CHAPTER V: FOLLOW UP OF AUDIT OBSERVATIONS

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FOLLOW UP OF AUDIT OBSERVATIONS

5.1	Follow-up-Action on earlier Audit Reports

5.1.1	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 2015, 11 Departments did not submit explanatory notes on 32 paragraphs and 11 Performance Audits included in the Audit Reports from the years 2001-02 to 2012-13. The position of *suo moto* replies on paras/reviews awaiting discussion by PAC during the last five years is shown in the chart below:
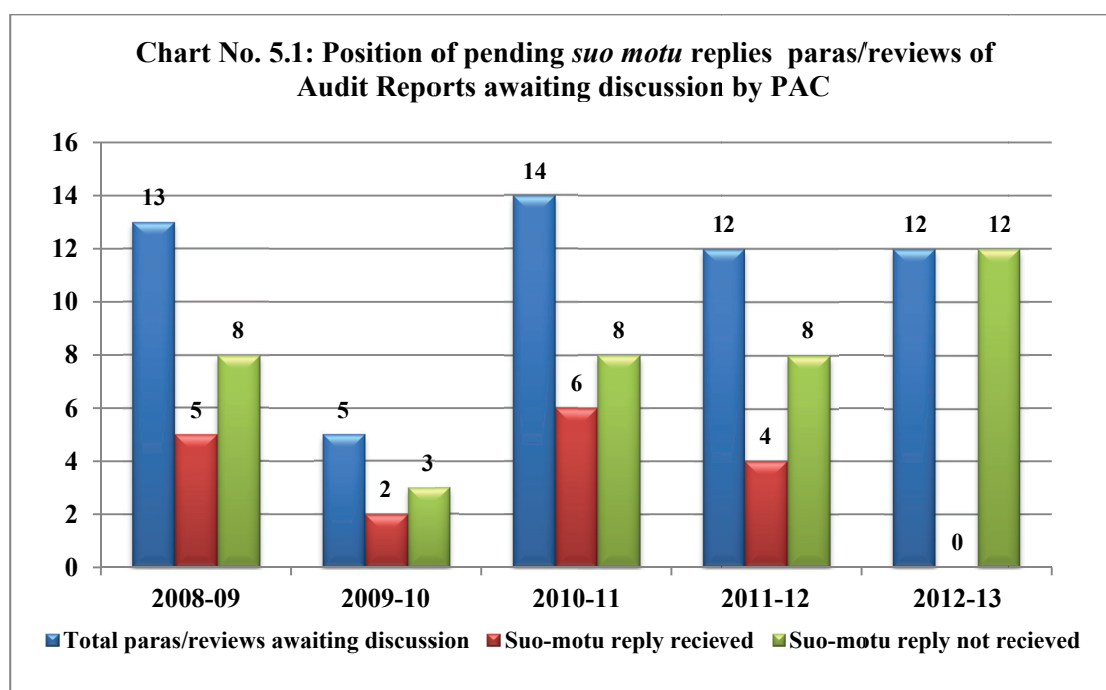

Chart No. 5.1: Position of pending *suo motu* replies paras/reviews of Audit Reports awaiting discussion by PAC

Chart No. 5.1 represents the position of *suo motu* replies received/not received pertaining to paras/Performance Audits of Audit Reports pending discussion by PAC for the period from 2008-09 to 2012-13. The Departments largely responsible for non-submission of explanatory notes were Public Works (R&B) Department (16), Public Works (DWS) Department (2), Public Works (WR) Department (3), Education (School) Department (3), Rural Development Department (4), Agriculture Department (4) and Revenue Department (2) amongst others.

(b)   Committee on Public Undertakings (COPU)

As of November 2015, four Departments did not submit explanatory notes on seven paragraphs (Forest Department: 2, Power Department: 2, Industries & Commerce Department: 2 and Information, Cultural Affairs & Tourism Department: 1) and one Performance Audit (Industries & Commerce Department) included in the Audit Report for the years 2010-11 to 2012-13.

5.1.2   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 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 2015, out of 101 recommendations of the PAC made between 2010-11 and 2014-15, 64 ATNs were submitted of which 57 ATNs had been discussed by the PAC. The concerned administrative departments had not submitted ATNs for 34[1] recommendations, 18 of which were due from the Science Technology and Environment Department, three from Health and Family Welfare Department, three from Public Works Department (DWS) and 10 from other Departments.

(b) Committee on Public Undertakings (COPU)

As of November 2015, ATNs on 21 recommendations of the COPU made between 2011 and 2015 were awaited from the concerned administrative departments of which eight pertained to Tripura Jute Mills Limited, five to Tripura State Electricity Corporation Limited, four to Tripura Small Industries Corporation Limited, two to Tripura Forest Development & Plantation Corporation Limited and one each to Tripura Road Transport Corporation and Tripura Rehabilitation & plantation Corporation Limited.

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[1]   1 para (Agriculture Department) sub-judice, 2 para (114th PAC Report) dropped. Hence, ATNs not required.

5.2 FOLLOW-UP OF PERFORMANCE AUDIT REPORTS
Education (School) Department

5.2.1 Introduction

Performance Audit (PA) is basically a means to improve the functioning of a Government Department expected to be achieved through strict compliance of the recommendations contained in the Audit Reports. An effective follow up of the Audit Reports would further encourage the audited entities to take the reports seriously and as a consequence, increases the probability that the recommendations are intently implemented and helped in improving the performance of the department.

In order to examine the corrective actions the audited entity had taken on the basis of the results of previous PAs, after allowing sufficient time for the remedial process, a follow up of audit reports on selected PAs was conducted to evaluate the extent of implementation of the recommendations with special focus on whether the audited entity had adequately addressed the problem areas pointed out by audit and remedied the underlying conditions.

5.2.2 Scope of Audit

Two PA reviews namely "Integrated Audit of the Education (Social Welfare & Social Education) Department" and "Utilisation of Edusat Network" in Education (School) Department which featured in the Report of Comptroller and Auditor General of India for the year 2011-12 were taken up to assess and evaluate the Department's performance and improvements in programme management through proper implementation of the audit recommendations.

5.2.3 Audit Methodology

The follow-up of PA reports was initiated as a desk review of the implementation of the recommendations, including meetings, discussions with the departmental officers and also issuing questionnaires to elicit information in relation to the latest position and action taken by the entity on audit recommendations. The outcome of the meetings, discussions and replies formed the basis of the audit findings.

5.2.4 Audit findings

The results of the follow up of PA reviews on implementation of the audit recommendations by the entities are discussed below:

5.2.4.1 Integrated Audit of the Education (Social Welfare & Social Education) Department.

[Para 1.3 of AR 2011-12]

The PA report featuring the performance of the Department for the period 2007-2012 contained four recommendations, the implementation of which were agreed to by the department in the exit conference. The findings as enumerated in the table below are based on Government reply on the PA review, reply to questionnaires issued to Department during the course of follow-up of performance audit and also test check

of the action taken report and audit at the Directorate on the implementation of recommendations:

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
A reliable data base needs to be created for sound planning and effective implementation of social welfare schemes through a wide-ranging ground level survey. The survey report should be put up in the public domain for transparency.	The action taken report as of September 2015 of the Department revealed that: ➢ Database of National Social Assistance Programme (NSAP) is maintained at the Directorate, ➢ Mandatory display of beneficiary list at the Anganwadi Centres (AWC) is being done; ➢ AWC workers were made responsible for reporting death cases in the monthly seminars, and ➢ Survey for identification of eligible beneficiaries had not started as yet, etc. Transparency in the selection of beneficiaries was an important recommendation of the Audit Report. Follow up of the implementation of the recommendation, however, revealed that: ➢ Database of the existing beneficiaries of the three Central Pension Schemes [2] has been created and maintained at the Directorate, while databases for the remaining 20 State Pension Schemes are available only at the Project level. This indicated lack of centralisation of data which might have hindered effective planning and implementation at the highest level. ➢ Database for the waitlisted eligible beneficiaries awaiting inclusion against future available slots under the scheme had not been prepared and maintained at any level. This may possibly result in lack of transparency in selection and inclusion of new beneficiaries. ➢ No survey for identification and enrollment of eligible beneficiaries was conducted by the competent authority even after three years since this was recommended in the PA and accepted by the Department. The Scheme guidelines entail that based on BPL list, the beneficiaries should be identified proactively by reaching their doorstep and obtaining applications for inclusion in the list of potential beneficiaries. Vacancies created due to death or otherwise in	Substantial implementation

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[2]   **IGNOAP**: Indira Gandhi National Old Age Pension; **IGNWPS**: Indira Gandhi National Widow Pension Scheme and **IGNDP**: Indira Gandhi National Disability Pension

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	the existing list of pensioners should be filled up from the surveyed list after approval of the appropriate local bodies. However, in practice the procedure is mostly the other way round where inclusion is made only on receiving application submitted by the person on his own volition. GPs select new beneficiaries' for compliance by the Child Development Project Officers (CDPOs). Thus, non-identification and non-inclusion of poor eligible persons in the remote villages in the wait list remains as a deficiency besides possibility of lack of transparency in the selection process.	
An effective monitoring mechanism is a call of the day to eliminate non-existent pensioners and for inclusion of new pensioners on a regular and continuous basis.	The Department while admitting instances of delay in identification of dead pensioners and inclusion of new beneficiaries against such vacancies maintained that as the disbursement is made in most of the cases through bank credit there is no risk of withdrawal on behalf of the dead person. Action taken report (September 2015) of the Department also revealed that: ➢ Annual verification of existing beneficiaries under the NSAP was started only from September 2014; ➢ The field level officers were instructed to identify the dead and ineligible pensioners and the CDPOs were instructed to replace/ fill up vacancies at their level after obtaining approval from concerned local bodies; ➢ 26,450 dead pensioners had already identified and the process of replacement is under progress; ➢ Payment of pension was made through beneficiaries' bank accounts where almost 70 *per cent* accounts have been seeded with AADHAAR numbers; ECS model of payment has already started in case of central pensions on pilot basis and expected to be completed shortly; Follow up of the implementation of the recommendation by audit revealed that: ➢ Annual verification of existing beneficiaries under the NSAP was started only from	Substantial implementation

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	September 2014 (i.e. after about three years since PA recommendations) and still under progress (September 2015). This has delayed the process of identification and deletion of ineligible/non-existent or death beneficiaries with consequent delay in providing benefits to other waitlisted eligible persons.	
	➢ Records revealed that inclusion and exclusion of pensioners were done on regular basis for replacement of dead pensioners only. However, continuation of payment in respect of ineligible/non-existent persons as pointed out in the PA report had not yet been addressed.	
	➢ The contention that disbursement through bank account ensures prevention of fraudulent drawal in the name of dead is untenable as the money credited in a dead persons account would unnecessarily get accumulated in bank at the cost of depriving benefit to other potential beneficiaries and had risk of internal fraud as also withdrawal by others using ATM card assigned to the dead pensioner's account.	
	➢ NSAP provides for Social Audit (to be held at least once in every six months) as an essential support in implementation and monitoring of the pension schemes which not only leads to refinement of the Schemes but also enhances transparency and accountability, besides redressing grievances of the beneficiary. The Department, however, failed to elect GP-wise Social Audit Committee as per requirement of the Scheme guidelines.	
Training needs of the field level functionaries and supervising staff should be adequately addressed.	The action taken report of the Department (September 2015) on implementation of the recommendation disclosed that: ➢ To augment the training infrastructures in the State, Government of India was requested for providing funds for construction of buildings. Besides, State Government also sanctioned construction of a training Institute for Anganwadi Workers (AWW)/ Anganwadi Helpers (AWH). Follow up of the implementation of the recommendation by audit revealed that:	Insignificant progress

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	➢ Though there was improvement in imparting training during 2012-15 *vis-a-vis* 2007-12, 1722 AWW/(17 *per cent* of the available strength) and 1010 AWH (10 *per cent* of men-in-position) were still untrained for the Job Course. No training was also imparted to 171 Supervisors during the last three years (2012-15).	
A professional agency may be engaged to undertake a work study to assess the requirement of manpower in key functional areas for effective functioning of the Department.	The Department stated (September 2015) that no professional agency was engaged and has taken its own assessment of manpower based on sanctioned strength specified by the GoI for ICDS/ ICPS[3]. Follow up of the implementation of the recommendation by audit revealed that: ➢ There is still 18 *per cent* vacancy of Supervisors against 37 *per cent* reported as on March 2012. Whereas no good progress has been seen in filling up vacancy of CDPOs, only two vacancies were filled up during the last three years against eight as on March 2012. Although AWWs/AWHs have now been assigned with all the AWCs, but there were vacancies in case of CDPOs (6) and ICDS Supervisors (77). Since the focal point of delivery of services is the Anganwadi to be run under the constant supervision and guidance of the Supervisors and the CDPOs, failing to fill these vital posts would have a definite impact on their functioning. ➢ Health check up, immunisation, growth monitoring and surveillance of the infants, expecting mothers and adolescent girls are an integral part of the ICDS activity, where job specific qualified health staff is essential for delivering services. The Department, however, relied entirely on the State Health Department without any staff being arranged of its own. As a result, the deficiency in this area as pointed out in PA report remained unaddressed.	Substantial implementation

5.2.4.2 Utilisation of Edusat Network, Education (School) Department.
[Para 1.5 of AR 2011-12]

The performance audit report featuring the performance of the Education (School) Department on the "Utilisation of Edusat Network" was done in 2011-12. The

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[3]   Integrated Child Development Scheme, **Integrated Child Protection Scheme**

programme aimed at Satellite communication based distance education network intended to supplement the curriculum based education system and to provide teachers training in the State. The PA report contained three recommendations, the implementation of which were agreed to by the department in the exit conference.

As the Government had not furnished any reply (October, 2015), the findings as detailed below are based on the Departmental replies to questionnaires and verification by audit of compliance records maintained in the Directorate.

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
Formulate a clearly defined action plan for fulfilment of objectives and optimal utilisation of the network	The Department admitted (September 2015) that the proposed action plan has not yet been formulated. As regards utilisation of network, the reply stated that broadcasting of live and interactive programme for teachers' training will be taken up shortly. Follow up of the implementation by audit revealed that in the absence of any strategic planning progress in utilisation of network remained static resulting in poor achievement of the defined objectives, as may be shown below: ➢ There was no year-long calendar of Teachers' training programme put in place as was committed at the State level meeting of high officials of State Education Department. ➢ Broadcasting through the network was done only for 380 hours during the last four years (2012-16) for imparting training between standards VI to XII on selected subjects (Math, Science, English Grammar and Composition, etc), as against the primary objective of utilising the network for 2,716 hours every year on training to 34,000 school teachers and 600 fresher trainees. No teachers training programmes were organised during 2009-16.	Insignificant progress
Strengthen the present monitoring system to ensure effective utilisation of the network	The Department stated (September 2015) that the North Eastern Space Application Centre, ISRO was responsible for monitoring & repairing of the network. It further admitted (October 2015) that the State Level Monitoring Committee (SLMC) was not reconstituted and no meeting of the committee was held during 2012-16. Follow up of the implementation by audit disclosed that: ➢ No progress was reported with regard to utilisation of network, while there was huge gap	Insignificant progress

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	between targets and achievements. ➢ The Department intimated in March 2013 that the defunct SLMC would be reconstituted for monitoring effective utilisation of the network with a stipulation to conduct at least two meetings every year. However, neither the committee was reconstituted as of now nor any meeting was held during 2012-16.	
Provide funds for replacement of lost items of Satellite Interactive Terminals to make them functional.	The State Council for Educational Research and Training (SCERT) stated (September 2015) that out of the existing 50 Satellite Interactive Terminals (SITs), 25 were nonfunctional. It had planned for adoption of new technology of interactive Receive Only Terminals (iROTs) in place of present ROTs. Follow up of the implementation by audit revealed that: ➢ The project has been suffering from under performance of the Edusat owing to non-functioning SITs, although SCERT has received a sum of ₹ 1.25 crore for replacement of 25 non-functional SITs/iROTs from Education (School) Department in March, 2013. The funds remained untilised. ➢ Proposals sent (July, 2015) for adoption of new DVB [4] S2 technology in place of existing DVBS1 along with expansion of the network through iROT has been pending with GoI for approval till date.	Insignificant progress.

5.3   Monitoring

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

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.

Information regarding the meetings of the DMCs during 2014-15 though called for (July 2015) had not been furnished (November 2015).

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[4] Digital Video Broadcast

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.

Information regarding the meetings of the Apex Committee during 2014-15 though called for (July 2015) had not been furnished (November 2015).

5.4 Outstanding Inspection Reports

First reply for 326 out of 835 Inspection Reports issued upto 2014-15 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 4,328 paragraphs included in 835 IRs issued during the last five years upto 2014-15 were pending settlement as of November 2015. Of these, even the first reply had not been received in respect of 326 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:

Chart No. 5.2: Position of outstanding IRs
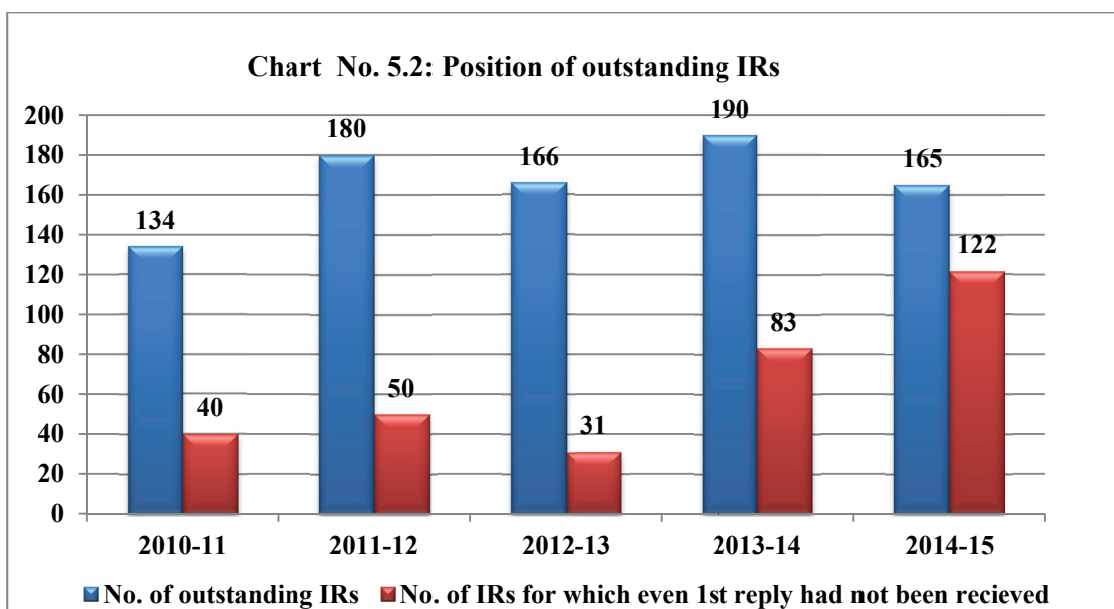
As a result, the following important irregularities commented upon in those IRs had not been addressed as of November 2015.

Table No. 5.4.1

Nature of irregularities	Number of cases	Amount involved (₹ *in crore*)
Excess/Irregular/Avoidable/Unfruitful/ Wasteful/Unauthorised/Idle expenditure	142	80.80
Blocking of funds	215	152.94
Non-recovery of excess payments/ overpayments	191	78.61
Under Assessment	43	5.79
Loss of Revenue	61	6.70
Others	1,575	1,445.46
Total:	**2,227**	**1,770.30**

5.4.1   Departmental Audit Committee Meetings

Eighteen Audit Committee Meetings were held during 2014-15 wherein 58 IRs and 254 paragraphs were discussed out of which 14 IRs and 136 paragraphs were settled.

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