

## CHAPTER – VI

### FOLLOW UP OF AUDIT OBSERVATIONS

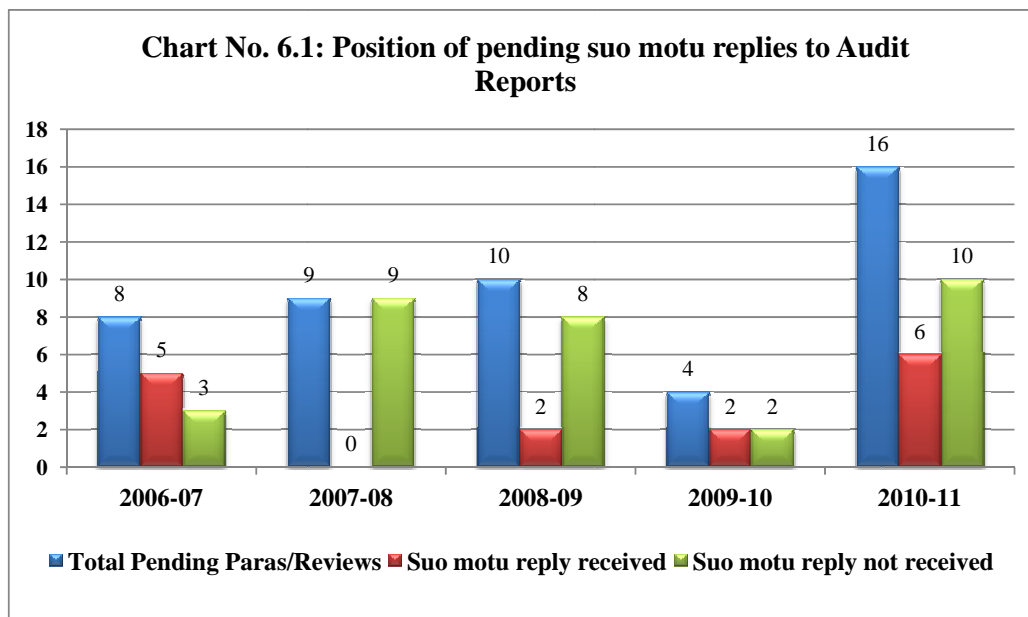
#### 6.1 Follow up action on earlier Audit Reports

##### 6.1.1 Non-submission of explanatory notes

Serious irregularities noticed in audit are included in the Report of the Comptroller and Auditor General of India (Audit Reports) and presented to the State Legislature. According to the instructions issued by the Finance Department, Government of Tripura in July 1993 the Administrative departments were required to furnish explanatory notes on the paragraphs/Performance Audits included in the Audit Reports within three months of their presentation to the Legislature.

##### (a) Public Accounts Committee (PAC):

As of November 2013, 13 Departments did not submit explanatory notes on 31 paragraphs and 11 Performance Audits included in the Audit Reports from the years 2001-02 to 2010-11. The Audit Report for the year 2011-12 was not due<sup>1</sup> for discussion. The position of *suo motu* replies during the last five years is shown in the chart below:



<sup>1</sup> Placed in the State Assembly on 27 September 2013.

**Chart 6.1** represents the position of *suo motu* replies received/not received pertaining to pending paras/Performance Audits of Audit Reports for the period from 2006-07 to 2010-11. The Department largely responsible for non-submission of explanatory notes was Public Works (Roads & Buildings)<sup>2</sup>, Revenue and Transport Departments.

**(b) Committee on Public Undertakings (COPU):**

As of November 2013, two Departments did not submit explanatory notes on two paragraphs (Forest Department) and one Performance Audit (Power Department) included in the Audit Reports for the year 2010-11.

**6.1.2 Response of the departments to the recommendations of the Public Accounts Committee (PAC)/Committee on Public Undertakings (COPU)**

Finance Department, Government of Tripura issued (July 1993) instructions to all departments to submit Action Taken Notes (ATN) on various suggestions, observations and recommendations made by PAC/COPU for their consideration within six months of presentation of the PAC/COPU Reports to the Legislature. The PAC/COPU Reports/Recommendations are the principal medium by which the Legislature enforces financial accountability of the Executive to the Legislature and it is appropriate that they elicit timely response from the departments in the form of Action Taken Notes (ATNs).

**(a) Public Accounts Committee (PAC)**

As of November 2013, out of 51 recommendations of the PAC made between 2000-01 and 2009-10, 38 ATNs were submitted of which 33 ATNs had been discussed by the PAC. The concerned administrative departments had not submitted ATNs for 13 recommendations, five of which were due from the Health and Family Welfare Department and three from Public Works (Drinking Water and Sanitation) Department.

**(b) Committee on Public Undertakings (COPU)**

As of November 2013, ATNs on six recommendations of the COPU made between 2007-08 and 2009-10 were awaited from the concerned administrative departments of which five pertained to Power Department.

**6.2 Monitoring**

The following Committees had been formed at the Government level to monitor the follow up action on Audit Reports and PAC/COPU recommendations.

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<sup>2</sup> 12 Paragraphs and 1 Performance Audit.

### Departmental Monitoring Committee

Departmental Monitoring Committees (DMCs) had been formed (April 2002) by all departments of the Government under the Chairmanship of the Departmental Secretaries to monitor the follow up action on Audit Reports and PAC/COPU recommendations. The DMCs were to hold monthly meetings and send Progress Reports on the issue every month to the Finance Department.

The details of DMC meetings held during 2012-13 were awaited (January 2014) from the Finance Department, though called for (November 2013).

### Apex Committee

An Apex Committee had been formed (April 2002) at the State level under the Chairmanship of the Chief Secretary to monitor the follow up action on Audit Reports and PAC/COPU recommendations.

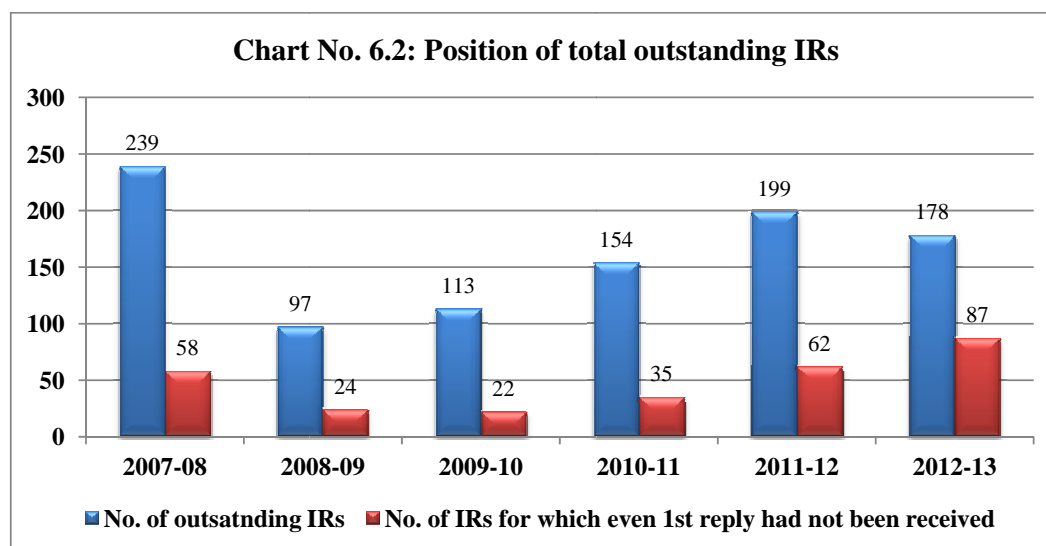
The details of Apex Committee meetings held during 2012-13 were awaited (January 2014) from the Finance Department though called for (November 2013).

## 6.3 Outstanding Inspection Reports

**First reply for 288 out of 980 Inspection Reports issued upto 2012-13 were not furnished within the stipulated period by the concerned Departments.**

Audit observations on financial irregularities and deficiencies in maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the audited entities and to the higher authorities through Inspection Reports (IRs). The more serious irregularities are reported to the Government. The Government had prescribed that the first reply to the IRs should be furnished within one month from the date of receipt.

Analysis of the position of outstanding Inspection Reports showed that 4,062 paragraphs included in 980 IRs issued upto 2012-13 were pending settlement as of November 2013. Of these, even the first reply had not been received in respect of 288 IRs in spite of repeated reminders. The year-wise break-up of the outstanding IRs and the position of response thereto is given in the chart below:



As a result, the following important irregularities commented upon in those IRs had not been addressed as of November 2013.

Table No. 6.3.1

Nature of irregularities	Number of cases	Amount involved (₹ in crore)
Excess/Irregular/Avoidable/Unfruitful/ Wasteful/Unauthorised/Idle expenditure	326	176.97
Blocking of funds	276	319.56
Non-recovery of excess payments/ overpayments	276	77.14
Under Assessment	20	1.91
Others	1,706	1,270.91
<b>Total:</b>	<b>2,604</b>	<b>1,846.49</b>

### **6.3.1 Departmental Audit Committee Meetings**

Eight Audit Committee Meetings were held during 2012-13 wherein 80 IRs and 272 paragraphs were discussed out of which 22 IRs and 139 paragraphs were settled.

**Agartala  
The**

**(R. K. AGRAWAL)  
Accountant General (Audit),  
Tripura, Agartala**

**Countersigned**

**New Delhi  
The**

**(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India**