

CHAPTER-IV

GENERAL

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4.1 Cases of Theft, Misappropriation and Losses

Audit observed 562 cases of theft, misappropriation, and losses involving Government money amounting to ₹257.77 crore (up to March 2019) on which final action was pending. The Department-wise breakup of pending cases and age-wise analysis and nature of those cases is given in *Appendix-4.1*.

Table 4.1 summarises age-profile of pending cases and the number of cases pending in each category *i.e.*, theft, misappropriation and losses of Government material *etc.*

Table 4.1:-Profile of cases of theft, misappropriation and loss

(₹ in lakh)

Age Profile of the Pending cases			Nature of the Pending Cases		
Range in Years	Number of cases	Amount involved	Nature/ characteristics of the cases	Number of cases	Amount involved
0-5	220	12244.60	Theft	26	243.40
5-10	207	10295.22			
10-15	106	3039.30	Misappropriation/ Loss of material <i>etc.</i>	536	25533.47
15-20	21	179.26			
20-25	6	7.96	Total	562	25776.87
25 and above	2	10.53	Cases of loss written off during the year	1	Nil
Total	562	25776.87	Total cases as on 31 March 2019	561	25776.87

Source: Inspection Reports

Further analysis indicated that the reasons for which the cases were outstanding could be classified in the categories listed in *Table 4.2*.

Table 4.2:-Reasons for outstanding cases of theft, misappropriation and losses

Reasons for the Delay of Outstanding Pending cases	Number of Cases	Amount (₹ in lakh)
(i) Non-receipt of reply or want of reply from Department	156	8,797.11
(ii) Non-submission of specific/ proper/ appropriate reply by Department	406	16,979.76
Total	562	25,776.87

Source: Inspection Reports

Of the 562 cases above, the First Information Report (FIR) in respect of only 30 cases⁷⁸ involving ₹17.51 crore was lodged where the investigation was in process. Government may take necessary action to institute enquiries/ lodge FIR in all the remaining cases also, and logically conclude the misappropriation cases. Besides, Government should consider putting in place an effective mechanism to ensure monitoring and speedy settlement of cases relating to theft, misappropriation and losses, in their own financial interests.

4.2 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 1,804 paragraphs and reviews included in the Audit Report on Social, General and Economic (Non-PSUs) sectors up to 2017-18 from the respective departments.

As of March 2019, PAC discussed 1,203 out of 1,804 paragraphs and reviews pertaining to the years 1983-84 to 2017-18. Consequently, 601 audit observations/ comments included in those paras/ reviews were yet to be discussed by the PAC as of March 2019.

4.3 Action Taken on Recommendations of the PAC

The PAC made 564 recommendations in its 55th to 152nd Reports with regard to 45 departments. The PAC settled 252 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, 312 recommendations were pending for settlement as of March 2019 due to non-receipt of ATNs/ Reports from various departments.

⁷⁸ In respect of one case, amount of the articles stolen not known and not recorded in the FIR.

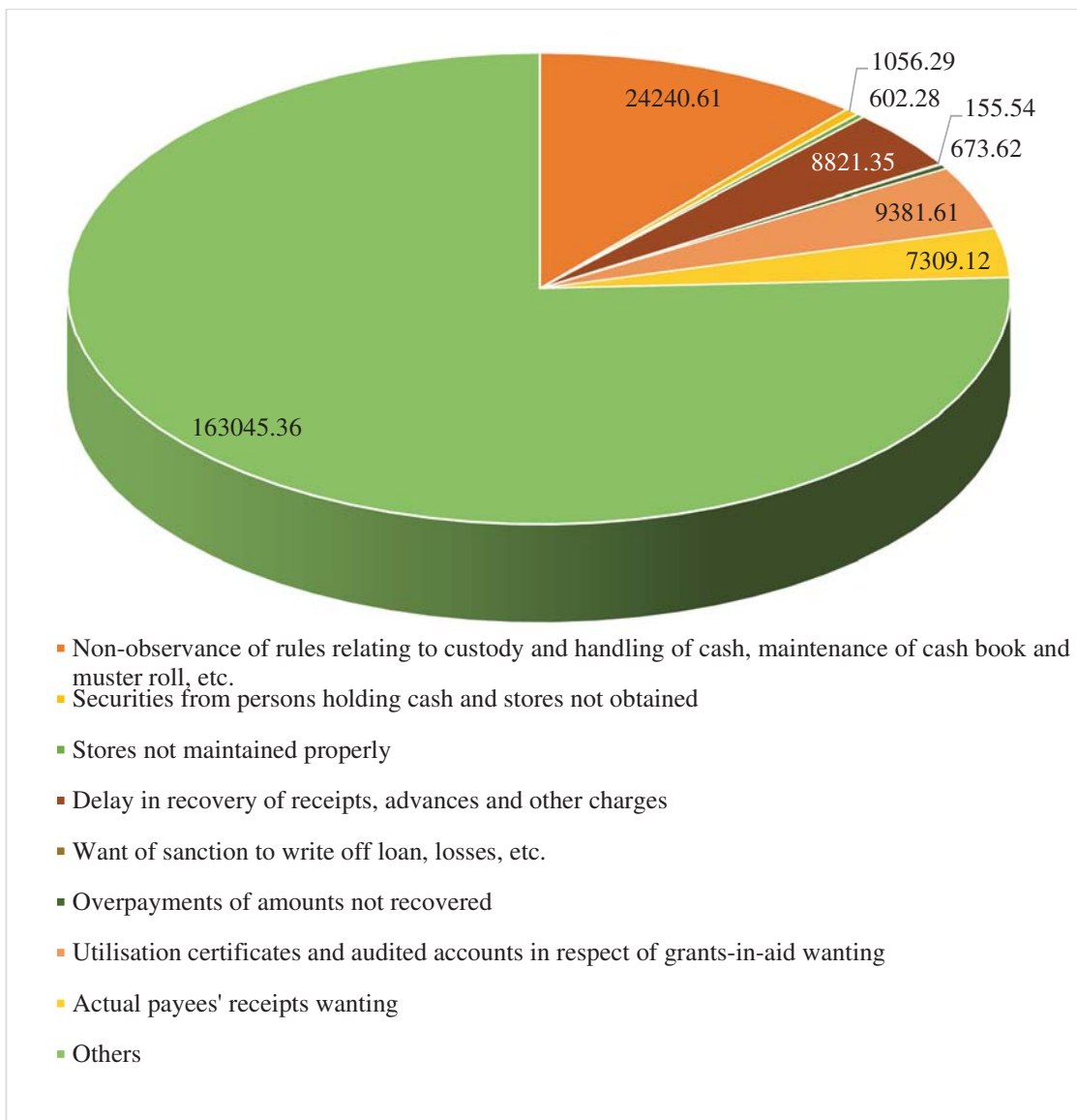
4.4 Response to Audit Observations and Compliance thereof by Senior Officials

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 2018, 39,479 paragraphs pertaining to 6,385 IRs were outstanding for settlement at the end of June 2019, pertaining to Civil Departments/ Public Health Engineering Department/ Public Works Department/ Water Resource Department/ Irrigation and Inland Water Transport Department. Of these, 1,208 IRs containing 5,262 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 55 departments in respect of 2,734 IRs containing 20,575 paragraphs issued between 1994-95 and 2018-19. As a result, serious irregularities commented upon through 39,591 paragraphs involving ₹2,15,285.77 crore, had not been addressed as of June 2019 as shown in *Chart-4.1*:

Chart-4.1

(₹ in crore)



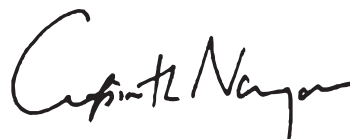
Non-receipt of replies to the IRs in respect of the 55 Departments were indicative of the failure on the part of the Heads of Departments (Directors/ Executive Engineers) to initiate action with regard to defects, omissions and irregularities pointed out by Audit. The Commissioners and Secretaries of 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. Government had constituted (May 2018) one AOC for discussion of outstanding audit objections up to 2017-18. Altogether, 159 meetings

(Social Sector: 93; Economic Sector: 39; and General Sector: 27) of the Committee were held on different dates up to March 2019. The AOC discussed total of 1,102 IRs and 5,512 Paragraphs, of which 91 IRs and 981 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.



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Guwahati
The 23 February 2021

Countersigned



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New Delhi
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