

**Minutes of Entry Conference on the Performance Audit on
'Technology Upgradation Fund Scheme'**

An Entry Conference on 'Performance Audit on Technology Upgradation Fund Scheme' was held on 3rd September, 2014 at 3:00 PM, in Room No-162, Ministry of Textiles, Udyog Bhawan, New Delhi. The conference was chaired by Joint Secretary (TUFS), Ministry of Textiles. Textile Commissioner, Mumbai was also present in the conference. The list of participants is given in the *Annexure*.

The conference commenced with a welcome address by Joint Secretary (TUFS) to the members present in the conference. Emphasizing the importance of Textile sector, he stated that Textile Industry is second largest employer in India. Government is fully committed to modernise this sector through its various schemes including TUFS. Speaking on TUFS, he stated that TUFS is a key scheme of Ministry of Textiles which is mainly a bank led scheme. Since responsibility of implementing the scheme lies with the Banks i.e. checking of applications, processing of claims and reimbursing the subsidy amount to the beneficiaries, he requested representatives of Banks to extend maximum cooperation and give due time to the Audit Teams. The Joint Secretary (TUFS) requested the Principal Director of Audit to address the conference.

In the opening remarks, Principal Director of Audit, Economic and Service Ministries, New Delhi highlighted the purpose of the conference which is to inform the Ministry, O/o the Textile Commissioner (TxC), Mumbai and Nodal Agencies/Nodal Banks i.e. Financial Institutions about the audit objectives, audit methodology, audit criteria, audit sample, audit scope and most importantly the time-frame of the Performance Audit. He emphasized that a protocol for conduct of audit is to be set up including nomination of liaison officers, production of records, issuing of audit observations, time period for replies to be furnished and other logistic arrangements. He further reiterated that this conference is aimed at providing an opportunity to discuss the concerns of the Ministry, TxC and Financial Institutions on the subject matter.

Audit Team of Office of the Principal Director of Audit (ESM) made a brief presentation on Performance Audit on 'Technology Upgradation Fund Scheme'. It highlighted the purpose of Performance Audit, Mandate of C&AG for Performance Audit, reason for selection of TUFS for audit, audit scope, selected sample, audit objectives, audit methodology, sources of audit criteria, timeline for schedule of activities and area of cooperation required from all concerned. It was

622

clarified that Audit would cover the cases sanctioned between 01.04.2007 to 31.03.2014 (i.e. MTUFS and RTUFS only). It was also highlighted that Audit would be conducted in seven States (i.e. Andhra Pradesh, Gujarat, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Tamilnadu). Further, Audit will only be focusing on aspects related to implementation of TUFS in the branches. Audit Team stated that details of 4305 selected sample cases have already been communicated to the Ministry for providing names and addresses of Bank branches so that field Audit Teams in selected States can take up audit in bank branches. However, till date Ministry has provided details of only 1931 cases. In order to avoid further delay in commencement of Audit, the activity of audit is, therefore, being started with the available details of 1931 cases keeping in view the assurance of Ministry that the details of remaining cases will be provided by Mid of September 2014.

After presentation by the Audit Team, the Principal Director of Audit invited the participants to share their views.

It was stated by representative of banks that some cases are five to seven years old, thus tracing of files would be difficult in branches. The audit clarified that since the repayment period is normally seven years in most of the cases, files of these cases will normally be available in banks. When representative of few banks sought the branch details selected for Audit, it was stated by Audit Team that the details of sample cases have been already communicated to the Ministry.

Besides, representatives of some banks raised an issue that internal audit team of Ministry of Textiles has already audited a few cases of Scheme in some branches and asked whether those beneficiaries' accounts would also be taken up again for audit. In response, Joint Secretary (TUFS) and Principal Director of Audit assured that the beneficiaries' accounts already audited by the internal audit team of Ministry will not be taken up in this audit and for this, Ministry will upload the names of such beneficiaries' accounts on Ministry's website for information of all concerned.

Joint Secretary (TUFS) suggested to open a link/folder, namely, **TUFS Audit** on the website of the Ministry of Textiles where all details relating to Banks Nodal Coordinators, State-wise Bank Nodal Officers, details of sample cases, Minutes of Entry Conference etc. will be uploaded by

623

the Ministry, for easy accessibility of all the stakeholders. The idea of the Joint Secretary (TUFS) was welcomed by Principal Director of Audit.

Summing up the discussion, the Principal Director of Audit outlined the following action points:

1. Name and address of Branches of remaining sample cases should be provided to audit by Ministry by mid of September 2014.
2. The details of Coordinators and State-wise Nodal Officers, for smooth conduct of Audit, should immediately be communicated to the Audit by banks.
3. Entry Conferences will be held at the central level with HQs of the selected banks/ State level by State Audit Teams with concerned stakeholders and coordinators in which audit procedure in detail will be discussed.
4. All concerned are requested to provide full cooperation to audit.

Joint Secretary (TUFS) and the Textile Commissioner, Mumbai assured their full cooperation to Audit.

The meeting ended with a vote of thanks to the Chair.



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