

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

UNSTARRED QUESTION NO:4589

ANSWERED ON:25.04.2005

EXTERNAL AUDIT TO CHECK CORRUPTION IN EMPLOYEES PROVIDENT FUND

Badiga Shri Ramakrishna;Ponnuswamy Shri E.

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether the Government proposes to introduce external audit to check corruption in the Employees Provident Fund;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the number of incidents of irregularities reported during each of the last three years and action taken against the officials found guilty?

**Answer**

MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO)

(a) & (b): Yes, Sir. The Chartered Accountants firms are being appointed to conduct audit of some of the selected offices. Office of Comptroller & Auditor General of India furnished a list of empanelled Chartered Accountants firms, which are being considered for appointment to audit five offices located in Delhi initially.

(c): Does not arise in view of (a) above.

(d): The total number of frauds/financial irregularities noticed in each of last 3 years is as under:-

Year    No. of cases

2002-03	03
2003-04	07
2004-05	07

So far, 33 officials have been placed under suspension. Major penalty proceedings were initiated against 22 officials and minor penalty proceedings against 16 officials. The matter has also been entrusted to the CBI/State Police Authorities/Vigilance Bureau for further investigation in 13 cases.