

**COMMITTEE ON PAPERS LAID ON THE TABLE  
(2011-2012)**

**FIFTEENTH LOK SABHA**

**EIGHTH REPORT**

**(Presented on 27 April, 2012)**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

**April, 2012/Vaisakha, 1934(Saka)**

## CONTENTS

### PAGE

**COMPOSITION OF THE COMMITTEE ON PAPERS LAID  
ON THE TABLE (2011-2012)** (iii)

**INTRODUCTION** (v)

### REPORT

#### **CHAPTERS**

- |    |  |           |
|----|--|-----------|
| I  | Delay in laying of the Annual Reports and Audited Accounts of National Highways Authority of India, New Delhi. | <b>01</b> |
| II | Delay in laying of the Annual Reports and Audited Accounts of Indian Council of World Affairs, New Delhi.      | <b>09</b> |

#### **APPENDIX**

Summary of recommendations/observations contained in the Report

**COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE**

**(2011-2012)**

**Shri Harin Pathak**

**- Chairman**

**M E M B E R S**

2. Shri Narayansingh Amlabe
3. Shri Ambica Banerjee
4. Shri Tarachand Bhagora
5. Shri Sanjay Singh Chauhan
6. Shri Dilipkumar Mansukhalal Gandhi
7. Shri Ram Singh Kaswan\*
8. Shri Asaduddin Owaisi
9. Dr. Nilesh N. Rane
10. Shri Gutha Sukhender Reddy
11. Shri E.G. Sugavanam
12. Shri Manicka Tagore
13. Shri P. Viswanathan
14. Vacant
15. Vacant

**SECRETARIAT**

1. Shri C.V. Gadgil - Joint Secretary
2. Shri Shiv Kumar - Director
3. Smt. Maya Lingi - Deputy Secretary
4. Shri M.D. Tuteja - Under Secretary

\*Shri Ram Singh Kaswan has been nominated as a Member of the Committee and Prof. (Dr.) Ram Shankar Katheria has vacated the Membership from the Committee vide Bulletin Part -II Para No. 3630 dated 03.02.2012.



## 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 Eighth 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) National Highways Authority of India, New Delhi and (ii) Indian Council of World Affairs, New Delhi.

3. The Committee took evidence of the representatives of the Ministries of Road Transport and Highways and External Affairs in connection with delay in laying the Annual Reports and Audited Accounts of (i) National Highways Authority of India, New Delhi and (i) Indian Council of World Affairs, New Delhi on 22.7.2010 and 26.10.2010 respectively.

4. The Committee wish to express their thanks to the representatives of the Ministries of Road Transport and Highways and External Affairs for tendering evidence before the Committee and furnishing the information that the Committee desired in connection with examination of the subject.

5. The Committee considered and adopted this Report at their sitting held on 01 March,2012.

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

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

**NEW DELHI**  
**01 March, 2012**  
**11 Phalgun, 1933 (Saka)**

**HARIN PATHAK,**  
**Chairman**  
**Committee on Papers Laid on the Table**

## **REPORT**

### **Chapter - I**

#### **Delay in laying of the Annual Report and Audited Accounts of National Highways Authority of India, New Delhi.**

----

The National Highways Authority of India (NHAI) was constituted by an Act of Parliament, namely the National Highways Authority of India Act, 1988. It is responsible for the development, maintenance and Management of National Highways vested or entrusted to it by the Central Government and for the matters connected or incidental thereto. The Authority became operational in February, 1995.

1.2 As per the provision under Section 22 of the National Highways Authority of India Act, 1988 and recommendation of the Committee {para 3.5 (1<sup>st</sup> Report 5<sup>th</sup> Lok Sabha)}, the Annual Report alongwith Audited Accounts of National Highways Authority of India for each year is required to be laid on the Table of the House within 9 months from the closure of the Accounting Year. However, there has been inordinate delay in laying the Annual Reports and Audited Accounts of National Highways Authority of India year after year. It has been observed that the delays range from 05 to 19 months in respect of the years from 2004-05 to 2008-2009 as given below:-

| <u>Year</u> | <u>Laid on</u> | <u>Extent of delay</u> |
|-------------|----------------|------------------------|
| 2004-05     | 23.05.2006     | 05 months              |
| 2005-06     | 29.8.2007      | 08 months              |
| 2006-07     | 28.7.2009      | 19 months              |
| 2007-08     | 09.03.2010     | 14 months              |
| 2008-2009   | 4.5.2010       | 04 months              |
| 2009-2010   | 13.12.2010     | -                      |

1.3 The Committee had emphasized in the past that if for any reasons the Annual Report and Audited Accounts alongwith Audit Report could not 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 on the Table of the House explaining the reasons for not laying the Report and Accounts within the stipulated period. However, no such Statements in respect of the years 2004-2005 to 2008-2009 were laid by the Ministry.

1.4 The Committee had also emphasized in the past that the Statement laid alongwith the documents by the Government explaining the reasons for delay, should invariably contain in chronological order the dates of completion of each stage involved in finalisation of the documents. However, the same had not been adhered to by the Ministry.

1.5 On being asked by the Committee to explain the reasons for not scrupulously following the aforesaid stipulation, the Ministry of Road Transport & Highways have stated in a written note :-

*“As the delay statements are furnished with required details, no further comments are submitted. However, efforts are made and NHAI have been advised to inform the Ministry in advance if there is any delay anticipated in submission of the final printed copies of Annual Report and Annual Audited Accounts, beyond the stipulated date as scheduled by 10<sup>th</sup> of December of the year concerned. Care is also taken to reflect the chronological particulars and reasons attributable to the resultant delays.”*

1.6 Subsequently, the Ministry in their written reply have furnished the following details relating to completion of various stages involved in finalisation of the documents for the years 2004-05, 2005-06 and 2006-07:-

| Sl.No. | Particular   | 2004-05   | 2005-06          | 2006-07         |
|--------|--|---|------------------|-----------------|
| (i)    | The date of appointment of auditor to audit the accounts of the Authority  | As per Sec.23 of National Highways Authority of India Act, 1988 Comptroller and Auditor General of India is the sole Auditor of NHAI. |                  |                 |
| (ii)   | The date of compilation of accounts of the Authority   | 21.09.2005  | 21.07.2006       | 07.09.2007      |
| (iii)  | The time taken by the auditors for auditing of accounts  | 1 month 24 days   | 2 months 20 days | 3 months 4 days |
| (iv)   | The date of issue of draft Audit Report by the Audit Authorities   | 03.01.2006  | 20.10.2006       | 31.12.2007      |
| (v)    | The time taken in resolving the audit queries by the Authority   | 1 month   | 7 days           | 16 days         |
| (vi)   | The date of receipt of the final Audit Report in the Authority   | 23.03.2006  | 04.12.2006       | 25.02.2008      |
| (vii)  | The time taken in translation of the Annual Report and Audited Accounts of the Authority   | 02 months   | 02 months        | 02 months       |
| (viii) | The date when the Annual Reports and Audited Accounts of the Authority were approved by the Competent Authority of the Authority   | 20.04.2006  | 02.02.2007       | 19.08.2008      |
| (ix)   | Time taken in printing of the approved documents   | 1½ months   | 3 months         | 5 months        |
| (x)    | The date when the final Annual Reports and Audited Accounts of the Authority were sent to the Ministry for being laid on the Table | 12.05.2006  | 14.06.2007       | 06.05.2009      |
| (xi)   | The reasons for delay, if any, on the part of Ministry in laying the documents after their receipt from the Authority              | The delay in tabling the documents essentially was due to time taken to process and ending of the Session of Parliament.              |                  |                 |

It may be seen from the details above that the Authority took around 6,4 & 5 months respectively in compilation of Annual Accounts for the years 2004-05, 2005-06 and 2006-07 as against 3 months prescribed by the Committee for this purpose. The Authority also took 6, 4 and 5 months for the years 2004-05, 2005-06 and 2006-07 respectively at the stage of auditing of accounts and furnishing their Final Audit Reports to the Authority. The Authority took 3 ½, 5 and 7 months in translation and printing of the documents for the year 2004-05, 2005-06 and 2006-07 respectively.

1.7 The Committee considered the matter regarding delay in laying of the Annual Reports and Audited Accounts for the year 2004-2005 to 2006-2007 at their sitting held on 01.07.2010 and held discussion with the representatives of the Ministry of Road Transport and Highways on 22.7.2010.

1.8 Apologizing for delay in laying of the documents on the Table of the House, the Secretary Ministry of Road Transport and Highways submitted during evidence as follows :-

*“Sir, I definitely concede that there has been a delay in the past and we are also not free from the fault as we did not even seek extension of time and for that I definitely seek apologies.”*

1.9 While explaining the reasons for repeated delays in laying of the Annual Reports and Audited Accounts of the National Highways Authority of India to the Committee for the years 2004-05 to 2006-07, the Administrative Ministry in their written note have stated :-

- “ a) *As per the provisions under Section 22 of the NHAI Act, 1988, the Authority (NHA) has to prepare, in such form and at such time in each financial year as may be prescribed, its Annual Report, giving a full accounts of its activities during the previous financial year, and submit a copy thereof to the Central Government. The Annual Report alongwith audited accounts for a particular year is due to be laid on the Table of the House within 9 months from the closure of the annual accounts. However, it is observed that the audited accounts, over the last few years, were received in the period January-April of the following year. Printing of report is taken up thereafter. After order for printing is given the process of designing, vetting and printing take about 3-4 months.*
- b) *Due to mandate of NHA to implement enhanced Programme of National Highways Development Project (NHDP) and subsequent manifold increase in workload of NHA coupled with skeleton staff, there were some delays in preparation and printing of annual reports.*
- c) *Ministry of Road Transport & Highways processes the Annual Report and Audited Accounts after the same are received from NHA for tabling them in Parliament. The process involves approval of the Annual Reports and Audited Accounts of the NHA and their authentication, along with the delay statement, by the Minister (RT&H). The notice is thereafter issued to table the authenticated documents on the Table of the House. This process takes 4-6 weeks, depending on the time taken for processing for Minister’s approval and time available for Tabling in Parliament, if the session is already underway. In case no adequate notice time is available, the papers are tabled in the next session. In such cases time of 1-3 months is added to the process.”*



1.10 On being asked by the Committee about the problems being faced by the Administrative Ministry in the process of laying of the documents of Authority, the Ministry in their written note have stated :-

*“NHAI consists of more than hundred field units (PIUs/CMUs) spread throughout the country. Finalisation of Annual Accounts involves consolidation of accounts of all the field units with that of NHAI, HQ.*

*After the end of Financial Year complete exercise including reconciliation of various accounts, Inter-unit transactions are carried out through HQ and all the PIUs. After sorting out the basic issues, the accounts are finalized which are sent to HQ by PIUs for scrutiny and consolidation. With utmost efforts this process takes about 2 months. After scrutiny of the accounts, the accounts are consolidated at HQ by following the accounting about a month. The Annual Accounts are sent for approval of the Board which are then sent to C&AG for audit generally in July. For audit, C&AG send teams to PIUs covering almost 20-25 PIUs. The process takes about 2-3 months and based on the compliances of audit observation, audit report is issued by C&AG. Final Report takes about 4-5 months.*

*Approval of the Annual Report and Audited Accounts is thus taken up only after receipt of audit report. Thereafter, the process of printing takes upto 3 months.*

*.....It is seen that the time taken for auditing of field units by the Audit Authorities, forwarding of audit observations, time taken to resolve the audit observation and forwarding of final audited accounts by the audit authorities lies outside the control of the Ministry. Further, after receipt of the finally approved printed copies of the Annual Report and Audited Accounts of NHAI, laying the same on the Table of both the Houses of Parliament depends on whether the Session is continuing and whether the requirement of notice for tabling the Reports of three clear days can be fulfilled. In the case of laying of the Annual Reports for the years 2004-05, 2005-06 and 2006-07, the delay in tabling to that extent was also on account of Parliament not being in Session when the Reports were received from NHAI and could be tabled only on commencement of the next Session.”*

1.11. In response to a query by the Committee for having any internal auditing mechanism in the Authority with a view to minimizing the audit queries/objections and thereby curtailing the delay at the stage of auditing of accounts, the Ministry in their written reply have stated :-

*“A system of internal audit is already in place. With the system of regular internal audit, queries of audits are minimized as scope of internal audit covers the various aspects of accounting and book keeping as per the Terms of Reference. Internal Audit is conducted by reputed Chartered Accountants (CA) firm, which facilitate preparation of accounts as per the principle of accounting.”*

1.12 On being questioned by the Committee about, the status of computerization in the Authority for compilation of accounts of the Authority, a representative during evidence stated:-

*“The Head Office accounting system is fully computerised. 70 percent of the project implementation units are not only computerised, but also they are sending it directly*

*through mail. It is an open mail. The remaining offices are sending it through discs. Now we are implementing ERP in a very significant way where all the systems in the NHAI will be linked fully. We are also in very advanced discussions with World Bank to get that particular ERP system adopted in the country.”*

Another representative during evidence also stated :-

*“ERP system would mean that any time any expenditure made like salary cheques or any other payment is reflected automatically on the main system. We are implementing that system. At the moment we have got a computerised accounting system. As a transaction is entered, a duplicate copy is sent to the Head Office. It is not automatic. It has to be forwarded to the Head Office by e-mail. We are implementing the ERP system; that would make it extremely easy for us to finalise the accounts. Our problems would still arise because we would wait for the private people who have made investments to make their accounts available to us, as a large amount of our investment is done by the private sector people who are concessionaires who are building roads on BOT basis. They are not giving us automatically their accounts. They will finalise it after 31<sup>st</sup> of March and then give it to us. As Member (Finance) has said, we have got a fully computerised system at the moment. We are improving it”.*

1.13 In order to reduce the delay in laying of the documents, the procedure as evolved by the Ministry, is reproduced below:-

- “ a) To cope up with the increasing activities of NHAI decentralization of authority has been considered and twelve new Regional Offices have been established. These Regional offices are to coordinate with all the field offices falling under its purview. Once this arrangement is fully structured and manpower is in place NHAI will be able to reduce the time taken for finalisation of accounts.*
- b) As regards audit, instead of audit at one go which was being done earlier by C&AG, they have now changed to three-phase audit i.e. breaking the total audit of one financial year into three phases. Same will reduce the number of observations and facilitate early finalisation of report. With the above arrangement both Annual Accounts and Audit Report can be finalized early.*
- c) Printing of Annual Reports is being awarded to one of the empanelled agencies of NHAI by inviting bids from these agencies, unlike the existing procedure of award of contract for printing through open tender.*

*All concerned in the Ministry have also been instructed for prompt processing for laying the Annual Report and Audited Accounts of NHAI. Further, Ministry have also advised NHAI to ensure strict adherence to the scheduled time-frame and furnishing the Annual Reports and Audited Accounts for the previous years by 5<sup>th</sup> December of every year. In case any delay is expected beyond 5<sup>th</sup> December, NHAI are also advised to furnish the delay statement giving reasons and action taken in chronological order by 10<sup>th</sup> December every year so that the Committee on Papers Laid on the Table (COPLLOT) can be apprised of the developments in time.”*

1.14 When asked by the Committee to explain whether the Ministry have laid down any time schedule fixing target dates for completion of work at each stage regarding finalisation of Annual Accounts and Report, the Secretary, during evidence stated :-

*“To see that the reports are laid in time, we have now prescribed a schedule and we have notified it. This has been conveyed to the NHAI.”*

1.15. The time schedule conveyed to Authority is, however, as under:

| S. No | Activities  | Revised Completion date  |
|-------|---|--------------------------|
| 1.    | Finalisation/Consolidation of accounts, at PIUs/ CMUs/SLO and RO                                | 10 <sup>th</sup> May     |
| 2.    | Consolidation and Finalisation of Annual Accounts at HQ   | 20 <sup>th</sup> June    |
| 3.    | Submission for approval of Annual Accounts before the Board of the Authority                    | 25 <sup>th</sup> June    |
| 4.    | Submission of approved accounts to C&AG for audit   | 30 <sup>th</sup> June    |
| 5.    | Submission of approved accounts (un-audited) to Admn. Division for preparation of Annual Report | 30 <sup>th</sup> June    |
| 6.    | Likely date of the receipt of audited accounts from C&AG  | 15 <sup>th</sup> October |

1.16 The Ministry of Road Transport and Highways in their circular dated 17th June, 2010 have also asked the Authority that the Annual Report and Audited Accounts of the Authority for an Accounting year should be received by the Ministry latest by 1<sup>st</sup> December of respective Accounting year.

1.17 Asked about the remedial measures taken by Authority to ensure timely laying of the documents within the prescribed period of nine months from close of the accounting year in future, a representative during evidence stated :-

*“I can only say that we have tried to tighten the process. As the Hon’ble Members are aware, there are two activities. One is finalisation accounts, and one is finalisation of the Annual Reports. Finalisation of the Annual Report is relatively easier because the Annual Report is prepared and approved by the Board, it does not go outside.*

*In respect of finalisation of the accounts I can only say that in the current year we have been able to stick to the revised time schedule. Within June itself the accounts were finalised and approved by the Board. They have been sent to the C&AG for audit. You will realize that the C&AG is being given a very short time. Between June when we are sending him the reports and 15<sup>th</sup> October when we are expecting him to give his comments and the final audited version of Report, this is not something really under our control. The Annual Report is approved by the Board and that is kept ready for printing. Then it is just a question of printing it.*

*We have also managed to improve our cycle for printing. Previously we were putting a tender out each year. Last year I felt this is just leading to some three to four months delay in finalising the tender and getting the Report printed. Now we have a panel of printers and we just give it to one of them because this is an urgent work and we do not want to delay it any more. The only business which is not under our control is the C&AG audit where we are expecting that July, August, September and half of October he will take, about three and a half months. Our accounts are a little complicated and so he may take more time. Provided we get it by the 15<sup>th</sup> October we should be able to finish it by the 15<sup>th</sup> November and it will be come definitely in time for the Winter Session of Parliament.”*

**1.18 One of the oft repeated and major recommendations of the Committee is that if for any reasons the Annual Report and Audited Accounts of an Organization cannot be laid within nine months after the close of Accounting Year, the concerned Ministry should lay a Statement within 30 days after the expiry of nine months or as soon as the House meets, whichever is later explaining the reasons as to why the Annual Report and Audited Accounts could not be laid within stipulated time. However, the Committee regret to note that the Ministry of Road Transport and Highways did not comply with this requirement for the years 2004-2005 to 2008 2009. The Committee deplore the lack of seriousness on the part of the Ministry as they did not lay even a Delay Statement in time to apprise the House and Members of the Committee on Papers Laid about the reasons for delay in laying Annual Reports and Audited Accounts of the Authority. The Committee, therefore, strongly recommend the Ministry/Authority to invariably lay Delay Statement on the Table of the House within the stipulated period in future in case there happens to be a deviation from the time schedule prescribed for laying of the reports.**

**1.19 The Committee had also recommended in the past that in the “Statement of reasons of Delay”, Government should invariably indicate in a chronological order the dates of finalisation of Reports and Accounts, their submission to audit Authorities, issue of Inspection Reports, replies given on the points raised in the Report and finally the receipt of Audit Report from the Audit Authorities so that the Committee may identify the stages of delay and the extent of delay at each stage and suggest remedial measures therefor. However, the Committee**

find that the delay statements given by the Ministry of Road Transport and Highways for the aforesaid years did not contain the information in a chronological order as recommended by the Committee. The Committee, therefore, reiterate their earlier recommendation and expect the Ministry to scrupulously follow the same in future.

1.20 The Committee are disappointed to note that there had been delays ranging from 4 to 19 Months in laying the Annual Reports and Audited Accounts of National Highways Authority of India, for the years from 2004-2005 to 2008-2009. The Committee examined the reasons for delay particularly with respect to the documents for the year 2006-2007 since there was a prolonged delay of 19 months. The Committee find that the Authority took nearly 06 months for compilation of Annual Accounts for the year 2006-2007 as against prescribed 3 months for this purpose. After compilation of Annual Accounts, the Audit Authority took 5½ months at the stage of auditing of Accounts and furnishing the final Audit Report to Authority. After receipt of final Audit Report, the Authority took 6 months to place them before the Competent Authority for approval. The Authority also took more than 7 months at the stage of translation, printing and sending the Reports to the Ministry for laying them on the Table of the House. The Committee, however, note with satisfaction that due to the remedial measures taken by the Ministry/Authority, the Annual Report and Audited Accounts of the Authority for the year 2009-2010 have been laid on the Table of the House within stipulated period. The Committee expect from the Ministry to strictly adhere to the time schedule and also ensure that the Annual Report and Audited Accounts of the Authority are always laid well within the timeframe in future.

## CHAPTER - II

### **Subject : Delay in laying of the Annual Reports and Audited Accounts of Indian Council of World Affairs, New Delhi.**

The Indian Council of World Affairs (ICWA), was established in Delhi in 1943 as a Private Association under the Societies Registration Act, 1860 for the purpose of promoting the study of international affairs and foreign policy. The Government declared it as an Institution of National importance and took over the same by an ordinance in the year 2000. Subsequently the Indian Council of World Affairs Act, 2001 was passed by Parliament and received the assent of the President of India on 3.9.2001. The Hon'ble Vice President of India is the ex-officio President of the ICWA and is the President of the Governing Body of the Council. External Affairs Minister is also one of the three Vice- Presidents of the Council. The Council receives grants-in-aid from the Ministry of External Affairs.

2.2 As per recommendation of the Committee on Papers Laid on the Table, Lok Sabha the Annual Report and Audited Accounts of ICWA are required to be presented together within 9 months of the closure of the Accounting Year. However, it has been observed that the Annual Reports and Audited Accounts of the ICWA were being laid separately till 2008-2009. The Annual Reports and Audited Accounts for the years 1999-2000 to 2009-2010 of the ICWA were laid on the Table of the Lok Sabha as indicated below:-

|             | <i>Annual Reports</i> |                        | <i>Audited Accounts</i> |                        |
|-------------|-----------------------|------------------------|-------------------------|------------------------|
| <b>Year</b> | <b>Date of laying</b> | <b>Extent of Delay</b> | <b>Date of laying</b>   | <b>Extent of Delay</b> |
| 1999-2000   | 22.08.2007            | 6 years & 8 months     | 16.12.2009              | 9 years                |
| 2000-2001   | 22.08.2007            | 5 years & 8 months     | 16.12.2009              | 8 years                |
| 2001-2002   | 22.08.2007            | 4 years & 8 months     | 16.12.2009              | 7 years                |
| 2002-2003   | 22.08.2007            | 3 years & 8 months     | 16.12.2009              | 6 years                |
| 2003-2004   | 22.08.2007            | 2 years & 8 months     | 16.12.2009              | 5 years                |
| 2004-2005   | 22.08.2007            | 1 year & 8 months      | 16.12.2009              | 4 years                |
| 2005-2006   | 22.08.2007            | 08 months              | 16.12.2009              | 3 years                |
| 2006-2007   | 19.03.2008            | 03 months              | 16.12.2009              | 2 years                |
| 2007-2008   | 22.10.2008            | No Delay               | 27.08.2010              | 1 year 8 months        |
| 2008-2009   | 01.12.2010            | 11 months              | 27.08.2010              | 8 months               |
| 2009-2010   | 09.03.2011            | 2 months               | 09.03.2011              | 2 months               |

2.3 The Committee considered the matter at their sitting held on 10.9.2010 and held discussion with the representatives of the Ministry of External Affairs on 26.10.2010.

2.4 On being asked by the Committee again during evidence the reasons for laying the Annual Reports and Audited Accounts separately of the ICWA for the years 1999-2000 to 2006-2007, the Ministry of External Affairs have stated :-

*“As per the procedure, Accounts certified by Audit can only be laid in the Parliament. Since Accounts were not certified by Audit by the date of laying the Annual Report in the Parliament so same could not be laid in the Parliament with Annual Report of the ICWA.”*

2.5 The Committee had emphasized in the past that if for any reasons the Annual Report and Audited Accounts alongwith Audit Report could not 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. However, no such statements in respect of the years 1999-2000 to 2008-2009 had been laid by the Ministry.

2.6 The Committee in their 10<sup>th</sup> Report (Sixth Lok Sabha) had recommended that the Delay Statement laid alongwith the documents by the Government should invariably indicate in chronological order the dates of finalization of the Reports and Accounts, their submission to audit authority, 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 defaulting stage and the extent of delay at this stage and suggest remedial measures therefor. This recommendation was reiterated time and again for compliance by the concerned Ministries/bodies. However, no such details had been given in the Delay Statements laid along with the documents of the said Council pertaining to the years 1999-2000 to 2006-07.

When questioned by the Committee about the same, the Secretary, the Ministry of External Affairs stated during the evidence :-

*“I think that the suggestion that you have made about the chronology will help us know as to when that Annual Report will be made. It will be very good for us because we will know that we are adhering to the check-list that we have laid out. All this shows your vast administrative experience, which is helpful to us”.*

2.7 Subsequently, the chronological sequence in respect of finalisation of Audited Accounts for the years 1999-2000 to 2006-2007 as furnished by the Ministry of External Affairs and for the years 2007-2008 and 2009-2010 as observed from the delay statements laid on the Table of the House is given below :-

|    |  | 1999-2000  | 2000-01                                     | 2001-02  | 2002-03  | 2003-04                                     | 2004-05  | 2005-06  | 2006-07                                     | 2007-08  | 2008-09              | 2009-10                            |
|----|--|--|---|----------|----------|---|----------|----------|---|----------|----------------------|------------------------------------|
| a. | The date of appointment of auditors to audit the accounts of the Council                                 | Accounts of the Council are being audited by the DGACE office, no separate auditors is appointed                             |   |          |          |   |          |          |   |          |                      |                                    |
| b. | Date of completion of revised accounts/accounts  | 31.07.07   | 07.03.08                                    | 27.03.08 | 13.05.08 | 29.08.08                                    | 4.11.08  | 07.01.09 | 20.03.09                                    | 27.08.09 | 10.09.09             | 21.06.10                           |
| c. | Date when accounts of the council were approved by the ICWA Finance Committee                            | -  | -   | -        | -        | -   | -        | -        | -   | -        | -                    | 22.06.10                           |
| d. | Date of submission of accounts to Auditors/DGACE   | 15.01.2008.<br>As per the requirement of DGACR accounts were sent to them after the approval of Governing Body on 10.12.2007 | 02.07.08                                    | 02.07.08 | 02.07.08 | 08.04.09                                    | 08.04.09 | 08.04.09 | 08.04.09                                    | 17.02.10 | 17.02.10             | 29.06.10                           |
| e. | Time taken by the auditors for auditing of accounts  | 7 working days<br>28.01.2008 to 05.02.2008   | 15 working days<br>22.07.2008 to 11.08.2008 |          |          | 20 working days<br>13.04.2009 to 12.05.2009 |          |          | 15 working days<br>16.03.2010 to 30.03.2010 |          | 17.09.10<br>30.09.10 |                                    |
| f. | Date of issue of draft audit report by the audit authorities   | 28.02.2008   | 11.09.2008                                  |          |          | 16.06.2009                                  |          |          | 30.04.10<br>Received on 3.5.10              |          | 25.05.10             | 02.11.10<br>(received on 03.11.10) |
| g. | Time taken in resolving the audit queries/reply sent to DGACE  | 31.03.2008   | 01.10.2008.                                 |          |          | 10.07.2009                                  |          |          | 14.05.10                                    |          | 15.06.10             | 08.11.10                           |
| h. | Date of receipt of the final audit report  | 16.06.2008   | 13.01.2009                                  |          |          | 24.09.2009                                  |          |          | 09.07.10                                    |          | 03.08.10             | 02.12.10                           |
| i. | Date when audited accounts of the council were approved by the Governing Body                            | 10.12.2007   | 23.05.2008                                  |          |          | 23.03.2009                                  |          |          | 10.03.2010                                  |          | 30.11.10             |                                    |
| j. | Time taken in translation of the Annual Report and Audited Report  | 10.02.2009   |   |          |          | 05.11.2009                                  |          |          | -   |          | 4 days               |                                    |
| k. | Time taken in printing of approved documents   | -  |   |          |          |   |          |          |   |          |                      |                                    |
| l. | Dates when the final audit accounts of the council were sent to the Ministry for being laid on the Table | 15.02.2009   |   |          |          | 11.11.2009                                  |          |          | -   |          | 06.12.10             |                                    |
| m. | Reasons for delay, if any, on part of Ministry in laying the documents after their receipt               | No comments from Council<br>Ministry to reply  |   |          |          |   |          |          |   |          | -                    |                                    |



2.8 Explaining further the reasons for delay in laying of the Annual Reports and Audited Accounts of the ICWA for the years from 1999-2000 to 2008-2009 on being questioned by the Committee to this effect, the Ministry of External Affairs have stated :-

*“Though the Indian Council of World Affairs (ICWA) was taken over by the Government of India w.e.f. 1.9.2000 under the ICWA Act, 2001 the first meeting of the Governing Body of the ICWA constituted under Section 14 of the Act was only held on 16 February, 2007, when the Governing Body approved the Annual Accounts of the ICWA from 1999-2000 to 2005-06. Following this, on 30<sup>th</sup> March, 2007, three copies each of the Annual Accounts for these years consisting of (i) Receipt and Payment Account (ii) Income and Expenditure Account; and (iii) Balance Sheet for each financial year, were forwarded to the Office of DGACR for audit/certification. DGACR had started the process of audit/certification. The accounts for the period 1999-2000 were audited by the DGACR team from 30<sup>th</sup> April – 21<sup>st</sup> May, 2007. As several errors including fundamental accounting errors were noticed during the process of audit, the present management of the Council in consultation with DGACR took the decision to rectify the book of account maintained by the erstwhile management and to recompile the Annual Financial Statement of 1999-2000 incorporating the effect of discrepancies pointed out in Draft Separate Audit Report and also to revise the Accounts of the Council from 2000-01 onwards.*

*Three copies of corrected and recompiled Receipt and Payment Account, Income & Expenditure Account and Balance Sheet for the year 1999-2000 duly signed and authenticated by Director General, Indian Council of World Affairs were forwarded to Office of DGACR on 17.08.2007.*

*As per the advice of O/o DGACR revised accounts of 1999-2000 were placed before the 2<sup>nd</sup> meeting of Governing Body of ICWA which was held on 10.12.2007. Copies of Revised Accounts duly approved by the Governing Body were again forwarded to DGACR on 15.01.2008. These accounts were audited by an audit team from O/o DGACR from 28.1.2008 to 05.02.2008. The audit certificate for this year was received from O/o DGACR vide their letter No.EA/4-21 SAR/ICWA/2007-08 on 12 June, 2008 and accounts for the year 1999-2000 along with Hindi version were forwarded to PP division of MEA for laying in the Parliament. As per confirmation received in the council the audited accounts for the year 1999-2000 were laid on the table of the Lok Sabha on 16.12.2009.*

*The accounts for the year 2000-01 and the subsequent years could have been revised/submitted only after the accounts for 1999-2000 were first finalized, and duly certified by DGACR (DGACE).”*

The Secretary, the Ministry of External Affairs during evidence, however, submitted :-

*“Let me, however, hasten to add that these difficulties, genuine as they were, are not being held out as excuse.”*

He further added :-

*“Mr. Chairman, the records that I have seen indicate that the accounts were being prepared. These accounts had to be scrutinized by C&AG. The C&AG was taking*

*the position that unless those accounts were passed by the Council, they would not scrutinize those accounts. The difficulty was that the Council was not meeting. That was the initial difficulty, if you have observed. Once the Council met and these records were approved by them and the C&AG scrutinized those records, the records were ready. Therefore, accounts for a number of years were placed before the Parliament or tabled at the same time. That is the first thing.*

*There is also a fact that when the ICWA approached the C&AG, they pointed out certain difficulties in the accounts and wanted them recast. That exercise was also done. Thereafter, the attempt has been to smoothen the process so that all the obligations are met.”*

2.9 When asked specifically about the reasons for delay in holding the meetings of Governing Body, the Secretary during evidence submitted :-

*“Mr. Chairman, you are aware of the facts. The facts are that the Act was passed in September, 2001 and within the Act, Mr. Chairman, it was prescribed that within three months the Council would be constituted. But the initial Council, of course, consisted of the Hon. Vice-President, the Hon. Prime Minister, the Hon. Speaker, the Hon. Leader of the House of the Rajya Sabha, the Hon. Leader of the Opposition in the Lok Sabha and the Hon. Leader of the Opposition in the Rajya Sabha. The first time this interim Council met was only in 2006 and it took some decisions. The accounts were prepared. “*

2.10 On being questioned by the Committee to avoid delay at the stage of getting approval of documents from Governing Body in future, the Secretary during evidence further submitted :-

*The General Body meets twice a year, but the thinking that we are having is that, if required, we will request the Hon. Vice-President of India to convene a meeting of the General Body specially for passing of accounts. It is because this is a mandatory requirement of Parliament, and this has to be fulfilled. Therefore, if required, we will do this.*

2.11 In regard to having the internal auditing mechanism to minimize the audit queries, the Ministry of External Affairs in their written reply have stated that there is no internal auditing mechanism.

The Secretary, the Ministry of External Affairs, during evidence, however, added in this context:-

*“Mr. Chairman, there is a Finance Committee of the General Body, and the accounts are also seen by that Committee.”*

2.12 The Ministry of External Affairs, in their written reply have stated that no mechanism exists in the Department to monitor the progress of the work relating to finalisation of the documents and also no time schedule indicating target date for completion of each stage of finalisation of the documents to ensure timely laying of the documents has been drawn by

Ministry of External Affairs. However the Secretary, Ministry of External Affairs during evidence in this regard submitted before the Committee :-

*“As I submitted to you, Mr. Chairman, we will now work backwards. In December, the accounts have to be placed. Therefore, we will work out a schedule working backwards from December and have a check-list so that each stage is completed well in time....”*

*He further stated during evidence :-*

*“...a senior officer will be given the specific task working backwards from December, this is, by which time the reports have to be laid.”*

2.13. As regards the remedial measures taken to ensure timely laying of the documents within the prescribed period of nine months from close of the accounting year in future, the Ministry have stated :-

*“.....Annual Accounts for the year 2009-10 have been prepared /finalized and with the approval of Finance Committee and the same have been sent to DGACE on 29.06.2010 for certification.”*

2.14 About the problems being faced by the Ministry in the process of laying of the documents of ICWA, the Secretary, Ministry of External Affairs, during evidence stated :-

*“There is one other fact which I must bring to your attention that the records show that in early 2009, a date was given. The Hon. Minister could not adhere to that date because he was abroad. Therefore, fresh dates were given, but the fresh dates could not be adhere to because Parliament was dissolved. Therefore, when Parliament met again, a date was given of December, 2009 and accounts were placed on that date.”*

2.15 However, finally the Secretary, Ministry of External Affairs during evidence submitted before the Committee on the issue of delays in timely laying all the documents :-

*“ I would like to submit and draw the attention of the Hon. Committee to the fact that delays, which were great to begin with, were subsequently reduced and as I have assured the Committee, these will be eliminated and every step will be taken for that purpose.”*

**2.16. The Committee have time and again emphasized that both the Annual Report and Audited Accounts of an Organisation should be laid simultaneously to enable the Members of Parliament to get a complete picture of the working and activities of the Organisation. The Committee, however, regret to note that the Annual Reports and**

**Audited Accounts of the Indian Council of World Affairs, New Delhi for the years 1999-2000 to 2008-2009 were laid on the Table of the House separately and there was inordinate delay in laying of the Annual Reports and Audited Accounts during the aforesaid years except the Annual Report for the year 2007-2008. The Committee had also recommended in the past that in the “Statement of reasons of delay”, Government should invariably indicate in a chronological order the dates of finalisation of Reports and Accounts, their submission to Audit Authorities, issue of Inspection Reports, replies given on points raised in the Report and finally the receipt of Audit Report from the Audit Authorities so that the Committee may identify the stages of delays and the extent of delay at each stage and suggest remedial measures therefor. However the Committee observe that the delay statements given by the Ministry of External Affairs for the aforesaid years did not contain the information in a chronological order. The Committee, therefore reiterate their earlier recommendations and expect the Ministry to strictly adhere to the same in future.**

**2.17. The Committee further note that one of the reasons for delay in laying of the documents was delay in convening the meeting of Governing Body which is chaired by Hon’ble Vice President of India who is also the ex-officio President of the Governing Body of the Council. The Committee are not convinced by the reasons advanced by the Administrative Ministry in this regard. The Committee feel that had the matter for timely laying of the documents been taken up seriously by the Administrative Ministry/Council, delay occurred in the matter could have been minimized/avoided. In this regard, however, the Secretary, Ministry of External Affairs stated during evidence that though the meeting of General Body is held twice a year, however, if required the meeting of Governing Body would be convened specially for passing of accounts. The Committee hope that with these measures the delays would be avoided in future.**

**2.18. The Committee also note that another reason for delay in laying of the Audited Accounts was recasting of Annual Accounts of the Council for the years 1999-2000 to 2006-2007. The Secretary during evidence stated that when the ICWA approached the C&AG, they pointed out certain difficulties in the accounts and wanted the accounts to be recast. Accordingly, the efforts were made by the Council to streamline the process so that all the obligations were met. The Committee are, however, happy to note that as a result of various steps taken by the Administrative Ministry/Council, the extent of delay in laying the documents of the Council for the years 1999-2000 to 2009-10 has come down substantially. While appreciating the fact that the extent of delay in laying of the documents has been brought down over the years, the Committee desire that much concerted efforts are required be made by the Ministry/Organisation to lay the documents within stipulated time period.**

**2.19 The Committee again note that no time schedule indicating the completion of various tasks involved at each stage of finalization of the documents by the Institute has so far been laid down by the Ministry. However the Secretary during evidence assured the Committee that they would work out a schedule working backward from December and a Senior Officer would be assigned task to follow the time schedule. The Committee hope that this should be immediately complied with. The time schedule must be laid down indicating the target dates for finalization of accounts, completion of audit, approval of Reports and Audited Accounts, translation & printing of documents, dispatch to the Ministry, processing by Ministry and laying of the documents on the Table of Lok Sabha. The Ministry of External Affairs should closely monitor the progress of completion of the task at every stage involved in the processing of the documents and ensure that the time schedule is strictly adhered to in future.**

**NEW DELHI**  
**01 March, 2012**  
**11 Phalguna, 1933 (Saka)**

**HARIN PATHAK,**  
**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.      | 1.18                           | <p>One of the oft repeated and major recommendations of the Committee is that if for any reasons the Annual Report and Audited Accounts of an Organization cannot be laid within nine months after the close of Accounting Year, the concerned Ministry should lay a Statement within 30 days after the expiry of nine months or as soon as the House meets, whichever is later explaining the reasons as to why the Annual Report and Audited Accounts could not be laid within stipulated time. However, the Committee regret to note that the Ministry of Road Transport and Highways did not comply with this requirement for the years 2004-2005 to 2008-2009. The Committee deplore the lack of seriousness on the part of the Ministry as they did not lay even a Delay Statement in time to apprise the House and Members of the Committee on Papers Laid about the reasons for delay in laying Annual Reports and Audited Accounts of the Authority. The Committee, therefore, strongly recommend the Ministry/Authority to invariably lay Delay Statement on the Table of the House within the stipulated period in future in case there happens to be a deviation from the time schedule prescribed for laying of the reports.</p> |
| 2.      | 1.19                           | <p>The Committee had also recommended in the past that in the “Statement of reasons of Delay”, Government should invariably indicate in a chronological order the dates of finalisation of Reports and Accounts, their submission to audit Authorities, issue of Inspection Reports, replies given on the points raised in the Report and finally the receipt of Audit Report from the Audit Authorities so that the Committee may identify the stages of delay and the extent of delay at each stage and suggest remedial measures therefor. However, the Committee find that the delay statements given by the Ministry of Road Transport and Highways for the aforesaid years did not contain the information in a chronological order as recommended by the Committee. The Committee, therefore, reiterate their earlier recommendation and expect the Ministry to scrupulously follow the same in future.</p>  |
| 3.      | 1.20                           | <p>The Committee are disappointed to note that there had been delays ranging from 4 to 19 Months in laying the Annual Reports and Audited Accounts of National Highways Authority of India, for the years from 2004-2005 to 2008-2009. The Committee examined the reasons for delay particularly with respect to the documents for the year 2006-2007 since there was a prolonged delay of 19 months. The Committee find that the Authority took nearly 06 months for compilation of Annual Accounts for the year 2006-2007 as against prescribed 3 months for this purpose. After compilation of Annual Accounts, the Audit Authority took 5½ months at</p>  |

|    |      |   |
|----|------|---|
|    |      | <p>the stage of auditing of Accounts and furnishing the final Audit Report to Authority. After receipt of final Audit Report, the Authority took 6 months to place them before the Competent Authority for approval. The Authority also took more than 7 months at the stage of translation, printing and sending the Reports to the Ministry for laying them on the Table of the House. The Committee, however, note with satisfaction that due to the remedial measures taken by the Ministry/Authority, the Annual Report and Audited Accounts of the Authority for the year 2009-2010 have been laid on the Table of the House within stipulated period. The Committee expect from the Ministry to strictly adhere to the time schedule and also ensure that the Annual Report and Audited Accounts of the Authority are always laid well within the timeframe in future.</p>   |
| 4. | 2.16 | <p>The Committee have time and again emphasized that both the Annual Report and Audited Accounts of an Organisation should be laid simultaneously to enable the Members of Parliament to get a complete picture of the working and activities of the Organisation. The Committee, however, regret to note that the Annual Reports and Audited Accounts of the Indian Council of World Affairs, New Delhi for the years 1999-2000 to 2008-2009 were laid on the Table of the House separately and there was inordinate delay in laying of the Annual Reports and Audited Accounts during the aforesaid years except the Annual Report for the year 2007-2008. The Committee had also recommended in the past that in the “Statement of reasons of delay”, Government should invariably indicate in a chronological order the dates of finalisation of Reports and Accounts, their submission to Audit Authorities, issue of Inspection Reports, replies given on points raised in the Report and finally the receipt of Audit Report from the Audit Authorities so that the Committee may identify the stages of delays and the extent of delay at each stage and suggest remedial measures therefor. However the Committee observe that the delay statements given by the Ministry of External Affairs for the aforesaid years did not contain the information in a chronological order. The Committee, therefore reiterate their earlier recommendations and expect the Ministry to strictly adhere to the same in future.</p> |
| 5. | 2.17 | <p>The Committee further note that one of the reasons for delay in laying of the documents was delay in convening the meeting of Governing Body which is chaired by Hon’ble Vice President of India who is also the ex-officio President of the Governing Body of the Council. The Committee are not convinced by the reasons advanced by the Administrative Ministry in this regard. The Committee feel that had the matter for timely laying of the documents been taken up seriously by the Administrative Ministry/Council, delay occurred in the matter could have been minimized/avoided. In this regard, however, the Secretary, Ministry of External Affairs stated during evidence that though the meeting of General Body is held twice a year, however, if required the meeting of Governing Body would be convened specially for passing of accounts. The Committee hope that with these measures the delays would be avoided in future.</p>  |

|    |      |  |
|----|------|--|
| 6. | 2.18 | <p>The Committee also note that another reason for delay in laying of the Audited Accounts was recasting of Annual Accounts of the Council for the years 1999-2000 to 2006-2007. The Secretary during evidence stated that when the ICWA approached the C&amp;AG, they pointed out certain difficulties in the accounts and wanted the accounts to be recast. Accordingly, the efforts were made by the Council to streamline the process so that all the obligations were met. The Committee are, however, happy to note that as a result of various steps taken by the Administrative Ministry/Council, the extent of delay in laying the documents of the Council for the years 1999-2000 to 2009-10 has come down substantially. While appreciating the fact that the extent of delay in laying of the documents has been brought down over the years, the Committee desire that much concerted efforts are required be made by the Ministry/Organisation to lay the documents within stipulated time period.</p>                      |
| 7. | 2.19 | <p>The Committee again note that no time schedule indicating the completion of various tasks involved at each stage of finalization of the documents by the Institute has so far been laid down by the Ministry. However the Secretary during evidence assured the Committee that they would work out a schedule working backward from December and a Senior Officer would be assigned task to follow the time schedule. The Committee hope that this should be immediately complied with. The time schedule must be laid down indicating the target dates for finalization of accounts, completion of audit, approval of Reports and Audited Accounts, translation &amp; printing of documents, dispatch to the Ministry, processing by Ministry and laying of the documents on the Table of Lok Sabha. The Ministry of External Affairs should closely monitor the progress of completion of the task at every stage involved in the processing of the documents and ensure that the time schedule is strictly adhered to in future.</p> |