

GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

COMMITTEES: Expeditious settlement of outstanding audit objections and pending inspection reports - Constitution of State, Departmental and District Audit and Accounts Committees - Revised-Orders - Issued

GO Ms No 534 FINANCE (PAC) DEPARTMENT DATED 28.06.2004

O R D E R:

Orders were issued in GO Ms No 226 Finance & Planning (FW:PAC) Department dated 29.07.1986 constituting audit committees with the Secretary to Government of the Administrative Department as the Chairman for undertaking review of the Audit Objections and Paras of Inspection Reports which could not be settled at the levels of the Heads of the Departments and the objections on which the Accountant General desires specifically to be brought to the Government shall be reviewed by the concerned Secretary to Government.

Instructions were issued in UO Note No 23810/C/200/PAC/93-2 of Finance & Planning (FW:PAC) Department dated 03.11.1993 requesting all Heads of the Departments and Departments of Secretariat to ensure that timely response is given to the draft paras and draft reviews proposed for inclusion in the C&AG's Report and important draft paragraphs and review are discussed by Government Officer at senior level with the concerned principal audit officers. They are also requested to submit explanatory notes on paragraphs and reviews included in the audit reports without waiting for any notice or call from Public Accounts Committee or Committee on Public Sector Undertakings duly indicating the action taken or proposed to be taken.

Instructions were also issued in UO Note No 23810/206/PAC/93-1 of Finance & Planning (FW:PAC) Department dated 03.11.1993 requesting all the Departments of Secretariat to nominate a designate officer within each Department and also in Committee on Public Sector Undertakings organization under their administrative control taking members for specified terms by rotation who will be responsible for monitoring the follow-up action on review on audit inspection reports. For regular reviews at high level the Departments may ensure that there should be a monitoring committee in each Department consisting of the Secretary of the Department and Finance Secretary and these panels should be internal ones without including the Accountant General.

Orders were issued in GO Ms No 28 Finance & Planning (FW:PAC) Department dated 24.01.1994 constitution an Apex Committee for Government as a whole under the Chairmanship of the Chief Secretary to Government for toning-up of the action of the Monitoring Committee of each Department on the Audit Paras, Inspection Reports of C&AG of India.

Instructions were also issued in GO Ms No 507 Finance (TFR) Department dated 10.04.2002 making responsible all the Drawing & Disbursing Officers to ensure that suitable replies are sent to the Inspection Reports/Audit Paras/PAC Paras relating to the Schemes up-to 2000-01 and furnish a certificate to that effect.

A Committee was also constituted in GO Ms No 296 Finance (PAC) Department dated 15.04.2003 under the Chairmanship of Administrative Secretary in the Finance Department dealing with subject.

In spite of repeated instructions issued from time-to-time, it has come to notice of the Government that replies to Inspection Reports or Paras are not sent to Accountant General promptly. Even the first replies have not been furnished to Accountant General for Inspection Reports and Paragraphs. Though the Government constituted various Committees yet the progress has not been encouraging.

Broadly there are three types of issues which need to be considered. They are

- i. Settlement of outstanding audit objections and pending inspection reports by individual administrative departments.
- ii. Rendering accounts and completion of reconciliation by individual administrative departments.
- iii. General review of the progress of accounting and audit related work in the Government as a whole.

In the above background and in the light of the suggestions received from the Principal Accountant General (Audit-I), the Government have carefully considered the working of Audit Committees and desired that the existing structure of Committees be modified to facilitate coordination and streamline the audit and accounts functions in the State as a whole. Government in suppression of earlier Committees have decided to constitute/ reconstitute the Audit Committees to expeditious settlement of the audit objections and paras in Inspection Reports of the Accountant General with the following:

(I) State Audit and Accounts Committee

1	Chief Secretary to Government	Chairman
2	Principal Finance Secretary	Member
3	Principal Accountant General (Audit-I)	Member
4	All Principal Secretaries/Secretaries to Government	Members
5	Finance Secretary concerned with PAC	Member-Convener
6	Accountant General (Audit-II)	Member
7	Accountant General (A&E)	Member
8	Director of Treasuries & Accounts	Member
9	MD of the Public Sector Undertaking concerned	Member

Functions of State Audit and Accounts Committee: The Committee shall meet at half-yearly intervals to review the following:

- i. Progress in disposal of outstanding audit objections
- ii. Progress in disposal of pending Inspection Reports
- iii. Progress in rendering accounts, reconciliation of accounts with AG
- iv. Progress in adjustment of amounts booked under suspense head
- v. Any other accounts and audit related matters
- vi. Review of outstanding misappropriation cases
- vii. The position of Explanatory Notes for the paras in the Audit Reports as well as Action Taken Notes on the recommendations of PAC/CoPU
- viii. Review not only the matters concerning Government Departments but also audit matters pertaining to PSUs
- ix. Review of working of the Departmental Audit and Accounts Committee constituted by this order
- x. Discuss issues raised in the Draft Audit Report

(II) Departmental Audit and Accounts Committee

1	Secretary to Government of the Department concerned	Chairman
2	Deputy Accountant General concerned [Nominee of PAG (AU-I)]	Member
3	Deputy Accountant General concerned [Nominee of PAG (AU-II)]	Member
4	Deputy Accountant General concerned [Nominee of PAG (A&E)]	Members
5	Addl/Joint/Deputy/Asst Secretary/Accounts Officer in Finance	Member
6	Joint/Deputy Secretary of the Department concerned	Member-Convener
7	Head of the Department/Nominee of the MD of the PSU	Member
8	Nominee of Director of Treasuries & Accounts	Member

Functions of Departmental Audit and Accounts Committee: The Committee shall meet at quarterly intervals to review the following. The Departmental Audit Committee shall review and oversee the following matters in respect of Heads of the Departments concerned and the Public Undertakings under the control of the Administrative Departments.

- i. Progress in disposal of outstanding audit objections
- ii. Progress in disposal of pending Inspection Reports
- iii. Progress in rendering accounts, reconciliation of accounts with AG
- iv. Progress in adjustment of amounts booked under suspense head
- v. Any other accounts and audit related matters
- vi. Review of outstanding misappropriation cases
- vii. The position of Explanatory Notes for the paras in the Audit Reports as well as Action Taken Notes on the recommendations of PAC/CoPU
- viii. Audit matters pertaining to PSUs
- ix. Review of the Report of District Audit and Accounts Committee furnished by the District Collector

The Secretary of the Administrative Department as Chairman of the Departmental Audit and Accounts Committees must ensure submission of replies by all the Heads of the Departments and other concerned to PAC/CoPU in respect of all the paras/reviews of C&AG Reports strictly within the time limit specified.

Government also direct that the minutes of the meeting of the Departmental Audit and Accounts Committee should be sent to Finance (PAC) Department for records.

(III) District Audit and Accounts and Monitoring Committee

1	District Collector	Chairman
2	All the District Officers	Members
3	Representatives specially nominated by the PAG (Audit) for the District	Member

Functions of District Audit and Accounts and Monitoring Committee: The Committee should meet once in two months to review the following and to furnish report to the concerned Administrative Department Secretary and Finance Secretary to the Government.

- i. Progress in disposal of outstanding audit objections
- ii. Progress in disposal of pending Inspection Reports
- iii. Progress in rendering accounts, reconciliation of accounts with AG
- iv. Progress in adjustment of amounts booked under suspense head
- v. Any other accounts and audit related matters
- vi. Review of outstanding misappropriation cases
- vii. The position of Explanatory Notes for the paras in the Audit Reports as well as Action Taken Notes on the recommendations of PAC/CoPU

The **Hand Book of Instructions** for speedy settlement of audit observations, inspections reports, speedy disposal of audit paragraphs and timely action on matters pertaining to the Public Accounts Committee and the Committee on Public Undertakings and the Estimates Committee is made available along with this order on the AP Government Website www.ap.gov.in.

All Departments of Secretariat and Heads of the Departments and District Collectors are requested to follow the said guidelines scrupulously.

(BY ORDER IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MOHAN KANDA
CHIEF SECRETARY TO GOVERNMENT