee suggest that the action for the appointment of Auditors should be taken well before close of the accounting year to obviate inordinate delay in subsequent stages of finalisation of the documents.</p>
10.	2.10	<p>The Committee do not see any reasons for taking 2½ months by the Indian Airlines in convening the General Body meeting on 4.6.96 after receipt of the audit report from auditors on 26.3.96. After approval of these documents the Indian Airlines took 5½ months in translation & printing thereof which is not justifiable on any account.</p>
11.	2.11	<p>The Committee regret to observe that there is no coordination between Indian Airlines and the Ministry of Civil Aviation and both are equally responsible for the delay.</p>
12.	2.12	<p>The Committee, therefore, recommend that the Indian Airlines should timely approach the Comptroller & Auditor General for appointment of Auditors and once the Auditors are appointed and the accounts are handed over to them the Audit Authorities should be vigorously impressed upon for expeditious auditing of the accounts.</p>

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13. 2.13 The Committee hope that Indian Airlines would make all out efforts to convene the General Body meeting after receiving the audited accounts without loss of time. The Committee desire that Indian Airlines would take adequate steps in right earnest and make some proper and permanent arrangements for translation and printing of Annual Report and Audited Accounts to eliminate the recurrence of such delay.
14. 2.14 The Committee also recommend that the Indian Airlines in coordination with the Ministry of Civil Aviation should prepare a time schedule for completion of various stages involved in finalisation of the Annual Report and Audited Accounts. The time schedule so drawn up should be monitored by some senior officers both in the Ministry as well as in the Indian Airlines to obviate delay in future.
15. 3.12 The Committee are unhappy to note that despite the clear cut recommendation of the Committee contained in Para 3.5 of their First Report (Fifth Lok Sabha) that the Annual Report and the Audited Accounts and the Audit Report thereon for a particular year should be laid together on the Table of the House within 9 months of the close of the accounting years, the Annual Reports and Audited Accounts of the NCERT for the years, 1990-91 to 1994-95 were laid separately. The idea behind laying these two documents together on the Table of the House is to keep Members of Parliament fully aware of the performance and achievements of the organisation. If both these documents are not presented to the House simultaneously and within prescribed period of 9 months from the close of the accounting year, the purpose behind laying these documents is defeated.
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13. 2.13

The Committee are displeased to note that about 17 months were taken at the stage of auditing of accounts for the year 1993-94. The Committee are not convinced with the reasons advanced by the Ministry that NCERT did not anticipate for re-validation of auditing before the expiry of the validity period. The Committee feel that had the NCERT vigilant about the expiry of the validity period much of the delay could have been easily avoided. The Committee stress that this type of casual approach shown by the NCERT should be avoided in future.

17. 3.14

The Committee recommend that to avoid such recurrence of delays in laying the Annual Reports and Audited Accounts due to re-validation of the auditors, some senior officers in the NCERT as well as in the Ministry should be entrusted with the responsibility of monitoring each and every stage involved, from the stage of appointment of auditors or their revalidation upto the laying of the Annual Reports and Audited Accounts. If for any reason the report, audited accounts and audit report cannot be laid within the stipulated period of nine months the Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period.

18. 3.15

The Committee are however happy to note that the Annual Report and Audited Accounts for the year 1995-96 were laid simultaneously and that too within the stipulated period of nine months i.e. on 20.12.1996. The Committee hope that this trend will be sustained in future.

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19. 4.5

The Committee note that the Annual Report and Audited Accounts of the Engineering Export Promotion Council, Calcutta for the year 1994-95 were laid after delay of about 11½ months i.e. on 13.12.96 and the documents for the earlier year 1991-92 were laid on the Table after a delay of about 2 months i.e. on 26.2.93. However, these documents for the years 1992-93 and 1993-94 were laid within the prescribed time limit i.e. on 10.12.93 & 16.12.94 respectively. Further, the documents for the subsequent year 1995-96 which were required to be laid by 31.12.1996, have been laid after a delay of about 2 months i.e. on 28.2.1997.

20. 4.6

The Committee note from the delay statement laid on the Table of the House and the information subsequently furnished by the Ministry of Commerce that about 5 months were taken in compilation of the accounts by the Council as against the prescribed period of 3 months recommended by the Committee. This shows the lacadaisical approach of the Council. This approach should be avoided.

21. 4.7

The Committee are unhappy to note that the Annual Report which was required to be finalised within 6 months of the close of the accounting year, was finalised in 9 months. The Committee feel that since no outside agency was involved in finalisation of the Annual Report, the Council should not have taken an unduly long period of 9 months to finalise it. The Committee feel that the Council did not pay due attention and importance to the finalisation of the Annual Report. The Committee hope that the Council will be more careful in prompt finalisation of the Annual Report in future.

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22. 4.8

The Committee regret to note that after approval of the Annual Report, the Council did not take prompt action for its translation and took more than 2 months for sending the documents for translation. Further, 2½ months were allowed to lapse in translation and printing of the Annual Report. Had the Council taken prompt action for translation and printing immediately after the approval of the Annual Report/Audited Accounts and watched the progress made in this regard with a view to minimising the delay, much of the delay in laying the documents on the Table of the House could have been curtailed.

23. 4.9

The Committee also note that the Annual Report and Audited Accounts of the Council for the year 1994-95 were received in the Ministry on 17.5.1996, but these were laid on the Table of the House on 13.12.1996 i.e. after about 7 months of their receipt in the Ministry. The Committee feel that the Ministry did not take the matter seriously and allowed to linger it indefinitely. The Committee observe that this type of approach is regrettable and needs to be avoided in future and the documents should be placed before Parliament as soon as they are received in the Ministry.

24. 4.10

To avoid such delays in future, the Committee stress the need for laying a time schedule for each and every stage right from compilation of accounts to the laying of the documents on the Table of the House. There should be proper coordination and interaction between the Ministry and the Council and some responsible officer must be entrusted with the responsibility to ensure that the time schedule is being adhered to at each and every stage and the Annual Reports and Audited Accounts are laid on the Table of the House within nine months of the close of the accounting years of the Council.

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25. 5.6

The Committee regret to note that the Annual Reports and Audited Accounts of the Hindustan Vegetable Oils Corporation Limited, New Delhi for the year 1994-95 which were required to be laid on the Table of the House by 31 December, 1995, were actually laid on 18 March, 1997 i.e. after a delay of about 15 months. These documents for the preceding year 1993-94 were laid after a delay of about 4 months. Thus the delay in laying the documents on the Table of the House had the increasing trend. However, these documents for the earlier years i.e. 1991-92 and 1992-93 were laid within the stipulated time of nine months from the close of the accounting years.

26. 5.7

The Committee find from the information furnished by the Ministry of Civil Supplies, Consumer Affairs and Public Distribution that the Corporation took about 4 to 5 months in compilation of accounts and about 3 months for translation and printing of the documents. The Committee recommend that the Annual Accounts should be compiled and made available to auditors for auditing within 3 months of the close of the accounting year as already recommended vide paras 1.16 & 3.5 of their 1st Report (5th Lok Sabha) and these should be handed over to the statutory auditors for auditing without any loss of time. For timely completion of audit work sincere efforts should be made by the Corporation by pursuing the matter vigorously with the auditors/Audit Authorities.

27. 5.8

The Committee are unhappy to find that the Ministry did not pay adequate attention to the Annual Reports and Audited Accounts received by them from the Corporation and took about 5 months in laying the same on the Table of the House. The Committee feel that the work in the Ministry in this regard needs to be streamlined so as to ensure that due attention is paid at appropriate levels to adhere to the time limits prescribed by the Committee for laying these documents on the Table of the House. The Committee hope that the Ministry of Civil Supplies, Consumer Affairs and Public Distribution would make all out efforts to see that delays are eliminated totally and the documents are laid on the Table of the House within nine months of

the close of the accounting year *i.e.* by 31 December, every year. For this purpose, the Committee recommend that the Ministry in coordination with the Corporation should prepare a time schedule for completion of work at each stages *i.e.* compilation of accounts, handing over of accounts to the Auditors, auditing of accounts by Auditors, placing them before Annual General Meeting, Translation/Printing of Annual Reports and Audited Accounts and sending them to the Ministry for laying on the Table of the House. The Committee also recommend that some officers, at sufficiently higher level, in the Corporation as well as in the Ministry, should be entrusted with the work of monitoring each stages so that the Annual Report and Audited Accounts of the Corporation could be laid on the Table of the House within the prescribed period of 9 months.

28. 5.9 The Committee, however, note with satisfaction that the Ministry have laid the Annual Report and Audited Accounts for the year 1995-96 on 20.12.96 *i.e.* within the stipulated period of nine months from the close of the accounting year.

29. 5.10 The Committee note with dissatisfaction that despite the assurance given by the Ministry to the Committee on 6 May, 1997 the Annual Report and Audited Accounts for the year 1996-97 have not been laid on the Table so far. The Committee hope that the Annual Report and Audited Accounts for the year 1996-97 will be laid on the Table of the House without further delay.

30. 6.5 The Committee regret to note that the Annual Report and Audited Accounts of the Central Council of Homocopathy, New Delhi for the year 1994-95 which were required to be laid on the Table of Lok Sabha by 31.12.1995 were laid on the Table of the Lok Sabha on 19.12.1996, *i.e.*, after a delay of about 12 months.

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31. 6.6

The Committee are unhappy to note from the information furnished by the Ministry on 20.3.1997 that the Annual Reports and Audited Accounts of the Council for the years 1991-92, 1992-93 and 1993-94 were laid on 28.4.1993, 3.5.1994 and 18.5.1995, i.e., after a delay of about 4 months in each year. The documents for the year 1995-96 were laid on 17.3.1997, i.e., after a delay of about 2 months.

32. 6.7

The Committee find that the Council approached the audit authorities for appointment of auditors as late as on 3.10.94 and as such the auditors were appointed as late as on 4.1.1996 i.e. after about 9 months of the close of the accounting year. This led to delay in completing all other formalities i.e. auditing of accounts by auditors, their approval by the General Body/ Executive/Finance Committee of the Council, translation, printing and sending them to the Ministry for laying on the Table of the House. The Committee feel that much of the delay could be avoided had the Council approach the audit authorities much in advance of the close of the accounting year to see that auditors were appointed before accounts were completed.

33. 6.8

The Committee are not satisfied with the reply furnished by the Ministry with regard to the delay which occurred at various stages of finalisation of the documents. The Committee are of the opinion that the Ministry and the Council should take seriously the recommendations of the Committee made in their First Report (Fifth Lok Sabha) and 16th Report (Sixth Lok Sabha) wherein the time bound schedule for each stage involved in finalising the documents had been recommended. The Committee feel that the recommendation should be strictly adhered and pursued vigorously at each stage by the Council and the Ministry to avoid the delay in future.

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34. 6.9	<p>The Committee note from the information furnished by the Ministry during evidence that the remedial steps to eliminate the delay have been initiated by the Ministry and the Central Council of Homoeopathy, New Delhi to ensure timely completion, finalisation and laying of the documents on the Table of the House.</p>	
35. 6.10	<p>The Committee recommend that for timely finalisation of the documents, some senior officers, at an appropriate level, both in the Ministry and the Council should be entrusted with the job to oversee the progress made and timely finalisation of the documents for laying them on the Table of the House within the stipulated period of 9 months after the close of the accounting year.</p>	
36. 7.7	<p>The Committee regret to note that the Annual Report and Audited Accounts of the Voluntary Health Services, Madras for the year 1994-95 which were required to be laid on the Table of the House by 31.12.1995 were actually laid on the Table on 3.12.1996 i.e., after a delay of about 11 months. The Committee also note that the documents for the year 1995-96 were laid on 18.3.1997 after a delay of 2-1/2 months.</p>	
37. 7.8	<p>The Committee are displeased to find from the subsequent information furnished by the Ministry of Health & Family Welfare on 7 March, 1997, that the delay had occurred almost at all the stages right from the initiation of action for appointment of auditors upto the stage of laying the documents on the Table of the House.</p>	

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38. 7.9

The action for appointment of Auditors was initiated by Voluntary Health Services as late as on 12.9.1995, i.e., after 6 months of the close of the accounting year. The Committee feel, had the Voluntary Health Services taken an advance action for appointment of Auditors much of the delay would have been avoided. The Committee observe that the auditing of accounts was completed on 21.10.1995 and the Annual Report was finalised on 31.10.95, the Voluntary Health Services took 7 1/2 months in getting approval of the Annual Report and Audited Accounts from the Programme Management Committee on 19.6.1996. The Committee feel that this type of delays at the level of the organisation should be avoided in future. The Committee hope that the Voluntary Health Services would take earnest steps to remove the procedural delays as stated in the 'Delay Statement' laid on the Table and efforts would be made to streamline the accounting procedure.

39. 7.10

The Committee take a serious view of the fact that the Ministry of Health & Family Welfare took four months after receipt of the documents from Voluntary Health Services on 31.7.1996 in laying them on the Table of the House.

40. 7.11

The Committee recommend that the Voluntary Health Services in consultation with the Ministry of Health & Family Welfare should chalk out a time bound schedule for each and every stage involved right from the appointment of Auditors to the stage of laying the documents on the Table of the House and scrupulously adhere to the same so that the Annual Reports and Audited Accounts are laid on the Table of the House within prescribed time of nine months of the close of the accounting year in future. For this purpose some senior officers in the Voluntary Health Services as well as in the Ministry of Welfare should be entrusted with the job of monitoring the time schedule.

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41. 8.11

The Committee regret to note that the Annual Report and Audited Accounts of the National Labour Institute, Noida for the years 1991-92, 1992-93, 1993-94, 1994-95 & 1995-96 were laid on the Table on 30.7.1993, 25.8.1995, 19.12.1995, 5.12.1996 and 6.8.1997 with a delay of 7, 20, 12, 12 & 12 months respectively.

42. 8.12

The Committee note that the accounts for the year 1994-95 were sent to the Auditor-General, U.P., Allahabad for auditing on 4.8.1995. The Institute received the final Audit Report from them on 26.2.1996. About six months were taken in auditing of accounts which includes audit objections and their removals/replies. The Committee need hardly stress that if the Audit Report is anticipated to be delayed, the Ministry or the organisation concerned should immediately take up the matter with the Audit Authorities and if there are audit objections, they must be responded quickly so that there is no delay on this account.

43. 8.13

The Committee are unhappy to note that the Institute finalised its Annual Report on 10.9.1996 taking about 17½ months after close of the accounting year instead of six months as recommended by the Committee. The Committee do not see any reason why these 17½ months have been taken in finalising the Annual Report which does not involve auditing of accounts. The reasons advanced by the Ministry for this delay are not convincing. The Committee feel that the work of finalising the Annual Report have been taken up casually and nobody bothered for early finalisation of the Annual Report so that documents could be laid on the Table of the House within 9 months after the close of the accounting year.

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44. 8.14

The Committee note that the Ministry received the Printed Report from National Labour Institute on 4.10.1996 but the delay Statement & Review were prepared on 18.11.1996, i.e., after about 1½ months. The Committee feel that the administrative Ministry should avoid such unjustified delays and must be vigilant and prompt to lay these documents on the Table of the House.

45. 8.15

The Committee are unhappy to observe the ignorance shown by the representatives of the Ministry of Labour about the laying provisions made by the Committee in para 3.5 of their First Report (5th Lok Sabha) that if for any reasons the report and Audited Accounts cannot be laid within the stipulated period of 9 months, the concerned Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the Report and Accounts could not be laid within the stipulated period. The Committee regret to observe that such an important recommendation of the Committee has lost sight of the Ministry. The Committee reiterate their said recommendation for information and future compliance by the Ministry of Labour:—

“3.5 The Committee are of the opinion that normally the Annual Report and Audited Accounts of autonomous organisations should be presented to Parliament together to enable the House to have a complete picture of the working of that body. This decision should not be taken to imply that laying of reports and accounts could be delayed to any length of time. The Committee recommend that the Annual Report together with the audited accounts and audit report thereon for a particular year should be laid on the Table within 9 months of the close of the accounting year unless otherwise stipulated in the Act or Rules under which the organisation has been set up. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and accounts and their auditing. The Committee feel that normally a period of 3 months

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would be sufficient for compilation of accounts and their submission to audit; the next 6 months might be given for auditing of accounts; for printing of the report and sending it to Government for laying. If for any reason the report, audited accounts and audit report cannot be laid within the stipulated period of nine months, the Ministry should lay within 30 days of expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period."

46. 8.16

The Committee also note that the Ministry of Labour have prepared a time schedule so that Annual Reports and Audited Accounts are laid on the Table of the House in time. In the said time schedule the submission of Reports to the Ministry is shown as 10 December and the laying of the documents on 31 December. The Committee feel that the Ministry have drawn up this time table in haste. Before writing the laying dates of 31 December the Ministry should have seen the history or the earlier dates about the ending of the winter session every year. Generally the winter Session ends in the third week of December. Furthermore, if the printed copies of the documents are received in the Ministry on 10th of December, after that Ministry have to scrutinise the documents in all respects, to prepare review and then the documents are to be authenticated by the Minister. The Committee feel that these two dates should be looked into by the Ministry again and set such target dates so that the Annual Reports and Audited Accounts of the Institute are laid on the Table of the House within nine months from the close of the accounting year.

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