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**Appendix-IA**  
**Government of West Bengal**  
**Finance Department**  
**Budget**  
**MEMORANDUM No. 5703(72)-FB**

Calcutta, the 29<sup>th</sup> June 1982

Subject: Consolidated instructions regarding action to be taken on audit objections, inspection reports, audit paragraphs, appearance of officers as witnesses before the Public Accounts Committee, the Committee on Public Undertakings, etc.

From time to time the Government have issued instructions to the departments on the action to be taken on audit objections, inspection reports, draft paras for inclusion in the audit report, appearance of officers as witnesses before the Public Accounts Committee, and the Committee on Public Undertakings, recommendations of the Public Accounts Committee, the Committee on Public Undertakings etc. The Accountant General, West Bengal, has since emphasised the need for issue of consolidated instruction for the guidance of the departments and Offices of the Government Statutory Corporation, Government Companies, Commercial and quasi-Commercial departmental undertakings in securing speedy disposal of matters relating to the above subjects. The suggestion has been carefully considered and the following consolidated instructions are issued for guidance of all concerned.

**(i) Audit Objections**

2. Audit objection should be promptly attended to and disposed of by the disbursing Officers and the replies sent in a fortnight from the date of receipt of the objections. The heads of offices should try to adhere to the above time limit. The heads of offices should also ensure that where a particular type of payment has been objected to by the Audit, a similar payment is not made thereafter before the audit objection is finally cleared. In para 7 of this Department Memo No. 3252(47) F/FIR-15 (45) 57, dated 20<sup>th</sup> August 1957, it was laid down that a register should be maintained in each office to watch the progress of clearance of audit objections. The register should be inspected once a month by the Officer nominated under paragraph 9 of the Memo referred to above. The instructions laid down in this Department Memos. No. 1147(165) F/FIR-150 (80)/55, dated 4<sup>th</sup> April 1956 and No. 3252(47) F/FIR-15

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the papers/ records in support of settlement of these paragraphs ready for production to the subsequent inspecting audit parties. This will facilitate settlement of outstanding paragraphs on the spot.

**(iv) Draft paragraphs for inclusion in the Reports of the  
Comptroller and Auditor General of India**

5. The draft of a paragraph proposed for inclusion in the Report of the Comptroller and Auditor General of India is forwarded by the Accountant General to the Secretary to the Government and the Chief Executive of Commercial Undertakings concerned for verification of the facts contained therein. This is to ensure that the irregularity commented upon in the draft para is brought to the personal notice of the officers who will have to appear before the Public Accounts Committee/ Committee on Public Undertakings when the audit report is taken up for consideration by the Committee. The time normally allowed for communication of Departmental remarks on the draft para is one month and if no reply is sent within the above time schedule the draft para as such is finally passed by the Accountant General for incorporation in the Audit Report. It is found that in most cases the departmental comments are not sent to the Accountant General in time thereby allowing the para to be incorporated in the Audit Report as such even though the Department concerned might have suggested some major modifications of the draft para on the basis of materials at their disposal. It is also found that departmental comments are often communicated to the Accountant General without examining all the aspects of the case and in some cases the reply is even sent without the specific approval of the Secretary of the Department to whom the draft para was forwarded by the Accountant General for comments. To avoid such oversight it is impressed upon all departments that they should take steps to collect all the facts which have a bearing, direct or indirect, on the irregularities commented upon in the draft para and see to it that the report gives a true account of the alleged irregularities or lapses. If the draft para requires modification to bring forth the facts of the case, the Department should suggest so in their replies which should be communicated to the Accountant General over the signature of the Officer to whom it was referred to by the Accountant General for verification. In case the final reply to the draft para cannot be given within the time limit of one month, an interim reply should be given to the Accountant General by the officer to whom the draft para was referred for verification indicating the time by which the final reply will be sent. To ensure compliance to draft paragraphs received from the audit, the Secretary to Government and department may open a register in their office and keep a note about the date of

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receipt of draft paragraphs and date of reply to the audit. The register should be personally verified by him by the first working day of each month. He should simultaneously examine among other things whether the irregularity commented upon in the draft para was due to any serious negligence on the part of any individual Government servants which might possibly call for disciplinary action or due to some defect of system which calls for necessary amendment of rules and procedures and keeping adequate supervision. If so, he should take suitable remedial measures immediately so that while deposing before the Public Accounts Committee in course of its consideration of the paragraph incorporated in the Audit Report he may submit to the Committee that adequate steps have already been taken to avoid recurrence of such irregularities.

(v) **Submission of materials/ information to the Accountant-General regarding Appropriation Accounts by the Controlling Officers and maintenance and verification of accounts by the Departments.**

6. Statements of grants and appropriation showing the original grant or appropriation, the modifications by re-appropriations, withdrawals and surrenders sanctioned during the year and the final grant or appropriation are sent by the Accountant General to the Controlling Officers with the request to communicate their acceptance of figures of appropriation within a week.

On the completion of March (Final) Accounts, statements showing the final grant or appropriation, the expenditure up to March (Final) and the excess or saving in the expenditure as compared with the final grant of appropriation under each sub-head in a grant or appropriation are supplied by the Accountant General to each controlling officer for formal acceptance of the figures of expenditure as well as for supply of explanations for variations between final grant or appropriation and actual expenditure within a fortnight for incorporation in the Appropriation Accounts. But acceptance of the figures indicated in the statements mentioned above sent by the Accountant General and explanations for variations between final grant and actual expenditure are not received in the office of the Accountant General from many controlling officers and in many cases replies are received by the Accountant General long after finalisation of the accounts. Moreover, the Appropriation Accounts lack in some essential information, e.g., explanation for variation between grant or

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appropriation and actual expenditure and the Public Accounts Committee takes exception to this.

The controlling officer should, therefore, submit the materials information as detailed above regarding preparation of the Appropriation accounts to the Accountant-General within the time limit stipulated by him.

There should not be any difficulty on the part of the controlling officers in furnishing these materials information in time if they strictly follow the instructions contained in rule 385 of the West Bengal Financial Rules Vol. 1 regarding maintenance of accounts by Departments and their verification month by month with those maintained by the Accountant General and point out incorrect booking, if any, made by the Accountant General in his accounts before the accounts for the year are finally closed in his office. The controlling officers should not challenge the figures of expenditure booked by the Accountant General in his accounts after final closing of the accounts for the year and incorrect bookings were not pointed out by the controlling officers in course of monthly verification of accounts. Under such circumstances the controlling officers are obliged to accept the figures of expenditure shown in the statements of grant of appropriation sent to them by the Accountant General in connection with preparation of the Appropriation Accounts.

(vi) **Departmental Replies to Finance Accounts, Appropriation Accounts and Reports of the Comptroller and Auditor General of India.**

7. The Finance Accounts, the Appropriation Accounts of the State and the Audit Reports of the Comptroller and Auditor General of India are required to be laid before the State Legislature as required under Article 151(2) of the Constitution. As soon as the Finance Department is informed by the Secretary, West Bengal Legislative Assembly, of the aforementioned Accounts and Audit Reports having been so laid, it shall ask all other departments to furnish the Assembly Secretariat, within one month from the date of communication, with departmental notes containing what they have got to place before the Public Accounts Committee/ Committee on Public Undertakings in respect of the points raised by the Comptroller and Auditor General in the said Accounts and Audit Reports. The departmental replies should be furnished in respect of each and every para and item of the Reports with which a department is concerned directly or indirectly, that is, even where two or more departments have been referred to in any para in a general way, the replies in respect

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of the portion relating to the respective departments should be furnished. The departmental replies should be prepared in broad sheets of foolscap size (one side of the sheet) wherein the audit comments should be shown on the left half of a page and the departmental replies on the right half. Separate pages should be allotted to different paras. Statements showing the latest position of the outstanding audit objections and Inspection Reports should also be prepared. While preparing the replies all the paras and files connected with the subject of an audit para including the original records of the subordinate offices as well as the file in which the draft para forwarded by the Accountant General was examined and reply given should be thoroughly scrutinised. The reply should also indicate the chronological order of the action taken in the case. Whether a similar irregularity had found place in any of the earlier Audit Reports should also be verified and if so the relevant papers connected with that case the recommendations of the P. A. Committee/ Committee of Public Undertakings on the subject and the action taken by the Government on the recommendations should also be looked into and the full information on this should also be indicated in the reply. It is of paramount importance that the Departmental notes on the Audit Reports should be precise and to the point and capable of being proved with reference to the records. ~~The replies so prepared should invariably be signed by the Secretary or the Joint Secretary in charge of the Department and furnished in 35 sets direct to the Assembly Secretariat. Five sets of these replies should also be sent simultaneously to the Finance Department.~~

**(vii) Action on the recommendations of the  
Public Accounts Committee and the  
Committee on Public Undertakings**

8. The Report of the Public Accounts Committee/ Committee on Public Undertakings presented to the State Legislature contain various recommendations and observations on which the Departments are required to take suitable action. As soon as copies of the Report are circulated, the departmental comments and actions taken proposed to be taken on the recommendations of the Committee should be prepared for submission to the Committee in the proforma as prescribed under rule 24 of the Rules of Procedure of the Committee on Public Accounts of the West Bengal Legislative Assembly (General Working) (a copy of the relevant extract thereof enclosed in Annexure VI). The departmental notes so prepared should invariably be signed by the Secretary/ Joint Secretary of the Department and furnished as early as possible direct to the Assembly Secretariat in 35 sets. Five sets of these notes should also be sent simultaneously to the Finance Department. While examining the Report

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it should be seen whether the rules require amendment or whether any change in the procedure is necessitated to implement the recommendations of the Committee and if so, prompt steps should be taken in all such cases and the action indicated in the departmental reply.

**(viii) Appearance of officers as witnesses before the Public Accounts Committee/ Committee on Public Undertakings**

9. The Public Accounts Committee/ Committee on Public Undertakings examines the Secretary to Government/ Head of the Department in order to ascertain the full facts relating to the case covered by the audit para. The Chief Executive of an organisation should also appear before the Committee on Public Undertakings. In case it is not possible for the Secretary or the head of the department to appear before the committee a request should be made in advance to the Chairman of the Committee to permit any other officer to represent the Department, Statutory Corporations, Government Companies, Commercial and quasi-Commercial departmental undertakings before the Committee. If a department is to be represented by more than one officer and desires that the grants with which a particular officer is concerned should first be considered, information shall be given in advance to the Committee regarding the order in which the particular grants are desired to be dealt with. The number of representatives from a department appearing before the Committee should be restricted to a minimum. They should be fully briefed and all relevant office records should be available with them so that the information furnished by them can be corroborated with reference to documentary evidence as and when called for during the course of their examination by the Committee. If information on any point raised by the Committee is not readily available, the fact should be admitted and time for furnishing it asked for.

The Government expects that the Secretaries to Government, heads of departments and offices will strictly adhere to the above instructions.

G. VENKATARAMANAN  
Secretary to the Govt. of West Bengal

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