

CAG pulls up Bihar wing of I-T

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PAINA: The Comptroller and Auditor General of India (CAG) has indicted the income-tax (IT) for the lackadaisical functioning of its Internal Audit wing.

The CAG had reviewed the functioning of Inter Audit organisation of IT department for the years 1993-94 to 1995-96. This was with a view to evaluate the extent to which the objective behind setting up of this wing would be fulfilled.

The current review did not show any improvement in the functioning of Inter Audit wing of IT over the last year's review according to CAG. The working of this wing had also been reviewed earlier and had been incorporated in the Audit Report of the CAG for the year 1989-90.

A 11 member team of Public Accounts Committee (PAC) of the Parliament would examine the functioning of the Internal Audit of the IT in Bihar charge on Tuesday in the light of its latest CAG report. On Monday it would review the functioning of the department of telecommunication.

The CAG reports that the quality of checks exercised by Internal Audit was reflected by the non-detection of omissions and mistakes in 4,224 cases involving revenue effect of Rs 292.9 crore which

were noticed by statutory audit. This was revealed during the audit scrutiny of Rajasthan, Karnataka, Himachal Pradesh, Gujarat, Tamil Nadu, Kerala, U.P., Haryana, Assam, Maharashtra, Punjab, M.P and Bihar.

The Wealth tax and Gift tax cases were also subject to scrutiny by the internal audit. The audit scrutiny of Bihar charge had revealed that audit of wealth tax and gift tax was not being done. Similarly, the audit scrutiny of records of Tamil Nadu, Delhi, Punjab and Bihar charges revealed that the ledger cards and the compliance cards were not being maintained.

Taking strong exception to the lack of follow up action on internal Audit observations, the CAG said that it was reflected in pending issues in large number of such observations ranging from 69 to 77 per cent during the years 1993-94 to 1995-96.

The report said that meetings with the assessing officers for the settlement was not in vogue at all. This was revealed during the audit scrutiny of Bihar, Tamil Nadu, Karnataka, Assam and West Bengal charges.

The CAG report said that despite the recommendation of Public Accounts Committee (PAC) of the Parliament that audit observations should also be analysed with reference to the year of assess-

ment apart from the year in which they were raised with a view to concentrate on settlement of observations before the time barred.

It said that 201 observations involving tax effect of Rs 12.03 crore was time barred. Except issuing audit notes in individual cases, the report said, no internal audit reports in respect of an assessment unit was being issued to any of the units of the IT test was checked.

The objective of internal audit, according to the CAG report, was to play a corrective role and to exercise vigilance against mistakes leading to improvement in the quality of assessment. The test check have, however, revealed that the objectives had not been achieved as was evident from the audit findings.

The report also said that the absence of advance audit planning and programming and lack of proper coordination with assessment units on the one hand and statutory revenue audit on the other had adversely affected the efficiency and effectiveness of scarce audit resources available. In Andhra Pradesh, Orissa, U.P., Kerala, Haryana, M.P. and Bihar charges audit scrutiny had revealed that no consolidated list of auditable immediate and priority cases was sent to the internal audit wing of the IT.