

CHAPTER – V

FOLLOW UP OF AUDIT OBSERVATIONS

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5.1 Non-submission of Action Taken Notes

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) of Mizoram issued (May 2000) instructions for submission of *suo moto* Action Taken Notes (ATNs) on all paragraphs and reviews featured in the Audit Report within three months of its presentation to the Legislature. For submission of the ATNs on its recommendations, the PAC has provided six months' time.

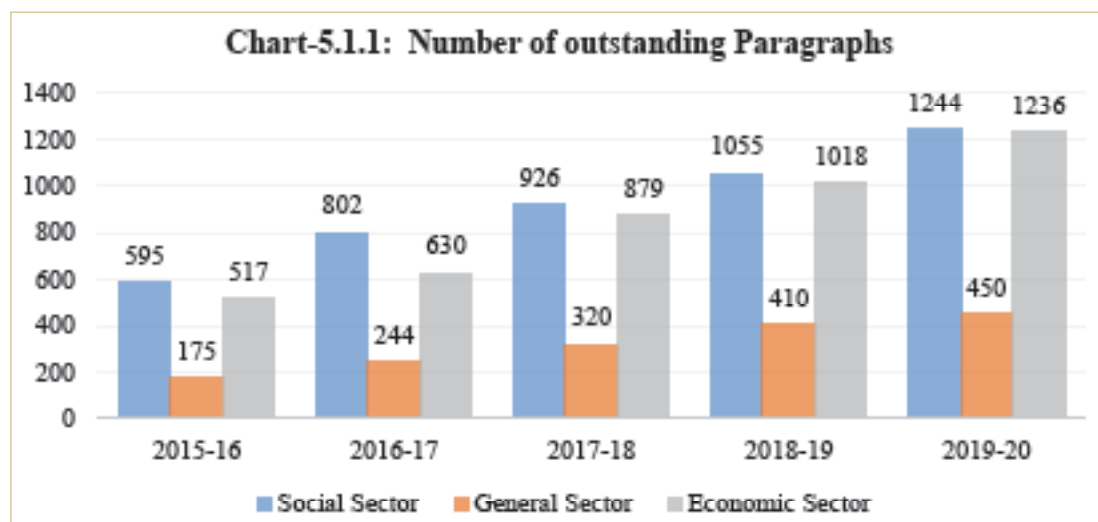
A review of follow up action on submission of ATNs disclosed that there was pendency in respect of the Audit Reports for the years 2013-14 to 2017-18. The Audit Report for the year 2018-19 was laid on the table of the State Legislature on 01 March 2022.

5.2 Response to audit observations and compliance thereof by the Executive

Principal Accountant General, conducts periodical inspection of Government Departments to verify, on a test-check basis, if proper books of accounts and records are maintained as per the prescribed rules and procedures. These inspections are followed by the issuance of Inspection Reports (IRs) 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. The Heads of Offices and next higher authorities are required to rectify the defects promptly as per the Audit observations and recommendations and report their compliance to the Principal Accountant General. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Principal Accountant General.

5.2.1 Outstanding Inspection Reports and Paragraphs

Details of outstanding paragraphs pertaining to Social, General and Economic Sectors during the last five years are as follows:



5.2.2 Revenue Sector

At the end of June 2020, 159 IRs issued up to December 2019 containing 611 paragraphs with a money value of ₹ 75.87 crore were outstanding. The position in this respect for the preceding two years is given in the **Table-5.1** below:

Table-5.1: Details of outstanding IRs under Revenue Sector

Particulars	June 2018	June 2019	June 2020
Number of outstanding IRs	133	123	159
Number of outstanding audit observations	368	378	611
Amount involved (₹ in crore)	74.38	90.55	75.87

5.2.2.1 Recovery of accepted cases

The details of revenue paragraphs included in the Audit Reports of the last five years and those accepted by the Departments and amount recovered are given in the following **Table-5.2**:

Table-5.2: Details of Revenue Paragraphs included in the Audit Reports and recovery made there against

(₹ in crore)

Year of Audit Report	No. of paragraphs included	Money value of the paragraphs	No. of paragraphs accepted	Money value of accepted paragraphs	Amount recovered as on 31 March 2020	Cumulative position of recovery of accepted cases
2014-15	4	4.15	4	4.15	0.15	0.15
2015-16	5	3.63	4	1.61	0.02	0.17
2016-17	6	3.16	4	2.14	--	0.17
2017-18	3	2.06	3	2.05	0.15	0.32
2018-19	5	10.54	4	4.07	0.37	0.69
Total	23	23.54	19	14.02	0.69	

It could be seen from the above table that during the last five years, the Departments under Revenue Sector had accepted 19 paragraphs having a money value of ₹ 14.02 crore, out of which, only ₹ 0.69 crore had been recovered as on 31 March 2020.

The Departments need to evolve a strong mechanism to monitor and ensure recovery of accepted cases.

5.3 Response of departments concerned to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General to the Principal Secretaries/ Secretaries of the departments concerned, drawing their attention to audit findings with a request to send their response within six weeks. Non-receipt of replies from departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Eight draft paragraphs proposed to be included in the Audit Report 2019-20, were sent to Commissioner/ Secretary of the respective departments for their responses.

Government response was received in respect of all eight draft paragraphs which have been incorporated at appropriate places.

5.4 Audit Committee Meetings

State Government had constituted (04 September 2013) Audit Committees to consider and take measures for timely response and speedy settlement of outstanding IRs/ paragraphs pending in various Departments.

During 2019-20, an Audit Committee meeting was held in December 2019 with the Public Health Engineering Department wherein 38 Inspection Reports relating to 2011-12 to 2018-19 containing 174 paragraphs were discussed and 89 paragraphs and eight Inspection Reports were settled.

Government may ensure that Audit Committees meet regularly to review, discuss, settle and take action on audit observations.

Aizawl
The 13 September 2022


(LHUNKHOTHANG HANGSING)
Principal Accountant General, Mizoram

Countersigned

New Delhi
The 30 September 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

