

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2010-2011)**

FIFTEENTH LOK SABHA

SIXTH REPORT

(Presented on 18 August, 2011)

S

E

A

L

**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2011/Sravana 1933(Saka)

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2010-2011)	(iii)
INTRODUCTION	(v)
 <u>REPORT</u> 	
CHAPTERS	
I Delay in laying of the Annual Reports and Audited Accounts of Orissa Primary Education Programme Authority (OPEPA), Bhubaneswar	01
II Delay in laying of the Annual Reports and Audited Accounts of Jammu and Kashmir Agro Industries Corporation Limited.	08
 APPENDIX	
*Summary of recommendations/observations contained in the Report	16

* will be appended at the time of printing the Report.

COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE

(2010-2011)

Shri Harin Pathak

- Chairman

M E M B E R S

2. Shri Anto Antony
3. Shri Harish Chaudhary
4. Shri Syed Shahnawaz Hussain
5. Shri Ram Singh Kaswan
6. Shri Pakauri Lal
7. Shri Baidya Nath Prasad Mahato
8. Shri Narahari Mahato
9. Shri Basori Singh Masram
10. Dr. Vinay Kumar Pandey
11. Shri Nityananda Pradhan
12. Shri Rathod Ramesh
13. Shri Gutha Sukhender Reddy
14. Shri Mahendra Kumar Roy
15. Shri P. Viswanathan

SECRETARIAT

1. Shri Deepak Mahna - Joint Secretary
2. Shri Shiv Kumar - Director
3. Smt. Maya Lingi - Deputy Secretary

INTRODUCTION

I, the Chairman, Committee on Papers Laid on the Table of the House, having been authorized by the Committee to present the Report on their behalf, present this Sixth 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 (i) Orissa Primary Education Programme Authority (OPEPA), Bhubaneswar and (ii) Jammu and Kashmir Agro Industries Corporation Limited .

3. The Committee considered and adopted the Chapters pertaining to delay in laying of the Annual Reports and Audited Accounts of (i) Orissa Primary Education Programme Authority (OPEPA), Bhubaneswar and (ii) Jammu and Kashmir Agro Industries Corporation Limited this Report at their sittings held on 23.03.2011 and 15.06.2011 respectively.

4, For facility of reference, observations/recommendations of the Committee have been printed in thick type in the body of the Report.

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

NEW DELHI
Augusts, 2011
Sravana, 1933 (Saka)

HARIN PATHAK,
Cairman
Committee on Papers Laid on the Table

* will be appended at the time of printing the Report.

CHAPTER - I

Delay in laying of the Annual Reports and Audited Accounts of Orissa Primary Education Programme Authority (Sarva Shiksha Abhiyan), Bhubaneswar

Orissa Primary Education Programme Authority (OPEPA), Bhubaneswar came into existence as a registered society on 30th January 1996. The School & Mass Education(S & ME) department in the Government of Orissa has the responsibility to achieve the goals of universal elementary education (UEE). The Authority is mainly financed through grants-in-aid from the Government of India. During the years 2007-2008 and 2008-09, the Authority was given grants-in-aid amounting to Rs. 60722.87 lakh and Rs. 49080.90 lakh respectively from Government of India.

1.2 As per the recommendation of the Committee on Papers Laid on the Table an Organization, which receives grants-in-aid from the Government of India should lay their Annual Report, Audited Accounts and Review within 9 months of the close of Accounting Year. However, there have been repeated delays in laying the documents of Orissa Primary Education Programme Mission (Sarva Shiksha Abhiyan), Bhubaneswar as indicated below:-

<u>Year</u>	<u>Laid on</u>	<u>Extent of delay</u>
2000-2001	9.5.2003	16 months
2001-2002	5.2.2004	13 months
2002-2003	23.7.2004	07 months
2003-2004	23.12.2005	12 months
2004-2005	08.5.2007	16 months
2005-2006	22.04.2008	16 months
2006-2007	13.07.2009	18 months
2007-2008	11.03.2010	14 months
2008-2009	04.08.2010	07 months
2009-2010	Not laid	-

1.3 Considering the recurring delays in laying the Annual Reports and Audited Accounts of Authority for the years 2000-2001 to 2007-2008, the matter was referred to the Ministry of Human Resource (Department of School Education & Literacy) to seek clarifications/reasons for

the same. In response, the Ministry of Human Resource Development (Department of School Education and Literacy) in a written note dated 13.09.2010 informed that:-

“The SSA programme was initiated in 2000-01 & initially the programme was looked after by the Education Department of State Government Orissa Primary Education Programme Authority (OPEPA) – a State autonomous body started looking after SSA programme from 2002-03 onwards. Hence, in respect of SSA programme report from 2002-03 onwards were required to be laid on the Table of the House. The reference to earlier year is in respect of District Primary Education Programme (DPEP), which came to an end on 31.3.2009 in Orissa. Till 2007-08, reports on DPEP were brought out alongwith Reports on SSA as one consolidated Report. OPEPA has, however, not yet laid the DPEP Report for 2008-09. The State has reported that they will bring out this Report by the end of September, 2010. As such the Report will be laid in the Winter Session of Parliament.”

1.4 The Committee have emphasized in the past that if for any reason the Annual Report and Audited Accounts alongwith 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 for not laying the Report and Accounts within the stipulated period. In this connection, Ministry of Human Resource Development (Department of School Education and Literacy) have stated as under:-

“It is regretted that the Ministry could not follow the procedure of laying statement explaining the reasons as to why the documents in question could not be laid in time, within 30 days of the prescribed period for laying of Report or as soon as House had met. In future, this Ministry will ensure above procedure.”

1.5 The details of completion of various stages in respect of the Annual Reports and Annual Accounts of the Authority, as furnished by the Ministry for the years 2005-2006 to 2007-2008 and as indicated in the delay statement laid on the Table of the House alongwith the documents for the year 2008-09 are as under :-

S. No.	Stage involved in completion of the work	2005-06	2006-07	2007-08	2008-09
(a)	The date when the Authority approached the Audit Authority to appoint the auditors for auditing the accounts	09.06.06	24.04.2007	20.05.08	-
	The date when the Authority to appoint the Auditors for auditing	12.06.06	24.04.2007	02.07.08	-

(b)	The date of compilation of Annual Accounts of the Authority	01.04.06	01.04.07	01.04.08	10.06.09
(c)	The date when the Annual Accounts were submitted to the Auditors for auditing	26.06.06	25.06.07	02.07.08	-
(d)	Date of commencement of Audit	-	-	-	03.08.09
(e)	Completion of Audit	-	-	-	15.10.09
(f)	The date of queries raised by the Auditors during auditing of Annual Accounts	During the period of audit (30.06.06 to 01.12.06	During the period of audit (25.06.07 to 20.01.08	During the period of audit (25.07.08 to 09.02.09	-
(g)	The date when the replies to the audit queries was furnished to the Auditor	During the period of audit (30.06.06 to 01.12.06	During the period of audit (25.06.07 to 20.1.08	During the period of audit (25.07.08 to 09.02.09	30.10.09
(h)	The date when the draft Audit Report was issued by the Audit Authorities	01.12.06	20.01.08	09.02.09	30.10.09
(i)	The date when the final Audit Report received by the Authority	04.12.06	24.01.08	12.02.09	30.10.09
(j)	The date when the documents were got approved from the Competent Authority (EC)	05.12.06	05.12.08	16.02.10	16.02.10
(k)	The date when documents were taken up for translation & printing and the time taken 'for completing the task	29.03.07 (7 months)	02.07.08 (7 months)	22.05.09 (2 months)	05.04.10
(l)	The date when the documents were sent to the Ministry for being laid in Parliament & the reason for delay English version Hindi version	05.07.07 13.11.07	01.12.08 10.02.09	08.06.09 28.07.09	20.05.10 07.07.10
(m)	Date of laying of the documents on the Table of the House	22.4.2008	13.7.2009	11.3.2010	04.08.2010

1.6 It is seen from the above statement that the major delay was on the part of Ministry/Authority from finalisation of documents to laying them on the Table of the House. The Annual Accounts for the years 2005-06 to 2007-2008 were compiled by first day of April of the respective accounting year. However the same were submitted to auditors for auditing on 26.6.2006, 25.6.2007 and 2.7.2008 respectively. After submission of Annual Accounts for the above said years, the auditors took 5 to 7 months in auditing the accounts and furnishing their final Audit Reports. After receipt of Final audited accounts/Audit Report from audit authorities, the Authority took 5 ½ to 12 months in respect of the years 2005-06 to 2008-09 in getting approval of the documents from the competent Authority, translation, printing and forwarding these documents to the Ministry for laying them on the Table of the House . After receipt of the documents from the Authority, the Ministry took 01 to 7½ months in the process of laying these documents (2005-06 to 2008-09) on the Table of the House.

1.7 The factual position relating to the reports for the years 2000-01 to 2007-08 of Orissa Primary Education Programme Authority (OPEPA) were given by the Ministry of Human Resource Development as under:

Year	Due Date	Date of completion of deficiencies in papers i.e. date on which completed report become available from State	Date on which laid in Lok Sabha	Time lag in laying report after gathering all papers relating to report at Ministry level
2000-2001*	31.12.2001	01.05.2003	09.05.2003	08 days
2001-2002*	31.12.2002	31.12.2003	05.02.2004	35 days
2002-2003	31.12.2003	05.07.2004	23.07.2004	15 days
2003-2004	31.12.2004	30.11.2005	23.12.2005	23 days
2004-2005	31.12.2005	13.04.2007	08.05.2007	25 days
2005-2006	31.12.2006	11.03.2008	22.04.2008	41 days
2006-2007	31.12.2007	05.06.2009	13.07.2009	1 months 8 days
2007-2008	31.12.2008	24.02.2010	11.03.2010	14 days

*Exclusive DPEP Reports

Delay in laying the reports listed in the above question on the Table of House was mainly due to persistent delayed receipt of reports from State Government in complete form & some time taken in processing of Reports at Ministry level.

In respect of 2006-07 and 2007-08 reports, the delay in laying the papers on the Table of the House was due to the delayed convening of meeting of Executive Committee (EC) to approve the Annual Accounts/Report. The meeting of EC was held only on 05.12.2008 for 2006-07 Report and on 16.02.2010 for 2007-08 Report. There was further delay in completing other formalities like submitting of delay statements, Hindi version, etc.”

1.8 The Ministry in their written reply have stated that the accounting system has been computerized in all the 30 District Project Offices including State Project Office to facilitate timely compilation of accounts.

1.9 In regard to having the internal auditing mechanism to ensure timely compilation of accounts and also to minimize the audit queries, the Ministry in their written note have stated as under:-

“The Orissa Primary Education Programme Authority has outsourced the internal Audit to the Chartered Accountant Firms since 2006-07. The CA Firms conduct the Audit & submit the Reports on quarterly basis. Accordingly the audit queries are discussed from time to time to minimize the audit queries.”

1.10 The Ministry of Human Resource Development has intimated that a time schedule giving target dates for completion of work at each stage regarding finalisation of annual accounts has been laid by the Ministry as under:-

1.	Date of EC’s approval for engagement of auditors	Between Jan and March of every year.
2.	Date of engaging CA firm	By April of every year at the outset.
3.	Finalisation of Annual Accounts for the previous year	By 30 th June of every year.
4.	Progress on audit work	By 1 st July of every year.
5.	Submission of audit report to SPO	By 30 th September of every year
6.	Approval of Annual Report and Audited Accounts	By 15 th October of every year
7.	Dispatch date of Report to GOI	By 1 st November of every year

1.11 In regard to the mechanism in place in the Ministry to monitor the progress at each stage of finalization of documents of the Authority so as to ensure timely laying of documents, the Ministry in a note stated:

“The Ministry of HRD pursues the matter with the State implementing societies of SSA for expediting the Annual Reports. During Annual Plan discussion with the

States/UTs the matter of pending Annual Reports is specifically brought to the notice of State Governments/UTs, their status is reviewed every quarter in meetings with State officials/Finance controllers, and also pursued through D.O. letters to State Project Directors of SSA and State Education Secretary's."

1.12 As regards remedial measures taken by the Ministry and the Authority to ensure timely laying of the documents in Parliament, the Ministry have stated as under:

"The State has reported that they are trying hard to ensure timely laying of the documents before the Parliament within the prescribed period of nine months."

1.13 The Committee considered the matter at their sitting held on 04 February, 2011.

1.14 The Committee deeply regret that the Annual Reports and Audited Accounts of Orissa Primary Education Programme Authority have not been laid in time for almost the last decade. The extent of delay in laying the documents of the Authority ranges from 07 months to 18 months in respect of every year during the period from 2000-2001 to 2008-09. The Annual Report and Audited Accounts for the year 2009-10, which should have been laid on the Table by 31.12.2010, are yet to be laid. The Committee are not convinced by the explanation of the Ministry of Human Resource Development regarding the reasons for delay in laying of the documents that the delay was mainly due to persistent delay in receipt of Reports from the State Government in complete form and also because of unreasonable time taken in processing of Reports at Ministry level. The Committee recommend that comprehensive and coordinative efforts be made by the Ministry of Human Resource Department (Department of School Education & Literacy) and the Orissa Primary Education Programme Authority so as to ensure timely submission and finalisation of these Reports and laying of the Audit & Annual Reports before Parliament in time.

1.15 The Committee find from the information furnished by the Ministry/Authority that while the delay is partly attributable to the long time taken in auditing of accounts, the main reason for delay has been on the part of the Authority/Ministry for the years 2005-06 to 2008-09 in submission of annual accounts to audit Authorities, getting approval of documents from competent authorities and completing other formalities like translation of

the documents in Hindi and forwarding these documents to the Ministry. The Committee observe that though the annual accounts for the years 2005-2006 to 2007-2008 were compiled by them by first day of April of the respective Accounting Year, the Authority took about 3 months in submission of accounts to audit Authorities for the said period. The Authority also took 5½ to 12 months in getting approval of the documents (2005-06 to 2008-09) from the competent Authority, translation of these documents and forwarding the same to the Ministry for laying them on the Table of the House. Further after receipt of the documents for the above said period from the Authority, the Ministry took 01 to 7½ months in the process of laying these documents on the Table of the House. The Committee feel that the inordinate delay on part of the Ministry/Authority was totally within the control of the Authority/Ministry and thus avoidable. The Committee also believe that delay has been due to utter failure of the Ministry to oversee the working of the Authority. The Committee, therefore, recommend that the time schedule laid down by the Ministry indicating target dates for completion of the task at each stage involved in finalisation of the documents, should be strictly adhered to ensure timely laying of the documents in future. The Ministry/Authority may also consider suitable action on the official responsible for the delay in future.

1.16 The Committee also note that the time taken in auditing of accounts and furnishing the audit report ranges from 5 to 7 months for the years from 2005-2006 to 2008-2009. The reasons for taking such a long time for completing the audit report are not clear. The Committee urge the Ministry of Human Resource Development to take up with audit authorities the issue of timely completion of audit to avoid consequential delay in laying the documents before the Parliament. The Committee would like to be apprised of the action taken in this regard within 3 months of presentation of this Report to the House.

CHAPTER - II

Delay in laying of the Annual Reports and Audited Accounts of Jammu and Kashmir Agro Industries Corporation Limited.

The Jammu and Kashmir Agro Industries Corporation Limited is an undertaking under the direct control of the State Government. The Government of India has a minority shareholding of about 45% in the Corporation.

2.2 As per provisions contained in section 619-A of the Companies Act, 1956, where the Central Government is a member of a Government company, the Central Government shall cause an Annual Report on the working and affairs of the company to be:

(a) prepared within three months of its Annual General Meeting before which the Audit Report is placed under sub-section (5) of Section 619; and

(b) as soon as may be after such preparation, laid before both Houses of Parliament, together with a copy of the Audit Report and any comments upon, or supplement to the Audit Report, made by the Comptroller and Auditor General of India.

2.3 Further, as per the recommendation of the Committee on Papers laid on the Table contained in the Second Report (Fifth Lok Sabha), the Annual Reports and Audited Accounts of the Government Companies are required to be laid on the Table of the House within nine months of the close of the respective Accounting Year.

2.4 The Annual Reports and Audited Accounts of the Corporation since 1987-88 were laid on the Table of Lok Sabha with delays as shown below:-

<u>Year</u>	<u>Laid on</u>	<u>Extent of delay</u>
1987-1988	14.3.2005	16 years 2 months
1988-1989	9.5.2005	15 years 4 months
1989-1990	25.8.2005	14 years 8 months
1990-1991	20.12.2005	14 years
1991-1992	07.07.2009	16 ½ years
1992-1993	22.03.2011	17 years
1993-1994 to 2009-2010	Not laid	

2.5 The Committee in their 10th Report (Sixth Lok Sabha) had recommended that the statement laid by the Government explaining the reasons for delay should invariably indicate in chronological order the dates of finalization of the Reports and Accounts, their submission to audit, issue of inspection reports, replies given on points raised in the inspection reports and finally the receipt of the audit certificates from the audit Authorities so that the House may be able to identify the extent of delay at the defaulting stage and suggest remedial measures therefor. This recommendation was reiterated time and again for compliance by the concerned Ministries/bodies. However, no such details have been given in the delay statements laid along with the documents of the said Corporation pertaining to the years 1987-88 to 1991-92.

2.6 Subsequently, at the instance of the Committee, the details of completion of various stages in respect of the Annual Reports and Annual Accounts of the Corporation, as furnished by the Ministry for the years 1987-1988 to 1991-1992 and as indicated in the delay statement laid on the Table of the House alongwith the documents for the year 1992-93 are as under:-

		1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
a)	Date of compilation of Accounts of the Corporation	Jan.2002	Dec, 02	Jan, 03	15.2.04	18.10.04	15.11.04
b)	The time taken by the auditors for auditing of accounts	13 months	17 months	22 months	18 months	20 months	29 months
c)	Time taken in resolution of audit queries and the date of receipt of the final Audit report in the Corporation	3 to 4 weeks 18. 5. 04	3 to 4 weeks 7.1.05	3 to 4 weeks 25.2.05	3 to 4 weeks 9.6.05	3 to 4 weeks 21.9.06	31.07.09
d)	Date of Finalization of Annual Report	15.12.04	18.02.05	4.6.05	10.9.05	20.3.09	-
e)	Time taken in translation of the Annual Report & Audited Accounts of the Corporation	28 days	30 days	16 days	18 days	37 days	-

f)	The date when the Annual Report & Audited Accounts of the Corporation were approved by the competent authority of the Corporation	15.12.04	18.2.05	4.6.05	10.9.05	23.3.09	24.01.11
g)	Time taken in printing of the approved documents	1 day	1 day	14 day	14 day	3 day	
h)	The date when the final Annual Report and Audited Accounts of the Corporation were sent to the Ministry for being laid on the Table English Version Hindi Version	23.12.04 24.01.05	22.02.05 05.04.05	22.06.05 11.07.05	26.09.05 18.10.05	21.04.09 08.06.09	17.02.11 -do-
i)	The reasons for delay if any, on the part of the Ministry in laying of the documents after receipt from the Corporation	NIL 14.03.05*	NIL 09.05.05*	NIL 25.08.05*	NIL 20.12.05	NIL 07.07.09*	NIL 22.03.11*

*Date on which the Report was laid on the Table of Lok Sabha.

2.7 Explaining the reasons for delay in laying of the Annual Reports and Audited Accounts of the Corporation for the years from 1987-88 to 1991-1992, the Ministry of Agriculture in their written reply (dated 23.11.2009) have stated as under :-

- “(a) Due to turmoil in the valley the operations and working schedules of the Corporation were adversely affected. For about eight years, the entire process of pursuing the clearance of arrears of accounts was affected as the Records; Staff of the Corporation as well as the Auditors got displaced from their respective places. The job of reconciliation/compilation got stuck and could not be resumed for a long period of time.*
- (b) Statutory Auditors took more than a year to complete the Audit and in some cases it took about 2 years. Though the Corporation kept pursuing the matter with the Statutory Auditors but their response was lukewarm.*
- (c) It has been observed that there have been delays in appointment of the Chairman and reconstitution of the Board of Directors. Though the State Government notified the appointment of Directors on the Board of Directors on 11/01/2002 but the appointment of the Chairman was notified on 21/10/2003. Subsequently, the State Government issued a notification on 11th December, 2003 for*

reconstitution of the Board of Directors. Only after the re-constitution of Board of Directors, the Corporation held 3 Board Meetings and 4 AGMs and finalized 4 years pending accounts. In May, 2006 the Chairman of the Corporation resigned and Board was again required to be re-constituted. The Corporation took up the issue of appointment of new Chairman with the State Government in June, 2006. The State Government reconstituted the Board of Directors on 4th August, 2008. Following imposition of Governor's rule in the State, the Board of Directors was reconstituted and notified on 13th October, 2008. It is evident that the State Government took around two and half year to re-constitute the Board with the result the process of adoption of the accounts for the year 1991-92 got delayed despite the fact that the accounts were ready for adoption on 22.12.2006. The meeting of Board of Directors was held and the Directors' Report on the accounts for the year 1991-92 was approved by Board of Directors and AGM was held on 20.3.09 to adopt the accounts.

- (d) *The Corporation all-along has faced the shortage of trained manpower/staff. Since the Corporation had been incurring losses the recruitment of staff conversant with accounting procedures was not paid due attention. With retirement of the employees of the Corporation, staff strength in the Accounts Wing of the Corporation has come down from 46 employees in the year 2000 to 9 employees as on 31.10.09. With the present staff strength it is difficult to even carry on the day-to-day accounting job and compilation of the current year accounts is becoming difficult. Therefore, lack of staff is also delaying the follow up and monitoring of the pending year accounts."*

2.8 In regard to having the internal auditing mechanism to ensure timely compilation of accounts and also to minimize the audit queries, the Ministry of Agriculture in their written reply (dated 23.11.2009) have stated as under:

"Due to shortage of staff there is no internal Audit mechanism. However, to ensure timely compilation and also to minimize the possible audit queries on the accounts, the Corporation has outsourced the work of compilation of Chartered Accountants."

2.9 About the status of computerization activities to facilitate speedy and timely compilation of accounts of the Corporation, the Ministry of Agriculture in their written reply (dated 23.11.2009) have stated as under:

"It is stated that the financial position of the Corporation is so grim that salary of staff remains unpaid for months together and other statutory liabilities like gratuity, C.P. Fund etc. are piling up. In such a situation Corporation is left with no funds to go-ahead with the computerization of accounts."

2.10 Asked whether the matter was taken up with audit Authorities for expeditious completion of audit for the years 1987-88 to 1991-92, the Ministry of Agriculture in their written reply (dated 23.11.2009) have stated as under:

“The Ministry have also taken up the matter with C&AG Office to get the comments on the accounts expedited at their end with regard to the Corporation.”

2.11 To a question whether concerted efforts were made by the administrative Ministry to procure the documents in time in order to facilitate timely laying of the same in the Parliament, the Ministry of Agriculture in their written reply (dated 23.11.2009) have stated as under:

“Insofar as the efforts made by the Ministry of Agriculture, (Department of Agriculture & Cooperation) are concerned, the Ministry has been in regular correspondence with the Chief Secretary, Principal Secretary (Agriculture), Government of J&K to take expeditious steps for finalisation of pending Annual Reports and Audited Accounts of the Corporation. The matter was also brought to the notice of Chief Minister, J&K by Union Agriculture Minister.”

2.12 On being asked as to whether any time schedule has been laid down by the Ministry indicating normative time for completion of the task at each stage involved in finalisation of the document by the Corporation, the Ministry in their written reply (dated 23.11.2009) have stated as under:

“It is submitted that the Corporation has plans to clear the pending accounts within a period of 18 months, but due to well recognized factors such as delay in appointment of auditors, time taken by the auditors in auditing the accounts and delay in reconstitution of Board of Directors the schedule cannot be strictly adhered to.

The Ministry have now laid down a time schedule for finalisation of Annual Reports and Audited Accounts of the Corporation. The Corporation has been advised that they should finalize its accounts within three months from closing of the financial year. This will allow enough time for auditors and CAG to give their report & comments respectively. This will enable the Corporation to convene the AGM for adopting the accounts within the period of remaining six months.”

2.13 On the question of having any mechanism in the Ministry to monitor the progress at each stage of finalization of documents of the Corporation so as to ensure timely laying of documents, the Ministry in a note stated:

“The Ministry have taken up the matter with the C&AG’s Office to get the comments on accounts expedited at their end for all State Agro Industries Corporations. A review meeting with the Corporations was also held in the Ministry to get the pending reports expedited. Regular correspondence with the State Agriculture Department and the Corporation is undertaken by the Ministry.”

2.14 The current position regarding finalisation of Annual Reports and Audited Accounts from 1993-94 to 2007-08 was stated to be as follows:-

“1993-94 : The finalized Accounts of the Corporation were under audit by Statutory Auditors, i.e., M/s Ashok Koul and Associates who were in the process of finalizing their Statutory Audit Report. But sudden demise of Shri Ashok Koul, the designated auditor, on 17.9.09, hampered the ongoing process. The Corporation has taken up the issue with the C&AG for appointment of fresh Auditors.

1994-95 : The Accounts for the year 1994-95 and onwards are ready with the Corporation but due to non availability of Statutory Auditors, the process is held up. The Corporation has taken up the issue of appointment of auditors for 1996-97 onwards with C&AG, including the period from 1993-94 to 1995-96, for which M/s Ashok Koul and Associates were the designated Auditors.”

2.15 The Committee considered the matter regarding delay in laying of the Annual Reports and Audited Accounts of the Corporation at their sitting held on 01 July, 2010.

2.16 The Committee note with displeasure that the Annual Reports and Audited Accounts of the Jammu and Kashmir Agro Industries Corporation Ltd. were laid on the Table with delays ranging from 14 to 17 years for the period from 1987-1988 to 1992-93. The documents for the years 1993-94 to 2009-2010 which were required to be laid by 31 December of respective Accounting Year have not been laid so far. However, further, as recommended by the Committee, the statements explaining the reasons for not laying the documents within the stipulated period of 9 months, were not laid in the House within 30 days after the expiry of the prescribed period or as soon as the House met, whichever was later. The Committee, therefore, strongly recommend that the Ministry/Corporation should make vigorous efforts to ensure the timely laying of the Audited Accounts and Annual Reports. Further, a delay statement should invariably be laid on the Table of the House within the stipulated period in future whenever the Annual Reports and Audited Accounts are not laid within 9 months of the close of the Accounting Year.

2.17 In their 10th Report (Sixth Lok Sabha), the Committee had recommended that in the “statements of reasons for delay”, the Government should invariably indicate in chronological order the dates of finalisation of Reports and Accounts, their submission to audit, issue of inspection reports, replies given on points raised in the reports and finally the receipt of the Audit Report from the audit Authorities so that the House may identify the stage and extent of

delay and suggest remedial measures therefor. The Committee have reiterated this recommendation time and again for strict compliance by the concerned bodies. The Committee fail to understand that the Ministry/ Corporation have not complied with this requirement in the delay statement laid alongwith the documents for the years 1987-1988 to 1991-1992. Taking strong exception to the casual and negligent attitude of the Ministry/Corporation on this score, the Committee emphasize that steps be taken to ensure fulfillment of the prescribed requirement in future.

2.18 The Committee also note in particular that one of the reasons advanced by the Ministry of Agriculture (Department of Agriculture & Cooperation) for the inordinate delay in laying the documents of the Corporation had been the disturbed conditions in the Valley. However, this excuse does not seem to be convincing. The turbulence in Valley appears to have manifested only in the 90s. The fact that the Annual Reports and Audited Accounts of the Corporation for the years 1988-89 and 1989-90, laid after the stipulated period with delays of 16 and 15 years respectively shows that there has been something inherently wrong in ensuring due compliance of procedures and lack of accountability of the Corporation. The Committee would urge the Government to pay due attention and look into the affairs of the Corporation including its financial condition seriously to ensure that the Corporation discharges its accountability to Parliament every year within the laid down time frame.

2.19 Another reason for delay in laying of documents was delay on account of compilation of Annual Accounts of the Corporation for the years 1987-1988 to 1991-1992. The Corporation took 12 to 14 years at the stage of compilation of Annual Accounts for the above said years. The Committee have also been informed that there have been delays in appointment of Chairman and there have also been procedural delays in the Government in regard to reconstitution of the Board of Directors which resulted delays in getting approval of the documents from the competent Authorities for these years. The Committee feel that the inordinate delay in Compilation of Accounts and getting approval of documents from the Board were within the control of the Corporation/Government and thus avoidable. The

Committee desire that all the necessary steps in this regard should be taken in right earnest to ensure that there is no delay at the stage of finalisation of Accounts and getting approval of documents. The Committee would like to be apprised of the outcome within three months.

2.20 From the information furnished by the Ministry of Agriculture (Department of Agriculture & Cooperation) the Committee observe that unduly long time was taken by the auditors in completing the audit and issuing of the Audit Certificate to the Corporation. After receipt of the Accounts from the Corporation for the years 1987-88 to 1991-1992, the auditors took 13 to 22 months in completing the audit and furnishing the Audit Report. The Committee are of the opinion that had the matter been taken up by the Ministry/Corporation with Audit Authorities at higher level the delays could have been minimized. The Committee, therefore, recommend that the Ministry of Agriculture (Department of Agriculture & Cooperation) should take up the issue with Audit Authorities, immediately after submission of the Accounts to them, impressing upon them to complete the audit of accounts expeditiously.

2.21 The Committee observe that there is a huge backlog of Annual Reports and Audited Accounts of the Corporation to be laid on the Table of the House. The Committee urge that the backlog of Annual Reports and Audited Accounts of the Corporation should be cleared in a time-bound manner for laying of the documents in Parliament. The Committee urge the concerned Ministry to evolve a mechanism to monitor the progress in this regard. Further, a strict time schedule should also be drawn and scrupulously followed for timely completion at each stage involved in the finalisation of the documents, viz. Compilation of Accounts, appointment of auditors, auditing of accounts, approval of the document from the Competent Authority, translation & printing of the documents, dispatch of documents to the Ministry and processing the documents by the Ministry. The Committee would like to be apprised of the action taken in this regard within three months of presentation of this Report to the House.

NEW DELHI
August, 2011
Sravana, 1933 (Saka)

HARIN PATHAK,
Chairman
Committee on Papers Laid on the Table

