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GOVERNMENT OF KERALA

C I R C U L A R

Sub:- Prompt action to be taken on a dit para on the Report of the Comptroller and Auditor General of India. Instructions - issued - regarding.

Ref:1. D.O. letter No. Rep. 1/84-1/Vol. xxvi dt. 5-6-1981 from Shri. S. Sethuraman, Accountant General, Kerala. Addressed to Ch of Secretary.

2. Letter No. Rep. 1/54-1/Vol. xxvi/147 dt. 25-8-81 from the Accountant General, Kerala, Trivandrum.

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The irregularities/omission noticed in audit are mentioned in the Reports of the Comptroller and Auditor General of India. These Reports are presented to the Legislature every year and are discussed in due course by the Committee on Public Accounts. The Accountant General, Kerala, has in the D.O. letter cited, pointed out that ordinarily the Departments do not initiate corrective measures on the basis of the observations made by Audit till the Reports come up before the Public Accounts Committee. With a view to improving the working of the Departments he has suggested to devise suitable arrangements for examination and discussion of the Audit Reports within the Departments (without wait for Public Accounts Committee discussion) to identify the system defects/deficiencies etc. so that steps could be taken in time to improve the systems and to guard against mistakes in future.

2. Government have examined the points raised by the Accountant General in the D.O. letter cited and are pleased to issue the following instructions in the matter.

3. The instructions contained in para 35 of the hand Book of Instructions issued by this Department are extracted below:- Rectification of defects, irregularities lapse, etc., commented upon in the audit paras.

35. Normally it has to be presumed that a draft para forwarded to the Secretary to Government for verification will find a place in the audit report which will be placed on the table of the legislature. The audit Report so placed will be examined by the public Accounts Committee, and the concerned Secretary to Government and the Head of Department will have to appear as witnesses before the Committee when it examines the particular para in the Audit Report. There will normally be a time lag ranging from six months to one year between the date on which the draft para is forwarded by the Accountant General for verification and the date on which the particular para is taken up for consideration by the Public Accounts Committee. One of the questions which the Public Accounts Committee generally put to the witnesses is whether, at least after the receipt of the draft para, the irregularities commented upon in the audit para has been rectified (wherever possible), whether adequate steps have been taken to see that such irregularities do not recur and also whether in cases of loss to Government, necessary action against these responsible

have been taken. If the Secretary to Government and the head of the Department concerned take prompt, action immediately on receipt of the draft para to rectify the defects and to proceed against the officers responsible to make good the losses, if any incurred by the Government due to their negligence and also to issue detailed instructions for the avoidance of repetition of such irregularities, it should be possible to depose before the Committee that the irregularity has since be rectified and that action has also been taken to avoid recurrence of such things in future. Hence, the Secretary to Government and the Head of the Department should, on receipt of a draft para, examine among other things, the following aspects and take suitable remedial measures immediately.

- i) Whether the irregularity committed was due to negligence or culpability on the part of any Government Servant (if so suitable action should be initiated against him).
- ii) whether there was lack of proper instructions or defect in the organisational set up (if so, steps should be taken to rectify such defects).
- iii) If there was a loss to the Government the responsibility for the same should be fixed and steps taken to recovery the loss.
- iv) If the irregularity committed was due to lack of proper supervision or ambiguity in the rules, steps should be taken to enforce adequate supervision or to amend the rules.

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In other words, all possible ways should be thought of the of to prevent recurrence of such an irregularity and also to make amends for the irregularity committed.

4. Attention of all the Special Secretaries/Secretaries to Government and the Heads of Department is invited to the above instructions and they are requested to adhere to these instructions scrupulously.

5. They are also requested to examine the important irregularities/omission commented upon in the paras of the Reports of the Comptroller and Auditor General of India relating to their Departments and take corrective measures well before the paras come up before the Public Accounts Committee for discussion. The action in this regard should be completed within six months from the date of receipt of each draft paragraph.

Sd/- Chief Secretary.