

**NON-COMPLIANCE BY MINISTRIES/ DEPARTMENTS
IN TIMELY SUBMISSION OF ACTION TAKEN NOTES
ON THE NON-SELECTED AUDIT PARAGRAPHS (CIVIL
AND OTHER MINISTRIES)**

[Action Taken by the Government on the Observations/Recommendations of
the Committee contained in their Forty-second Report
(16th Lok Sabha)]

**MINISTRY OF FINANCE
(DEPARTMENT OF EXPENDITURE)**

**PUBLIC ACCOUNTS COMMITTEE
(2021-22)**

THIRTY-EIGHTH REPORT

SEVENTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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(2021-22)

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MINISTRY OF FINANCE
(DEPARTMENT OF EXPENDITURE)



सत्यमेव जयते

Presented to Lok Sabha on: 20.07.21

Laid in Rajya Sabha on: 20.07.21

LOK SABHA SECRETARIAT
NEW DELHI

July, 2021/ Ashadha, 1943 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2021-22)

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Shri Bhartruhari Mahtab
6. Shri Jagdambika Pal
7. Shri Vishnu Dayal Ram
8. Shri Rahul Ramesh Shewale
9. Shri Rajiv Ranjan Singh alias Lalan Singh
10. Dr. Satya Pal Singh
11. Shri Jayant Sinha
12. Shri Balashowry Vallabhaneni
13. Shri Ram Kripal Yadav
14. Vacant
15. Vacant

RAJYA SABHA

16. Shri Naresh Gujral
17. Shri Bhubaneswar Kalita
18. Shri Mallikarjun Kharge
19. Shri C. M. Ramesh
20. Shri Sukhendu Sekhar Ray
21. Vacant
22. Vacant

SECRETARIAT

1. Shri T. G. Chandrasekhār - Joint Secretary
2. Shri. S.R. Mishra - Director
3. Shri Paolienlal Haokip - Additional Director
4. Shri Pankaj K. Sharma - Committee Officer

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2021-22), having been authorised by the Committee, do present this Thirty-Eighth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-second Report (Sixteenth Lok Sabha) on "**Non-Compliance by Ministries/Departments in Timely Submission of Action Taken Notes on the Non-selected Audit Paragraphs (Civil and other Ministries)**" relating to the Ministry of Finance (Department of Expenditure).

2. The Forty-Second Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 26th April, 2016. The Committee considered the draft Report on the subject and thereafter adopted the Report at their Sitting held on 16th July, 2021. Minutes of the Sitting of the Committee form appendix to the Report.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Forty-Second Report (Sixteenth Lok Sabha) is given at Appendix-II.

NEW DELHI;
July, 2021
Ashadha, 1943 (Saka)

Adhir Ranjan Chowdhury
Chairperson
Public Accounts Committee

CHAPTER - I

REPORT

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Forty-second Report (16th Lok Sabha) on "**Non-Compliance by Ministries/Departments in Timely Submission of Action Taken Notes on the Non-selected Audit Paragraphs (Civil and other Ministries)**" relating to the Ministry of Finance (Department of Expenditure).

2. The Forty-second Report which was presented to Lok Sabha and laid in Rajya Sabha on 26th April, 2016 contained 15 Observations/Recommendations. The Action Taken Notes on all the Observations/Recommendations have been received and are categorized as under:

i. Observations/Recommendations which have been accepted by the Government:

Para Nos. 3,4,5,6,7,10,11,12,13,14 and 15

**Total: 11
Chapter – II**

ii. Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Para Nos. 1 and 2

**Total: 02
Chapter – III**

iii. Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para No. 9

**Total: 01
Chapter – IV**

iv. Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

Para No. 8

**Total: 01
Chapter -V**

3. During the detailed examination of the subject **"Non-Compliance by Ministries/Departments in timely Submission of Action Taken Notes on the Non-selected Audit Paragraphs (Civil and other Ministries)"**, the Committee found that there was inordinate delay on the part of various Ministries/Departments in timely submission of Action Taken Notes on the non-selected Audit Paragraphs of the reports of the C&AG of India. The Committee found non-compliance in timely submission of ATNs on Non-selected Audit Paragraphs in case of the Ministry of Finance (Department of Expenditure and Department of Revenue), Ministry of Defence, Ministry of Communications and Information Technology, Ministry of Railways (Railway Board), Ministry of Tribal Affairs & the Department of Atomic Energy. The follow up action by the Ministry/Department concerned on the C&AGs reports continued to be highly lackadaisical, as large number of Remedial/corrective Action taken notes were still pending with the Ministries for several years.

4. The Committee found that Department of Expenditure has taken some routine measures for upgrading and operationalizing online Audit Para Monitoring System (APMS) and in organizing training of officers of Ministries on the usage of the APMS. However, the response to adopt the APMS system is still not satisfactory and is slow in respect of most Ministries owing to which the full potential of APMS portal has not been achieved. The Audit para Monitoring System (APMS) has also not been fully and completely operationalized covering all potential users.

5. The Action Taken Notes furnished by the Ministries on the Observations/Recommendations of the Committee contained in their Forty-second Report (Sixteenth Lok Sabha) have been reproduced in the relevant chapters of this Report. In the succeeding paragraphs, the Committee have dealt with the Action Taken by the Government on some of their Observations/Recommendations which either need further reiteration or comments from the Ministry concerned. .

6. **The Committee desire the Ministry of Finance (Department of Expenditure) to furnish Action Taken Notes in respect of**

Observations/Recommendations contained in Chapter I within six months of the presentation of this Report to the Parliament.

(Recommendation No. 4)

7. The Committee appreciated the effort of the Monitoring Cell, Ministry of Finance in upgrading the need based Audit Para Monitoring System (APMS) and organising training Programmes for the officers of the Ministries on its usage. The Committee noted with concern that officers have a specific tenure within the Ministry and get transferred after a specific period of service. The Committee also noted that certain Ministries have shortage of manpower for operating the APMS. The Committee felt that the complete operationalisation of the APMS should be done at the earliest with all the Ministries as this would give a correct picture regarding real status of the pending ATNs with respect to various Ministries. The Committee desired the Monitoring Cell to give instructions to all the Ministries for adopting the APMS which could considerably help in access of the status. The Committee also recommended that the Monitoring Cell should conduct training of officers on quarterly basis so that they are acquainted with the working of APMS to ensure availability of trained officers to those Ministries with deficient manpower for the same. The Committee had recommended to be apprised of the action taken in this regard within six months of the presentation of this Report.

8. In their action taken reply, the Ministry of Finance, Department of Expenditure, has stated as under:

“As per the recommendations of the Public Accounts Committee (PAC) (para No. 4, 42nd Report, 16th Lok Sabha) Department of Expenditure (Monitoring Cell) has issued directions vide OM No. 4/4/2016-e-MC/15 dated 16th June 2016 to all Ministries/Departments for completion of process flow on APMS portal by uploading ATNs at each stage, obtaining vetting comments online from C&AG and regular review of status of pending audit paras by organising ATN Adalats/SAC meetings. As a result of the continuous follow up by the Department, all the Ministries/Departments are now using the APMS Portal. It has also been conveyed that physical copies of finally vetted ATNs would be accepted only if the process cycle on APMS portal has been simultaneously completed. Further, the quarterly training schedule for the personnel of Ministries/Departments has also been circulated to all Ministries/Departments

vide the Office Memorandum mentioned above. The training has commenced as per schedule.

9. The Committee are happy to note from the information furnished by the Ministry of Finance that all the Ministries/Departments have adopted and are using the APMS portal for furnishing Action Taken Notes on Audit Paras. The Committee also note that instructions have been issued by Ministry of Finance for training of officers at quarterly intervals so that they are well acquainted with the working of APMS. The Committee would nevertheless like to know the details of the status of achieving the goal of complete operationalisation of APMS Portal. Further, the Committee desire that the Ministry of Finance, Department of Expenditure, furnish Ministry wise statement of pendency of Audit paras as on 31st March, 2021 so as to have a correct, objective and real picture on the status of pendency position of audit paras and operationalization of APMS Portal.

(Recommendation No. 5)

10. The Committee had *inter-alia* noted that several Ministries had not complied with the requirement of uploading ATNs on the APMS Portal and obtaining vetting comments online despite repeated instructions from the Monitoring Cell, Ministry of Finance (Department of Expenditure) thereby rendering the e-monitoring Portal's data unreliable and efforts made thereon useless. The Committee had, therefore, recommended that all Ministries, henceforth should upload all ATNs at every stage on the APMS Portal, obtain vetting comments thereon from the C&AG online and furnish final ATNs also online by uploading onto the Portal. The Committee had also recommended the C&AG to process ATNs on the Portal only and decline to accept ATNs submitted manually by Ministries. The Committee had also recommended that C&AG may also be requested to *suo moto* categorize the Action Taken Notes for the use of the Public Accounts Committee.

11. The Ministry of Finance (Department of Expenditure) in their action taken reply stated as under:-

"On the basis of the observations/recommendations of the Public Accounts Committee (PAC) (para No.5, 42nd Report, 16th Lok Sabha) Department of Expenditure (Monitoring Cell) has issued instructions vide Om No. 4/42016-e-

MC/15 dated 16th June 2016 to upload all ATNs at every stage on the APMS portal, obtaining vetting comments thereon from the C&AG online and furnishing of final ATNs online by uploading onto the portal. The Office of C&AG have been advised vide the OM *ibid* that after uploading of ATNs by Ministries/Departments on the APMS portal, all Formations of C&AG including Field Formations may also process ATNs on the portal only and decline to accept ATNs submitted manually by Ministries/Departments. Further, they have also been advised to categorize the final ATNs once uploaded by Ministries/Departments and upload such categorization on the APMS portal for the use of PAC."

Further, C&AG have, in this regard, *inter-alia* stated as under:

"In compliance to the directions of the Committee, all the Principal Audit officers are processing the ATNs through the portal only. Further, the final ATNs uploaded by Ministries/Departments on the portal are being categorized by audit on the portal itself for the use of the Public Accounts Committee"

12. The Committee note that, by way of acting on their recommendation, the Ministry of Finance have issued instructions to all concerned for uploading stage wise, the Action Taken Notes (ATNs) on the APMS Portal. The ATNs are also to be uploaded on to the portal at the time of obtaining vetting comments from the C&AG online, and later on, while furnishing final ATNs. The Committee further note that the Office of C&AG have been requested that after the ATNs are uploaded by Ministries/Departments on the APMS Portal, all formations of C&AG, including the field formations, are to process the ATNs on the Portal only and decline accepting the ATNs submitted manually by the Ministries/Departments. Further, it was recommended that C&AG may categorize the final ATNs of the Ministries/Departments and upload the categorization on the APMS Portal for the use of PAC. The Committee, however, on the basis of past experience, express the view that mere issue of instructions will not suffice. The Committee, therefore, desire that the Ministry of Finance (Monitoring Cell, D/o Expenditure) may continuously pursue with the Ministries/ Departments the matter of furnishing the latest, updated information on the portal. Further, the Committee would also like to be informed of the details of follow up action taken on all aspects of their recommendation so as to be assured that substantive progress has been made in regard to putting in place a complete and comprehensive system of monitoring and compliance.

(Recommendation No. 8)

13. The Committee noted with concern that the Action Taken Notes on 20 Paras were pending with the Ministry of Communications and Information Technology (Department of Telecommunications) as on 31/08/2015 out of which Action Taken Notes on 1 Audit paragraph pertaining to the year 2006 and 3 Paras pertaining to

2010-11 were still pending. The Committee further noted that the number of paras pending with the Ministry have increased to 22 as on 30/11/2015. Explaining the reasons for the delay in submitting the Action taken Notes, the Secretary during evidence on 28/10/2015 had informed of the existence of large number of field functionaries and collection of the replies from the same. Moreover, thereconciliatory process with Audit also consumes a lot of time. The Committee were not convinced with the reply of the Ministry that existence of large number of field functionaries is the cause for delay in submitting the Action Taken Notes. They had a feeling that for a Ministry such as the Communication and Information Technology, it must be comparatively easier to have a sound mechanism to have a better co-ordination with its field units than other Ministries. They, therefore, urged upon the Ministry to ensure better co-ordination amongst its field units by using its core areas of IT modules and communication networks so that such information on submission of Action Taken Notes on Audit Paras be obtained quickly and be forwarded to the Lok Sabha Secretariat after getting them vetted by the Audit. Moreover, the Committee were dismayed to note the non-committal effort of the Ministry in clearing the pending paras and that too even of the year 2006 though it has been almost a decade since the Report was presented to the House. The Committee, therefore, urged the Ministry to take stringent action against the erring officials and fix responsibility for such a lapse. The Committee also desired the Ministry to beef up the mechanism for timely submission of ATNs and apprise the Committee of the action taken in this regard within six months of the presentation of this Report.

14. The Ministry of Communications (Department of Telecommunications) in their action taken reply stated as under :-

"On examination of the matter, it was noticed that the Action taken Note on all 22 audit paras were prepared with due diligence i.e. action was taken for timely preparation of ATNs; submission of ATNs for vetting to the audit; submission of said Modified ATNs on receipt of further audit remarks resulting in closure of Para etc. Many of said Paras took time arising out of policy decision, recovery issues and involvement of multiple stakeholders which took a lot of time, resulting in unavoidable delay in settlement of some of the paras to the satisfaction of Audit. Further, following actions have been taken in light of Observations/ Recommendations of PAC.

- a) The Pending Audit Paras are being monitored by Audit Para Monitoring System (APMS) (<https://apms.nic.in/>) of Monitoring Cell of Ministry of

Finance. In this website, all updates / Action Taken Notes (ATNs) are updated from time to time. Accordingly, an effective monitoring system is ensured in this Department also, for timely submission and monitoring of ATNs.

- b) Standing Audit Committee (SAC) meetings are held on monthly basis for review of pending ATNs and effective pursuance is done with concerned Wings for the settlement of paras.
- c) In this regard it may also be mentioned that all of 22 paras, mentioned above, were settled by July 2017. As on 30.9.2020, out of 43 Paras, replies of 30 paras (70% Paras) have already been submitted to Audit for vetting and remaining are being pursued, vigorously with the concerned Wings.
- d) Therefore, sincere attempts are being made for timely settlement of Audit paras.

In view of above, it is requested to have the paragraph dropped.”

15. The Committee had noted that 20 paras were pending with the Ministry of Communications and Information Technology (Department of Telecommunication). Secretary of the Ministry had reasoned with the Committee that pendency is due to large number of field functionaries and collection of replies from the same. Moreover, reconciliatory process with the audit also consume a lot of time. Expecting Ministry of Communications and Information Technology to be a better player in the field, the Committee recommended better coordination with the field units. The Committee had asked for speedy disposal of ATN on Audit Paras and vetted by the Audit. The Committee had also deprecated the irresponsive attitude of officials of the Ministry in furnishing replies to pending paras and without any accountability.

16. In their Action Taken Notes the Ministry has pleaded that many of the pending paras took time due to the matters arising out of policy decision, recovery issues and involvement of multiple stakeholders. The Ministry has further mentioned that it has settled the pending 22 paras in 2017 and as on 30th September, 2020 it has settled 30 paras out of 43 paras i.e. 70 percent achievement.

17. The Committee note that the extant replies of the Ministry have not been vetted by the Audit. Further, the Committee note that the reasoning given by the Ministry for the delay in furnishing the Action Taken Notes varies from the earlier version viz. earlier, the reasons for delay was attributed to the

involvement of multiple field units whereas now it has been attributed to policy and recovery issues. The Committee expect the Ministry to furnish a clear and unambiguous explanation for the pendency in furnishing the replies, and get the replies vetted by audit before submission to the Committee. The Committee also find that no mention has been made in the reply, in regard to action taken on the errant officers. The Committee, therefore, recommend that appropriate action be taken in tune with the observation made in their earlier report and the Committee informed of the same within a month of the presentation of this report to Parliament.

(Recommendation No. 9)

18. The Committee had observed that Ministry of Railways had ATNs on five paras which have not been submitted even for the first time since 2012-13 and 2013-14 as on 30.09.2016. Further, the Committee had observed that number of pending paras have increased to 124 as submitted by the Ministry on 31.12.2015. The Committee were not impressed on the action taken by the Ministry in clearing pending ATNs and had deplored the callous attitude of the Ministry in disposing the cases.

19. In its action taken note the Ministry of Railways has informed that all the 5 paras mentioned have been submitted to Audit for vetting and 37 paras were finalized during the period April, 2015 to 08.12.2015. The Ministry has further mentioned that it is taking all efforts to clear the audit paras. One of the efforts mentioned by the Ministry is that the meetings of the Standing Audit Committee (SAC) have been held in which the necessity to clear the paras within the stipulated period is impressed upon the officers concerned. As a result, the pendency of 124 paras as stated above has been further reduced to 94 paras. Efforts are on to reduce the pendency further.

20. The Committee feel disappointed to note the fact that there is a lack of seriousness on the part of the Ministry of Railways in addressing the issue of delay in furnishing the Action Taken replies. At first, the Ministry had informed that it was putting in all efforts to clear the pendency. However, it was noticed from the reply that at the meeting of SAC, the officers dealing with the matter were merely impressed upon the need to clear pendency in time. The Ministry appears to have failed in realizing the importance of timely clearance of pending

ATNs and instead of taking concrete punitive action against officers concerned, it has merely impressed upon them the need for reducing the pendency. Reducing the pendency from 124 to 94 is in no way a great achievement. The Committee, therefore, desire that the Ministry of Railways further improve the process of clearing pending ATNs and inform the Committee of the action taken in this regard.

(Recommendation No. 14 & 15)

21. This Sub-Committee, as the name itself suggests, has been tasked primarily to ensure compliance by Ministries/Departments of the Union Government in timely submission of Remedial Action Taken Notes on the Audit Examination. However, as mentioned in the preceding paras, ATNs on a large number of paragraphs pertaining to various Ministries selected by earlier Committees are still pending with the Ministries. The Ministries are certainly aware of the importance our Constitution has attached to public financial accountability and the elaborate mechanism it has put in place for the same. The Committee would like to be apprised of the mechanism in place within the Ministry/Department to attend to timely submission of ATNs and the efforts made in recent years to ensure compliance in timely submission of remedial/correction ATNs on Audit observations on Ministry's functioning.

22. The Committee also observed that a large number of audit paragraphs are pending against social sector Ministries, and considering these Ministries have substantial budgetary allocations and the proper utilization of grants to these Ministries having a direct bearing on the livelihood of millions, timely submission of remedial Action Taken Notes by them needs stringent/constant monitoring. The Committee, therefore, recommended that Ministry of Finance, Department of Expenditure should further strengthen their monitoring of non-compliance by social sector Ministries in timely submission of remedial Action Taken Notes. Further, failure on the part of the officials in ensuring timely submission of these Action Taken Notes may be entered into the ACRs of the concerned officials.

23. The Ministry of Tribal Affairs in their action taken reply stated as under:-

"As per directions of the Ministry of Finance, Standing Audit of Committee (SAC) has been constituted under the chairpersonship of Secretary, Ministry of Tribal Affairs to review the pending C&AG and other Audit Paras. Meeting of SAC are held regularly to monitor and review on monthly basis the submission of ATNs on C&AG Audit Paras and ATRs on PAC recommendations. Minutes of the meeting of the SAC are also uploaded on APPS portal. Position of audit observation and ATNs are discussed during senior officials meeting also and regular meetings between the Officers of DGACE and the Ministry are arranged to look in to the matter.

As far as the reply to outstanding C&AG Paras is concerned, the ATN of para 17 of Report 18 of the year 2015-16 has also been furnished. The same has been uploaded on the portal also after vetting by the DG, Audit. Further revised ATN in respect of Report 33 of the year 2015 has also been furnished. The same has been uploaded on the APMS portal for vetting by the DG, Audit."

24. The Committee while emphasizing on the importance of compliance by Ministries/Departments of the Union Government in ensuring timely submission of Remedial Action Taken Notes on the Audit observations wanted to know the mechanism in place for ensuring timely submission of the Notes as also compliance with the time schedules for taking remedial corrective action on the ATNs, and found that the most of the Ministries have constituted Standing Audit Committees which meet regularly. The Nodal Division/Section of the concerned Ministry is responsible for uploading the reports on the website of C&AG and APMS portal.

25. The Committee also noted that the Ministry of Finance (Department of Expenditure) has been writing regularly to various Ministries/Departments for taking action towards liquidating the pendency. The Committee appreciate that dedicated divisions/sections have been created for monitoring and ensuring timely submission of ATNs. The Committee also appreciate the fact that the Department of Expenditure are continuously pursuing the matter at their end. The Committee desire that the Ministries strengthen the existing systems to have a target of zero pendency of ATNs beyond the stipulated time frame.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE
GOVERNMENTObservation/Recommendation No. 3

The Committee appreciate the effort of the Monitoring Cell, Ministry of Finance, Department of Expenditure in sensitizing the Ministries/Departments for timely submission of the ATNs within the stipulated period of 4 months and ensuring compliance of the recommendation of PAC, considerably reducing the pendency of ATNs from 4216 paras as on 30.06.2010 to 644 paras as on 30.04.2015. The Committee however, note with concern that the pendency of ATNs furnished by Audit reveal that the number of ATNs pending as on 30.04.2015 was 644 and 615 paras as on 30.11.2015. Though the pendency of ATNs have slightly declined/decreased, the Committee feel that ATNs pending with the various Ministries/Departments are almost stagnant despite regular meetings of the various stake holders such as the Committee of Secretaries, constitution of Standing Audit Committee chaired by the Secretary of the Ministries concerned. The Committee, therefore, wish the Monitoring Cell, Department of Expenditure to expedite the process of clearing the pending ATNs by issuing strict instructions to the Ministries/Departments in consultation with of the office of the C&AG within the stipulated period of 4 months. They also wish the Ministries to understand and comprehend the same as part of their statutory obligation to furnish the ATN on the Audit para to the PAC after getting them vetted by Audit.

Action Taken/Submission by the Ministry

As per the recommendations of the Public Accounts Committee (PAC), Department of Expenditure (Monitoring Cell) has issued instructions vide OM No.1/42/2014-MC/157 dated 29th June 2016 (copy enclosed) to all Ministries/Departments to expedite the process of clearance of pendency of ATNs within the stipulated time period of 4 months. The Ministries/Departments have also been advised vide the OM ibid to understand and comprehend, as part of their statutory obligation, the furnishing of ATN on the Audit para to the PAC after getting them vetted by audit.

In consultation with C&AG, a revised stage-wise time schedule for processing the ATNs within the stipulated time period of 4 months has also been circulated by Department of Expenditure (Monitoring Cell) to all Ministries/Departments for strict compliance vide OM No.1/1/2014- MC/161 dated 05.07.2016 (Copy enclosed).

This Action Taken Note has been vetted by Office of the C&AG of India vide their U.O.No.80/Rc/PAC/93/201697 dated 19.09.2016.

Observation/Recommendation No. 4

The Committee appreciate the effort of the Monitoring Cell, Ministry of Finance in upgrading the need based Audit Para Monitoring System (APMS) and organising training Programmes for the officers of the Ministries on its USAGE. The Committee note with concern that since officers have a specific tenure within the Ministry and get transferred after a specific period of service, the Committee also note with concern that certain Ministries have shortage of manpower for operating the APMS. The Committee feel that the complete operationalisation of the APMS should be done at the earliest with all the Ministries as it gives a correct picture regarding real status of the pending ATNs with respect to various Ministries. The Committee desire the Monitoring Cell to give instructions to all the Ministries for adopting the APMS which could considerably help in access of the status. The Committee also recommend that the Monitoring Cell should conduct training of officers on Quarterly basis so that they are acquainted with the working of APMS to ensure availability of trained officers to those Ministries with deficient manpower for the same. The Committee may be apprised of the action taken in this regard within six months of the presentation of this Report.

Action Taken/Submission by the Ministry

As per the recommendations of the Public Accounts Committee (PAC) (para No.4, 42nd Report, 16th Lok Sabha) Department of Expenditure (Monitoring Cell) has issued directions vide OM No.4/4/2016-e-MC/15 dated 16th June 2016 (copy enclosed) to all Ministries/ Departments for completion of process flow on APMS portal by uploading ATNs at each stage, obtaining vetting comments online from C&AG and regular review of status of pending audit paras by organising ATN Adalats/ SAC meetings. As a result of the continuous follow up by the Department, all the Ministries/ Departments are now using the APMS Portal. It has also been conveyed that physical copies of finally vetted ATNs would be accepted only if the process cycle on APMS portal has been simultaneously completed.

Further, the quarterly training schedule for the personnel of Ministries/ Departments has also been circulated to all Ministries/ Departments vide the Office Memorandum mentioned above. The training has commenced as per schedule.

This Action Taken Note has been vetted by Office of the C&AG of India vide their U.O.No. 80/Rc/PAC/93/2016-17 dated 19.09.2016.

Observation/Recommendation No. 5

The Committee recall that the Public Accounts Committee at their sitting held on 7.4.1982 and subsequently on 19.4.1982, had decided that the various Audit Reports be referred to the various Ministries concerned for furnishing notes, duly vetted by Audit, showing the Remedial/Corrective Action Taken on all the Paragraphs contained therein within four months of the presentation of the Report. Subsequently, the Ministry of Finance was enjoined as the nodal agency to coordinate among various Ministries with respect to furnishing of Action

Taken and forward the same to the Lok Sabha Secretariat. The Committee also caused a system of online monitoring of timely submission of ATNs by Ministries to be put in place and mandated the Ministry of finance, Department of Expenditure, to act as the nodal Ministry to monitor and coordinate timely submission of ATNs, using the e-monitoring system called Audit Paras Monitoring System or APMS. The Committee are apprised that several Ministries are yet to comply to the requirement of uploading ATNs on the portal and obtaining vetting comments online despite repeated instructions from monitoring cell. This failure to comply by some Ministries, who still resort to Manual clearance of Audit Paras has rendered the e-monitoring portal's data unreliable and therefore makes the entire effort useless. The Committee, therefore, recommend that all Ministries, henceforth, should upload all ATNs at every stage on to the APMS portal, obtain vetting comments thereon from the C&AG online, and furnish final ATNs also online by uploading onto the portal. The Committee also recommend that the C&AG may also process ATNs on the portal only and decline to accept ATNs submitted manually by Ministries. Further, the C&AG may also *suo moto* categorise the final ATNs once uploaded by Ministries and upload such categorisation on the APMS portal for the use of the Public Accounts Committee.

Action Taken/Submission by the Ministry

On the basis of the observations/recommendations of the Public Accounts Committee (PAC) (para No.5, 42nd Report, 16thLok Sabha) Department of Expenditure (Monitoring Cell) has issued instructions vide OM No.4/4/2016-e-MC/15 dated 16th June 2016 (Copy enclosed) to upload all ATNs at every stage on the APMS portal, obtaining vetting comments thereon from the C&AG online and furnishing of final ATNs online by uploading onto the portal. The office of C&AG have been advised vide the OM ibid that after uploading of ATNs by Ministries/ Departments on the APMS portal, all Formations of C&AG including Field Formations may also process ATNs on the portal only and decline to accept ATNs submitted manually by Ministries/ Departments. Further, they have also been advised to categorise the final ATNs once uploaded by Ministries/ Departments and upload such categorisation on the APMS portal for the use of PAC.

This Action Taken Note has been vetted by Office of the C&AG of India vide their U.O. No. 80/RC/PAC/93/2016-17 dated 19.09.2016.

Observation/Recommendation No. 6

The Committee note that as on 30.04.2015, the total number of Action taken Notes pending with the Ministry of Finance (Department of Revenue) was 150, out of which ATNs on 67 paras have not been furnished even for the first time. The Secretary, during evidence on 29.09.2015 however, stated that the total paras pending with the Department of Expenditure was 15 only, i.e. 3 in Central Excise, 3 in Service Tax and 9 in Customs. The Committee further

observe that as per the information furnished by Audit the number of pending ATNs have increased to 141 as on 30.11.2015. The Ministry again submitted that as on 31.12.2015 the total number of paras pending with Central Excise and Service Tax was 40 and 82 out of which 50 ATNs have not been furnished even for the first time. The Committee are perturbed to note the Ministry's lackadaisical approach in settling the Audit paras despite the clear cut guidelines to furnish the ATNs within 4 months after the Audit Reports are laid on the Table of the House. The Committee have noted that in the case of non-selected paras by the Public Accounts Committee, the Ministries have shown a very casual attitude in sending the Action Taken Notes and hence, the pendency of the ATNs have increased over a period of time. The Committee, therefore, recommend the Ministry to take appropriate measures to furnish the ATNs at the earliest within the prescribed period and bring down the pendency status. The Committee may be apprised of the action taken in this regard within six months of the presentation of the Report.

Action Taken/Submission by the Ministry

In respect of Central Excise & Service Tax, as per pendency position received from Office of the C&AG as on 30.04.2015 (copy enclosed as Annexure A), Ministry had not sent first Action Taken Note in respect of 13 paras of the current Audit Reports (i.e.) Audit Report no. 6,8,29 and 33 of 2014). In respect of previous Audit Report, Ministry had sent all first Action Taken Notes to Audit well in time.

As on 30.04.2016 pendency position received from Audit (copy enclosed as Annexure B), no Audit Paras/Report is pending with ministry where first Action taken Note was not sent to Audit. It is seen from the pendency position of 30.04.2016 in respect of Central Excise & Service Tax that total 9 Audit Paras (ATN under process where 1st ATN is already sent and further comments are sought by audit) are pending with Ministry. Similarly, as per pendency position on 30.06.2016 (Annexure-C) only 9 Audit Paras (ATN under process) are pending with the Ministry. However, again no such Audit Paras is pending with the Ministry where first Action Taken Note was not sent to Audit. On comparison of reports of pendency position of 30.04.2016 and 30.06.2016, the further comments/ATNs of some of the Audit Paras have been forwarded to CAG Office while some of the new vetted comments have been received by this office.

In respect of Non-selected paras by the Public Accounts Committee, this office takes quick action to get reply from the concerned Commissionerates and try to furnish 1st Action Taken Note to Audit within the stipulated period and try to bring down the pendency status. After settlement of Audit Para from C&AG, this office take quick action to send the required number of copies alongwith Hindi version of Monitoring Cell.

Vetting comments of Audit

The Committee in its report has stated that as on 29.09.2015, 150 ATNs were outstanding with Department of Revenue, Ministry of Finance. As on 30.09.2016, following two paras are outstanding with the ministry for first time ATNs:

1. Para 6.4.1 (DAP 1C/2014-15) AR No. 2 of 2016-DIPP, Ministry of Commerce & Industry-The Audit Report was presented to parliament on 11.03.2016.
2. PA on VCES (AR No. 22 of 2016)- Ministry of Finance (ATN sent by the Ministry is for the 2nd draft report issued to the Ministry, hence returned asking for revised ATN) – The Audit Report was presented to Parliament on 12.08.2016.

Further comments by the Ministry

It is reported that Para 6.4.1 (DAP 1C/2014-15) Non-payment of Cess on Cement) of AR No. 2 of 2016 pertains to Ministry of Commerce & Industry. Action Taken Note will also be sent by Ministry of Commerce & Industry to Audit. Hence, it does not pertain to CBEC, Ministry of Finance.

In respect of PA Report on VCES (AR No. 22 of 2016), Ministry had furnished its 1st Action Taken Note of Audit on 29th September, 2016. It is also reported that the relevant Annexures of Audit Report No. 22 of 2016 were received from Audit via e-mail on 3rd November, 2016. Ministry vide its letter dated 7th December, 2016 has again forwarded its Action Taken Note along with the relevant Annexures of Audit Report to Office of the C&AG, hence, it was also forwarded to Audit within the stipulated time of 4 months from laying of the Audit Report in the Parliament i.e. 12.08.2016. Hence, as on date, Ministry has furnished all 1st Action Taken Notes in respect of all the reports.

Observation/Recommendation No. 7

The Committee observe that the pendency of ATNs of the Ministry of Defence has not declined satisfactorily from 153 in July, 2015 to 142 as on 30.11.2015. The Secretary during evidence on 06.10.2015 had stated that a total of 179 paras were pending out of which ATNs for 28 paras have not been sent to Audit even for once. The Committee are dismayed at the slow progress of the Ministry in furnishing the pending ATNs. The Committee also note that the Ministry was proposing to implement an IT based data system in respect of draft paras and ATNs to ensure more stringent monitoring of their timely disposal of ATNs. The Committee therefore urge the Ministry to take stock of the ATNs pendency and evolve adequate strength of its monitoring mechanism for timely disposal of ATNs. The Committee also wish the Ministry to expedite the implementation of the IT based data system which could be of immense help in reducing the pending ATNs. This will not only reduce duplication of typing work but also will result in ensuring a paperless office work.

Action Taken/Submission by the Ministry

The Ministry is aware that Action Taken Notes (ATNs) are required to be furnished within the time limit after laying of audit reports in Parliament.

There is occasionally some delay in adhering to this time limit of submission of ATNs given the size and complexity of this Ministry. Responses to issues raised in audit

paras are generally required to be obtained from the field. Audit paras received in the Ministry are transmitted to the respective field formations through Service Headquarters for response/replies/clarifications. Similarly draft ATNs from the field move upwards through the same hierarchical channels. Any queries raised at any point in the chain require back references. This requires considerable time for submission of ATNs.

Several ATNs are pending for various other reasons. These include cases which are sub judice or under investigations by the CBI. Several ATNs have been vetted conditionally by audit pending regularization of loss, recoveries or for additional information/action.

The Ministry has, however, made serious efforts in improving position from previous year when there were 28 audit paras not submitted to audit even once, to 32 now despite the fact that 63 New Audit Paras were added during the period. It may also be seen that out of these, 28 paras pertain to the Reports laid in the winter session of Parliament.

The position from 30.11.2015 till date has improved considerably with efforts being made at all fronts. Defence Secretary chaired the meeting of SAC on 03.06.2016 and Additional Secretary has chaired a number of meetings to discuss reduction of pendency of ATNs. All Joint Secretaries and Additional FAs & JSs are also involved in this task.

Necessary instructions are issued to all Wings in the Ministry of Defence from time to time ensuring compliance of observations made by PAC and to ensure that ATNs to audit paras are submitted within the prescribed time limit and are also uploaded on the APMS Portal.

Efforts to reduce audit paras in the Ministry are in full swing. However, due to size, complexity and certain security issues there are some delays. Ministry is consolidating the procedure to overcome such difficulties and would succeed in the days to come.

So far as implementation of IT bases system in respect of draft paras and ATNs to ensure more stringent monitoring, the Ministry has initiated the online system in some of its Divisions where the accessibility of internet is available. However, due to certain security issues this system has not been implemented in toto in the entire Ministry. Divisions are being given training by Monitoring Cell, O/o the CGA, Department of Expenditure, Ministry of Finance. Budget Division has also organized a workshop to reduce backlog paras from APMS Portal. It is however, agreed that the mechanism requires further strengthening and efforts are being made in this aspect.

Observation/Recommendation No. 10

Failure to recover huge sum is yet another issue which was pointed out by the Sub-Committee. The Sub-Committee observe that the Railways had failed to recover huge sums due on account of maintenance charges for Road over Bridges and Road under bridges. They also note that only ₹ 371 crore of ₹ 811 crore had been recovered. The Committee desire that the entire unrecovered amount should be recovered expeditiously. They recommend that the ambiguities in contracts entered into within various agencies which in the past had led to disputes concerning liability for maintenance charges may be avoided in future, with insertion of clear contractual provisions. The Committee feel that wherever Public Money is involved, the Ministry/Departments should act with caution and see that funds are being spent in accordance with sound monetary principles and prudent practices.

Action Taken/Submission by the Ministry

In Western Railway, 12 ROBs in lieu of level crossings have been constructed. Out of 12 ROBs, in 06 ROBs of Mumbai Division for the period September 1988 to March 2002 against the amount of Rs.107,81,586/- an amount of Rs.80,32,071 has already been recovered. For the balance amount of Rs.27,49,515/-, regular chasing is done with Municipal Corporation of Greater Mumbai (MCGM).

For remaining 6 ROBs, full amount of Rs. 72,94,109/- dues have been recovered from the State Government.

In South Eastern Railway, full amount of Rs.65,22,350/- dues for maintenance charges of ROBs/RUBs has been recovered from the concerned Municipal of SE Railway. An amount of Rs.2,86,047/-, the maintenance charges from January 2015 onwards, is also being raised and is under process for recovery.

In East Coast Railway, an amount of Rs.14,02,683/- due for maintenance charges from State Government of East Coast Railway is under process for recovery.

Vetting comments of Audit

"Facts verified".

Observation/Recommendation No. 11

The Committee also note that loss of revenue suffered on account of moving traffic by longer route and charging by shortest route, which has been embedded as a policy by the railways. The Committee were not satisfied with the reasoning that route feasibility is what prompts them to transport-goods using longer route, and rationalizing charges might result in losing the market. They, therefore, recommend that this matter may be investigated thoroughly and suitable penal actions be initiated against the erring officials for loss of revenue to the Railway exchequer. Further, the Committee recommend that all efforts

should be made by the Railways to explore all possibilities to find out shortest rail routes which will prove to be beneficial for transporters so that this will result in extra revenue generation for the Railway Exchequer. The Committee may be informed of the actions taken by the Railways in this regard.

Action Taken/Submission by the Ministry

The audit para under examination by the Committee involved three instances of traffic given below:-

- I. Movement of Steel traffic originating from RINL steel Plant at Vishakapatnam bound to Kalamboli station of Mumbai area.
- II. Movement of coal traffic from Korea-Rewa coal fields to Maharashtra State Power Generation Company siding at Eklahare, Nasik of Central Railway.
- III. Imported coal and Salt movement from Ports at Rajkot Division of Western Railway to various destinations beyond Viramgam station of Western Railway.

Of the three issues highlighted, issue (II) & (III) was settled by rationalizing the movement via actually run route.

In so far as the traffic stream highlighted at (I) is concerned, Railways firmly believe that Steel traffic is highly price sensitive, high rated steel traffic, which may easily get diverted to road. Further, capacity upgradation work on the booked route is now being progressed on with priority.

The Steel traffic from RINL, Visakhapatnam (a PSU of Government of India) to Mumbai is moved via Vijayawada, Kazipet, Balharshah, Wardha, Bhusawal (1675 km) which is 248 Km more than booked route via Vijayawada, Kazipet, Secunderabad, Wadi, Daund, Pune (1427 Km). Due to severe capacity constraints on the single line of Wadi-Daund-Pune section, Railways is operating the train via all-double line route across Balharshah-Wardha-Bhusawal. As clarified earlier, running of train via the shortest route may, effectively prove costlier than running via longer route due to heavy detentions on account of capacity constraints. Infact, by running the train via longer and faster route, Railways has minimised the loss incurred due to detention of wagons and loco enroute to the destination. Further, Steel traffic is among the highest rated traffic of Railways at 165 Class and further increasing the transportation cost for additional distance will become a cause for diversion of the traffic from rail to road since the increase in cost will be Rs 427 per tonne, which is quite significant. It is also pertinent to point out that traffic on Indian Railways is marketed with lots of effort and it is often seen that once the traffic is diverted, it becomes difficult to wean it back to rail.

Railways has already taken up the Daund-Gulbarga doubling work on priority along with Pune -Guntakal electrification work and has allocated Rs 675 Crores for the year 2015-16 to speed up the important pending works. As such, progress which was retarded due to constraints of funds in the past, is now at the present level of fund allocation, is expected to speed up the work appreciably. On completion of these works, Railways will be able to run the train on booked route and retain the traffic with rail.

Vetting comments of Audit

"Railways should try to complete the Daund-Gulbarga doubling work by December 2017 so that traffic could be moved via this route".

Observation/Recommendation No. 12

The Committee observe that the Department of Atomic Energy had 9 Action Taken Notes pending as on 31.07.2015 which included a standalone Report No. 19 of 2008. It was also observed that there were 5 paras on which Action Taken Notes have not been submitted even for the first time. The Committee also observe that the number of pending ATNs have also increased to 11 as on 30.11.2015. Of these, again, the Department have not furnished ATN on 2 paras even for the first time. When asked to submit the pendency status within the Department was stated that only 5 paras were pending as of 18.02.2016 and that the latest status of 10 non-selected paras intimated by the Ministry of Finance, Department of Expenditure would be submitted in due course. The Committee note that the lackadaisical approach on the part of the Department in dealing with furnishing of timely ATNs and deplore the attitude of the Department in sidelining the recommendations of the Committee. The Committee, therefore, reiterate that appropriate steps should be taken up for timely submission of the Action Taken Notes within 4 months of the presentation of the Report. The Committee also urge the Department to take action on the erring officials for the lapses leading to the delay in submission of ATNs.

Action Taken/Submission by the Ministry

The latest status of 11 Non-selected paras reflected in the Audit Para Monitoring System APMS Portal) of Ministry of Finance, Department of Expenditure, O/o CGA Monitoring Cell, is as shown in the Annexure –A.

The final ATN in respect of Standalone para 2.1 Report CA 5 of 1999 and para 2.4 of CA 5 of 1999 have been forwarded to Director, Commercial Audit, Bandra, Mumbai and Monitoring Cell, O/o, CGA, New Delhi vide letter No. 494 dated 27.03.2015 and 789 dated 26.12.2015m respectively. Both these paras were manually settled and O/o CGA requested to update & remove the paras from APMS Portal.

Initial Action Taken Note for 3 paras viz. 2.1 & 2.2 of Report 12 of 2016 & 2.1 of Report 30 of 2015 have been forwarded to Director (Report) O/o PDA, New Delhi for vetting.

Revised ATN for remaining 6 paras have also been forwarded to Director (Report) O/O PDA for vetting (Details as per Annexure A enclosed.)

Monthly review for ATNs against all pending paras is being conducted by Standing Audit Committee of the Department. The status has also been furnished to Lok Sabha Secretariat (PAC Branch) vide this Office letter dated 15.02.2017 (copy enclosed). Annexure –B.

On receipt of the vetted ATNs from C&AG the same will be forwarded to Monitoring Cell & PAC and to be uploaded in APMS portal.

Vetting comments of Audit

Vetting comments of the Audit are awaited.

Observation/Recommendation No. 13

The Committee observe that the pendency status of Action Taken Notes of the Ministry of Tribal Affairs as on 30.04.2015 was only on the entire C&AG Report No. 14 of 2007. It is also observed that the pendency of ATNs have increased to 2 as on 30.11.2015. The Committee are astounded to note that Ministry has done nothing to rectify the mistake even after a lapse of more than 7 years that too when the issue is that of the vulnerable section of the society. The Committee also note with concern that there was inadequate publicity, cases of grant to ineligible beneficiaries and delayed payment of scholarship, depriving the eligible beneficiaries and defeating the objective/purpose of the scheme with delayed payment. The Committee therefore, recommend the Ministry to expeditiously furnish/reconcile with Audit of the pending paras and also urge the Ministry to roll out the e- scholarship portal at the earliest so that the scholarship amount goes directly into the beneficiary's account. The Committee also recommend that the Ministry should arrange to have properly trained personnel to handle the APMS related work at all times.

Action Taken/Submission by the Ministry

Para No. 13 inter-alia, contains recommendations of PAC wherein has been recommended the Ministry to expeditiously furnish/reconcile with Audit of the pending paras and also urge the Ministry to roll out the e-scholarship portal at the earliest. In this context, it may be mentioned that this Ministry has already replies to the paras pending against it. Progresses of audit issues is monitored by the Secretary regularly through Standing Audit Committee meeting (SAC) and meetings of senior officers. In so far as scholarship portal is concerned, the Ministry is already releasing scholarships under the scheme "National Fellowships and Scholarships for Higher Education of ST Students" through National Scholarships Portal (NSP) which has been developed by NIC. Scholarships under the schemes Pre-Matric Scholarships and Post Matric Scholarships are also being provided into the bank account of beneficiaries through State Governments. This, the recommendation of PAC with regard to scholarship portal is already being complied with by the Ministry.

Vetting comments of Audit

The Ministry has not reproduced the PAC recommendation verbatim. It has also not furnished the action taken to arrange the trained personnel to handle the APMS related work at all times.

Updated reply by the Ministry

Recommendations of the Committee have been reproduced verbatim. Further, Ministry has already trained personnel to handle the APMS related works. In case need arises in the future, more personnel will be trained.

Observation/Recommendation No. 14

This Sub-Committee, as the name itself suggests, has been tasked primarily to ensure compliance by Ministries/Departments of the Union Government in timely submission of Remedial Action Taken Notes on the Audit Examination. However, as mentioned in the preceding paras, ATNs on a large number of paragraphs pertaining to various Ministries selected by earlier Committees are still pending with the Ministries. Ministries are certainly aware of the importance our Constitution has attached to public financial accountability and the elaborate mechanism it has put in place for the same. The Committee would like to be apprised of the mechanism in place within the Ministry/Department to attend to timely submission of ATNs and the efforts made in recent years to ensure compliance in timely submission of remedial/correction ATNs on Audit observations on Ministry's functioning.

Action Taken/Submission by the Ministry

As per directions of the Ministry of Finance, Standing Audit of Committee (SAC) has been constituted under the chairpersonship of Secretary, Ministry of Tribal Affairs to review the pending C&AG and other Audit Paras. Meeting of SAC are held regularly to monitor and review on monthly basis the submission of ATNs on C&AG Audit Paras and ATRs on PAC recommendations. Minutes of the meeting of the SAC are also uploaded on APPS portal. Position of audit observation and ATNs are discussed during senior officials meeting also and regular meetings between the officers of DGACE and the Ministry are arranged to look into the matter.

As far as the reply to outstanding C&AG Para is concerned, the ATN of para 17 of Report 18 of the year 2015-16 has also been furnished. The same has been uploaded on the portal also after vetting by the DG, Audit. Further revised ATN in respect of Report 33 of the year 2015 has also been furnished. The same has been uploaded on the APMS portal for vetting by the DG, Audit.

Vetting comments of Audit

As per instruction of Ministry of Finance vide letter dated 29.11.10 "Except for D/o Revenue, D/o Telecom, N/o Railways and M/o Defense, other Department/Ministries are not to include C&AG representatives on their Standing Audit Committee (SAC). Hence O/o DGACE has no representatives on Ministry's SAC.

Ministry was requested to prepare ATN on C&AG Report No. 33 of 2015 in review ATN format. This communication was done telephonically or by email.

Updated reply by the Ministry

Revised ATN has been approved by the Audit on 03.10.2017 for final submission for the ATN.

Observation/Recommendation No. 15

The Committee also observe that a large number of audit paragraphs are pending against social sector Ministries, and considering these Ministries have substantial budgetary allocations and the proper utilization of grants to these Ministries having a direct bearing on the livelihood of millions, timely submission of remedial Action Taken Notes by them needs stringent/constant monitoring. The Committee, therefore, recommend that Ministry of Finance, Department of Expenditure should further strengthen their monitoring of non-compliance by social sector Ministries in timely submission of remedial Action Taken Notes. Further, failure on the part of the officials in ensuring timely submission of these Action Taken Notes may be entered into the ACRs of the concerned officials.

Action Taken/Submission by the Ministry

The observations of PAC had been circulated to all the social sector Ministries. This was followed up with two reminder (copies enclosed). 28 paras are pending with Social Sector Ministries against total pendency of 701 paras as on 14.03.2017. The details are:

(i)	Department of Higher Education	13
(ii)	Ministry of Rural Development	03
(iii)	Department of School Education & Literary	03
(iv)	Ministry of Social Justice & Empowerment	04
(v)	Ministry of Tribal Affairs	02
(vi)	Ministry of Women & Child Development	03
(vii)	HUPA	00

The Department of Expenditure is writing continuously to various Ministries/Departments to liquidate pendency. The Ministries/Departments have also been advised to hold meetings of Standing audit Committee more frequently and send a report in the first week of every month. It is expected that these Ministries would be taking necessary action to liquidate the pendency of paras.

ACRs is a subject matter dealt by DOP&T and DOP&T has issued OM dated 18.01.2017 on reflection of the recurrent lapses in observing financial discipline in Annual Performance Assessment Report (APAR) (copy enclosed).

4. This Action Taken Note has been vetted by Office of the C&AG of India vide their U.O. No. 28/93/PAC/2016-17 dated 25.04.2017.

CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE
GOVERNMENT****Observation/Recommendation No. 1**

The Committee note that the Reports of C&AG of India relating to the audit of Union accounts must be submitted to the President of India as per Article 151 of the Constitution of India who directs them to be laid on the table of the House. Thereafter, the Reports of the C&AG (Civil) stand referred to the Public Accounts Committee for detailed examination. However, due to paucity of time the Committee is not in a position to examine every Report and therefore adopts a selective approach by scrutinizing the more important Reports/Paras. The Audit Reports which are not selected for in-depth examination by the Committee are being dealt with by a well devised or accepted procedure. The Committee, in their 105th Report (Tenth Lok Sabha), have evolved a procedure whereby the Action Taken Notes in all the paragraphs of the Reports of the C&AG of India are required to be furnished to the Committee through the Monitoring Cell, Ministry of Finance, Department of Expenditure within a period of 4 months from the date of laying of the Audit Reports on the table of the House w.e.f. 31st March, 2016.

Observation/Recommendation No. 2

The Committee note that pendency of ATNs have not improved much despite the recommendations of the Committee, mainly due to lack of genuine and consistent efforts by the various Ministries/Departments. The Public Account Committee (2008-09), (2010-11) (2013-14) and 2014-15 reviewed the position with respect to timely submission of ATNs on the non-selected Audit paragraphs by the Ministries/Departments. The PAC (2014-15) selected and examined the subject and submitted its 1st and 20th Report (16th Lok Sabha) because of the shortcomings meted out in furnishing the ATNs on the Audit paragraphs. As the Pendency did not improve much, the Sub-Committee IV of the PAC (2015-16) was constituted for detailed examination. The Sub-Committee after procuring the pendency status of ATNs in various Ministries/Departments as on 30.04.2015 from the Audit, which stood at 644 paras, decided to take oral evidence of the concerned/specific Ministries to take stock of the pendencies/difficulties faced by the Ministries and the flaws in furnishing the ATNs, if any, and to explore the possible corrective/remedial actions taken in this regard.

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION**Observation/Recommendation No. 9**

The Committee observe that the total number of Paras pending with the Ministry of Railways was 89 out of which ATNs on 5 paras have not been submitted even for the first time since 2012-13 and 2013-14 as on 30.09.2015. The Committee further observe that the number of pending paras have further increased to 124 as submitted by the Ministry on 31.12.2015. The Committee also note the constraints of the Ministry in finalising the ATNs on thematic/performance Review Paras where all Railways were involved and extensive collection of information is required. The Committee are however unimpressed with the effort of the Ministry in clearing the pending paras, (though 43 new paras were added) with them furnishing ATNs only on 8 paras from April 2015 till 08.12.2015. The Committee deplore the callous attitude of the Ministry in failing to comply within the stipulated period of 4 months on so many paras. The Committee, therefore, recommend the Ministry to adhere to the timeline of 4 months fixed for submission of ATNs.

Action Taken/Submission by the Ministry

The recommendation of the Committee has been noted. Initial ATNs to all the 5 paras (as mentioned in the recommendation) have already been submitted to Audit for vetting. A total of 37 paras were finalized during the period April 2015 to 08.12.2015 and not 8 as stated in the Recommendation.

All efforts are being made to clear the pending audit paras. In year 2016, 11 meetings of Standing Audit Committee (SAC) have been held in which the necessity to clear the paras within the stipulated period is impressed upon the officers concerned. As a result, the pendency of 124 paras as stated above has been further reduced to 94 paras. Efforts are on to reduce the pendency further.

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT
HAVE FURNISHED INTERIM REPLIES/NO REPLIESObservation / Recommendation No. 8

"The Committee note with concern that the Action Taken Notes on 20 Paras were pending with the Ministry of Communications and Information Technology (Department of Telecommunications) as on 01/08/2015 out of which Action Taken Notes on 1 Audit paragraph pertaining to the year 2006 and 3 Paras pertaining to 2010-11 were still pending. The Committee further note that the number of paras pending with the Ministry have increased to 22 as on 01/11/2015. Explaining the reasons for the delay in submitting the Action taken Notes, the Secretary during evidence on 28/10/2015 had stated the existence of large number of field functionaries and collection of the replies from the same. Moreover, the reconciliatory process with Audit also consumes a lot of time. The Committee are not convinced with the reply of the Ministry that existence of large number of field functionaries is the cause for delay in submitting the Action Taken Notes. They feel that for a Ministry Such as Communication and Information Technology, it must be comparatively easier to have a sound mechanism to have a better co-ordination with its field units than other Ministries . They, therefore, urge upon the Ministry to ensure better co-ordination amongst its Field units by using its core areas of IT modules and communication network so that such information on submission of Action Taken Notes on Audit Paras be obtained quickly and be forwarded to the Lok Sabha Secretariat after getting them vetted by the Audit. Moreover, the Committee are dismayed to note the non-committal effort of the Ministry in clearing the pending paras and that too even of the year 2006 though it has been almost a decade since the Report was presented to the House. The Committee, therefore, urge the Ministry to take stringent action against the erring officials and fix responsibility for such a lapse. The Committee also desire the Ministry to beef up the mechanism for timely submission of ATNs and apprise the Committee of the action taken in this regard within six months of the presentation of this Report."

Action Taken By The Ministry

On examination of the matter, it was noticed that the Action taken Note on all 22 audit paras were prepared with due diligence i.e. action was taken for timely preparation of ATNs; submission of ATNs for vetting to the audit; submission of said Modified ATNs on receipt of further audit remarks resulting in closure of Para etc. Many of said Paras took time arising out of policy decision, recovery issues and involvement of multiple stakeholders which took a lot of time, resulting in unavoidable delay in settlement of some of the paras to the satisfaction of Audit. Further, following actions have been taken in light of Observations/ Recommendations of PAC.

- a) **The Pending Audit Paras are being monitored by Audit Para Monitoring System (APMS)(<https://apms.nic.in/>) of Monitoring Cell of Ministry of Finance. In this website, all updates / Action Taken Notes (ATNs) are updated from time to time. Accordingly an effective monitoring system is ensured in this Department also, for timely submission and monitoring of ATNs.**
- b) **Standing Audit Committee (SAC) meetings are held on monthly basis for Review of pending ATNs and effective pursuance is done with concerned Wings for the settlement of paras.**
- c) **In this regard it may also be mentioned that all of 22 paras, mentioned above, were settled by July 2017. As on 30.9.2020, out of 43 Paras, replies of 30 paras (70% Paras) have already been submitted to Audit for vetting and remaining are being pursued, vigorously with the concerned Wings.**
- d) **Therefore, sincere attempts are being made for timely settlement of Audit paras.**

In view of above, it is requested to have the paragraph dropped.

**NEW DELHI;
July, 2021
Ashadha, 1943 (Saka)**

**Adhir Ranjan Chowdhury
Chairperson
Public Accounts Committee**

**MINUTES OF THE SECOND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
(2021-22) HELD ON 16TH JULY, 2021.**

The Committee sat on Friday the 16th July 2021 from 1500 hrs. to 1645 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri Jagdambika Pal
4. Shri Vishnu Dayal Ram
5. Shri Rahul Ramesh Shewale

RAJYA SABHA

6. Shri Shaktisinh Gohil
7. Shri Bhubaneswar Kalita
8. Shri C.M. Ramesh
9. Shri Sukhendu Sekhar Roy
10. Dr. M. Thambidurai

Secretariat

1. Shri T.G Chandrashekhar - Joint Secretary
2. Shri S.R. Mishra - Director
3. Smt. Bharti S. Tuteja - Additional Director

**REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

1. Shri K. R. Sriram - DAI(CRA)
2. Shri Deepak Anurag - ADAI(Fin& Comm.)
3. Shri Manish Kumar - Director General(Fin& Comm.)

- | | | | |
|----|-----------------------|---|-------------------------|
| 4. | Shri Satish Sethi | - | Principal Director(GST) |
| 5. | Shri Kartikaye Mathur | - | Principal Director(GST) |
| 6. | Shri S.V. Singh | | Principal Director(PC) |

2.	xxxx	xxxx	xxxx
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3.	xxxx	xxxx	xxxx
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4.	xxxx	xxxx	xxxx
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5.	xxxx	xxxx	xxxx
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6.	xxxx	xxxx	xxxx
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7.	xxxx	xxxx	xxxx
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8. The Committee then took up the Draft Action Taken Report on Forty-second Report of PAC (16th Lok Sabha) on **"Non-Compliance by Ministries/Departments in Timely Submission of Action Taken Notes on the Non-selected Audit Paragraphs (Civil and other Ministries)"** for consideration and adoption. The Committee, after some deliberations, adopted the draft Report without any modification. The Committee also authorized the Chairperson to finalise the aforesaid Report on the basis of factual verification and present the same to the Hon'ble Speaker/ Parliament.

9.	xxxx	xxxx	xxxx
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10.	xxxx	xxxx	xxxx
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11.	xxxx	xxxx	xxxx
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12.	xxxx	xxxx	xxxx
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13.	xxxx	xxxx	xxxx
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The Committee, then, adjourned.

APPENDIX-II
(Vide Paragraph 5 of Introduction)

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE
OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE
CONTAINED IN THEIR FORTY-SECOND REPORT (SIXTEENTH LOK SABHA)**

(i)	Total number of Observations/Recommendations	-	15
(ii)	Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 3,4,5,6,7,10,11,12,13,14 and 15	-	Total : 11 Percentage: 73.3%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government: 1 and 2	-	Total : 02 Percentage: 13.3%
(iv)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Para No. 9	-	Total : 01 Percentage: 6.6 %
(v)	Observations/Recommendations in respect of which the Government have furnished interim replies/no replies: Para No. 8	-	Total : 01 Percentage: 6.6%