

CHAPTER-V

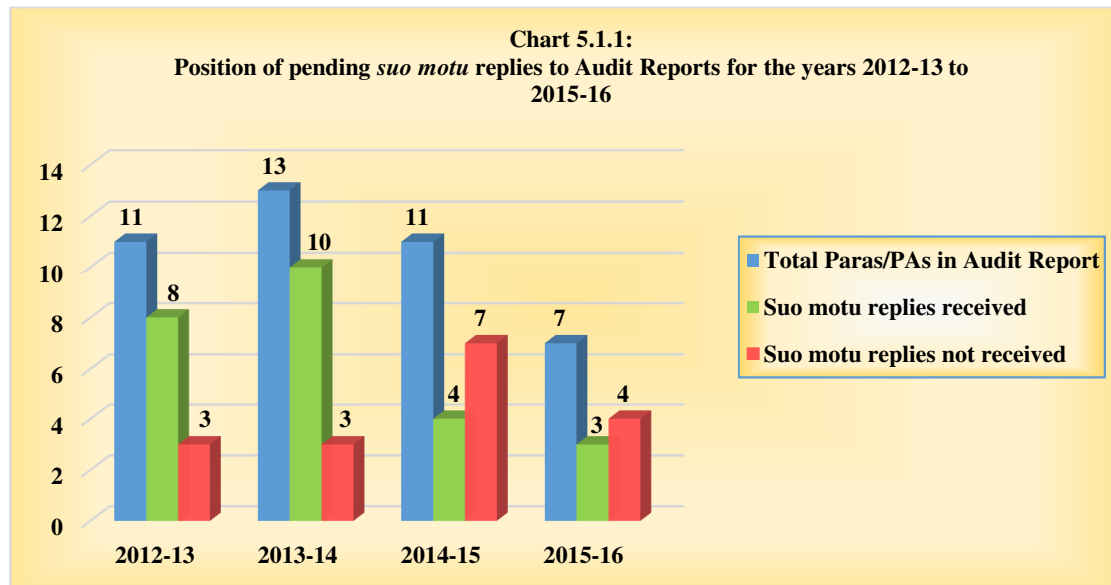
FOLLOW UP OF AUDIT OBSERVATIONS

CHAPTER V : FOLLOW UP OF AUDIT OBSERVATIONS

5.1 Failure to submit suo motu explanatory notes

Every year Reports of the Comptroller and Auditor General of India are prepared and presented to the State Legislature. To ensure accountability of the executive about the issues contained in these Audit Reports, the Public Accounts Committee (PAC) of the Meghalaya Legislative Assembly issued instructions (July 1993) for submission of *suo motu* explanatory notes by the concerned administrative departments within one month of presentation of the Audit Reports to the State Legislature.

As of March 2017, 17 departments (civil departments including Public Works Department) did not submit *suo motu* explanatory notes on 12 paragraphs and five Performance Audits (PAs) included in the Audit Reports (Social, Economic, General and Economic (PSUs) Sectors) for the years 2012-13 to 2015-16, details of which are given below:



5.2 Response of the departments to the recommendations of the Public Accounts Committee

The administrative departments were required to take suitable action on the recommendations made in the Report of the PAC presented to the State Legislature. Following the circulation of the Reports of the PAC, the departments were to prepare action taken notes (ATNs) indicating action taken or proposed to be taken on the recommendations of the PAC and submit the same to the Assembly Secretariat. The PAC specified the time frame for submission of such ATNs as six weeks upto 32nd Report (December 1997) of the PAC and six months in 33rd Report (June 2000).

Review of 17 Reports¹ of the PAC involving 15 departments² presented to the Legislature between April 1995 and March 2017, revealed that none of the departments had sent the ATNs to the Assembly Secretariat as of March 2017. Thus, the fate of the recommendations contained in the Reports of the PAC and whether they were being acted upon by the administrative departments could not be ascertained in audit.

5.3 Monitoring

The following Committees have been formed at the Government level to review the follow up action on Audit Reports and explanatory notes.

5.3.1 Departmental Audit & Accounts Committee

Departmental Audit & Accounts Committee (DAAC) had been formed (August 2009) by all departments of the Government under the Chairmanship of the Departmental Secretary. The committee is to review and oversee the progress in disposal of pending inspection reports, audit matters pertaining to Public Sector Undertakings, follow up action on Audit Reports and explanatory notes to PAC/COPU, *etc.* The DAAC were to hold meetings quarterly.

No DAAC meeting was held during 2016-17.

5.3.2 Apex Committee

An Apex Committee (State Audit and Accounts Committee) had been formed (August 2009) at the State level under the Chairmanship of Chief Secretary. The committee is to review and oversee the progress in disposal of outstanding audit objections, timely furnishing of explanatory notes to PAC/ COPU, other accounts or audit related matters *etc.* The Apex Committee was to meet at half yearly intervals.

No Apex Committee meeting was held during 2016-17.

5.3.3 Audit Committees

For expeditious settlement of outstanding audit objections and inspection reports (IRs), the State Government is also persuaded to constitute 'Audit Committees' consisting of Secretary to the State Government in the Administrative Department concerned, a senior officer from the Finance Department and a representative of the Accountant General (Audit) for examination of the list of outstanding audit objections and IRs which could not be settled through discussion at the lower levels. During

¹ Between April 1995 and December 1997 (10 reports), in June 2000 (one report), April 2005 (one report), April 2007 (one report), March 2010 (one report), March 2011 (one report), March 2012 (one report) and March 2017 (one report).

² Containing recommendations on 59 paragraphs of Audit Reports.

2016-17, Audit Committee meetings were held with Health and Urban Affairs Departments where 11 IRs and 141 paragraphs were settled.

5.3.4 Outstanding Inspection Reports (IRs)

The Meghalaya Financial Rules, 1981 provide for prompt response by the executive to the IRs issued by the Accountant General (Audit) of the State (AG) to ensure rectificatory action in compliance with the prescribed rules and procedures and accountability for the deficiencies and lapses noticed during 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 AG. Serious irregularities are also brought to the notice of the Heads of the Department by the AG through a half-yearly report in respect of pending IRs to facilitate monitoring of the audit observations and for taking appropriate corrective action. At the end of March 2017, 630 IRs involving 3,134 paragraphs pertaining to the period 1986-87 to 2016-17 were outstanding.

Shillong
The 04 June 2018



(Stephen Hongray)
Principal Accountant General (Audit),
Meghalaya

Countersigned

New Delhi
The 08 June 2018



(Rajiv Mehrishi)
Comptroller and Auditor General of India

