

CHAPTER-IV

GENERAL

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4.1 Follow up on Audit Reports

Non-submission of suo-moto Action Taken Notes

In terms of the resolution (September 1994) of the Public Accounts Committee (PAC), the administrative Departments were required to submit *suo-moto* Action Taken Notes (ATNs) on paragraphs and reviews included in the Audit Reports, within three months of presentation of the Audit Reports to the Legislature to the PAC with a copy to Principal Accountant General (PAG) (Audit) without waiting for any notice or call from the PAC, duly indicating the action taken or proposed to be taken. The PAC, in turn, is required to forward the ATNs to PAG (Audit) for vetting before its comments and recommendations. The State Level Apex Committee in a meeting (August 2001) chaired by the Chief Secretary of Assam also instructed all departments to submit replies on paragraphs and reviews included in the Audit Reports as soon as the Audit Reports are presented to the Legislature. Assam Legislative Assembly reiterated the same instructions in September 2014 and October 2018.

However, only seven *suo-moto* replies/ explanatory notes were received against 1,828 paragraphs and reviews included in the Audit Report on Social, Economic (Non-PSUs) and General Sectors up to 2017-18 from the respective departments.

As of March 2020, PAC discussed 1,219 out of 1,828 paragraphs and reviews pertaining to the years 1983-84 to 2017-18. Consequently, 609 audit observations/ comments included in those paras/ reviews were yet to be discussed by the PAC as of March 2020.

4.2 Action Taken on Recommendations of the PAC

The PAC made 578 recommendations in its 55th to 158th Reports with regard to 52 departments. The PAC dropped 260 paragraphs based on action taken by the respective departments on the recommendations made by the PAC and as such, no further action was required to be taken against those paragraphs. Thus, 318 recommendations were pending for settlement as of March 2020 due to non-receipt of ATNs/ Reports from various departments.

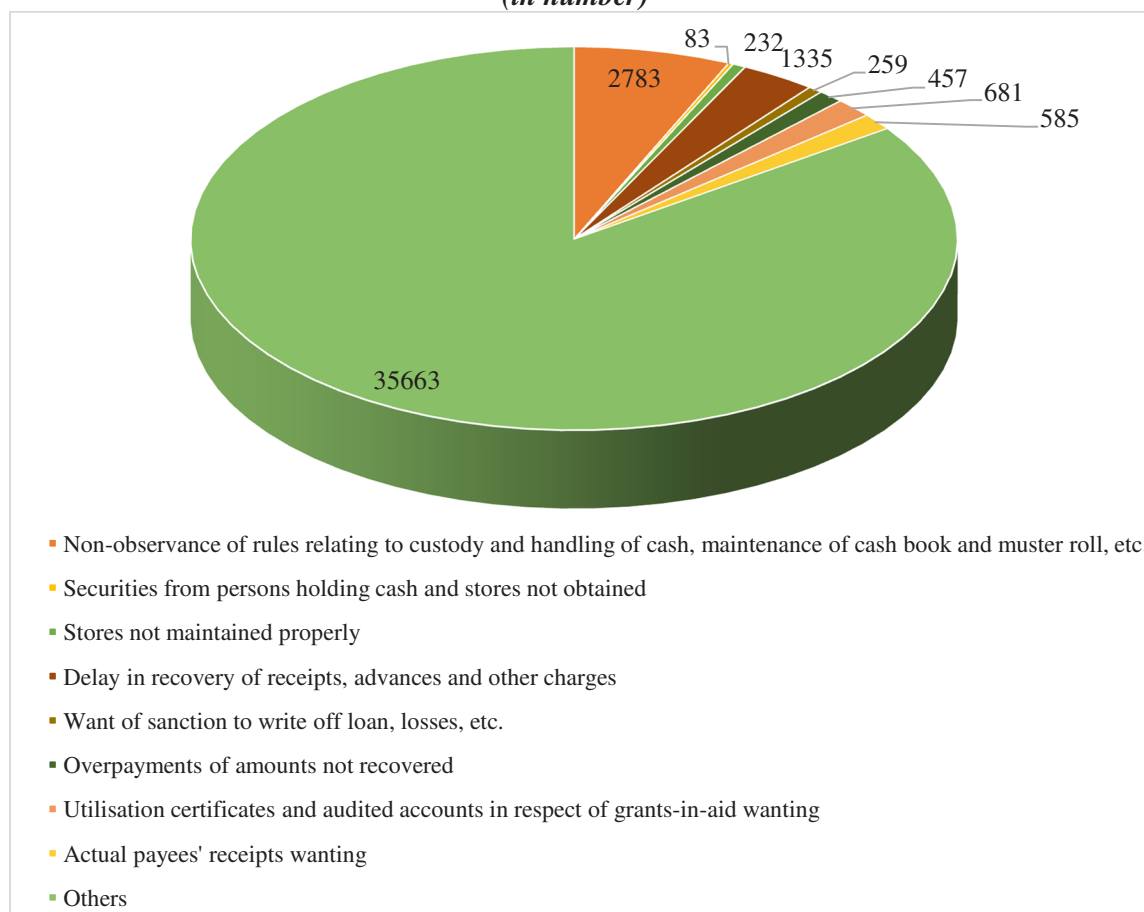
4.3 Response to Audit Observations and Compliance thereof by Senior Officials

The PAG arranges to conduct periodical inspection of Government departments to test-check the transactions and verify the maintenance of significant accounting and other records according to prescribed rules and procedures. When important irregularities detected during inspection are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned offices with a copy to the next higher authority. The State Government (March 1986) has advised Departments to provide prompt response to the IRs issued by the PAG and to ensure that remedial action is taken in compliance with the prescribed rules and procedures. The authorities of the offices and departments concerned

were required to examine the observations contained in the IRs in the light of the given audit findings in the paras. They were also required to rectify the defects and omissions promptly wherever called for and report their compliance to the PAG. The PAG sends half-yearly report of pending IRs to the Commissioners and Secretaries of the Departments concerned from time to time. This report is sent to facilitate monitoring of the audit observations contained in the pending IRs.

We report that on IRs issued up to December 2019, 42,954 paragraphs pertaining to 6,908 IRs were outstanding for settlement at the end of June 2020, pertaining to Civil Departments/ Public Health Engineering Department/ Public Works Department/ Water Resource Department/ Irrigation and Inland Water Transport Department. Of these, 1,371 IRs containing 6,074 paragraphs had not been replied to/ settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of Offices within four weeks from the date of issue, were not received from 52 departments in respect of 3,091 IRs containing 23,221 paragraphs issued between 1994-95 and 2019-20. As a result, irregularities commented upon through 42,078 paragraphs, had not been addressed as of June 2020 as shown in **Chart-4.1**:

Chart-4.1
(in number)



Non-receipt of replies to the IRs in respect of the 52 Departments were indicative of the failure on the part of the Heads of Departments (Directors/ Executive Engineers) to initiate action with regard to defects, omissions and irregularities pointed out by Audit.

The Commissioners and Secretaries of the Departments concerned, who were informed of the position through half-yearly reports, also failed to ensure prompt and timely action by the officers of the Departments concerned.

The above mentioned facts also indicated inaction against the defaulting officers thereby facilitating continuation of serious financial irregularities and potential loss to the Government though these were pointed out in Audit.

Audit Objection Committee (AOC) is constituted by the Government every year at State level for consideration and settlement of outstanding audit observations relating to Civil and Works Departments. Altogether, 23 meetings (Social Sector: three; Economic Sector: 13; and General Sector: seven) of the Committee were held on different dates up to March 2020. The AOC discussed total of 200 IRs and 835 Paragraphs, of which five IRs and 223 Paragraphs were settled.


It is recommended that Government should review the matter and ensure that effective system exists for (a) action against defaulting officials who fail to send replies to IRs/ Paragraphs as per the prescribed time schedule; (b) action to recover loss/ outstanding advances/ overpayments in a time bound manner; and (c) revamp the system to ensure prompt and timely response to the audit observations.

Guwahati
The 07 September 2022


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Countersigned

New Delhi
The 20 September 2022


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Comptroller and Auditor General of India

