

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:3735  
ANSWERED ON:19.12.2005  
AUDIT OF EXPORT  
Singh Shri Prabhunath

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

referring to the reply given to Unstarred Question No. 3896 dated 22 August, 2005 regarding audit of export transactions and state:

- (a) the details of the special audit carried out by the internal audit units of the field offices of Food Corporation of India (FCI); and
- (b) the follow-up action taken thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION ( DR. AKHILESH PRASAD SINGH )

(a): The Special Audit for Export Sale was conducted by Regional Office Internal Audit Teams for the respective Regions during July-August, 2002 for the period 1.4.2001 to 31.3.2002 and a consolidated Internal Audit Report was issued to Import & Export Division on 1st November, 2002 for taking follow-up action by the concerned Regional Offices.

(b): The Special Internal Audit conducted in 2000-01 in respect of sale of wheat and rice for exports had observed certain procedural lapses and deviations, particularly with regard to the non-maintenance of contract-wise/party-wise records at the District Office/Regional Offices` level.

On receipt of observations of the Special Audit Report, all Senior Regional Managers were instructed to furnish their point-wise replies to the discrepancies pointed out by the Special Audit Report on 29.11.2002. Subsequently, verification of export documents was conducted at the District Office level by maintaining complete party-wise/quantity-wise records and all the transactions in respect of sale of food grains for export during 2001-02 have been tallied and reconciled and necessary recoveries/encashment of Bank Guarantees, etc. have been made, wherever warranted.

In the cases where major lapses on the part of exporters/PSUs like diversion of foodgrains/submission of forged documents were observed, cases were registered by the Central Bureau of Investigation besides black-listing of such exporters/PSUs by the Food Corporation of India.