

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2006-2007)**

FOURTEENTH LOK SABHA

ELEVENTH REPORT

(Presented on 15 March,2007)

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**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2007/Phalguna, 1928(Saka)

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APPENDIX

* Summary of recommendations/observations contained in the Report

* Will be appended at the time of printing of the Report

COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2006-2007)

Shri Hannan Mollah - Chairman

MEMBERS

2. Shri Avtar Singh Bhadana
3. Shri Adhir Chowdhury
4. Shri Jai Prakash
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SECRETARIAT

Shri J.P Sharma	-	Joint Secretary
Shri A. Louis Martin	-	Director
Shri R.K. Bajaj	-	Deputy Secretary
Shri K. Jena	-	Under Secretary

* Nominated w.e.f. 1.11.2006

INTRODUCTION

I, 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 this Eleventh Report.

2. As a result of examination of certain papers laid on the Table of Lok Sabha, the Committee have come to certain conclusions in regard to delay in laying of the Annual Reports and Audited Accounts of the (i) Kendriya Hindi Shikshan Mandal, Agra, (ii) Indian Council of Social Science Research, New Delhi, (iii) National Book Trust, India, New Delhi.

3. The Committee took oral evidence of the representatives of the Ministry of Human Resource Development (Department of Secondary & Higher Education) in connection with delay in laying the Annual Reports and Audited Accounts of Kendriya Hindi Shikshan Mandal, Agra and Indian Council of Social Science Research, New Delhi on 3.4.2006 and National Book Trust, India, New Delhi on 17.7.2006.

4. The Committee wish to express their thanks to the representatives of the Ministry of Human Resource Development (Department of Secondary & Higher Education) for appearing before the Committee and furnishing the information required by the Committee.

5. The Committee considered and adopted this Report at their sitting held on 18.12.2006.

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

NEW DELHI
December, 2006
Agrahayana, 1928 (Saka)

HANNAN MOLLAH,
Chairman,
Committee on Papers Laid on the Table

* Will be appended at the time of printing of the Report

I

Delay in laying the Annual Reports and Audited Accounts of Kendriya Hindi Shikshan Mandal (KHSM), Agra

Kendriya Hindi Shikshan Mandal (KHSM) was registered as a Society in 1961 under the Societies Registration Act, 1960. The Mandal has a main Central Institute of Hindi at Agra with its other five centers located at Delhi, Hyderabad, Guwahati, Shillong and Mysore. The Mandal is mainly financed by the grants-in-aid from the Government of India. During the year 2003-04, it received grants-in-aid of Rs. 9 crore. The dates of laying of the documents of the Mandal for the last 5 years i.e. from 1999-2000 to 2003-2004 and the extent of delay is as under.

Year	Date of laying	Extent of Delay
1999-2000	28.11.2001	11 months
2000-2001	04.03.2003	14 months
2001-2002	21.12.2004	24 months
2002-2003	02.08.2005	19 months
2003-2004	23.05.2006	17 months

The Annual Report and Audited Accounts for the year 2004-05 which were due for laying by 31st December, 2005 laid only on 28.11.2006.

1.2 The delay statement laid alongwith the documents for the year 2001-02 did not contain the details of finalisation of the documents in chronological order. On being asked the Ministry vide their communication dated 12.4.2005 furnished the dates of compilation and finalisation of the documents for the years 1999-2000 to 2001-2002. The details of finalisation of the documents in chronological order for the years 1999-2000 to 2003-2004 are as under :-

		1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
1.	Date of compilation of the accounts	31.08.2000	23.07.2001	04.08.2002	-	14.7.2004
2.	Date of handing over the documents to the auditors	16.10.2000	10.8.2001	16.9.2002	7.9.2003	30.8.2004
3.	Date of commencement and completion of audit	16.10.2000 to 3.11.2000 (19 days)	10.8.2001 to 25.8.2001 (16 days)	16.9.2002 to 30.9.2002 (15 days)	7.9.2003 to 24.9.2003 (18 days)	30.8.2004 to 20.9.2004 (22 days)
4.	Date of finalisation of Annual Reports	27.10.2000	15.12.2001	31.10.2002	-	-
5.	Date of approval of documents from the competent authority - (Account) (Report)	10.8.2001 14.11.2000	8.6.2002 8.6.2002	4.2.2003 24.7.2003	23.3.2004 -	2.6.2005 -

6.	Date of printing of documents - (Accounts) (Report)	02.05.2001 to 22.05.2001 14.12.2000 to 10.01.2001	30.05.2002 to 08.06.2002 05.03.2002 to 08.04.2002	30.12.2003 to 28.01.2004 29.10.2003 to 04.12.2003	25.01.2005 -	05.04.2006 -
7.	Date of sending the documents to Ministry (Accounts) (Report)	10.08.2001 10.08.2001	18.10.2002 10.5.2002	28.05.2004 02.02.2004	- -	27.2.2006 -
8.	Date of laying	28.11.2001	04.03.2003	21.12.2004	2.8.2005	23.5.2006

1.3 It may be seen from the above statement that the Mandal has taken 4 to 5 months in compilation of accounts as against 3 months prescribed for the purpose. Though the Auditors have audited the accounts within a reasonable time the Mandal has taken 9 to 13 months for completing the formalities like getting approval, translation/printing and sending the documents to the Ministry for these years. Again, the Ministry took 3 to 9 months in laying the documents after receipt from Mandal.

1.4 The Committee considered the matter at their sitting held on 8 November, 2005 and held discussion with the representatives of the Ministry of Human Resource Development (Department of Secondary and Higher Education) on 3 April, 2006.

1.5 Asked to explain the reasons for delay in laying the documents of the Mandal, the Ministry of Human Resource Development (Department of Secondary and Higher Education) in their written reply (dated 12.4.2005) have stated as under:-

- “(i) The certified Accounts and Audit reports were received after a long pursuance from AG, UP each year which was the main cause of delay
- (ii) On a number of occasions there was no regular Director in the Kendriya Hindi Mandal (KHS) due to which leadership and monitoring issues have suffered considerably. The regular incumbent has joined with effect from 23.3.2006.
- (iii) The Mandal’s Headquarter is situated at Agra and its 7 centres are at Delhi, Hyderabad, Mysore, Shillong, Guwahati, Deemapur and Bhubaneshwar. The Accounts of all the centres are compiled separately

and then consolidated resulting in delay finalisation of Accounts and Annual Reports.”

1.6. As regards the delay in laying a documents, a representative of the Ministry of Human Resource Development (Department of Secondary and Higher Education) stated during evidence:

“ . . . I would like to submit that two main things contribute to delays. One of them is the time taken by AGUP in completing the audit work and the other is certain initial procedures within the Mandal. In 1999-2000, where the delay was 11 months, four months were contributed by audit and in 2000-01 where the delay was 14 months; six months were due to the delay in completion of audit. In 2001-02, 13 months out of 24 months contribute to the audit factor and in the fourth year, 11 months out of 19 months was due to the delay in audit completion. When there is delay at that stage it will lead to delays in the rest of the procedures.

Then unfortunately computerisation of accounts did not take place so far. The post of Director remained vacant over a certain period of time, which also have a role to play here. But I would like to bring to the notice of the Committee that computerisation of accounts is being taken up in the right earnest. by the time 2006-07 ends, the accounts and transaction will be computerised. Therefore a lot of delay which take place in simply compiling the accounts and submitting to the auditors after collecting from five institutions will be minimized.”

1.7 As per statement of finalisation of documents, the time taken by the audit as for completion of audit was 19 days during the year 1999-2000; 16 days during 2000-01; 15 days during 2001-02; 18 days during 2002-03 and 22 days during 2003-04. In response to a specific query regarding the abnormal delay in laying the documents for the years 1999-2000 and 2000-2001, the representative of the Ministry has stated that certified accounts and Audit Report from the AG,UP was received after a gap of 4 to 13 months from the date of completion of the Audit and that this was the major cause of delay.

1.8 To another query as to whether the Ministry/Institution took up with Audit the question of unduly long time taken by audit in furnishing the audit report, the representative of the Ministry of Human Resource Development (Department of Secondary and Higher Education) during evidence stated as under;

“We have been doing that, but now we will take it up at the higher level.”

1.9 On being enquired about the internal auditing mechanism in the Mandal to ensure timely compilation of accounts as well as to minimize the audit queries at the time of auditing, the Ministry of Human Resource Development (Department of Secondary and Higher Education) in their written reply have stated that there is an internal audit wing in the Mandal and a close watch is kept to ensure timely compilation of accounts. It has further been stated that the queries of Audit are promptly replied and given to Audit Party immediately.

1.10 As regards remedial measures taken in getting approval of the documents from the Members of the Board in time, the Ministry have stated in their written reply that efforts will be made to convene the meetings regularly. In future the approval may be taken by circulation of the document amongst the members of the body, in case the meeting cannot be convened.

1.11 Pointing out that there was delay on the part of Mandal in transmitting the approved accounts to the Ministry, the Ministry have stated in their written reply that though there has been some delay in sending the approved documents to the Ministry by KHS during the year 2000-01 and 2001-02, there has been no delay in sending the same to the Ministry in the years 1999-2000 and 2002-2003. KHS has reportedly assured that there would be no such delay in future.

1.12 When asked to explain the delay on the part of Ministry in laying the documents after their receipt from the Mandal, the Ministry in their written reply submitted that delay on the part of the Ministry is only due to procedural requirements like examination of documents, preparation of review, delay statement and getting the documents authenticated by the concerned Minister, or due to the time lag between receipt of the documents and laying of the documents because of the fact that the Parliament has not been in session.

1.13 When asked to state whether any time schedule for completing the various stages of finalisation of the document has been drawn up for timely finalisation of the documents, the Ministry in their written reply have stated as under:-

1.	Finalisation of Accounts and Annual Report of the previous year	30 June
2.	Handing over of Accounts to A.G. Audit	July
3.	Audit of Accounts by AG, UP proposed in the month of	August/Sept.
4.	Receipt of SAR from AG, UP and time required to reply	Sept.
5.	Receipt of Accounts and Audit report from AG	Oct.
6.	Placing the documents before Governing body	Oct./Nov.
7.	Translation of documents	Nov.
8.	Printing of the documents and submission of documents to the Min. for placing before Parliament	Dec.

1.14 It may be seen from the above Table that much time has been given to the AG audit (from July to October) and for placing the documents before the Governing Body is October/November, thus, only the month of December is left with the Mandal for printing and submission of documents to the Ministry for placing before Parliament. It may be further noted that for completing of the other formalities viz preparation of review of performance and activities of the Mandal, authentication of the documents from the Minister and furnishing the documents to Parliament for laying are also required to be done in the same month. Enquired whether it would be possible for the Ministry and the Mandal to complete all these formalities within a short span of time and place them before Parliament during the Winter Session which normally ends by third week of December every year, the representative of the Ministry of Human Resource Development (Department of Secondary and Higher Education) stated during evidence as under:-

“We proposed to further review and revise and make it tighter so that we get their Annual Reports and audited statements of accounts approved and we get them latest by November so that in the month of December it is positively tabled.”

1.15 The Committee have earlier examined the delay in laying the Annual Report and Audited Accounts of Kendriya Hindi Shikshan Mandal, Agra and made their recommendations in their 16 Report (7th LS) and 2nd Report (9th LS). The Committee in their 2nd Report (9th LS) have recommended as under:-

“From the series of events noted above and non-compliance of the recommendations made by the Committee on Mandal in their Sixteenth Report (7th Lok Sabha) presented to Lok Sabha on (15th March, 1984) the Ministry of Human Resource Development (Department of Education) did not take the matter seriously and allowed the Mandal to function and finalise their accounts in a lackadaisical manner.

The Committee recommend that the Ministry of Human Resource Development (Department of Education) who are administratively concerned with the affairs of the Kendriya Hindi Shikshan Mandal should review the matter and take immediate action in consultation with the Audit authorities to liquidate these accumulated audit observations at their earliest opportunity, and find out suitable ways and means to minimize the scope for audit objections in future, so that the Annual Accounts of the Mandal are finalised and placed before Parliament within the prescribed period of 9 months from the close of the relevant accounting year.”

1.16 The Action Taken Reply of the Ministry of Human Resource Development (Department of Secondary and Higher Education) on the above recommendation as incorporated in 8th Report (10th LS) of the Committee on Papers Laid presented to the House on 27.4.1993, inter-alia, reads as under:-

“The matter has been examined in the light of the recommendations made by the Committee thoroughly and suitable instructions have been issued vide this Ministry letter No.F6-17/90-D.II (L) dated 12.9.1990 to the Director, K.H.S., Agra who is ex-officio Secretary of the Kendriya Hindi Shikshan Mandal. Moreover, the matter is being reviewed in consultation with the A.G., U.P. to fix the modalities and time schedule for settling the remaining outstanding objections and minimizing the possibility of audit objection in future.”

1.17. To a query as to why the Ministry have not laid on the Table a statement explaining the reasons for not laying the documents within stipulated period of time as

per recommendation of the Committee on Papers Laid on the Table, the representatives of the Ministry of Human Resource Development (Department of Secondary and Higher Education) stated during evidence as under:-

“So even if the papers are not laid, the “delay statement” have to be made. So we will keep that in mind”

1.18 Kendriya Hindi Shikshan Mandal, Agra which is functioning under the control of Ministry of Human Resource Development (Department of Secondary and Higher Education) has been a habitual defaulter in the matter of laying of Annual Report and Audited Accounts. A scrutiny of dates of laying of these documents pertaining to the years 1999-2000 to 2003-04 shows that the delay in laying the documents ranges from 11 to 19 months. The documents for the year 2004-05 were laid on 28.11.2000, eleven months after the due date. The delay in laying the Mandal’s documents by the Ministry is not of recent origin. The Committee had earlier examined the institution twice and brought out the Ministry’s failure to adhere to the time schedule in their 16th Report (7th L.S.) and again in 2nd Report (9th L.S.). The Committee are distressed to point out that the Ministry of Human Resource Development (Department of Secondary and Higher Education) have not cared to evolve any mechanism to ensure timely laying of the Annual Report and Audited Accounts of Kendriya Hindi Shikshan Mandal, Agra which receives an annual grant of about Rs. 9 crore a year.

1.19 From the information furnished by the Ministry, the Committee find that there has been delay of about one to two months in compilation of accounts in each year from 1999-2000 to 2003-2004. The Committee further note that computerisation of accounts has been taken up in Kendriya Hindi Shikshan Mandal only now and is expected to be completed by the end of 2006-07. The representative

of the Ministry of the Human Resource Development (Department of Secondary and Higher Education) has stated during evidence that with the help of computerization, delay in compilation of accounts would be minimized. The Committee desire that the task of computerisation should be completed without delay and ensured that there is no delay in compilation of accounts in future.

1.20 The Committee have been further informed that one of the reasons for delay in laying the documents is the unduly longer time taken by the office of AG, UP in completing their audit and issue of audit certificate to the Mandal. The Committee note that the statement of finalisation of documents shows that the time taken by auditors for completion of their audit was between 15 and 22 days during each of the years from 1999-2000 to 2003-2004, however, the time taken by audit as for furnishing their audit report ranged from 4 to 13 months, every year during the said period. The Committee, therefore, urge the Ministry to take up the issue of delay in completion of audit with the AG, UP suitably and impress upon them to complete their task in time to avoid consequential delay in laying of the documents before the Parliament.

1.21 The Committee note that the time taken by the Mandal in getting translation/printing of the documents, getting approval of the documents from the Executive Body and completing other formalities ranged from 9 to 13 months for the years 1999-2000 to 2003-2004. The Committee feel that the inordinate delay on the part of the Mandal in this regard is within the administrative control of the Mandal and thus avoidable. In order to avoid delay in future, the Committee urge that advance action be taken for translation and printing. There should be no delay in getting approval of the documents from the Executive Body. If necessary, an alternative procedure be evolved to ensure that there is no delay in getting approval

of the documents. The Committee would like to be apprised of the corrective steps taken in this regard.

1.22 The Committee feel that there would be inherent delay in laying of documents on the Table of Lok Sabha if the time schedule drawn up by the Ministry of Human Resource Development (Department of Secondary and Higher Education) in this regard is adhered to. As assured by the Ministry, the time schedule should be so devised as to provide sufficient time for the Ministry to arrange laying of the documents before the conclusion of Winter Session of Parliament which normally concludes in the third week of December.

II

Delay in laying the Annual Reports and Audited Accounts of Indian Council of Social Science Research (ICSSR), New Delhi .

...

The Indian Council of Social Science Research (ICSSR), New Delhi is an autonomous organisation registered under the Societies Registration Act, 1860 with the objective to review, promote, encourage, assist and coordinate social science research in India. The Council is financed mainly by grants-in-aid from the Government of India. During the year 2004-05, the Council received grants of Rs.41.29 crore from the Ministry of Human Resource Development (Department of Secondary and Higher Education). The date of laying and extent of delays in laying the Annual Reports and Audited Accounts of ICSSR for the last 7 years is under:-

<u>Year</u>	<u>Date of Laying</u>	<u>Extent of Delay</u>
1998-1999	13.3.2001	14 ½ months
1999-2000	14.5.2002	16 ½ months
2000-2001	26.11.2002	11 months
2001-2002	20.7.2004	19 months
2002-2003	26.4.2005	16 months
2003-2004	20.12.2005	11½ months
2004-2005	18.05.2006	4½ months

2.2 General Financial Rule 151(2) as well as the recommendations of the Committee on Papers Laid on the Table provide that each organisation/society registered under the Registration of Societies Act, 1860 and receiving grants-in-aid from the Government of India should lay its Annual Report and Audited Accounts on the Table of the House within nine months of the close of accounting year. However, in the instant case there has been constant inordinate delay in laying the documents of the ICSSR, New Delhi during the last seven years.

2.3 Considering the abnormal delay in laying of the documents of the Council, the Committee decided on 3.1.2006 to take oral evidence of the representatives of Ministry of Human Resource Development (Department of Secondary and Higher Education) and ICSSR. The Committee took oral evidence of the Ministry/ICSSR on 3.4.2006 .

2.4 The chronology of finalisation of documents of the Council for the years (2000-01 to 2002-03) as furnished by the Ministry in their written reply and indicated in the delay statement for the year 2003-04 and 2004-05 is as under:-

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
1. <i>Date of appointment of auditors</i>	10.10.2001	31.7.2002	25.8.2003	--	--
2. <i>Date of compilation of accounts</i>	10.10.2001	31.7.2002	25.8.2003	9.9.2004	28.7.2005
3. <i>Date of conducting auditing</i>	24.12.2001 to 18.1.2002	25.10.2002 to 13.12.2002	18.12.2003 to 22.1.2004	--	--
4. <i>Date of inspection Report</i>	--	--	--	25.4.2005	20.10.2005
5. <i>Replies given on points raised in the inspection report</i>	--	--	--	3.5.2005	26.10.2005
6. <i>Receipt of audit certificate from the audit authorities</i>	--	--	--	12.7.2005	27.12.2005
7. <i>Date of finalization of Annual Reports</i>	16.2.2002	10.3.2003	20.5.2004	--	--
8. <i>Date of approval of documents by competent authority</i>	19.6.2002	25.3.2004	25.5.2004	--	--
9. <i>Time taken in translation & printing</i>	2 months	6 days	6 months	--	--
10. <i>Submission of Annual Reports and Audited Accounts to the Ministry</i>	--	---	--	10.11.2005	6.3.2006
11. <i>Date of laying the documents on the Table of the House</i>	26.11.2002	20.7.2004	26.4.2005	20.12.2005	.5.2006

2.5 A scrutiny of the above statement reveals that the Council took 4 to 6 months in compilation of their accounts for the years 2000-01 to 2002-03 as against 3 months recommended by the Committee.

2.6 Explaining the reasons for delay in finalization of accounts for the years 2000-01 to 2003-04, the Ministry in their written reply have stated that the delay in laying of the Annual Reports and Audited Accounts of the ICSSR for the period under review has been the cumulative effect of delay at every stage, beginning with the delay in the finalisation of accounts on the part of the Council, which varied from 5 months for 2000-01, 2 months for 2001-02, 3 months for 2002-03 and over 3 months for 2003-04. The process of compilation of accounts by the Council is done manually. The computerization of accounts which was taken up in the year 2003-04 and, is yet to be completed. The Council compiles the accounts from its 6 regional centers, 27 research institutes receiving financial support from it and from the Head Office.

2.7 Elaborating this point the representative of Ministry of Human Resource Development (Department of Secondary and Higher Education) during evidence added:-

“There have been delays in the past mainly on account of the manual compilation of accounts. Therefore, the Council was advised to switch over to computerization which it started doing both for the Regional Offices as well as the Head Office. It was asked to follow the Expenditure Ministry’s new direction that the accounts should be compiled on an accrual basis. So, it has to re-work its computerization programme.”

2.8 When asked about the present position regarding computerisation of accounts, the Ministry in their written reply have stated that the process of the computerization of the accounts of the Council was initiated in the year 2003-04 by maintaining the accounts in parallel, both manual and through computer by using common accounting software “TALLY” ees.6.3. The Council was required to adopt the accounting system prescribed

by the Ministry of Finance to the Autonomous Organisations i.e. change from cash based system to accrual-based system, therefore, necessitating a need of having a re-look into the process of computerization of accounts of the Council. The new Council of ICSSR has debated this issue and has resolved for a tailor made system of computerization for meeting all the accounting needs of the Council as per the rules, regulations and the ensure timely finalisation of the accounts for submission to DGACR for audit.”

2.9 When asked to state about the internal audit system the representative during evidence stated :

“They have created an internal audit cell. There is a retired person from the CAG, who is heading the cell and they are doing internal audit process. The other thing, which we are also doing along with this consultation of this cell and with the Ministry, is streamlining the number of our internal procedures to ensure that we adhere to the deadlines and the schedule, which the Ministry has laid down.”

2.10 As per the established procedure after receipt of the audited accounts from the auditors, the Governing Body of the Council should approve the same before they are laid on the Table of the House. The statement indicating in chronological order the completion of various stages involved in finalisation of documents did not give full information. It appears that undue time has been taken by the Council in getting approval of the documents from its Governing Body. On being asked what is the system of holding the meeting of Governing Body of the Council as soon as the documents are ready for seeking approval, the Ministry in their written reply stated as under:-

“While it is possible to convene meetings of the Policy, Planning and Administrative Committee as soon as the documents are ready for seeking its approval, it may not be convenient and practical all the times to convene the meeting of the Council, since it is a much larger body having eminent persons, from all over the country as members, whose convenience may also be required for attending the meeting. The management of the ICSSR may take the approval of the Council by circulation of the documents as and when they are ready. It may be pertinent to mention here that the ICSSR has adopted this method in getting the approval for the Annual Report and Audited Account for the year 2004-05.”

As regards approval of the Annual Report and Audited Accounts of ICSSR the representative during evidence added:-

“They have got round this problem last year. They took the approval by circulation. Although it is not the best and most ideal way but it is a practical way to trade of.”

2.11 Giving target dates for completion of each stage regarding finalisation of the documents, the Ministry have stated in a written reply (dated 7.10.2005) as under:-

“The Ministry has formulated the following timeframe for completion of the work relating to the annual report and audited accounts of the ICSSR and has been advising the Council to strictly adhere to the time schedule:

- (i) Finalisation of accounts by 31st May.*
- (ii) Completion of the audit of the accounts by C&AG by 31st July.*
- (iii) Finalisation of Annual Report of the Institute including Hindi version by 31st July.*
- (iv) Approval of the Audited Accounts by the Finance Committee/Governing Body of the Council by 30th September.*
- (v) Forwarding the requisite number of printed copies of the Annual Reports and Audited Accounts to the Ministry of Human Resource Development by 31st October.*
- (vi) Forwarding the copies duly authenticated by Hon'ble Minister to Lok Sabha by 30th November.*

2.12 The Committee regret to note that the Annual Reports and Audited Accounts of the Indian Council of Social Science Research (ICSSR), New Delhi have not been laid in time even once since 1998-99. The delay in laying the documents of the Council for the years 1998-99 to 2003-04 ranged from 11 to 19 months. However, the Committee note with satisfaction that the extent of delay has come down from 19 months for the year 2001-02 to 16 months for the year 2002-03, 11 months for the year 2003-04 and 4 months for the year 2004-05. Though the extent

of delay in laying the documents has come down over the years, the Committee urge that it should be ensured that the documents are laid on the Table of the House within the stipulated time in future.

2.13 The Council had taken 4 to 6 months for compilation of the accounts in each year during the period from 2000-01 to 2004-05 as against 3 months prescribed by the Committee. The delay in this regard is attributed to the fact that accounts have been received from as many as 27 Research Institutes and 6 Regional Centres, spread over various parts of the country. The Committee feel that the contention of the Ministry is untenable in the era of computerization. The Committee have been informed that computerisation of accounts taken up in the year 2003-04 is yet to be completed. The Committee desire that the task of computerisation should be completed expeditiously. The Committee hope that the completion of the task would enable electronic transfer of data from research institutes, regional centres and Headquarters and would curtail the time taken for compilation of accounts of the Council.

2.14 The Committee note that the Council has created an internal audit cell which is streamlining the internal audit procedure. The Committee hope that with the introduction of the internal audit cell, the number of audit queries will go down which would facilitate expeditious completion of audit of accounts.

2.15 The Committee note that the time schedule indicating target dates for completion of various stages involved in finalisation of Annual Report and Audited Accounts has been laid down by the Ministry. The Committee urge that the time schedule should be strictly adhered to and monitored at each and every stage so that the Annual Reports and Audited Accounts of ICSSR are laid in time in future.

III

Delay in laying Annual Reports and Audited Accounts of National Book Trust, India, New Delhi

...

National Book Trust (NBT), India, New Delhi was established in 1957 and registered as a society in 1959 under the Societies Registration Act, 1860. As the nodal agency for the promotion of Indian books and for the dissemination of book culture in India the NBT organizes book fairs/festivals at local, regional and national levels. The Trust is mainly financed by the grants from the Department of Secondary Education & Higher Education, Ministry of Human Resource Development. During the year 2003-2004, the Trust received grants-in-aid amounting to Rs.11.60 crore from Ministry of Human Resource Development. The audit of accounts of the Trust has been entrusted to C&AG for the period up to 2007-08.

3.2 The dates of laying of Annual Reports & Audited Accounts of the Trust during the years 1999-2000 to 2003-2004 and the extent of delay involved for each of the year is as under:-

<u>Year</u>	<u>Date of laying</u>	<u>Extent of Delay</u>
1999-2000	31.08.2001	08 months
2000-2001	17.12.2002	11½ months
2001-2002	21.12.2004	24 months
2002-2003	16.08.2005	20 months
2003-2004	23.12.2005	12 months

These documents for the year 2004-05 which were due for laying by 31.12.2005 were laid only on 28.11.2006.

3.3 The Committee on Papers Laid on the Table have stressed in the past that if for any reason the Annual Report and Audited Accounts cannot be laid within the stipulated time, the Ministry concerned 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 Annual Report and Audited Accounts could not be laid. However, no statement has been laid on the Table for the years from 1999-2000 to 2003-04 in respect of National Book Trust, though there was delay in laying. Apologising for the lapse in not laying the delay statement as required, a representative of the Ministry of Human Resource said during evidence before the Committee as under :-

“We also apologies that the Trust and the Department have not been furnishing the delay report because instructions are very clear that even where there is a delay in laying documents, the delay reports must be submitted in time. We apologies sincerely for that lapse also.”

3.4 The chronology of the dates of finalisation of the Annual Accounts of the Trust for the years 1999-2000 to 2004-05 as furnished by the Ministry of Human Resource

Development is as under:-

<u>Sl. No</u>		<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
1.	<i>Date of Annual Accounts submitted to DGACR</i>	18.10.2000	14.08.2001	31.12.2002	8.4.2004	19.11.2004	19.7.2005
2.	<i>Period of conduct of audit by DGACR</i>	23.10.2000 to 18.12.2000	03.09.2001 to 09.10.2001	2.1.2003 to 7.2.2003	5.7.2004 to 30.7.2004	3.2.2005 to 4.3.2005	18.8.205 to 14.9.2005
3.	<i>Draft Audit Report received from DGACR</i>	14.12.2000	6.11.2001	28.4.2003	20.10.2004	25.4.2005	7.10.2005
4.	<i>Date of furnishing replies to Audit Report by the Trust to the DGACR</i>	21.12.2000	22.11.2001	30.6.2003	29.11.2004	22.6.2005	27.12.2005

5.	<i>Date of receipt of final Audit Report</i> (Eng version)	19.3.2001	9.1.2002	22.12.2003	7.3.2005	28.7.2005	30.12.2005
		30.7.2001	14.5.2002	14.9.2004	8.4.2005	26.8.2005	5.5.2006
6.	<i>Date on which Annual Report and Annual Accounts received in the Department of Secondary & Higher Education</i>	2.8.2001	22.11.2002	14.9.2004	5.7.2005	21.11.2005	Expected to be submitted by August, 2006
7.	<i>Submission of authenticated Papers to Lok Sabha</i>	28.08.2001	9.12.2002	13.12.2004	05.08.2005	19.12.2005	N.A
8.	<i>Date of laying</i>	31.8.2001	17.12.2002	21.12.2004	16.8.2005	23.12.2005	N.A.

3.5. It may be seen from the above statement that the delay has been mainly on the part of the Trust in compilation of their accounts and handing them over to the Auditors for auditing. The delay has also been at the stage of auditing of accounts by auditors and furnishing their audit report to the Trust. The Trust has taken about 4 to 12 months for the years 1999-2000 to 2004-05 in compilation of their accounts and handing them over

to auditors for auditing as against 3 months recommended by the Committee. The auditors have further taken 9 months to 20 months in auditing of accounts for the years 1999-2000 to 2004-05 and furnishing their final audit report to the Trust

3.6 The Committee considered the matter at their sitting held on 29 June, 2006 and decided to take oral evidence of the Ministry. The Committee held discussion with the representatives of the Ministry of Human Resource Development as well as National Book Trust, India, New Delhi on 17 July, 2006.

3.7 Asked to explain the reasons for delay in laying Annual Reports and Audited Accounts of the Trust, the Secretary, Ministry of Human Resource Development stated during evidence;

“... We can give you some reason as to where it lied and something, but we cannot do except by seeking your indulgence on this because the delays are not really defensible. We can give details of where it happened and other things. We have improved in the subsequent years and in all organizations, we are trying to improve and hopefully, there would not be any reason for annoyance.”

Regretting for the delay in laying the documents of the Trust, the Ministry of Human Resource Development (Department of Secondary and Higher Education) stated in a written reply (O.M.dated 14.7.06) as under :-

“It is regretted that delay has occurred at the Trust’s level on account of delay in compilation of Annual Accounts. This has been added to by the delay on the part of the DGACR. Consequently, the guidelines on preparation and laying of the Annual Accounts and Annual Report on the Table of the Parliament could not be adhered to which has caused inconvenience to the Hon’ble Members of Parliament.”

3.8 On account of delay in compilation of accounts of the Trust, the Ministry of Human Resource Development (Department of Secondary & Higher Education) stated in a written reply (O.M. dt 14.07.06) as under :-

“...NBT being a multi-office organization, at the first instance, Accounts are finalized manually at the Regional Office level. Then it is manually integrated at the HQ. The compilation of Annual Accounts at the Regional Offices level

requires substantial information from the distributors and booksellers, which takes considerable time besides compilation and finalisation of inventory which is also voluminous in nature.”

It has been further stated that -

“The compilation of Annual Accounts is not yet fully computerized. Further there is no facility of online transmission of data from the Regional Offices to HQ. Thus, delay takes place both at the Regional Offices level as well as HQ level. However, initiatives are being taken for installation of a computerized accounting system and of providing for online transmission of data from Regional Offices.”

During evidence, a representative of the Ministry of Human Resource Development (Department of Secondary and Higher Education) also stated that -

“I may also submit here that the computerization process is not yet fully over. It is only partially computerised. They have been finding it very difficult to get the accounts in time from the distributors. I mentioned that 1064 distributors are there. Many of them work on credit because books of this kind will have to be given on credit to be kept in bookshops and made available so that those could be sold and made available to public. Compiling this account has taken time. The present process of conciliation, reconciliation and compilation of accounts with the branches is also on a monthly basis. However, soon after the computerization is over they hope to do it by the end of this financial year, the reconciliation with branches will be done almost on a daily basis because they will move over to an on line transactional method. Their staff is under training. Hopefully we want to assure this august body that next year we may not have to give any reasons which are controllable really in submitting accounts and laying papers in time. “

3.9 Identifying the stages where the delays occurred for the years 1999-2000 to 2001-02, the Department of Secondary and Higher Education in their written reply (O.M. dated 6.7.2005) had furnished as under:-

“Finalisation of Inventory and customers accounts at the year end being voluminous work also takes considerable time has been identified as the root cause of delay at the Trust level.

Further, the Ministry of Human Resource Development in a written reply (dt. 14.7.06) stated:

“Computerized inventory control system and customers account have been implemented. However, due to only partial computerization achieved till date, the time consumed in recording the voluminous transactions, their feeding, carrying out correction before finalization the full benefits of the system have not accrued.

In addition, internal audit of Regional Offices is conducted regularly every year. Apart from this, physical verification and reconciliation of inventory is done annually.”

3.10. On being asked what efforts have been made by the Ministry/Trust for early completion of audit of accounts by the auditors, the Ministry in a written reply (dt. 14.7.06) have furnished as under :-

“Once the audit is completed, the Trust follows up with the DGACR by issuing reminders in writing and making personal visits for expediting the issue of the audit certificate.”

3.11 Indicating the number and nature of queries raised by DGACR and the time taken by the Trust in resolving those queries, the Ministry in a written reply (14.7.06) have stated as under:-

“Every year the number of queries raised by the DGACR varies in number ranging from 80 to 120 covering all the activities of the Trust. The Audit Reports for the previous years are enclosed and from the observations therein it is clear that here are no such serious objections.”

It has also been further stated that:

“There is improvement in furnishing clarification of Audit observations after receipt of the Audit Report. Audit Reports of previous three accounting years are enclosed and from the observations therein it is apparent that there are no such serious objections, which would have complicated the auditing process and issuing of audit certificates. Hence, there are no reasons attributable to the accounting processes of the Trust in so far as the delay on the part of DGACR is concerned.”

3.12. As regard delay in getting approval of the documents from the Executive Committee (EC) and Board of Trustees (BOT), the Ministry have stated in a written reply (O.M. dt. 14.7.06) as under :-

“On receipt of the Audit Report and Audit Certificate, these are placed before the Executive Committee (EC) and Board of Trustees (BOT) of the Trust along with the comments of the Trust for their perusal and approval as per the stipulated procedure.”

3.13. On being enquired about the reasons for delay at the stage of printing of the documents, a representative of the Ministry of Human Resource Development during evidence before the Committee stated as under :-

“The responsibility for translating the audit report vests with the audit authorities. However, on previous occasions also, we have submitted before this hon. Committee that on an informal basis, our institutions help the audit by getting it translated, but even the translated versions has to be finally vetted and then authenticated by them. So there has been a problem. What cannot be excused is that the Trust had delayed even in respect of Annual Report which is its own responsibility. There, apparently, after the English version had been completed and approved, they gave it for translation, which means that they worked in a linear fashion. They have been advised to do concurrent translation of each chapter as and when it is ready so that they can get both. We apologise sincerely for the delay in submitting the Annual Report.”

3.14. Asked to indicate the steps taken or the mechanism in the Ministry to monitor the progress of work of the finalisation and laying documents of the Trust, the Ministry in a written reply have stated as under:-

“The Ministry has taken up necessary initiatives to get the accounts finalized and the Annual Report submitted to the both the Houses of the Parliament within the stipulated time by means of reiterating necessary instructions issued by the Govt. of India from time to time.”

The Ministry have further add that:-

“...with the installation of a computerisation of accounting system and the facility of online transmission of data, it is hoped that delay would be avoided in the future.

The Ministry insist that the Trust finalise its accounts in time and monitors the progress on the matter on a concurrent basis.”

3.15 The Committee regret to note that there were inordinate delays in laying the Annual Reports and Audited Accounts of National Book Trust (NBT), India, New Delhi year after year. The delay in laying the documents pertaining to the years 1999-2000 to 2003-04 ranged from 8 to 24 months. The Annual Report and Audited Accounts for the year 2004-05 were laid only on 28.11.2006, eleven months after the due date.

3.16 There has been a stipulation that in case, for any reason, the report and audited accounts could not be laid within 30 days of expiry of the prescribed period, a delay statement should be laid on the Table of the House giving reasons for the delay. This stipulation has not been adhered to in respect of National Book Trust, India, New Delhi in respect of any of the years from 1999-2000 to 2003-04. The Committee deplore such lapses.

3.17 The Committee further note that the main reason for delay in laying the document was unduly long time taken by the Trust in compilation of its Annual Accounts. From the information furnished by the Ministry, the Committee observe that the Trust has taken 4 to 12 months for the years 1999-2000 to 2004-05 for compilation of accounts as against the prescribed period of 3 months. It has been stated that delay in getting the accounts from the distributors and the time taken in compilation of accounts manually at regional and headquarters levels contributed to the delay. The Committee have been assured during evidence that computerization process which is on hand will be over soon. The Committee stress that the Trust must expedite installation of computerized accounting system providing for online transmission of data from regional offices to headquarters for speedy and timely compilation of accounts. The Committee would like to be apprised of the progress made in this regard.

3.18 Another reason advanced for delay in laying the documents is that there has been considerable delay on the part of auditors in auditing the accounts of the Trust. The auditors have taken 9 to 20 months to complete the audit and furnishing their final audit report in respect of the years 1999-2000 to 2003-04. The Committee note that every year, the number of queries raised by DGACR varies in number ranging from 80 to 120 covering all the activities of the Trust. It has also been stated

that there has been improvement in furnishing clarification on audit observations after receipt of the Audit Report. The Committee desire that the Ministry of Human Resource Development (Department of Secondary & Higher Education) should take up the question of delay in audit with the Comptroller and Auditor General and ensure that there is no consequential delay in laying the documents on the Table of the House.

3.19 It appears that no schedule indicating time limits for completion of task involved at each stage of finalisation of the documents by the Trust has been laid down by the Ministry concerned. The Committee urge that this should be done forthwith. The time schedule must lay down target dates for finalisation of accounts, completion of audit, approval of reports and audited accounts, translation & printing of documents, dispatch to the Ministry, processing by Ministry and laying on the Table. The Ministry of Human Resource Development (Department of Secondary & Higher Education) should closely monitor the progress of completion at each stage involved in the preparation of the documents and ensure that they are laid in time in future.

NEW DELHI
December, 2006
Agrahayana, 1928 (Saka)

HANNAN MOLLAH,
Chairman,
Committee on Papers Laid on the Table

APPENDIX

SUMMARY OF RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE REPORT

Sl. No.	Ref. to Para No. of the Report	Summary of Recommendations/Observations
1	2	3
	1.18	<p>Kendriya Hindi Shikshan Mandal, Agra which is functioning under the control of Ministry of Human Resource Development (Department of Secondary and Higher Education) has been a habitual defaulter in the matter of laying of Annual Report and Audited Accounts. A scrutiny of dates of laying of these documents pertaining to the years 1999-2000 to 2003-04 shows that the delay in laying the documents ranges from 11 to 19 months. The documents for the year 2004-05 were laid on 28.11.2000, eleven months after the due date. The delay in laying the Mandal's documents by the Ministry is not of recent origin. The Committee had earlier examined the institution twice and brought out the Ministry's failure to adhere to the time schedule in their 16th Report (7th L.S.) and again in 2nd Report (9th L.S.). The Committee are distressed to point out that the Ministry of Human Resource Development (Department of Secondary and Higher Education) have not cared to evolve any mechanism to ensure timely laying of the Annual Report and Audited Accounts of Kendriya Hindi Shikshan Mandal, Agra which receives an annual grant of about Rs. 9 crore a year.</p>
	1.19	<p>From the information furnished by the Ministry, the Committee find that there has been delay of about one to two months in compilation of accounts in each year from 1999-2000 to 2003-2004. The Committee further note that computerisation of accounts has been taken up in Kendriya Hindi Shikshan Mandal only now and is expected to be completed by the end of 2006-07. The representative of the Ministry of the Human Resource Development (Department of Secondary and Higher Education) has stated during evidence that with the help of computerization, delay in compilation of accounts would be minimized. The Committee desire that the task of computerisation should be completed without delay and ensured that there is no delay in compilation of accounts in future.</p>
	1.20	<p>The Committee have been further informed that one of the reasons for delay in laying the documents is the unduly longer time taken by the office of AG, UP in completing their audit and issue of audit certificate to the Mandal. The Committee note that the statement of finalisation of documents shows that the time taken by auditors for completion of their audit was between 15 and 22 days during each of the years from 1999-2000 to 2003-2004, however, the time taken by audit as for furnishing</p>

their audit report ranged from 4 to 13 months, every year during the said period. The Committee, therefore, urge the Ministry to take up the issue of delay in completion of audit with the AG, UP suitably and impress upon them to complete their task in time to avoid consequential delay in laying of the documents before the Parliament.

- 1.21 The Committee note that the time taken by the Mandal in getting translation/printing of the documents, getting approval of the documents from the Executive Body and completing other formalities ranged from 9 to 13 months for the years 1999-2000 to 2003-2004. The Committee feel that the inordinate delay on the part of the Mandal in this regard is within the administrative control of the Mandal and thus avoidable. In order to avoid delay in future, the Committee urge that advance action be taken for translation and printing. There should be no delay in getting approval of the documents from the Executive Body. If necessary, an alternative procedure be evolved to ensure that there is no delay in getting approval of the documents. The Committee would like to be apprised of the corrective steps taken in this regard.
- 1.22 The Committee feel that there would be inherent delay in laying of documents on the Table of Lok Sabha if the time schedule drawn up by the Ministry of Human Resource Development (Department of Secondary and Higher Education) in this regard is adhered to. As assured by the Ministry, the time schedule should be so devised as to provide sufficient time for the Ministry to arrange laying of the documents before the conclusion of Winter Session of Parliament which normally concludes in the third week of December.
- 2.12 The Committee regret to note that the Annual Reports and Audited Accounts of the Indian Council of Social Science Research (ICSSR), New Delhi have not been laid in time even once since 1998-99. The delay in laying the documents of the Council for the years 1998-99 to 2003-04 ranged from 11 to 19 months. However, the Committee note with satisfaction that the extent of delay has come down from 19 months for the year 2001-02 to 16 months for the year 2002-03, 11 months for the year 2003-04 and 4 months for the year 2004-05. Though the extent of delay in laying the documents has come down over the years, the Committee urge that it should be ensured that the documents are laid on the Table of the House within the stipulated time in future.
- 2.13 The Council had taken 4 to 6 months for compilation of the accounts in each year during the period from 2000-01 to 2004-05 as against 3 months prescribed by the Committee. The delay in this regard is attributed to the fact that accounts have been received from as many as 27 Research Institutes and 6 Regional Centres, spread over various parts of the country. The Committee feel that the contention of the Ministry is untenable in the era of computerization. The Committee have been informed that computerisation of accounts taken up in the year 2003-04

is yet to be completed. The Committee desire that the task of computerisation should be completed expeditiously. The Committee hope that the completion of the task would enable electronic transfer of data from research institutes, regional centres and Headquarters and would curtail the time taken for compilation of accounts of the Council.

- 2.14 The Committee note that the Council has created an internal audit cell which is streamlining the internal audit procedure. The Committee hope that with the introduction of the internal audit cell, the number of audit queries will go down which would facilitate expeditious completion of audit of accounts.
- 2.15 The Committee note that the time schedule indicating target dates for completion of various stages involved in finalisation of Annual Report and Audited Accounts has been laid down by the Ministry. The Committee urge that the time schedule should be strictly adhered to and monitored at each and every stage so that the Annual Reports and Audited Accounts of ICSSR are laid in time in future.
- 3.15 The Committee regret to note that there were inordinate delays in laying the Annual Reports and Audited Accounts of National Book Trust (NBT), India, New Delhi year after year. The delay in laying the documents pertaining to the years 1999-2000 to 2003-04 ranged from 8 to 24 months. The Annual Report and Audited Accounts for the year 2004-05 were laid only on 28.11.2006, eleven months after the due date.
- 3.16 There has been a stipulation that in case, for any reason, the report and audited accounts could not be laid within 30 days of expiry of the prescribed the period, a delay statement should be laid on the Table of the House giving reasons for the delay. This stipulation has not been adhered to in respect of National Book Trust, India, New Delhi in respect of any of the years from 1999-2000 to 2003-04. The Committee deplore such lapses.
- 3.17 The Committee further note that the main reason for delay in laying the document was unduly long time taken by the Trust in compilation of its Annual Accounts. From the information furnished by the Ministry, the Committee observe that the Trust has taken 4 to 12 months for the years 1999-2000 to 2004-05 for compilation of accounts as against the prescribed period of 3 months. It has been stated that delay in getting the accounts from the distributors and the time taken in compilation of accounts manually at regional and headquarters levels contributed to the delay. The Committee have been assured during evidence that computerization process which is on hand will be over soon. The Committee stress that the Trust must expedite installation of computerized accounting system providing for online transmission of data from regional offices to headquarters for speedy and timely compilation of accounts. The Committee would like to be apprised of the progress made in this regard.

- 3.18 Another reason advanced for delay in laying the documents is that there has been considerable delay on the part of auditors in auditing the accounts of the Trust. The auditors have taken 9 to 20 months to complete the audit and furnishing their final audit report in respect of the years 1999-2000 to 2003-04. The Committee note that every year, the number of queries raised by DGACR varies in number ranging from 80 to 120 covering all the activities of the Trust. It has also been stated that there has been improvement in furnishing clarification on audit observations after receipt of the Audit Report. The Committee desire that the Ministry of Human Resource Development (Department of Secondary & Higher Education) should take up the question of delay in audit with the Comptroller and Auditor General and ensure that there is no consequential delay in laying the documents on the Table of the House.
- 3.19 It appears that no schedule indicating time limits for completion of task involved at each stage of finalisation of the documents by the Trust has been laid down by the Ministry concerned. The Committee urge that this should be done forthwith. The time schedule must lay down target dates for finalisation of accounts, completion of audit, approval of reports and audited accounts, translation & printing of documents, dispatch to the Ministry, processing by Ministry and laying on the Table. The Ministry of Human Resource Development (Department of Secondary & Higher Education) should closely monitor the progress of completion at each stage involved in the preparation of the documents and ensure that they are laid in time in future.