

COMMITTEE ON PAPERS LAID ON THE TABLE
(2001-2002)

THIRTEENTH LOK SABHA

FIFTH REPORT

(Presented on 22.3.2001)

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LOK SABHA SECRETARIAT
NEW DELHI

March, 2001/Phalguna, 1922 (Saka)

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PERSONNEL OF THE COMMITTEE OF
PAPERS LAID ON THE TABLE
(2001-2002)

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INTRODUCTION

I, the Chairman of the Committee on Papers Laid on the Table of the Lok Sabha having been authorised by the Committee to present the Report on their behalf, present this Fifth Report.

2. As a result of examination of some papers laid during the Third Session (Eleventh Lok Sabha); and Second Session (Twelfth Lok Sabha) the Committee have come to certain conclusion in regard to delay in laying of Annual Reports and Audited Accounts of the (i) Overseas Construction Council of India for the year 1995-96; (ii) Assam Prathamik Siksha Achani Parishad, Guwahati for the year 1995-96; (ii) National Institute of Unani Medicine, Bangalore for the year 1995-96; (iv) Madras School of Economics, Madras for the year 1995-96; (v) Centre for Policy Research, New Delhi for the year 1995-96; and have made certain recommendations. The conclusions of the Committee are reflected in the Report.

3. The Committee considered and adopted this Report at their sitting held on 20 March, 2001.

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

New Delhi:
Dated 22 March, 2001

PRABHAT SAMANTRAY
Chairman
Committee on Papers Laid on the Table

CHAPTER - I

Delay in laying Annual Report and Audited Accounts of Overseas Construction Council of India for the year 1995-96.

The Annual Report and Audited Accounts of Overseas Construction Council of India for the year 1995-96 were laid on the Table of Lok Sabha on 10.7.1998. In terms of the recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the Annual Report and Audited Accounts of Overseas Construction Council of India for the said year should have been laid on the Table of the House by 31 December, 1996 i.e. within 9 months of the close of the accounting year. Thus, the delay in laying the Annual Report and Audited Accounts came to about 18 months.

2. In the delay statement laid alongwith the documents, the reasons for delay have been explained as under:-

“The above Annual Report and Audited Accounts of the Overseas Construction Council of India was adopted by Annual General Meeting of the Council on 30.12.1996. Subsequently, it was found that there were some errors in printing of the Annual Report in both the English and Hindi versions. Although the errors of the English version of the Report were got corrected but rectification of errors in the Hindi version by the Council was delayed to a great extent on account of an unforeseen situation wherein computerized data got corrupted and had to be entirely recomposed. This took sometime, resulting in delay in the laying of the Annual Report and Audited Accounts of the Council for the year 1995-96 on the Tables of both Houses of Parliament.”

3. The Ministry of Commerce which were requested on 19 August, 1998 by this Secretariat to furnish reply on some points had furnished the same on 4th September, 1998 as under:-

POINTS	REPLIES
I. Please state the dates when:	
a) the Overseas Construction Council approached the audit authority for appointment of auditors for auditing their accounts for the year 1995-96 and when were they appointed;	Approached the audit authority on 21 st December, 1995 and appointed the auditors on the same date.
b) the accounts of Overseas Construction Council were compiled and were ready for being handed over to auditors;	15 th July, 1996
c) the accounts were actually handed over to the auditors;	15 th July, 1996
d) the auditing of accounts commenced by the auditors and the time taken in it;	Audit commenced on 15 th July, 1996 which was completed within three months i.e. on 15 th October, 1996.
e) the Annual Report was finalised;	24 th October, 1996
f) the Annual Report and Audited Accounts were got approved from the A.G.M./ General Body/Executive/Finance Committee of the Overseas Construction Council.	30 th December, 1996
g) the Annual Report and audited accounts were taken up for translation and printing and the time taken in it;	20 days
h) the finalised Annual Report and Audited Accounts in both English and Hindi Versions were sent to the Ministry for being laid in Parliament ;	31 st March 1998 and 1 st April, 1998
i) the "Delay Statement" and "Review" were prepared by the Ministry;	14 th May, 1998

<p>j) the Annual Report and Audited Accounts alongwith Review and Delay Statement were got authenticated from the Minister; and</p>	<p>12th June, 1998</p>
<p>h) the Annual Reports and Audited Accounts of Overseas Construction Council for the last three years i.e. 1992-93, 1993-94 and 1994-95 were laid in Parliament;</p>	<p>The Annual Reports & Audited Accounts of the Overseas Construction Council of India (OCCI) in respect of the following years were laid on the Table of Lok Sabha on the following dates.</p> <p>1992-1993 - 23.12.1993 1993-1994 - 23.12.1994 1994-1995 - 08.03.1996</p>
<p>II. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent year i.e. 1996-97; when these are expected to be laid on the Table of Lok Sabha?</p>	<p>The Annual Report and Audited Accounts of OCCI for the year 1996-97 has already been laid on the Table of Lok Sabha on 12.6.1998.</p>
<p>III. The remedial measures taken or proposed to be taken both in the Ministry and the Overseas Construction Council to ensure timely laying of the Annual Report and Audited Accounts within the prescribed period of nine months from the close of the accounting year in future.</p>	<p>As submitted in the statement showing the reasons for delay in laying of the above Report for the year 1995-96, Overseas Construction Council of India has already been advised to ensure that all necessary steps are taken so that the time frame for laying the Annual Reports and Audited Accounts of OCCI on the Table of both the Houses of Parliament within 9 months of the close of the financial year to which the Report pertains, is strictly adhered to. Ministry of Commerce will also monitor the stages of completion of the Report in future.</p> <p>OCCI on its part, has now intimated that they Have taken the preventive measures as follows:-</p>

	<p>(i) Back-up of computer-data</p> <p>(ii) Holding of Annual General Meeting of the Council in time with sufficient period for action.</p> <p>2. In view of reasons explained in the Delay Statement in laying of the Annual Report and audited Accounts of OCCl. for the year 1995-96 and also in view of submission made as above, it is requested to submit before the Hon'ble Committee about the regret expressed by this Ministry in delayed laying the Report on the Table of the Parliament and request to condone the delay.</p>
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4. The matter was considered by the Committee at their sitting held on 28 January, 2000.

5. The Committee noted that the Annual Report and Audited Accounts of Overseas Construction Council of India for the year 1995-96 were laid on the Table of Lok Sabha on 10.7.1998 i.e after a delay of about 18 months.

6. In the Delay statement laid along with the documents it has been stated that after approval of the documents by the General Body of the Council, some errors in printing of the Annual Report in both the English and Hindi versions were noticed wherein computerized data in Hindi vesion of the Report got corrected and had to be entirely recomposed. The Committee note that the Council took about 15 months in rectifying those errors and in recomposing the corrupted computerized data in Hindi version of the Report and thereafter sending these documents to the Ministry of Commerce for laying them on the Table of the House.

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7. The Committee fail to understand the reasons for taking such a long time by the Council in recomposing the said computerized data. The Committee are bound to observe that serious efforts were not made by the Council to complete the job and the things were allowed to take its

own time. The Committee are of the opinion that had the council taken serious efforts to complete the documents, much of the delay could have been avoided. The Committee, therefore, advise that such type of dilly dally approach should not be allowed to happen so that the Annual Reports and Audited Accounts of the Council could be laid on the Table of the House within stipulated period of nine months after close of the accounting year in future.

8. The Committee also note that the Annual Reports and Audited Accounts of the Overseas Construction Council of India for the years 1996-97 and 1997-98 which were required to be laid on the Table of the House by 31.12.1997 and 31.12.1998 have been laid on the Table of the House on 12.6.1998 and 26.2.1999 after a delay of about 5 ½ months and 1 ½ months respectively. The Annual Report and Audited Accounts for the year 1998-99 of the Council which were due for laying on the Table of the House by 31.12.1999 have not so far been laid

9. In view of the reasons advanced by the Ministry which are responsible for delay in laying Annual Report and Audited Accounts for the year 1994-95 of the Council, the Committee recommend that the Annual Accounts of the Council should be compiled and made available to for auditing within 3 months of the close of the accounting year. These should be handed over to auditors without wasting any time. For timely completion of audit work sincere efforts should be made by the Council by pursuing the matter vigorously with the auditors. The Committee also desire that in order to comply with the recommendation of the Committee wherein it has been recommended that the documents of the Council should have been laid on the Table of the House within nine months of the close of the accounting year, a realistic time schedule should be drawn up and monitored at sufficiently higher level in the Council and in the Ministry so that Annual Reports and Audited Accounts of the Council could be laid on the Table of the House within the stipulated period of nine months after close of the accounting year in future..

CHAPTER - II

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF ASSAM PRATHAMIK SIKSHA ACHANI PARISHAD, GUWAHATI FOR THE YEAR 1995-96.

The Annual Report and Audited Accounts together with review and delay statement of Assam Prathamik Siksha Achani Parishad, Guwahati for the year 1995-96 were laid on the Table of the House on 24.11.1997. In terms of the recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha), the Annual Report and Audited Accounts of the Parishad for the said year should have been laid on the Table of the House by 31 December, 1996, i.e., within 9 months of the close of the accounting year. Thus, the delay in laying the Annual Report and Audited Accounts came to about 11 months.

2. In the delay statement laid alongwith the documents, the reasons for delay have been explained as under:-

"Annual Report and Audited Accounts for the year 1995-96 could not be laid on the Table of both the Houses of Parliament by the end of December, 1996 due to the time taken in the auditing of the annual accounts and the approval of the annual report by the Executive Committee of the State Society/State Government. Hindi version of the Annual Report were received from the State Society on 18th August, 1997. It would, however, be ensured that these reports are laid on the Table of both Houses of Parliament before the prescribed date in future."

3. The Ministry of Human Resource Development (Department of Education) who were asked to furnish information on some more points, furnished the following information on 16.12.1997:-

	POINTS	REPLIES
1.	The dates when:	
a)	The Assam Prathamik Siksha Achani Parishad, Guwahati approached the audit authority for appointment of auditors for auditing their accounts for the year 1995-96 and when were they appointed:	Advertisement for inviting proposals from reputed Chartered Accountants was published in September, 1996. Proposals were received by the State Society upto 10.09.1996. The Chartered Accountants were appointed on 11.12.1996.

b) the accounts of Assam Prathamik Siksha Achan Parishad, Guwahati were compiled and were ready for being handed over to auditors;	The accounts were ready for auditing by September, 1996.
c) the accounts were actually handed over to the auditors;	Accounts given to Chartered Accountant for audit on 23.12.1996 after approval of appointment of Chartered Accountant by Executive Committee in its meeting held on 30.11.1996.
d) the auditing of accounts commenced by the auditors and the time taken in it;	The accounts were given to auditors on 23.12.1996 after observing formalities like agreement, Terms of Reference (TOR). The audited accounts were received on 6.3.1997.
e) the Annual Report was finalised;	The Annual Report alongwith Audited Accounts was finalised on 4.4.1997 and sent to Government of Assam for approval.
f) the Annual Report and Audited Accounts were got approved from the A.G.M./General Body/Executive/Finance Committee of the Assam Prathamik Siksha Parishad, Guwahati;	Approval of General Body of the Parishad was obtained on 29.5.1997.
g) the Annual Report and Audited Accounts were taken up for translation and printing and the time taken in it;	Annual Report in English was printed on 29.6.1997. Due to non-availability of adequate facilities for Hindi translation in Assam, the translation work was assigned to the Hindi staff of Ministry of Human Resource Development and the same was completed on 20.7.1997. Printing of Hindi version was completed by 17.8.1997.
h) the finalised Annual Report and Audited Accounts in Hindi and English versions were sent to the Ministry for being laid in Parliament;	One copy of the English version of the Report was sent to Ministry of Human Resource Development on 15.7.1997 and further copies were sent on 19.7.1997. Printed copies of Hindi version were sent on 17.8.1997.
i) the Delay Statement and Review were prepared by the Ministry;	7.8.1997

<p>I) The Annual Report and Audited Accounts alongwith Review and Delay Statement were got authenticated from the Minister:</p>	<p>5.9.1997, after receipt of Hindi version copies from Assam Prathamik Siksha Achani Parishad, Guwahati</p>
<p>1) The Annual Report and Audited Accounts of Assam Prathamik Siksha Achani Parishad, Guwahati for the last three years, i.e. 1992-93, 1993-94 and 1994-95 were laid in Parliament:</p>	<p>Since the District Primary Education Programme (DPEP) was launched in November, 1994, the Annual Report for 1994-95 was the first Report to be laid by the State Society. The same was sent to the Lok Sabha/Rajya Sabha Secretariat on 22.11.1996.</p>
<p>II The latest position regarding finalisation of the Annual Reports and Audited Accounts of subsequent year 1996-97. When these are expected to be laid on the Table of Lok Sabha?</p>	<p>i) The Audit of the Accounts for the fiscal year 1996-97 is completed and audit reports received by the State Society.</p> <p>ii) The Draft English version of the Annual Report for 1996-97 alongwith audit report has been sent to Government of Assam for approval.</p> <p>iii) The Annual Report 1996-97 of DPEP-Assam, is expected to be sent to the Ministry of Human Resource Development by 28.1.1998. The same would be laid in the next Session of the Parliament.</p>
<p>III The remedial measures taken or proposed to be taken both in the Ministry and the Assam Prathamik Siksha Achani Parishad, Guwahati to ensure timely laying of the Annual Report and Audited Accounts within the prescribed period of nine months from the close of the accounting year(s), in future.</p>	<p>Procedure for appointment of Chartered Accountants has been streamlined/simplified by the State Society. Now no prior approval of the Executive Committee would be required for appointment of Chartered Accountants and the approval would be taken on completion of audit alongwith the Audit Report. This would save major time gap between advertisement and subsequent appointment of CAs. Ministry of Human Resource Development (Department of Education) has already advised the State Society to adhere to the prescribed time schedule for finalisation/laying of the Annual Report.</p>

1. The Ministry of Human Resource Development (Department of Education) who were requested on 20.3.1998 to furnish further information on some more points arising out of the replies given by them earlier, furnished the same on 12.6.1998 as under:

POINTS	REPLIES
<p>a) It is stated that the advertisement for appointment of Chartered Accountants was published in September, 1996 and they were appointed on 11.12.1996. Please state the reasons for adopting this type of procedure for appointment of Chartered Accountants for auditing the accounts of the Parishad instead of approaching the C&AG or DGACR.</p>	<p>The Accounts of the Parishad are being audited by the Chartered Accounts under Rule 18(2) of the Memorandum of Association & Rules and Rule 24 (1) of the Financial Regulations of the Parishad. There is also a provision that the accounts of the Parishad would be audited by the Accountant General. The C&AG who was consulted in the matter has advised that they can carry out sole audit of the State Society under Section 20(1) of the C&AG Act after keeping Rule 24(1) of the Society in abeyance as Rule 24(1) and 24(2) of the Society cannot be operated simultaneously. The C&AG also advised that the other option is to entrust superimposed audit to the State AG if the audit by the Chartered Accountants is to be continued or to request the World Bank, who are the funding agency for the project, to accept the audit reports by the Chartered Accountants. Under para 1(b) of the Credit Agreement with the World Bank, the accounts of the Parishad audited by the Chartered Accountants are being accepted by them.</p>
<p>b) It is stated that the appointment of Chartered Accountants was approved by the Executive Committee. Please state under which statutory authority the Executive Committee approves the appointment of Chartered Accounts.</p>	<p>Under Rule 24(1) of the Financial Regulations of the Parishad, the Executive Committee is competent to engage the Chartered Accountants for the audit of the accounts of the Parishad.</p>
<p>c) It was asked by the Lok Sabha Secretariat in the questionnaire, sent earlier, about the dates when the auditors commenced the auditing of accounts and the time taken by them.</p>	<p>The audit was commenced on 13.12.1996 and completed on 15.2.1997</p>

<p>There is no mention in the replies about the dates on which the auditors started the auditing of accounts and when the auditing was completed.</p>	
<p>d) It is stated that the Annual Report and Audited Accounts were finalised on 1.4.1997 and sent to the Government of Assam for approval. After approval by the State Government these documents were approved by the General Body on 29.5.1997. Please state the reasons why these documents were sent to the Government of Assam and after their approval these were approved by the General Body of the Parishad. It is against the practice that these documents should have been approved by the General Body/Executive Committee first and thereafter sent to the Government.</p>	<p>The Annual Report and Audited Accounts were finalised on 4.4.97 and sent to the State Govt. since the Honble Chief Minister, Assam is also the President of the General Body of the Parishad His approval was taken on 29.5.1997 through the State Govt.</p>
<p>e) Please state the financial status of the Parishad. How much grant is being given by Central Government, how much by State Government and how much money is being generated by the Parishad itself?</p>	<p>85% of the project cost is met by the Govt. of India, which is released as grant to the Parishad and the remaining 15% is shared by the State Govt. The Govt. of India share is resourced through external funding. The Parishad itself do not generate any funds.</p>

The matter was considered by the Committee at their sitting held on 28 April, 2000.

The Committee noted that the Annual Report and Audited Accounts of the Parishad for the year 1994-95 which was their first year of laying were laid on 31.12.1996 i.e. after a delay of 11 months. The documents for the year 1996-97 were laid on the Table of the House on 31.3.1998 i.e. after a delay of about 3 months and the documents for the year 1997-98 were laid on 21.12.1998 i.e. within the prescribed period of nine months after close of the accounting year. However, these documents for the year 1998-99 which were required to be laid by 31.12.1999 had not been laid till 28.4.2000.

Taking into account the inordinate delay in laying the documents on the Table of the House, the Committee decided to call for the evidence of the representatives of the Ministry of Human Resource (Department of Education). Accordingly, the representatives of the Department of Education appeared before the Committee at their sitting held on 2.6.2000.

On being asked to explain the reasons for taking 11 months to lay the Annual Report and Audited Accounts for the year 1995-96 of the Assam Siksha Akademi Parishad, the representative of the Department stated that an unduly long time had been taken at the stage of auditing of the accounts. He also stated that all efforts are being made to overcome the delay in future.

On being asked whether the Parishad has concurrent audit system in order to minimise the audit objections and to save the time in auditing of accounts, the representative of the Department stated that it is done by C&AG which does only superimposed audit and not the concurrent audit.

On being asked about the remedial measure taken by the Department so that they do not default in future, the Secretary of the Department stated that they have told the Parishad that if they do not submit their documents in time in future the aid being released to them would be stopped until they make available these documents to them for being laid on the Table of the House.

The Committee note that the main factors which contributed towards delay were (i) action for appointment of auditors was taken by the Parishad after 5 1/2 months of the close of the accounting year and further 3 months were taken in appointment of auditors; (ii) 6 months were taken by the Parishad in compilation of their accounts; (iii) 12 months were taken by the Parishad in finalisation of their Annual Report and (iv) 3 1/2 months were taken in translation and printing of the documents.

The Committee take a serious view of the fact that the Annual Reports and Audited Accounts of the Parishad are being laid on the Table with inordinate delay. The Committee note that after close of the accounting year 1995-96, the Parishad took more than 14 months in appointment of auditors and compilation of their accounts, against 3 months recommended by the Committee. The Committee also note that the accounts of the Parishad are being audited by the Chartered accountants who are appointed by the Parishad. Therefore, there should be no delay at the stage of appointment of auditors. The Committee recommend that hereafter the annual accounts of the Parishad should be compiled and made available to auditors for auditing within 3 months of the close of the accounting year.

The Committee are distressed to note that the Annual Report which was required to be finalised within 6 months of the close of the accounting year was finalised in 13 months. The Committee feel that the Parishad did not pay due attention and importance to the finalisation of the documents and their placing before Parliament. The Ministry of Human Resource Development (Department of Education) also allowed the Parishad to take their own time in finalising the documents. The Committee feel that had the Ministry been monitoring the progress of finalisation of documents of the Parishad effectively, much of the delay could have been avoided.

In view of the delay which took place at different stages of the completion of the accounts, the Committee strongly recommend that the Parishad should chalk out a time bound schedule in consultation with the Ministry for completion of each stage of finalisation of the documents. The schedule so drawn up should be adhered to and some senior officers both in the Ministry and the Parishad should be made responsible to oversee the progress made at each stage of finalisation of documents, and ensure that the required documents are placed before Parliament within 9 months of the close of the accounting year in future.

**DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF
NATIONAL INSTITUTE OF UNANI MEDICINE, BANGALORE
FOR THE YEAR 1995-96.**

The Annual Report and Audited Accounts of National Institute of Unani Medicine, Bangalore for the year 1995-96 were laid together with "Review" and "Delay Statement" on the Table of Lok Sabha on 9.6.1998. In terms of the recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the Annual Report and Audited Accounts of the Institute for the said year should have been laid on the Table of the House by 31 December, 1996, i.e., within 9 months of the close of the accounting year. Thus, the delay in laying the Annual Report and Audited Accounts came to about 17 months.

2. In the Delay Statement laid alongwith the documents, the reasons for delay have been explained as under:-

"As per Rule 32 of the Memorandum of Association of Rules, Regulations and Bye-laws of the Institute, the Annual Report of the Institute together with audited statement of accounts is to be laid down on the Table of Parliament within nine months of the close of the financial year. In view of the financial constraints funds were not provided to the Institute regularly till 1994-95, as a result of which the Institute could not become functional. This fact was included in the annual reports of the Ministry of Health & Family Welfare every year. With the setting up of a separate Department of ISM&H in March, 1995, an amount of Rs.1.00 crore was released to the Institute for construction activity. Since only construction activity has been initiated in the Institute, a proposal was taken up for seeking exemption for laying the Annual Report of the Institute on the Table of both Houses of Parliament till such time the Institute become operational. However, after consultation with the Ministry of Finance, it has been decided to lay the Annual Report of the Institute from 1995-96 onwards regularly. Accordingly, the Annual Report for the year 1995-96 is being laid on the Table of both Houses of Parliament. Action has already been initiated for finalising Annual Report for the year 1996-97 also."

3. The Ministry of Health & Family Welfare (Department of ISM & H) was asked to furnish information on some more points have furnished the same on as under:-

POINTS	REPLIES
1. The dates when:	
a) the National Institute of Unani Medicine, Bangalore approached the audit authority for appointment of auditors for auditing their accounts for the year 1995-96 and when were they appointed;	28.06.1996
b) the accounts of National Institute of Unani Medicine, Bangalore were compiled and were ready for being handed over to the auditors;	June, 1996
c) the accounts were actually handed over to the Auditors;	June, 1996
d) the auditing of accounts commenced by the Auditors and the time taken in it;	8/96 to 9/96 - two months
e) the Annual Report was finalised;	10.10.96
f) the Annual Report and Audited Accounts were got approved from the AGM/General Body/Executive/Finance Committee of the National Institute of Unani Medicine, Bangalore.	8.11.96
g) The Annual Report and Audited Accounts were taken up for translation and printing and the time taken in it;	25.6.1997 to 1.7.1997 (English) 25.6.1997 to 1.8.1997 (Hindi)
h) The finalised Annual Report and Audited Accounts in both Hindi and English versions were sent to the Ministry for being laid in Parliament.	1.7.1997 (English) 1.8.1997 (Hindi)

<p>i) The delay statement and review were prepared by the Ministry</p> <p>j) The Annual Report and Audited Statements of accounts alongwith Review and delay statement were got authenticated from the Ministry; and</p> <p>k) The Annual Report and audited accounts of National Institute of Unani Medicine, Bangalore for the last three years, i.e., 1992-93, 1993-94 and 1994-95 were laid in Parliament.</p>	<p>As has been stated in the Delay Statement laid on the Table of both the Houses of Parliament while laying the annual report of National Institute of Unani Medicine (NIUM), Bangalore for the year 1995-96 in view of the financial constraints, funds were not provided to the Institute regularly till 1994-95 as a result of which the Institute could not become functional. This fact was included in the Annual Reports of the Ministry of Health & Family Welfare every year and no separate annual report was laid on the Table of Parliament for NIUM. With the setting up of a separate Department of ISM & H in March, 1995, an amount of Rs.1.00 crore was released to the Institute for construction activity. Though the annual report was received in the Ministry in July/August 1997, since the Institute is not yet operational and only construction activity had been initiated, a proposal was taken up for seeking exemption for laying the Annual Report of the Institute on the Table of both Houses of Parliament, till such time the Institute becomes operational. However, after consultation with the Ministry of Finance, it was decided to lay the Annual Report of the Institute from the year 1995-96 onwards regularly. This is the first Annual Report of the Institute which has been laid on the Table of Parliament</p>
<p>ii. The latest position regarding the finalisation of the Annual Report(s) and Audited Accounts for the subsequent years i.e. 1996-97 and 1997-98. When these are expected to be laid on the Table of Lok Sabha?</p>	<p>Hindi and English versions of Annual Report and Audited Accounts of NIUM, Bangalore for the year 1996-97 is sent to Ministry vide letter no.9/AC/98-99 dated 10.7.98. Audit of Accounts for the year 1997-98 by the Chartered Accountants and Annual Report for the year 1997-98 are prepared and kept ready. These will be placed before the next Governing Body meeting which is likely to be held in the month of September or October, 1998. Annual Report for the year 1997-98 will</p>

<p>III. The remedial measures taken or proposed to be taken both in the Ministry and the National Institute of Unani Medicine, Bangalore to ensure timely laying of the Annual Report and Audited Accounts within the prescribed period of nine months from the close of the accounting year, in future.</p>	<p>be sent to the Ministry for placing before the Parliament in the month of November, 1998.</p> <p>To ensure timely laying of the Annual Report and Audited Statement of Accounts on the Table of Parliament within the prescribed time from the close of the accounting year, in future, this has been included in the calendar activities of the Institute and will be monitored regularly in this Department.</p>
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1. The matter was considered by the Committee at their sitting held on 10.3.2000.
5. The Committee note that the Annual Report and Audited Accounts of National Institute of Unani Medicine, Bangalore for the year 1995-96 was the first Report of the Institute which was laid on the Table of the House on 9.6.1998 i.e. after a delay of about 17 months.
6. The Committee see that the Annual Report and Audited Accounts of the Institute were got approved from the General Body of the Institute at its meeting held on 8.11.1996. But the Committee are unhappy to note that after approval of the documents from the General Body, the Institute took more than 7 ½ months in taking up the translation work of the documents and further more than one month in its printing. The Committee further note that after receipt of these documents both in English and Hindi version on 1.7.1997 & 1.8.97 respectively in the Ministry, the same were laid after 10 months by the Ministry.
7. The Committee regret to observe that neither the Ministry nor the Institute have made serious efforts to finalise the documents and lay them on the Table of the House. It is evident that the things have been allowed to take their own time.
8. The Committee note that the Ministry of Health and Family Welfare did not indicate the reasons for (i) 7 ½ months taken by the Institute, after approval of the

documents from the General Body of the Institute and (ii) 10 months taken by the Ministry in laying of these documents after receipt of the same from the Institute. The Ministry also did not indicate the action taken to overcome the recurrence of such delays in future. The Committee desire that whenever the Annual Reports and Audited Accounts are laid on the Table of the House with delay, the Ministry must indicate in the delay statement the reasons for such delays.

9. The Committee also note that the Annual Reports and Audited Accounts of the subsequent years i.e. 1996-97 & 1997-98 have been laid on the Table on 28.1.1998 and 8.3.1999 i.e. after a delay of about 7 months and 2 months respectively. These documents for the year 1998-99 which were due to be laid on the Table of the House by 31.12.1999 have been laid on 13.12.2000 i.e. after a delay of about 11 1/2 months. However, these documents for the year 1999-2000 which were due for laying by 31.12.2000 have not so far been laid.

10. The Committee therefore, reiterate, their earlier recommendation that the Ministry of Health & Family Welfare should in consultation with the Institute should prepare a time bound schedule to complete all the formalities at various stages viz appointment of auditors well in advance of the close of the accounting year, compilation of accounts & giving them to the auditors for auditing within 3 months of the close of the accounting year, auditing of accounts, arranging the Annual General Meeting of the Institute, translation, printing and sending them to the Ministry for laying. The Committee also recommend that the Ministry should take the steps that after receipt of the documents the same are laid on the Table of the House at the earliest. The Committee desire that the time bound programme so prepared must be adhered to both by the Ministry & the Institute, so that the Annual Reports and Audited Accounts are finalised as per time bound schedule and laid on the Table of the House well within 9 months of the close of the accounting year of the Institute every year in future.

CHAPTER - IV

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF MADRAS SCHOOL OF ECONOMICS, MADRAS FOR THE YEAR 1995-96

The Annual Report and Audited Accounts of Madras School of Economics, Madras together with Delay Statement for the year 1995-96 were laid on the Table of the House on 24.11.1997. In terms of the recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the Annual Report and Audited Accounts of the Madras School of Economics for the said year should have been laid on the Table of the House by 31 December, 1996, i.e., within 9 months of the close of the accounting year. Thus, the period of delay in laying the Annual Report and Audited Accounts came to about 11 months.

2. In the delay statement laid along with the documents, the reasons for delay have been explained as under:-

The basic reason for the delay in laying of the Annual Report/Audited Statement of Accounts for the Madras School of Economics for the year 1995-96 is the non-availability of these documents in the bilingual form. The preparation of these documents in the bilingual form took considerable time. Consequent upon the availability of these documents now, these are being laid on the Table of both Houses of Parliament.

3. The Ministry of Finance (Department of Economics Affairs), who were asked to furnish information on some points, have furnished the following information same on 13.1.1998:-

POINTS	REPLIES
1. Please state the dates when: a) the Madras School of Economics, Madras approached the audit authority for appointment of auditors for auditing their accounts for the year 1995-96 and	24.4.1996

when were they appointed:	
b) the accounts of Madras School of Economics, Madras were compiled and were ready for being handed over to auditors;	25.4.1996
c) the accounts were actually handed over to the auditors;	17.5.1996
d) the auditing of accounts commenced by the auditors and the time taken in it;	17.5.1996
e) the Annual Report was finalised;	3.7.1996
f) the Annual Report and Audited Accounts were got approved from the A.G.M./ General Body/Executive/ Finance Committee of the Madras School of Economics, Madras	Board of Governors - 27.7.1996 Governing Body - 27.7.1996
g) the Annual Report and Audited Accounts were taken up for translation and printing and the time taken in it;	February, 1997 Received 17.3.1997/4.4.1997
h) the finalised Annual Report and Audited Accounts in both Hindi and English versions were sent to the Ministry for being laid in Parliament.	10.4.1997
i) the Delay Statement was prepared by the Ministry;	21.8.1997
j) the Annual Report and Audited Accounts along with Delay Statement were got authenticated from the Minister; and	Annual Report on - 21.8.1997 Delay Statement on - 22.8.1997
k) the Annual Report and Audited Accounts of Madras School of Economics, Madras for the last three years i.e. 1992-93, 1993-94 and 1994-95 were laid in Parliament.	Institute came under preview of these instructions only on receipt of grant-in-aid first time in 1995-96.

<p>II. Please explain why the Review was not laid alongwith Annual Report, Audited Accounts and Delay Statement.</p>	<p>Report was submitted duly perused/considered by the FA(Fin.)/Chief Eco. Adviser/Finance Secretary and the Hon'ble Finance Minister alongwith subsidiary account as on 31.3.1997 of the Institute in respect of the grant-in-aid.</p>
<p>III. The latest position regarding finalisation of the Annual Report (s) and audited accounts for the subsequent year 1996-97. When these are expected to be laid on the Table of the Lok Sabha.?</p>	<p>Already received in the Department and the same will be submitted during ensuing Parliament Session.</p>
<p>IV. The remedial measures taken or proposed to be taken both in the Ministry and the Madras School of Economics, Madras to ensure timely laying of the Annual Report and Audited Accounts within the prescribed period of nine months from the close of the accounting year(s) in future.</p>	<p>The Institute has assured to furnish the Reports well before the 31st December each year.</p>

4. Ministry of Finance (Department of Economic Affairs), who were requested on 21.4.98 and 31.8.98 to furnish further information on some more points, arising out of the replies given by them earlier, furnished the following on 9.6.1998 and 6.11.98 respectively:-

POINTS	REPLIES
<p>a) Please state the specific dates when the School approached the Audit Authorities and when the auditors were appointed for auditing the accounts of the School.</p>	<p>The General Body of the MSE is the competent authority to appoint the auditors. The matter was placed before the Annual General Body of MSE at its meeting held on July 31, 1995. The AGM by its resolution of the same date appointed the Auditor for auditing the accounts for the year 1995-96.</p>
<p>b) Please indicate the specific dates when the auditing of accounts commenced and when it was completed.</p>	<p>The auditing of the 1995-96 accounts was commenced on 17.5.1996 after the accounts were finalised and was completed on 3.7.1996. The Accounts were approved by</p>

<p>c) Please indicate the specific dates when the translation work was taken up and when it was completed; when the work for printing was handed over to the printer and when the printed copies were received from the printer.</p> <p>d) Please state the reasons for not enclosing the C&AG Audit Certificate alongwith the Audited Accounts; and</p> <p>e) Please state how the General Body of the Madras School of Economics is competent to appoint the auditors instead of C&AG</p>	<p>the AGM in its meeting held on 11 / 1996</p> <p>The Annual Report and Audited Accounts for 1995-96 were given for Hindi translation on 10.2.1997 and the translation work was completed on 14.3.1997. Then the matter consisting of 40 pages was typed in Hindi and 100 xerox copies were taken during the period 15.3.1997 to 9.4.1997. The Hindi version was not printed 100 xeroxed copies of the Annual Report and Audited Accounts for 1995-96 in Hindi were de-patched to Government of India along with 100 printed copies in English with our letter dated 10.4.1997.</p> <p>MSE is an autonomous Institution a Society registered under the Tamil Nadu Societies Registration Act, 1975 and under Section 16 of the above Act, the General Body of the Society has to appoint Auditors qualified according to the prescribed rules and the Accounts of the Institute as audited by these Auditors are approved by the General Body. The total accounts of the Institute are not subject to audit by C&AG. Moreover as per the sanction for release of grant "the Accounts of the MSE shall be open to test check by the Comptroller and Auditor General of India at his discretion</p> <p>The Institute have further stated that C&AG Audit only part of the accounts which relates to the expenditure of Central Government and an autonomous body like MSE cannot by itself ask for audit by C&AG. The practice has been for C&AG is to audit the expenditure of Central Government at intervals and when they (C&AG) come, they complete the audit of years which remains unaudited and the C&AG submit its report to the Ministry directly.</p>
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The matter was considered by the Committee at their sitting held on 10 May, 2000.

The Committee note that the Annual Report and Audited Accounts of Madras School of Economics, Chennai for the year 1995-96 which was the first year of their laying, after receipt of grant-in-aid from the Central Government, were laid on the Table of Lok Sabha on 24.11.1997 i.e. after a delay of 11 months after close of the respective accounting year.

The Committee note with displeasure that after approval of the documents on 27.7.1996 by the Board of Governors of the School, the translation work was taken up by the School after about 6 ½ months i.e. on 10 February, 1997. The Committee do not understand the unduly long time taken by the School in taking up the translation work. Moreover, the Committee are also pained to note that the School took 34 days, i.e. from 10.2.1997 to 14.3.1997 in translating of just 40 pages of Hindi version of the Report. Not only this the School took 25 days in getting 100 copies of the Hindi version cyclostyled of the Report which consists of 40 pages.

The Committee also note that the copies of the Annual Report and Audited Accounts were sent to the Ministry of Finance (Department of Economics Affairs) by the School on 10.4.1997 for being laid on the Table of the House. But the Ministry took about 4 ½ months in preparing the 'Delay Statement' and further about 3 months in laying these documents on the Table of the House. The Committee are unhappy to note that most of this delay has been caused in the Ministry. The Committee thus feel that had the Ministry initiated an expeditious action, much of the delay could have been avoided. The Committee hope that hereafter the Ministry will be more cautious and take all the necessary steps expeditiously to lay the documents on the Table of the House after the same are received in the Ministry.

The Committee further note that the Ministry of Finance have not laid "Review" together with Annual Report, Audited Accounts and Delay Statement for the year 1995-96 of Madras School of Economics. The Committee would like to bring to the notice of the Ministry of Finance, the recommendation of the Committee made in para 3.6 of their Second

Report (Sixth Lok Sabha) which is reproduced hereunder for meticulous compliance by the Ministry of Finance in future :-

"The Committee are of the view that laying of 'Review' along with the Annual Report of the organisations need not be confined only to companies incorporated under the Companies Act, 1956. Even in the case of autonomous bodies, Government should examine the reports submitted by such bodies and prepare a 'Review' giving salient points of achievements, total expenditure incurred by the Government on the body, how far the autonomous body has achieved the objects for which it was set up and what are salient features of its future programme. Where the Report or the Audit Report mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry, it was expected that Government made a mention in the Review of the action being taken in that direction. However, where information on all the aforesaid matters is already available in the Report and Government have nothing to add thereto, Government should, in accordance with the recommendation made by the Committee in para 4.18 of their Second Report (Fifth Lok Sabha), lay on the Table along with report, a statement saying that they are in agreement with the report and hence no 'Review' is being laid".

In view of the reasons responsible for delay as explained by the Ministry, the Committee stress the need for preparing a time bound schedule by the Madras School of Economics in consultation with the Ministry of Finance for each and every stage right from the compilation of accounts to the laying of these documents on the Table of the House. There should be proper coordination and interaction between the Ministry and the School for adherence to the time bound schedule so laid. The progress of the documents should be assessed at every stage to know whether the time bound schedule is being adhered to so that the Annual Report and Audited Accounts could be laid within stipulated period of nine months after close of the accounting year in future.

CHAPTER - V

Delay in laying Annual Report and Audited Accounts of Centre for Policy Research, New Delhi for the year 1995-96.

The Annual Report and Audited Accounts of Centre for Policy Research, New Delhi for the year 1995-96 were laid together with 'Delay Statement' on the Table of the House on 24.11.1997. In terms of the recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the Annual Report and Audited Accounts of the Centre for Policy Research for the said year should have been laid on the Table of the House by 31 December, 1996 i.e. within 9 months of the close of the accounting year. Thus, the delay in laying the documents came to about 11 months.

2. In the delay statement laid along with the Annual Report and Audited Accounts the reasons for delay have been explained as under:-

"The basic reason for the delay in laying of Annual Report/Audited Statement of Accounts for the Centre for Policy Research for the year 1995-96 is the non-availability of these documents in the bilingual form. The preparation of these documents in the bilingual form took considerable time. Consequent upon the availability of these documents now, these are being laid on the Table of both the Houses of Parliament."

3. The Ministry of Finance (Department of Economic Affairs), which were requested on 24.12.1997 to furnish information on some more points, have furnished the following information on 15.1.1998:-

POINTS	REPLIES
1. The dates when:	
a) the Centre for Policy Research, New Delhi approached the audit authority for appointment of auditors for auditing their accounts for the year 1995-96 and when were they appointed;	The CPR's annual accounts are audited by a firm of Chartered Accountants appointed by the Governing Board of the CPR Society. The auditors for the financial year 1995-96 were appointed by the Board on 23.9.1995.
b) the accounts of Centre for Policy Research were compiled and were ready for being handed over to auditors;	30.6.1996
c) the accounts were actually handed over to the auditors;	9.7.1996
d) the auditing of accounts commenced by the auditors and the time taken in it;	9.7.1996 to 19.9.1996
e) the Annual Report was finalised;	August, 1996
f) the Annual Report and Audited Accounts were got approved from the AGM/General Body/Executive/Finance Committee of Centre for Policy Research, New Delhi;	Adopted at the 22 nd Annual General Meeting of CPR Society held on 24.9.1996
g) the Annual Report and Audited Accounts were taken up for translation and printing and the time taken in it;	Annual Report – 8.1.1997 to 19.4.1997 Audited Accounts – 12.3.1997 to 19.4.1997
h) the finalised Annual Report and Audited Accounts in both Hindi and English versions were sent to the Ministry for being laid in Parliament;	April, 1997
i) the Delay Statement was prepared by the Ministry;	11.8.1997 †

j) the Annual Report and Audited Accounts alongwith Delay Statement were got authenticated from the Minister; and	Annual Report on 21.7.1997 and Delay Statement on 13.8.1997
k) the Annual Reports and Audited Accounts of Centre for Policy Research, New Delhi for the last three years i.e. 1992-93, 1993-94 and 1994-95 were laid in Parliament.	Not Applicable as the Institute came under purview of these instructions only on receipt of grant-in-aid first time in 1995-96.
II. Please explain why the Review was not laid alongwith Annual Report, Audited Accounts and Delay Statement.	Report was submitted duly perused/considered by the FA (Fin.)/Chief Eco. Adviser/Finance Secretary and the Hon`ble Finance Minister;
III. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent year 1996-97. When these are expected to be laid on the Table of Lok Sabha?	Already received in this Department and the same will be submitted during the ensuing Parliament Session.
IV. The remedial measures taken or proposed to be taken both in the Ministry and the Centre for Policy Research to ensure timely laying of the Annual Report and Audited Accounts within the prescribed period of nine months from the close of the accounting year, in future.	The Institute has assured to furnish the Reports well before the 31 st December each year.

4. The Ministry of Finance (Department of Economic Affairs) who were requested on 15.4.1998 to furnish further information on some more points arising out of the information given by them earlier, furnished the following information on 8.6.1998:-

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POINTS	REPLY
<p>Please state under what statutory authority the Governing Board of the Centre for Policy Research Society appoints the Chartered Accountants for auditing the accounts of Centre for Policy Research instead of approaching the Comptroller & Auditor General of India or the Director General of Audit & Central Revenue.</p>	<p>CPR is a society registered under the Societies Registration Act 1860 and is governed by the audit requirements appropriate to such Societies. Sections 1 and 2 of the Act require the filing of the Memorandum of Association and the Rules and Regulations of the Society which is being registered. Rule 20 (iv) of the Rules and Regulations of the Centre for Policy Research states that "the accounts of the Society shall be audited by such qualified auditors as the Board may appoint." There is no statutory requirement of audit by the CAG in the case of a registered society. CPR has been regularly under the audit of auditors appointed by the Board since its establishment in 1973. Its character as a registered Society and the rules and procedures governing it do not change merely because it has received a Corpus Grant of Rs.50 lakhs from the Government of India, Ministry of Finance. The contribution by the Ministry of Finance forms only a small part of CPR's total Corpus Fund, and it does not convert CPR into a Government organization. Even the Ministry of Finance's sanction order recognizes that CPR has its own audit arrangements; it only asks for a "certificate from the auditors of the institute". The sanction doubtless contains an enabling provision for a "test check by the Comptroller and Auditor General of India at his discretion", but the CAG has not indicated any desire to undertake such a test check.</p>

4. The matter was considered by the Committee at their sitting held on 10.5.2000.

5. The Committee note that the Annual Report and Audited Accounts for the year 1995-96 of the Centre for Policy Research, New Delhi were laid on the Table of Lok Sabha on 24.11.1997 i.e. after a delay of about 11 months.

6. The Committee also note that after approval of the documents from the General Body of the Centre for Policy Research on 24.9.1996, the Centre took 6 ½ months in translation and printing of the documents. The Committee are constrained to observe that the due attention at this stage has not been paid. The Committee further note that after receipt of the copies of the Annual Report and Audited Accounts from the Centre, the Ministry took about four months in preparing the "Delay Statement".

7. The Committee however, are happy to note that the Annual Report & Audited Accounts of the Centre for the year 1997-98 were laid on 4.12.1998 i.e. within the prescribed period of nine months after close of the accounting year. But the documents for the year 1998-99 have been laid on 10.3.2000 i.e. after a delay of about 2 ½ months. These documents for the year 1999-2000 which were due for laying on the Table by 31.12.2000, have not so far been laid.

9. The Committee hope that with a view to eliminate the delays in future, the procedure of finalisation of the documents should be planned in such a way that there is no bottleneck at any stage right from compilation of accounts to placing them before Parliament. Due attention at the stage of translation and printing of the documents should also be paid. The printer of the documents should be given a definite time frame to print the documents to avoid recurrence of delay at this stage. The Committee hope that the Ministry concerned would also make efforts to lay the documents as early as possible after receipt of the same from the Centre to avoid delay in future.

New Delhi
Dated 23 March, 2001

PRABHAT SAMANT RAY
CHAIRMAN
Committee on Papers Laid on the Table