

CHAPTER-VII: MONITORING

Monitoring of work was done in the Department through internal audit, internal inspection, periodical meetings at field level offices and through closing of various registers. Our findings on the effectiveness of the monitoring mechanism are given in the ensuing paragraphs

7.1 Was internal inspection being used as an effective monitoring mechanism?

Internal Inspection was being conducted by the Deputy Commissioners and Circle Inspectors. The Deputy Commissioner inspects Circle Offices and Ranges under his jurisdiction once in six months and Circle Inspectors inspect Ranges/ Check posts, etc once in three months. An inspection register was being maintained in these offices in which the dates of inspections were being noted.

In the six districts test checked by us, we noticed that internal inspections were being carried out regularly and the dates of inspections were being noted in the register. We noticed some instances where the inspecting officers had recorded their observations in the register. Follow-up action taken on the inspecting officer's observations was not available and hence we are unable to comment on the efficacy of these inspections.

7.2 Were periodical meetings used as effective monitoring mechanisms?

We appreciate that monthly meetings were being held regularly to review the progress of court cases, enforcement activities undertaken, progress in realisation of arrears, raids etc and instructions were being issued for timely action on the discussed issues. Minutes of these meetings were also being prepared.

We are of the opinion that effectiveness of the periodical meetings was hampered slightly as action taken on instructions issued in past meetings were not followed up in subsequent meetings.

7.3 Was the Internal Audit department effective?

The Internal Audit Department (IAD) was headed by a Joint Excise Commissioner with Assistant Excise Commissioner (1), Superintendents (3), Excise Inspectors (2) and Preventive Officers (5).

Our examination of the records relating to the functioning of the IAD revealed that:

- Though there are 300 field units to be covered in audit, the IAD did not prepare annual/biennial audit plans to cover these units at specified intervals.
- During 2010-11 the IAD audited 93 units, which works out to only 31 per cent of the total field units.

- As on 31 March 2011, 226 Inspection reports and 277 paras were outstanding as shown in the following table:

Year	No of Inspection reports pending	No of paras to be cleared
2003	4	4
2004	12	18
2005	7	10
2006	22	26
2007	5	7
2008	8	11
2009	66	78
2010	52	59
2011	50	64
	226	277

- Our test check revealed that effective action was not being taken on the internal audit reports.

7.4 Were the registers maintained and physical verification conducted properly ?

7.4.1 Was the Stock Register of receipt/permit books maintained properly?

A stock register of various forms, books, etc. like TR5 receipt books, Transit permit books and Export and Import permit books was being maintained in the Excise Commissionerate. We observed that:

- The balance was not arrived at after each receipt/issue of the books
- The register was not closed periodically
- Physical verification was not done periodically
- In case of permits which were printed in the Government press, the numbers were being assigned by the press, and the numbers were not continuous. On this being pointed out by us, the Department stated that our observations were noted for future guidance.

7.4.2 Was Vehicle Register maintained properly?

We noticed that:

- The Department did not maintain a stock register for vehicles containing details of vehicles purchased, issued, condemned, etc.
- Expenses incurred on repairs and maintenance of each vehicle was not noted. Only the total amount incurred on repairs and maintenance was being noted.

Responding to our audit observations, the Department replied that absence of stock registers of departmental vehicles purchased was already noticed and urgent steps were being taken to verify the stock.

The various stock registers were not properly maintained or annual stock taking/physical verification conducted

7.4.3 Were all details available in the Allotment/Appropriation register?

Our scrutiny of the allotment/appropriation register maintained at the Commissionerate revealed that expenditure against allotment was not properly/completely noted. Expenditure was not seen noted against Pay and Allowances allotment.

On this being pointed out, the Finance Officer stated that Pay, DA, HRA and other allowances under the heads of accounts viz. 2039-00-001-99-01, 98-01 and 97-01 were seen drawn without allocation and that was the practise followed in that Department. Hence no expenditure was recorded in the allotment register and that during the current financial year (2011-12) expenditure would be recorded. The Finance Officer also stated that there was no proper Finance Section with Superintendents/Section Officers. Preventive Officers and Excise Inspectors were being taken for ministerial work and they were not given proper training in financial matters and budgetary work.

7.4.4 Did the Department conduct periodical verification of Arms and Ammunition?

We noticed that physical verification of the arms issued to the field units was not conducted. The Deputy Commissioner, Palakkad stated that after 2002, the physical verification was being done by the possessor himself which shows there was no control mechanism to verify the stock of arms and ammunition.