

CHAPTER-VI

FOLLOW UP OF AUDIT OBSERVATIONS

6.1 Non-submission of *suo moto* Action Taken Notes (ATNs)

With a view to ensuring accountability of the Executive in respect of all the issues dealt with in various Audit Reports, the Public Accounts Committee (PAC), issued (May 2000) instructions for submission of *suo moto* ATNs on all paragraphs and reviews featured in the Audit Report within three months of its presentation to the Legislature. For submission of the Action Taken Notes (ATNs) on its recommendations, the PAC provided six months time.

A review of follow up action on submission of *suo moto* ATNs disclosed that the various departments of the State Government had submitted *suo moto* replies in respect all paragraphs/reviews that had featured in the Audit Reports up to the year 2010-11 with certain delays. The Audit Report for the year 2011-12 was laid on the table of the State legislative assembly on 24 July 2013. The *suo moto* replies in respect of 11 paragraphs/reviews that had appeared in the Audit Report were due by the end of October 2013. However, no replies in respect of the paragraphs/reviews that have been included in the Reports of the Comptroller and Auditor General of India were received as of February 2014, even after a delay of about four months as mentioned below:

Table-6.1.1

Year of Audit Report	Date of presentation of the Audit Report to the Legislature	Number of paragraphs/reviews included in the Audit Report (excluding standard paragraphs)	Total number of paragraphs and reviews for which <i>suo moto</i> explanatory notes are awaited	Number of Departments
2011-12	24.07.2013	15	11	7

Source: Legislative Assembly Secretariat

Thus, due to the failure of the respective departments to comply with the instructions of the PAC, the objective of ensuring accountability remained inadequate.

6.2 Response to audit observations and compliance thereof by the Executive

Accountant General (Audit) conducts periodical inspections of Government Departments to test-check the transactions and verify the maintenance of significant accounting and other records as per the prescribed rules and procedures. These inspections are followed by Inspection Reports (IRs) issued to the Heads of Offices inspected, with a copy to the next higher authorities. Rules/orders of the Government provide for prompt response by the Executive to the IRs issued by the Accountant General to ensure corrective action in complying with the prescribed rules and procedures and accountability for the deficiencies, lapses, *etc.*, noticed during the inspection. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the Accountant General. Serious irregularities are also brought to the notice of the Head of the Department by the Office of the Accountant General.

As of March 2013, a review of the outstanding IRs issued during 2008-13 revealed that 1,010 paragraphs relating to 208 IRs remained outstanding as shown in the following Table:

Table-6.1.2

Name of the Sector	Opening Balance (upto 2011-12)		Addition during the year 2012-13		Disposal during the year 2012-13		Closing Balance	
	IR	Paras	IR	Paras	IR	Paras	IR	Paras
General	30	114	9	29	8	22	31	121
Social	39	211	46	241	1	32	84	420
Economic	37	182	56	291	0	4	93	469
Total	106	507	111	561	9	58	208	1010

6.3 Audit Committee Meetings

State Government had notified (04 September 2013) constitution of an Audit Committee to consider and take measures for timely response and speedy settlement of outstanding paragraphs of Inspection Reports lying in different departments.


Aizawl
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The 05 May 2014



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Comptroller and Auditor General of India