

Chapter-9

Recommendations

- In view of the weakened internal controls resulting in instances of missing assets/inventory, pilfering, inflated claims, double payments, false claims, payroll fraud in various departments, the Government should urgently assess the risk associated with these controls to ensure the efficacy of internal control.
- The Government needs to review the existing control mechanism prevalent in its departments to remove the flaws in design, errors of judgment or interpretation, misunderstanding, carelessness, fatigue, distraction, collusion, abuse or override.
- Organizational changes and management attitude can have a profound impact on the effectiveness of internal control and the personnel operating the system. Therefore, the higher management (Chief Controlling Officers/Heads of Departments) needs to continually review and update controls and communicate changes to personnel. Monitoring mechanism and operational controls should be strengthened and accountability fixed promptly for failure to exercise controls leading to frauds, loss to exchequer and pilferage etc.
- A close and rigorous oversight mechanism should be put in place to adjust the Abstract Contingent Bills within the prescribed time schedule from the date of drawal of the amount. No AC bills should be allowed to be drawn till settlement of earlier outstanding bills.
- Internal Audit wings should be established in all the Government Departments so as to provide assurance for adequacy of control systems.

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