

**CHAPTER – VI**  
**FOLLOW UP OF AUDIT**  
**OBSERVATIONS**



## CHAPTER-VI

### FOLLOW UP OF AUDIT OBSERVATIONS

#### 6.1 Non submission of *suo moto* 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.

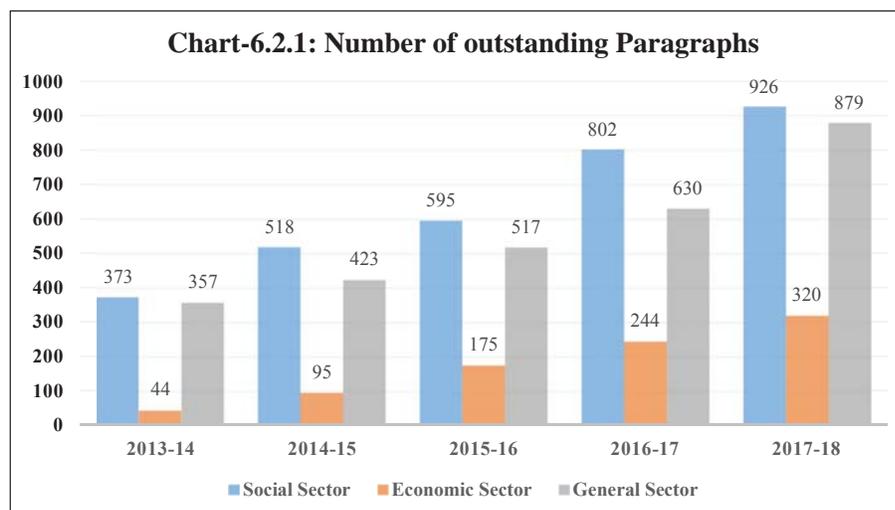
A review of follow up action on submission of *suo moto* ATNs disclosed that there was pendency in replies in respect of the Audit Reports for the years 2011-12 to 2015-16. The Audit Report for the year 2016-17 was laid on the table of the State Legislature on 13 March 2019.

#### 6.2 Response to audit observations and compliance thereof by the Executive

Accountant General (Audit) 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 report their compliance to the Accountant General. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General.

##### 6.2.1 Outstanding Inspection Reports and Paragraphs

Details of outstanding paragraphs pertaining to Social, General and Economic (Non-SPSUs) Sectors during the last five years are given below:



### 6.2.2 Revenue Sector

At the end of June 2018, 133 IRs issued up to December 2017 containing 368 paragraphs with a money value of ₹ 74.38 crore were outstanding. The position in this respect for the preceding two years is given in the table below:

**Table-6.1:- Details of outstanding IRs under Revenue Sector**

Particulars	June 2016	June 2017	June 2018
Numbers of outstanding IRs	128	129	133
Number of outstanding audit observations	360	344	368
Amount involved (₹ in crore)	63.25	67.13	74.38

#### 6.2.2.1 Recovery of accepted cases

The details of paragraphs included in the Audit Reports of the last five years and those accepted by the Department and amount recovered are given in the following table:

**Table-6.2:- Details of Paragraphs included in the Audit Reports and recovery made thereagainst by Taxation Department**

(₹ 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 2018	Cumulative position of recovery of accepted cases
2012-13	3	1.88	3	1.88	0.35	<b>0.35</b>
2013-14	5	2.38	4	1.95	0.14	<b>0.49</b>
2014-15	4	4.15	4	4.15	0.15	<b>0.64</b>
2015-16	5	3.63	4	1.61	0.02	<b>0.66</b>
2016-17	6	3.16	4	2.14	--	<b>0.66</b>
<b>Total</b>	<b>23</b>	<b>15.20</b>	<b>19</b>	<b>11.73</b>	<b>0.66</b>	<b>--</b>

It could be seen from the above table that during the last five years, the Taxation Department had accepted 19 paragraphs having a money value of ₹ 11.73 crore; out of which, only ₹ 0.66 crore had been recovered as on 31 March 2018.

The Department needs to evolve a strong mechanism to monitor and ensure recovery of accepted cases.

### 6.3 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.

Ten draft paragraphs proposed to be included in the Audit Report 2017-18, were sent to Principal Secretaries/ Secretaries of the respective departments for their responses. Government response was received in respect of five proposed draft paragraphs under Revenue Sector which have been incorporated at appropriate places. No response was received for the remaining five proposed draft paragraphs pertaining to other Sectors.

#### 6.4 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 2017-18, no Audit Committee meeting was held.

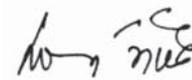
Government may ensure that Audit Committees meet regularly to review, discuss, settle and take action on audit observations.



Aizawl  
The 23 September 2019

(LALRAMTHANGA TOCHHAWNG)  
Principal Accountant General, Mizoram

Countersigned



New Delhi  
The 03 October 2019

(RAJIV MEHRISHI)  
Comptroller and Auditor General of India