

Chapter-8

Conclusion

Review of internal controls in the Departments and its directorates through test-check of field offices revealed absence of control environment as officials at various levels were either unaware of the controls in place or had a tendency to ignore/bypass the same.

Bypassing the regulatory framework is the most common anatomy of any fraud. Audit scrutiny of the records revealed violations of the Government's policies and its Acts, Rules, Statutes and Regulations resulting in misappropriation, defalcation, waste etc. of Government Funds. Absence of proper documentation and evidencing of transactions involving large sums of money were noticed. Cash controls were ineffective, as mandatory internal control measures were not being observed. Often, accountability was not being fixed. Non-execution of the works in an orderly, ethical, economical, efficient and effective manner resulted in wasteful, extra and avoidable/unproductive expenditure including loss of Government funds. Public resources were not being safeguarded against loss and operational controls were often not being observed.

Near-absence of effective internal audit and weak supervision and monitoring to oversee that the obligation of internal controls were being discharged properly by the executing officers aggravated the risks. Persistent violation of the provisions of the Budget Manual and Contingency Manual led to huge pendency of submission of DCC bills, UCs, unnecessary drawals and retention of funds, increasing the risk of misuse, misutilisation and even misappropriation of public money.