

## II Summary of Audit Findings

### 1. Outline of “Audit findings by auditee”

The numbers and amounts of “Improprieties,” “Presented Opinions and Demanded Measures” and “Measures Taken” can be arranged by auditee as shown in the following table.

Table: Outline of audit findings by auditee and category (unit of amount, million YEN)

Auditee	Category		Improprieties		Presented Opinions and Demanded Measures (Note 1), (Note 2)		Measures Taken (Note 2)		Total (Note 2)	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Cabinet			(Note 3) (36) 2	(Note 3) (884.69)					(Note 3) 2	(Note 3) (884.69)
Cabinet (National Personnel Authority)			(Note 3) (36) 1	(Note 3) (8,927.34)					(Note 3) 1	(Note 3) 8,927.34
Cabinet Office (Cabinet main office)			(Note 4) (36) 1	(Note 4) (95.50)					(Note 4) 1	(Note 4) 95.50
Ministry of Internal Affairs and Communications	16	1,824.34	(36) 5	72,520.34 (11,488.35)					21	74,337.84 (11,488.35)
Ministry of Justice	6	115.11					2	113.88	8	228.99
Ministry of Foreign Affairs	1	10.92	(Note 5), (Note 9) (36) 2	(Note 5) 15.48 (648.35)			2	123.56	(Note 5), (Note 9) 5	(Note 5) 149.96 (648.35)
Ministry of Finance	1	235.14	(34) 1 (Note 4), (Note 6) (36) 6	1,188.51 (Note 4), (Note 6) 27,581.59			1	20.85	(Note 4), (Note 6) 9	(Note 4), (Note 6) 29,026.09
Ministry of Education, Culture, Sports, Science and Technology	17	155.30	(Note 9) (34) • (36) 1 (Note 9) (36) 2	47.32 (162.64) 25,659.30 (380,718.00)					(Note 9) 20	(Note 8) 25,858.54 (162.64) (380,718.00)
Ministry of Health, Labour and Welfare	153	4,652.23	(34) 2 (Note 9) (36) 8	127.71 7,715.70 (1,500.88) (76,540.25)			3	258.66	(Note 9) 166	(Note 8) 12,638.36 (1,500.88) (76,540.25)
Ministry of Agriculture, Forestry and Fisheries	(Note 7) 43	(Note 7) 1,541.83	(34) 3 (34) • (36) 1 (36) 5	1,944.49 63.88 18,619.76 (9,057.53)			6	24,086.37 (6,159.11) (36,124.99)	58	(Note 8) 46,242.69 (9,057.53) (6,159.11) (36,124.99)
Ministry of Economy, Trade and Industry	14	6,121.17	(Note 9) (34) • (36) 1 (Note 6) (36) 1	9,901.35 (48,007.14) (Note 6) 22,997.35					(Note 6), (Note 9) 16	(Note 6) 39,019.87 (48,007.14)
Ministry of Land, Infrastructure, Transport and Tourism	38	1,070.21	(Note 9) (34) 7 (34) • (36) 1 (36) 4	2,376.06 (217.44) (552.52) (902.98) (4,308.63) 25,728.07 (22,823.35) (620.63) (220,800)			3	201.60	(Note 9) 53	(Note 8) (29,314.02) (217.44) (552.52) (902.98) (4,308.63) (22,823.35) (620.63) (220,800)
Ministry of the Environment	16	199.77	(36) 1	(540.72)					17	740.49
Ministry of Defense	3	114.67	(34) 1 (36) 4	356.92 7,920.96 (746,414.28)			4	225.21	12	8,617.76 (746,414.28)
Japan Finance Corporation							1	146.25	1	146.25

Category Auditee	Improprieties		Presented Opinions and Demanded Measures (Note 1), (Note 2)		Measures Taken (Note 2)		Total (Note 2)	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	amount
Promotion and Mutual Aid Corporation for Private Schools of Japan	10	59.50	(34) 1	255.99			11	(Note 8) 303.70
Bank of Japan					2	2,226.68 (2,577.19)	2	2,226.68 (2,577.19)
Japan Racing Association			(34) 1 (36) 1	36.58 98.69			2	135.27
East Nippon Expressway			(36) 1	41.19	2	115.13	3	156.32
Central Nippon Expressway	3	1,828.43	(36) 1	71.05	2	84.00	6	1,983.48
West Nippon Expressway			(36) 1	74.53	2	49.60	3	124.13
Japan Health Insurance Association					1	64.80	1	64.80
Japan Pension Service	1	1.14	(34) 1	24.19			2	25.33
National Institute of Information and Communications Technology	1	4.55	(36) 1	(38,911.37)			2	4.55 (38,911.37)
National Institution For Youth Education					1	17.99	1	17.99
Food and Agricultural Materials Inspection Center	1	3.17					1	3.17
Fisheries Research Agency					1	73.86	1	73.86
Marine Technical Education Agency					1	476.53	1	476.53
National Printing Bureau					2	37.07	2	37.07
National Consumer Affairs Center of Japan			(36) 1	5,836.78			1	5,836.78
Agriculture & Livestock Industries Corporation	1	2.16					1	2.16
Northern Territories Issue Association					1	19.83	1	19.83
Japan International Cooperation Agency			(Note 5) (36) 2	(Note 5) 18.76			(Note 5) 2	(Note 5) 18.76
New Energy and Industrial Technology Development Organization	1	4.32			1	81.53	2	85.85
Japan Science and Technology Agency	1	10.56			1	319.61	2	330.17
Japan Society for the Promotion of Science	3	6.66					3	6.66
Japan Aerospace Exploration Agency			(36) 1	(165,794.78)			1	(165,794.78)
Japan Sport Council	1	11.90	(34) 1	33,604.97			2	33,616.87
Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers			(34) 2	1,114.35			2	1,114.35
Japan External Trade Organization					1	806.11	1	806.11

Auditee	Category		Presented Opinions and Demanded Measures		Measures Taken		Total	
	Improperities		(Note 1), (Note 2)		(Note 2)		(Note 2)	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Japan Railway Construction, Transport and Technology Agency	1	7.57					1	7.57
Japan Water Agency			(Note 9) (36) 1	8,001.92 (586.95)			(Note 9) 1	8,001.92 (586.95)
National Agency for Automotive Safety & Victim's Aid	1	4.79					1	4.79
Japan Oil, Gas and Metals National Corporation					1	14.62	1	14.62
Employment and Human Resources Development Organization	1	4.86					1	4.86
National Hospital Organization			(36) 1	6,728.56			1	6,728.56
Japan Agency for Marine-Earth Science and Technology					1	85.85	1	85.85
Center for National University Finance and Management			(36) 1	(515,254.31)			1	(515,254.31)
Organization for Small & Medium Enterprises and Regional Innovation	1	17.21			1	857.00	2	874.21
Urban Renaissance Agency			(Note 9) (36) 1	93,638.20 (1,601,900)	1	152.15	(Note 9) 2	93,790.35 (1,601,900)
Japan Atomic Energy Agency			(36) 1	83,085.25	1	113.39	2	83,198.64
Japan Housing Finance Agency			(36) 1	(6,217.08)			1	(6,217.08)
National Center for Child Health and Development			(34) 1	3,507.96			1	3,507.96
Tohoku University	1	44.66					1	44.66
Akita University	1	8.60					1	8.60
University of Tsukuba	1	4.74					1	4.74
Tokyo Medical and Dental University	1	14.30					1	14.30
Tokyo University of the Arts	1	7.07					1	7.07
Tokyo Institute of Technology	1	11.19					1	11.19
Kanazawa University	1	23.26					1	23.26
University of Yamanashi	1	4.15					1	4.15
Shinshu University	1	12.74					1	12.74
Nagoya University	1	9.60					1	9.60
Kyoto University	1	55.64					1	55.64
Osaka University	1	17.78	(34) 1	77.93			2	95.71
Kobe University	1	16.17					1	16.17
Shimane University	1	7.56					1	7.56
Hiroshima University	1	14.00					1	14.00
University of Tokushima	1	9.55					1	9.55
Kyushu University	1	73.76					1	73.76
Nagasaki University	1	16.83					1	16.83
Kumamoto University	1	8.45					1	8.45
Hanshin Expressway					1	48.00	1	48.00

Category Auditee	Improprieties		Presented Opinions and Demanded Measures (Note 1), (Note 2)		Measures Taken (Note 2)		Total (Note 2)	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Shoko Chukin Bank	1	25.00					1	25.00
Hokkaido Railway			(34) •(36) 1	860.79			1	860.79
Shikoku Railway			(34) 1	85.40			1	85.40
NTT East					2	289.34	2	289.34
NTT West					2	242.23	2	242.23
Japan Post Service			(36) 1	7,688.12	1	8.17	2	7,696.29
Japan Post Network	1	737.81			1	23.76	2	761.57
Japan Post Bank					1	123.90	1	123.90
Japan Nuclear Energy Safety Organization	1	3.30					1	3.30
Total	357	19,133.83	(Note 3), (Note 4); (Note 5), (Note 6); 81	479,179.56	53	31,507.53	(Note 3), (Note 4); (Note 5), (Note 6); 491	(Note 8) 529,607.42

(Note 1) Concerning the category “Presented Opinions and Demanded Measures,” the cases identified with (34) refer to audit findings under Article 34 of the Board of Audit Act, and the cases identified with (36) refer to those under Article 36.

(Note 2) The amounts in parentheses are background amounts, which are not totaled up since the basis for determining the background amounts differs from case to case.

(Note 3) Although one case involves both the Cabinet and the Cabinet (National Personnel Authority), the amount has been listed only in the column of the Cabinet (National Personnel Authority). In addition, duplication has been eliminated from the total number of cases.

(Note 4) Although one case involves both the Cabinet (Cabinet main office) and the Ministry of Finance, the amount has been listed only in the column of the Cabinet (Cabinet main office). In addition, duplication has been eliminated from the total number of cases.

(Note 5) Although two cases involve both the Ministry of Foreign Affairs and the Japan International Cooperation Agency, the amounts have been listed only in the column of the Ministry of Foreign Affairs or the Japan International Cooperation Agency. In addition, duplication has been eliminated from the total number of cases.

(Note 6) Although one case involves both the Ministry of Finance and the Ministry of Economy, Trade and Industry, the amount has been listed in the column of the Ministry of Economy, Trade and Industry. In addition, duplication has been eliminated from the total number of cases.

(Note 7) Because the Ministry of Agriculture, Forestry and Fisheries’ “Improprieties” include one case that has been listed in both “Service / Subsidies” and “Subsidies,” duplication has been eliminated from the total number and amount.

(Note 8) Some cases have been included in both “Improprieties” and “Presented Opinions and Demanded Measures”. They concern 1) grants for projects for regional human resource development and utilization of information-communication technology; 2) subsidies for encouragement to enter kindergarten; 3) medical benefits under the national health insurance scheme; 4) provision of medical treatment under the workers’ accident compensation insurance scheme; 5) state contributions to public assistance; and 6) grants for measures to strengthen agriculture and food industries; 7) sites for fishing port facilities; 8) regional housing model projects; 9) the project for supporting the

development of technology for reducing CO<sub>2</sub> emissions from ships; 10) grants for community development (land readjustment); and 11) subsidies for private universities' operating expenses. In addition, the following cases have been included in both "Improprieties" and "Measures Taken": 12) unemployment benefits under the employment insurance scheme; 13) special fund projects for emergency employment creation and hometown employment reproduction; 14) the project for smooth implementation of the farmland program; and 15) grants for measures to strengthen agriculture and food industries. Moreover, one case concerning 16) grants for measures to strengthen agriculture and food industries has been included in both "Presented Opinions and Demanded Measures" and "Measures Taken." Because the duplicate amount is eliminated in each of these cases, the sum total of the amounts in the cases is not the same as the figure entered in this space.

(Note 9) Nine cases categorized as "Presented Opinions and Demanded Measures" have both improper amounts and background amounts.

The titles and other details of the 491 cases can be summarized by category as in the following (1), (2) and (3):

**(1) Improprieties****(357 cases in total; 19,133.83 million yen)**

“Improprieties” can be divided into those related to revenues and those related to expenditures. Each of them can be further divided by category as shown below. With regard to the cases described herein as “Improprieties,” as well as cases for which appropriate measures or necessary measures for rectification and improvement are demanded as provided in Article 34 of the Board of Audit Act and cases where accounting transactions violate laws and regulations or are improper among the cases categorized as “Measures taken,” consideration will be given to demanding a disciplinary action as provided in Article 31 and adjudicating on liability for indemnity as provided in Article 32.

**A. Improprieties related to revenues****(34 cases in total; 2,382.48 million yen)**

Ministry or agency	Budgeting	Taxes	Insurance premiums	Properties	Illegal acts	Others	Total
	Cases	Cases	Cases	Cases	Cases	Cases	Cases
Ministry of Justice					2		2
Ministry of Foreign Affairs	1						1
Ministry of Finance		1					1
Ministry of Health, Labour and Welfare			2			5	7
Ministry of Agriculture, Forestry and Fisheries						1	1
Japan Pension Service					1		1
New Energy and Industrial Technology Development Organization				1			1
National Agency for Automotive Safety and Victims' Aid					1		1
Tohoku University	1						1
Akita University	1						1
Tsukuba University	1						1
Tokyo Medical and Dental University	1						1
Tokyo University of the Arts	1						1
Tokyo Institute of Technology	1						1
Kanazawa University	1						1
Yamanashi University	1						1
Shinshu University	1						1
Nagoya University	1						1
Kyoto University	1						1
Osaka University	1						1
Kobe University	1						1
Shimane University	1						1
Hiroshima University	1						1
Tokushima University	1						1
Kyushu University	1						1
Nagasaki University	1						1
Kumamoto University	1						1
Total	20	1	2	1	4	6	34

**(a) Budgeting****(20 cases; 371.02 million yen)****<Improper accounting>**

## ○ Ministry of Foreign Affairs

- Regarding returned money related to the Grant Aid for Japanese NGO's Projects, claims were not properly managed pursuant to accounting laws and regulations. (1 case; 10.92 million yen)

○ Tohoku University, Akita University, Tsukuba University, Tokyo Medical and Dental University, Tokyo University of the Arts, Tokyo Institute of Technology, Kanazawa University, Yamanashi University, Shinshu University, Nagoya University, Kyoto University, Osaka University, Kobe University, Shimane University, Hiroshima University, Tokushima University, Kyushu University, Nagasaki University, Kumamoto University

- Accounting of donations to individuals, such as teaching staff, was improper. (19 cases; 360.09 million yen)

**(b) Taxes (1 case; 235.14 million yen)**

**<Improper collection of taxes>**

○ Ministry of Finance

- There was an excess or deficiency in collected taxes. (1 case; 235.14 million yen)

**(c) Insurance premiums (2 cases; 1,656.75 million yen)**

**<Improper collection of insurance premiums>**

○ Ministry of Health, Labour and Welfare

- There was an excess or deficiency in collected labor insurance premiums. (1 case; 510.35 million yen)
- There was a deficiency in collected premiums of health insurance and welfare insurance. (1 case; 1,146.40 million yen)

**(d) Properties (1 case; 4.32 million yen)**

**< Deficiency in revenue from sales of properties >**

○ New Energy and Industrial Technology Development Organization

- Because a part of the properties acquired through joint research projects was not managed as jointly acquired properties, there was a deficiency in the revenue from the sales of properties when its share of jointly acquired properties was onerously transferred to a business operator. (1 case; 4.32 million yen)

**(e) Illegal acts (4 cases; 99.54 million yen)**

**<Embezzlement>**

○ Ministry of Justice

- Damage was caused by an official's illegal act. (2 cases; 93.60 million yen)

○ Japan Pension Service

- Damage was caused by an official's illegal act. (1 case; 1.14 million yen)

○ National Agency for Automotive Safety and Victims' Aid

- Damage was caused by an official's illegal act. (1 case; 4.79 million yen)

**(g) Others**

**(6 cases; 15.69 million yen)**

**<Improper collection of expenses related to insurance benefits>**

○ Ministry of Health, Labour and Welfare

- Regarding expenses necessary for payment of workers' accident compensation insurance, the portion to be collected from employers was not collected or expenses were unnecessarily collected from employees. (5 cases; 11.41 million yen)

**<Underestimated amount of repayment equivalent to the amount of state subsidies>**

○ Ministry of Agriculture, Forestry and Fisheries

- Regarding facilities constructed under the project for promoting the use of biomass, the amount of repayment equivalent to the amount of state subsidies due to the suspension of the use was underestimated. (1 case; 4.27 million yen)



**B. Improprieties related to expenditures (323 cases in total; 16,751.35 million yen)**

(Note)

Ministry or agency	Budgeting	Budgeting / Others	Construction	Properties	Services	Services/ Subsidies	Insurance benefits	Medical expenses	Subsidies	Loans	Illegal acts	Others	Total
	Cases	Cases	Cases	Cases	Cases		Cases	Cases	Cases	Cases	Cases	Cases	Cases
Ministry of Internal Affairs and Communications									10			6	16
Ministry of Justice	4												4
Ministry of Education, Culture, Sports, Science and Technology					1				16				17
Ministry of Health, Labour and Welfare			1		1		3	2	137			2	146
Ministry of Agriculture, Forestry and Fisheries						1	1		39			2	(Note) 42
Ministry of Economy, Trade and Industry					1				13				14
Ministry of Land, Infrastructure, Transport and Tourism	3		3						31		1		38
Ministry of the Environment									16				16
Ministry of Defense	1			1							1		3
Promotion and Mutual Aid Corporation for Private Schools of Japan									10				10
Central Nippon Expressway		1	1								1		3
National Institute of Information and Communications Technology					1								1
Food and Agricultural Materials Inspection Center				1									1
Agriculture & Livestock Industries Corporation									1				1
Japan Science and Technology Agency					1								1
Japan Society for the Promotion of Science									3				3
Japan Sport Council												1	1
Japan Railway Construction, Transport and Technology Agency			1										1
Employment and Human Resources Development Organization of Japan	1												1
Organization for Small & Medium Enterprises and Regional Innovation, JAPAN					1								1
Shoko Chukin Bank										1			1
Japan Post Network					1								1
Japan Nuclear Energy Safety Organization				1									1
Total	9	1	6	3	7	1	4	2	276	1	3	11	(Note) 323

(Note) Because one case is included in both “Services / Subsidies” and “Subsidies,” the duplication is eliminated from the total number and amount.

**(a) Budgeting**

**(9 cases; 326.98 million yen)**

**<Improper accounting>**

○ Ministry of Justice

- Although full-time doctors working for penal institutions, juvenile training facilities and etc. received permissions to conduct external trainings, they neither conducted external trainings nor worked during the regular working hours, and salaries were paid to doctors without reduction of salaries equivalent to the said working hours. (4 cases; 21.50 million yen)

○ Ministry of Land, Infrastructure, Transport and Tourism

- In a project for making an exhibition at the National Urban Greening Fair, exhibition facilities were established and installed in the preceding fiscal year without the conclusion of a disbursement contract, however, the said contract was concluded in the current fiscal year and the whole contract amount was paid from the current fiscal year's expenditure budget. (1 case; 40.00 million yen)
- Telecommunication expenses were paid through improper accounting, such as preparing false documents under fictitious contracts, in order to appropriate the said expenses for the unpaid money for the inspection and maintenance of wireless equipment carried out without the conclusion of a contract. (1 case; 11.43 million yen)
- Regarding a construction contract, although detailed design was outsourced to a consultant and already completed, the fee for the detailed design was paid to the contractor of the construction through improper accounting, such as preparing a false contract to the effect that the contractor should carry out the detailed design, on the ground that the Ministry was not able to secure budget for the fee. (1 case; 180.18 million yen)

○ Ministry of Defense

- Although the counterparty did not concluded a contract on the guarantee of advanced money with an insurance business operator, which was a requirement for the payment of advanced money under Public Accounting Act, etc., advanced money was paid for the replacement of parts of a floating pier. (1 case; 69.00 million yen)

○ Employment and Human Resources Development Organization of Japan

- Accounting was considerably improper. Because accounting of a provisional fund was not carried out properly and internal check did not function appropriately, cash was used for unknown purposes without proper record of payment. (1 case; 4.86 million yen)

**(b) Budgeting / Others (1 case; 1,764.07 million yen)**

**<Improper accounting and unreasonable accounting of subsidized projects>**

○ Central Nippon Expressway

- Regarding payment of compensation for damage caused by the New Tomei Expressway Construction Project, improper accounting had been made repeatedly, such as expenditure in spite of violations of contract provisions, and the contract amount was overpaid due to inappropriate calculation of compensation expenses. (1 case; 1,764.07 million yen)

**(c) Construction (6 cases; 427.63 million yen)**

**< Overpayment of outsourcing expenses >**

○ Ministry of Land, Infrastructure, Transport and Tourism

- Regarding a contract for outsourcing the earthquake-resistant design of bridges, because bridges for which earthquake-resistant design had already been carried out were included into the contract, the design cost was overestimated. (1 case; 6.34 million yen)

○ Japan Railway Construction, Transport and Technology Agency

- Consumption tax for an outsourced construction was calculated improperly. (1 case; 7.57 million yen)

**< Improper construction >**

○ Ministry of Land, Infrastructure, Transport and Tourism

- Because the structure of industrial waste disposal facilities that bury sludge produced in the dredging operation did not meet the standards specified in the Waste Disposal and Public Cleansing Act, the disposal by landfill in the said operation was not regarded as appropriate. (1 case; 289.45 million yen)

**< Inappropriate specifications >**

○ Ministry of Health, Labour and Welfare

- Regarding the installation of a multitubular small-type once-through boiler, because the specifications of the boiler were not examined carefully, the purpose of the installation was not attained. (1 case; 62.08 million yen)

**< Improper payment of construction expenses >**

○ Central Nippon Expressway

- Regarding the construction of the New Tomei Expressway, the payment of construction cost, which did not occur in reality, was made. (1 case; 47.56 million yen)

### < Improper design >

○ Ministry of Land, Infrastructure, Transport and Tourism

- Regarding the repair of a lighthouse patrol road, because the design was inappropriate, the required safety of fall prevention fences was not secured and the purpose of the repair work was not attained. (1 case; 14.61 million yen)

### (d) Properties

**(3 cases; 49.31 million yen)**

### < Inappropriate supervision and inspection >

○ Ministry of Defense

- Regarding the installation of palette boxes procured in order to reserve supplies for aircrafts, because the anchor bolts were not tightened appropriately, the earthquake safety required in the specifications was not secured. (1 case; 42.84 million yen)

### < Overestimation >

○ Japan Nuclear Energy Safety Organization

- Regarding a contract for procurement of radiation measuring instruments, because the cost of calibration was estimated in duplicate, the total price and the contract amount were overestimated. (1 case; 3.30 million yen)

### < Inappropriate description of specifications and inspection >

○ Food and Agricultural Materials Inspection Center

- Regarding the procurement of an ultra-centrifugal crusher, although the required specifications were not satisfied because of inappropriate specifications and inappropriate inspection for the completion confirmation of the procurement, the contract amount was paid. (1 case; 3.17 million yen)

### (e) Services

**(7 cases; 6,251.80 million yen)**

### <Overpayment of outsourcing expenses>

○ Ministry of Education, Culture, Sports, Science and Technology

- Regarding an outsourced project for promoting the special training of next-generation athletes because unpaid wages were included in subcontract expenses, the outsourcing expenses were overpaid. (1 case; 3.87 million yen)

○ Ministry of Health, Labour and Welfare

- Regarding the implementation of an assistance project to secure the employment of dock workers, because personnel expenses for employees engaged in operations which were not related to the commission were included, the outsourcing expenses were overpaid.  
(1 case; 26.67 million yen)

**<Difficulty in attaining the purpose of contract>**

○ Ministry of Economy, Trade and Industry

- Regarding the establishment of basic management system in the Japan Patent Agency, because the ordering party failed in managing the project sufficiently, there has been difficulty in attaining the expected purpose.  
(1 case; 5,451.09 million yen)

**<Improper examination>**

○ Japan Post Network

- Regarding an entrustment contract for the security and transport of cash between post offices, the outsourcing expenses was paid without conducting examination and confirmation of the contractor's causality insurance subscription and compensation framework, or compensation for damage suffered due to incidents were not paid immediately. (1 case; 737.81 million yen)

**<Improper inspection>**

○ Organization for Small and Medium Enterprises and Regional Innovation, JAPAN

- Regarding a contract to provide tenants with assistance and to manage facilities, because the completion confirmation of the outsourced work was not inspected properly, the contract amount was fully paid in spite of the fact that the work was not conceded on some working days specified in the specifications.  
(1 case; 17.21 million yen)

**<Improper accounting of outsourcing expenses>**

○ Japan Science and Technology Agency

- Accounting of the outsourcing expenses for the creation and promotion of venture companies program in universities was improper.  
(1 case; 10.56 million yen)

**<Overvalued contracts>**

○ National Institute of Information and Communications Technology

- Regarding a contract to provide assistance in measuring radio waves from mobile phones and the like, the contract amount was overpaid because the amount was not changed appropriately in spite of a change in the work specified in the specifications. (1 case; 4.55 million yen)

**(f) Services / Subsidies (1 case; 422.14 million yen)**

**<Overpayment of outsourcing expenses and improper implementation and accounting of subsidized projects>**

○ Ministry of Agriculture, Forestry and Fisheries

- Regarding outsourcing projects and subsidized projects, because personnel expenses were not calculated based on the actual amount of salaries paid to employees, the outsourcing expenses and subsidies were overpaid. (1 case; 422.14 million yen)

**(g) Insurance benefits (4 cases; 790.95 million yen)**

**<Improper payment of insurance benefits>**

○ Ministry of Health, Labour and Welfare

- Unemployment benefits were not properly paid according to the employment insurance scheme. (1 case; 63.17 million yen)
- Employment adjustment subsidies were not properly paid according to the employment insurance scheme. (1 case; 691.21 million yen)
- Old-age pension benefits were not properly paid according to the employees' pension insurance scheme. (1 case; 31.13 million yen)

○ Ministry of Agriculture, Forestry and Fisheries

- Insurance benefits were not paid properly under the agricultural disaster compensation system. (1 case; 5.42 million yen)

**(h) Medical expenses (2 cases; 518.73 million yen)**

**<Overpayment of medical expenses>**

○ Ministry of Health, Labour and Welfare

- State's medical expenses was improper. (1 case; 491.34 million yen)
- Medical expenses for compensation benefit under the workers' accident compensation insurance scheme were overpaid. (1 case; 27.38 million yen)

**(i) Subsidies**

**(276 cases; 5,927.31 million yen)**

**<Improper execution of subsidized projects and improper accounting>**

○ Ministry of Internal Affairs and Communications

- Grants for training and utilization of telecommunications regional human resources were overpaid. (1 case; 6.84 million yen)
- Projects financed by grants for training and utilization of telecommunications regional human resources (visual utilization type) were planned improperly. (5 case; 1,381.27 million yen)
- Subsidies to support the dissemination of wireless systems were overpaid. (4 cases; 326.58 million yen)

○ Ministry of Education, Culture, Sports, Science and Technology

- Subsidies for promotion of the afterschool child care plan (the portion related to the promotion of the afterschool child lessons) were overpaid. (3 cases; 10.02 million yen)
- Subsidies for encouragement to enter kindergarten were overpaid. (1 case; 3.38 million yen)
- Grants for uncollected tuition fees of public high schools were overpaid. (1 case; 3.52 million yen)
- State contributions to compulsory education expenses were overpaid. (4 cases; 23.76 million yen)
- Subsidies for establishment of private schools facilities (establishment of multimedia systems) were overpaid. (1 case; 1.10 million yen)
- Subsidies for establishment of private schools facilities (establishment of facilities to improve the disaster prevention function) were overpaid. (2 cases; 49.60 million yen)
- Subsidies for regional science and technology promotion were overpaid. (1 case; 1.17 million yen)
- Subsidies for promotion of sports in private sector were overpaid. (1 case; 43.98 million yen)
- Subsidies for maintenance of national treasures and important cultural properties were overpaid. (2 cases; 14.85 million yen)

○ Ministry of Health, Labour and Welfare

- Subsidies for medical benefits under the national health insurance scheme were overpaid.  
(5 cases; 227.37 million yen)
- Contributions to medical benefits under the national health insurance scheme were overpaid.  
(54 cases; 671.42 million yen)
- Subsidies for financial adjustment under the national health insurance scheme were overpaid.  
(25 cases; 292.76 million yen)
- Grants for measures to support the development of the next generation such as support to families were overpaid.  
(1 case; 3.84 million yen)
- Contributions to childcare expenses were overpaid. (11 cases; 42.15 million yen)
- Contributions to public assistance were overpaid. (13 cases; 46.97 million yen)
- Contributions to expenses (such as benefits) for disabled children's facilities were overpaid.  
(2 cases; 29.17 million yen)
- Contributions to benefits for self-reliance support for disabled people were overpaid.  
(1 case; 1.49 million yen)
- Grants for local support projects were overpaid. (6 cases; 27.70 million yen)
- Grants for ordinary adjustment of long-term care insurance were overpaid.  
(13 cases; 69.56 million yen)
- Subsidies for scientific research funds on health, welfare and labor were overpaid.  
(1 case; 5.51 million yen)
- Funds created with temporary special grants for emergency employment creation and grants for hometown employment were used for purposes other than the original intent.  
(5 cases; 42.12 million yen)

○ Ministry of Agriculture, Forestry and Fisheries

- Projects were not eligible for subsidies. (13 cases; 290.22 million yen)
- The costs of subsidized projects were adjusted excessively. (11 cases; 525.95 million yen)



- Construction was designed inappropriately. (6 cases; 68.52 million yen)
  - Projects were not carried out fully or were not eligible for subsidies. (2 cases; 228.23 million yen)
  - The purpose of subsidization was not achieved. (2 cases; 39.79 million yen)
  - Subsidies were received excessively. (2 cases; 2.32 million yen)
  - Subsidies were used for purposes other than the original intent. (1 case; 2.18 million yen)
  - Equipment was designed inappropriately. (1 case; 1.74 million yen)
  - Subsidies were calculated inappropriately. (1 case; 1.23 million yen)
- Ministry of Economy, Trade and Industry
- The costs of subsidies projects were adjusted excessively. (5 cases; 25.85 million yen)
  - Subsidies were received excessively. (2 cases; 118.60 million yen)
  - Subsidies were used for purposes other than the original intent. (2 cases; 4.95 million yen)
  - The purpose of subsidization was not achieved. (1 case; 500 million yen)
  - A project was not eligible for subsidies. (1 case; 12.98 million yen)
  - Construction was designed inappropriately. (1 case; 6.40 million yen)
  - Outsourcing expenses were overestimated. (1 case; 1.27 million yen)
- Ministry of Land, Infrastructure, Transport and Tourism
- Projects were not eligible for subsidies or the amount of subsidies exceeded the limit. (9 cases; 33.34 million yen)
  - Construction was designed inappropriately. (6 cases; 257.51 million yen)

- Subsidies were received excessively. (6 cases; 27.40 million yen)
  - Projects were not eligible for subsidies. (3 cases; 103.41 million yen)
  - Subsidies were calculated inappropriately. (3 cases; 57.18 million yen)
  - Subsidies were used for purposes other than the original intent. (2 cases; 14.47 million yen)
  - Subsidies were calculated inappropriately and the project was not eligible for subsidies. (1 case; 6.14 million yen)
  - Disposal of assets acquired by the subsidized project was improper. (1 case; 3.15 million yen)
- Ministry of the Environment
- Funds created by subsidies were used inappropriately. (8 cases; 40.32 million yen)
  - Projects were not eligible for subsidies. (3 cases; 92.73 million yen)
  - Subsidies were received excessively and the project was not eligible for subsidies. (1 case; 48.23 million yen)
  - Subsidies were used for purposes other than the original intent. (1 case; 7.45 million yen)
  - Subsidies were calculated inappropriately. (1 case; 5.25 million yen)
  - The cost of a subsidized project was overestimated. (1 case; 4.59 million yen)
  - Subsidies were received excessively. (1 case 1.17 million yen)
- Promotion and Mutual Aid Corporation for Private Schools of Japan
- Accounting of subsidies for private universities' current expenses was improper. (10 cases; 59.50 million yen)
- Agriculture & Livestock Industries Corporation
- Regarding an emergency support project for improving the livestock self-sufficiency capacity, subsidies were paid for purchase of machinery, which was not eligible for subsidies. (1 case; 2.16 million yen)

○ Japan Society for the Promotion of Science

- Accounting of subsidies for scientific research was improper. (3 cases; 6.66 million yen)

**(j) Loans (1 case; 25.00 million yen)**

**<Improper accounting of loans>**

○ Shoko Chukin Bank

- Because examination and confirmation were not conducted sufficiently, funds were loaned to a person who did not implement a project. (1 case; 25.00 million yen)

**(k) Illegal acts (3 cases; 45.17 million yen)**

**<Embezzlement>**

○ Ministry of Land, Infrastructure, Transport and Tourism

- Damage was caused by an official's illegal act. (1 case; 25.55 million yen)

○ Ministry of Defense

- Damage was caused by an official's illegal act. (1 case; 2.83 million yen)

○ Central Nippon Expressway

- Damage was caused by an official's illegal act. (1 case; 16.78 million yen)

**(l) Others (11 cases; 256.30 million yen)**

**<Improper payment of allocation taxes>**

○ Ministry of Internal Affairs and Communications

- Special local allocation taxes were overpaid because the expenses which were not eligible were included. (6 cases; 109.64 million yen)

**<Overpayment of long-term care benefits>**

○ Ministry of Health, Labour and Welfare

- Contribution to long-term care benefits was unreasonable. (1 case; 119.58 million yen)
- State contribution to expenses for long-term care benefits with self-reliance support and expenses for training allowances as payment for services and supports for persons with disabilities was improper. (1 case; 11.32 million yen)

### <Overpayment of grants>

○ Ministry of Agriculture, Forestry and Fisheries

- Grants for compensation of income of field crops farmers and rice farmers under the individual income compensation scheme were overpaid. (2 cases; 3.84 million yen)

### <Improper accounting of subsidies>

○ Japan Sport Council

- Accounting of subsidies for sports promotion projects was improper. (1 case; 11.90 million yen)

**(2) Presented Opinions and Demanded Measures (81 cases in total)**

**A. Cases to which Article 34 of the Board of Audit Act applies (23 cases)**

**(a) Case for which the Board demanded appropriate measures (1 case)**

○ Ministry of Agriculture, Forestry and Fisheries

- The Board demanded appropriate measures for the Ministry to secure fairness among implementing bodies and use State funds efficiently by encouraging prompt transfer of the amount equivalent to the State subsidies that have still not be transferred to the State Treasury even after the completion of the livestock raising promotion project. (1 case; improper amount: 1,104.32 million yen)

**(b) Cases for which the Board demanded appropriate measures and necessary measures for rectification and improvement (4 cases)**

○ Ministry of Finance

- The Board demanded appropriate measures and necessary measures for rectification and improvement for the Ministry to determine the amount of tax immediately and manage it as a credit through amended return or correction when an error was found by post clearance audits on import. (1 case; improper amount: 1,188.51 million yen)

○ Ministry of Land, Infrastructure, Transport and Tourism

- Regarding the establishment and management of a roadside station, the Board demanded appropriate measures and necessary measures for rectification and improvement for the Ministry to construct and manage roadside stations appropriately by clarifying which facilities such as the resting facilities should be constructed by the road administrator and determining how expenses should be shared by the administrator and the owner. (1 case; improper amount: 51.66 million yen; background amount: 902.98 million yen)

○ Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers

- The Board demanded appropriate measures and necessary measures for rectification and improvement for the Organization to appropriately grasp the losses incurred by the cancellation and manage the losses as credit as well as properly carry out procedures, as provided in the notice, for the cancellation of lease contracts with rent delinquents of employment promotion housing. (1 case; improper amount: 853.92 million yen)
- Regarding the operations related to payment for employment of disabled persons, the Board demanded appropriate measures and necessary measures for rectification and improvement that in order to properly provide employment adjustment money for disabled persons, the Organization should promptly carry out measures, such as requests for repayment of employment adjustment money paid excessively due to wrong calculation of the number of disabled employees, inform the employers how the working hours should be treated and effectively examine payment applications. (1 case; improper amount: 260.43 million yen)

**(c) Cases for which the Board demanded necessary measures for rectification and improvement (18 cases)**

○ Ministry of Health, Labour and Welfare

- Regarding the public welfare scheme, the Board demanded necessary measures for rectification and improvement that in order for livelihood assistance and other benefits to be paid properly, the Ministry should establish a system for confirming the income by examining the eligibility for special child dependent's allowances. (1 case; improper amount: 71.68 million yen)
- Regarding the medical care insurance, the Board demanded necessary measures for rectification and improvement for the Ministry to properly make adjustment between medical benefits and long-term care benefits by inspecting receipts effectively by the use of information on collation with long-term care insurance. (1 case; improper amount: 56.03 million yen)

○ Ministry of Agriculture, Forestry and Fisheries

- Regarding the management of credits produced from the National Forest Management Special Account, the Board demanded necessary measures for rectification and improvement for the Ministry to appropriately implement the credit management by clarifying the range of operations carried out by the forest administration bureaus and the forest stations and establishing a system whereby the situation and details of the credit management could be grasped accurately. (1 case; improper amount: 826.96 million yen)
- The Board demanded necessary measures for rectification and improvement for the Ministry to appropriately treat consumption tax on subsidized projects by receiving reports on the current status of tax credit for consumption tax on purchase, which was included in the expenses for the subsidized projects, after a certain period from the determination on the amount of State subsidies. (1 case; improper amount: 13.21 million yen)

○ Ministry of Land, Infrastructure, Transport and Tourism

- The Board demanded necessary measures for rectification and improvement for the Ministry to appropriately treat consumption tax on subsidized projects by receiving reports on the current status of tax credit for consumption tax on purchase, which was included in the expenses for the subsidized projects, after a certain period from the determination on the amount of State subsidies. (1 case; improper amount: 31.21 million yen)
- Regarding a subsidized project for establishment of wooden housing, the Board demanded necessary measures for rectification and improvement for the Ministry to appropriately issue subsidies by clarifying the contents to be included in the completion and performance report and the items to be covered by the subsidies. (1 case; improper amount: 102.57 million yen)
- Regarding the project for improvement of river environment, the Board demanded necessary measures for rectification and improvement for the Ministry to achieve full effects from the project by sufficiently examining the project plan and carrying out appropriate maintenance after the implementation of the project. (1 case; improper amount: 2,049.43 million yen; background amount: 217.44 million yen)
- Regarding the design of pocket-shaped falling rock prevention nets, the Board demanded necessary measures for rectification and improvement for the Ministry to design the nets appropriately by clarifying how to calculate the possible amount of energy to be absorbed. (1 case; background amount: 552.52 million yen)
- Regarding the settlements under outsourcing contracts concluded by Regional Development Bureaus, the Board demanded necessary measures for rectification and improvement for the Ministry to carry out accounting appropriately by specifying the settlement method for outsourcing fees in the contracts. (1 case; improper amount: 38.49 million yen)
- Regarding the dredging work, the Board demanded necessary measures for rectification and improvement for the Ministry to estimate the dredging work cost appropriately by making the actual situation of the operation of the accompanying workboat reflected in the cost estimation standards. (1 case; improper amount: 102.70 million yen)

○ Ministry of Defense

- Regarding the calculation of target prices for contracts on the lease of computers, etc., the Board demanded necessary measures for rectification and improvement for the Ministry to make the monthly payment appropriate by fully checking the appropriateness of the standard prices entered in the price certificates and other documents submitted by possible bidders. (1 case; improper amount: 356.92 million yen)

○ Promotion and Mutual Aid Corporation for Private Schools of Japan

- Regarding the tuition fee exemption for privately funded foreign students, the Board demanded necessary measures for rectification and improvement for the Corporation to enact rules specifying standards for selecting foreign students who need exemption due to financial difficulties so that subsidies for private universities' operating expenses (special subsidies for exemption from tuition fees) could be issued according to the purpose of the system.  
(1 case; improper amount: 255.99 million yen)

○ Japan Racing Association

- The Board demanded necessary measures for rectification and improvement for the Association to reduce the expenses for contracts on taxis for jockeys by limiting to the cases which were considered necessary for securing the fairness of racing.  
(1 case; improper amount: 36.58 million yen)

○ Japan Pension Service

- Regarding the weighing instruments for postal charge installed in each pension office, the Board demanded necessary measures for rectification and improvement for the organization to improve postal operations efficiently by securing the achievement of the effect of its installation, such as reviewing the limited use of instruments.  
(1 case; improper amount: 24.19 million yen)

○ Japan Sport Council

- Regarding the contracts on betting operations for sports promotion, the Board demanded necessary measures for rectification and improvement for the Council to secure the properness and transparency of the operations by carrying out contract affairs according to appropriate procedures based on accounting rules and establishing a system for clarifying the appropriateness of payment under the contracts.  
(1 case; improper amount: 33,604.97 million yen)

○ National Center for Child Health and Development

- Regarding the purchase of goods by the use of public research expenses, the Board demanded necessary measures for rectification and improvement for the Center to carry out accounting of public research expenses properly by strictly complying with the internal rules and having persons other than the researchers order goods.  
(1 case; improper amount: 3,507.96 million yen)

○ Osaka University

- Regarding the conclusion of a contract on lease of facilities for installation of vending machines and a school store on the campus, the Board demanded necessary measures for rectification and improvement for the University to secure competitiveness and transparency and receive appropriate profits by reviewing the method and contents of the contract.  
(1 case; improper amount: 77.93 million yen)

○ Shikoku Railway Company

- Regarding the regular inspection of railway vehicles under an outsourcing contract, the Board demanded necessary measures for rectification and improvement for the Company to carry out the inspection according to the inspection standards, and record and reported appropriately.  
(1 case; improper amount: 85.40 million yen)

**B. Cases to which Articles 34 and 36 of the Board of Audit Act apply (5 cases)**

**(a) Case for which the Board demanded necessary measures for rectification and improvement under the Article 34 of the Board of Audit Act and presented opinions and demanded measures under the Article 36 thereof (1 case)**

○ Ministry of Economy, Trade and Industry

- Regarding the project for supporting small and midsize manufacturers' development of products, the Board demanded necessary measures for rectification and improvement for the Ministry to establish a system for appropriately monitoring the effect of the project and promote appropriate applications for using the subsidized tools for actual production. In addition, the Board demanded measures for the Ministry that appropriate payment of revenues should be secured and presented opinions that the examination on the above application for approval should be appropriately conducted.  
(1 case; improper amount: 9,901.35 million yen; background amount: 48,007.14 million yen)

**(b) Case for which the Board demanded appropriate measures and necessary measures for rectification and improvement under the Article 34 of the Board of Audit Act and demanded measures under Article 36 thereof (4 cases)**

○ Ministry of Education, Culture, Sports, Science and Technology

- Regarding the calculation of subsidized expenses for prefectural and municipal projects for encouragement to enter kindergarten, the Board demanded necessary measures for rectification and improvement that the Ministry should determine income levels according to the amount of local tax on income basis before the application of tax reduction for housing and appropriately identify support obligors whose amounts of taxes on income basis should be added up. In addition, the Board demanded measures that the Ministry should apply the amount equivalent to the maximum limit of national subsidies to kindergarteners leaving kindergarten midway according to the number of months for which childcare fees were paid.  
(1 case; improper amount: 47.32 million yen; background amount: 162.64 million yen)

○ Ministry of Agriculture, Forestry and Fisheries

- Regarding the grants for income compensation for the use of paddy fields, the Board demanded measures for the Ministry that information on farmland not covered by the grants should be used for checking the acreage for each target crop to issue the grants appropriately. In addition, the Board demanded necessary measures for rectification and improvement that the method of confirming whether grant applicants are eligible recipients should be specified in the guidelines.  
(1 case; improper amount: 63.88 million yen)



○ Ministry of Land, Infrastructure, Transport and Tourism

- Regarding the regulation of special vehicles by the use of an automatic weighing system, the Board demanded necessary measures for rectification and improvement for the Ministry that the weight measuring system should be inspected appropriately. In addition, the Board demanded measures that instructions and warnings should be appropriately issued to companies violating the regulation. (1 case; background amount: 4,308.63 million yen)

○ Hokkaido Railway Company

- Regarding the regular inspection and repair of railway vehicles, the Board demanded measures for the Company that the inspection and repair should be carried out according to the standards, the results should be appropriately recorded, and the vehicle system for the maintenance of vehicles should be used effectively, and demanded necessary measures for rectification and improvement that the results of inspections of vehicle parts under outsourcing contracts should be appropriately recorded and reported. (1 case; improper amount: 860.79 million yen)

**C. Cases to which Article 36 of the Board of Audit Act applies (53 cases)**

**(a) Presented opinions (31 cases)**

○ Cabinet

- Regarding the outsourcing contracts on the research and development of an information-gathering satellite, the Board presented opinions that in order to carry out effective examination for the determination of a contract amount, the Cabinet should execute the budget more properly by establishing guidelines and monitoring the actual status of operations. (1 case; background amount: 884.69 million yen)

○ Cabinet Office and Cabinet (National Personal Authority)

- Regarding the operations and systems related to personnel and salaries, the Board presented opinions that the Cabinet Office and the Cabinet should continue efforts to improve them and manage them stably through promotion of coordination with the participating government offices and realize the effect of the optimization through fully sharing information with the participating government offices and supporting the transition to the new system. (1 case; improper amount: 8,927.34 million yen)

[This case was reported to the Diet and the Cabinet on October 17, 2012 in accordance with the provision of Article 30-2 of the Board of Audit Act.]

○ Cabinet Office (Cabinet main office) and Ministry of Finance

- Regarding Okinawa Development Finance Corporation's loan for the promotion of energy saving, the Board presented opinions that the Cabinet Office and the Ministry should

appropriately review the system such as inspecting the effect of energy saving at the facilities covered by the loan in order to make the loan effective in accordance with the system's purpose of promoting energy saving. (1 case; improper amount: 95.50 million yen)

○ Ministry of Internal Affairs and Communications

- Regarding the disposition of earnings by the Management Organization for Postal Savings and Postal Life Insurance, the Board presented opinions that the Ministry should make the Organization promptly monitor the amount of the earnings not needed to be retained for providing its services and transfer the earnings to the State Treasury, consider the ideal way of transfer to the State Treasury in coordination with the related agencies, and establish an appropriate system that could make it possible to transfer retained earnings to the State Treasury not only at the end of the period for the mid-term goal but also on a timely basis. (1 case; improper amount: 60,716.92 million yen)

- Regarding the contract on research and development for expansion of radio wave resources, the Board presented opinions that the Ministry should make budget execution more proper by strengthening inspection for the determination of the contract amount and stipulating provisions on penalty charges in the contract. (1 case; background amount: 11,488.35 million yen)

- Regarding the tuners procured during a project for subsidizing expenses for receivers, one of the projects for establishing environments for terrestrial digital television broadcasting, the Board presented opinions that the Ministry should appropriately manage the tuners which were sent to the same household twice and then returned, and effectively use those tuners excessively kept in stock. (1 case; improper amount: 562.24 million yen)

○ Ministry of Foreign Affairs and Japan International Cooperation Agency

- The Board presented opinions that the effect of ODA should fully emerge. (1 case; improper amount: 15.48 million yen; background amount: 648.35 million yen)
- The Board presented opinions that expenses should be reduced through exemption from value-added tax under technical cooperation agreements in order to provide technical cooperation economically. (1 case; improper amount: 18.76 million yen)

○ Ministry of Finance

- Regarding the special taxation measures related to capital gains from transfer of inherited property, the Board presented opinions that, given that the circumstances surrounding the measures have greatly changed, the Ministry should examine whether the measures are functioning effectively and fairly, and consider making them more appropriate according to the original purpose of adjusting the balance of burden between inheritance tax and income tax. (1 case; improper amount: 11,779.69 million yen)

- Regarding the carry-over of expenditure budget, the Board presented opinions that the Ministry should conduct the carry-over without deviating from the purpose of the system by establishing procedures that enable ex-post inspection as to whether the carried-over expenditure budget was executed according to the purpose of the system.  
(1 case; improper amount: 13,434.75 million yen)

○ Ministry of Finance and Ministry of Economy, Trade and Industry

- Regarding the Japan Finance Corporation's loan program related to the promotion of energy saving, the Board presented opinions that the Corporation should provide loans effectively according to the purpose of promoting energy saving by reviewing the program, such as appropriately reviewing the effect of energy saving in the facilities to which loans were to be provided.  
(1 case; improper amount: 22,997.35 million yen)

○ Ministry of Education, Culture, Sports, Science and Technology

- The Board presented opinions that the Ministry should consider effectively using the sports promotion funds created as investment type funds by the Japan Sport Council.  
(1 case; improper amount: 25,000 million yen)

[This case was reported to the Diet and the Cabinet on September 27, 2012 in accordance with the provision of Article 30-2 of the Board of Audit Act.]

○ Ministry of Health, Labour and Welfare

- Regarding the subsidies for promoting improvement of working time arrangements and a related program, the Board presented opinions that the Ministry should establish a system for accurately monitoring the outcome whether the outcome index for measuring the effects of the policies is properly evaluated in each case. The Board also presented opinions that the Ministry should carry out follow-up from time to time to provide appropriate support if needed after the payment of the subsidies. (1 case; background amount: 1,500.88 million yen)
- Regarding the system of suspending the payment of pension benefits due to an accident caused by a third party, the Board presented opinions that the Ministry should consider measures so that received amount both from the payment of pension benefits and the damages claimed from the third party should not become too large.  
(1 case; improper amount: 288.05 million yen)
- Regarding the retained earnings produced from the operation of the Safety and Health Education Centers, which has been outsourced to the Japan Industrial Safety and Health Association, the Board presented opinions that the Ministry should concretely consider reducing the retained earnings to an appropriate amount and have the Association transfer the excess to the State Treasury.  
(1 case; improper amount: 616.58 million yen)

○ Ministry of Agriculture, Forestry and Fisheries

- Regarding the establishment of wooden public facilities and biomass facilities using wood under the forest improvement acceleration and forestry revitalization project, the Board presented opinions that the Ministry should carry out a cost-benefit analysis appropriately through clarification of the calculation method of the analysis, which was a requirement for the adoption of the project. (1 case; background amount: 9,057.53 million yen)
- Regarding the future utilization of sites for fishing port facilities according to the decrease in the number of persons engaging in fisheries, the Board presented opinions that the Ministry should consider new forms of utilization, such as expansion of private businesses' utilization and simplification of utilization procedures. (1 case; improper amount: 1,437.93 million yen)

○ Ministry of Land, Infrastructure, Transport and Tourism

- The Board presented opinions that, to secure important airports' functions necessary in case of the occurrence of a great earthquake, the Ministry should take measures for improving the earthquake resistance of the airport facilities, the airway facilities, the airway control facilities in the important airports and measures for improving relevant procedures responding to the earthquake. (1 case; background amount: 22,823.35 million yen)

○ Ministry of Defense

- Regarding the contracts for procuring defense equipment and services such as its repair, the Board presented opinions that the Ministry should take measures to execute budgets more appropriately by reviewing the methods for system surveys and cost audits conducted by the Ministry. (1 case; background amount: 746,414.28 million yen)
- Regarding the expenses for outsourcing the maintenance of T-7 basic training airplanes, the Board presented opinions that the Ministry should make efforts to have the proposals presented in the overall-greatest value evaluation reflected in future contracts appropriately to contribute to more economic and efficient use of expenses. (1 case; improper amount: 1,825.76 million yen)

[This case was reported to the Diet and the Cabinet on September 27, 2012 in accordance with the provision of Article 30-2 of the Board of Audit Act.]

- Regarding the project for broadcast reception near defense facilities, the Board presented opinions that the Ministry should fully secure transparency concerning the reasons for issuing subsidies by examining whether the influence of airplane noise on TV broadcasting was reflected and review the criteria for designating affected areas. (1 case; improper amount: 5,530.41 million yen)

○ East Nippon Expressway, Central Nippon Expressway, West Nippon Expressway

- The Board presented opinions that the Companies should take measures to reduce the expenses for procuring ETC corporate cards, such as consideration of a method for using the cards efficiently by extending the period for exchange.

3 cases; improper amount:	41.19 million yen (East Nippon Expressway)
	71.05 million yen (Central Nippon Expressway)
	74.53 million yen (West Nippon Expressway)

○ National Institute of Information and Communications Technology

- Regarding the contracts on research and development concerning information-gathering satellites, the Board presented opinions that the Institute should take measures to execute budgets more appropriately by examining the method for surveys, and improving and strengthening cost audits. (1 case; background amount: 38,911.37 million yen)

○ Japan Aerospace Exploration Agency

- Regarding the contracts on research and development concerning artificial satellites, the Board presented opinions that the Institute should take measures to execute budgets more appropriately by making surveys and cost audits function more effectively. (1 case; background amount: 165,794.78 million yen)

○ Center for National University Finance and Management

- Regarding the loan and grant projects concerning the construction of national universities' facilities, the Board presented opinions that the Center should transfer both projects appropriately to a corporation to be newly established by reviewing the examination standards for loan projects and fully examining the method for allocating repairing expenses and prospects for financial sources for grant projects. (1 case; background amount: 515,254.31 million yen)

○ Urban Renaissance Agency

- Regarding the new town construction project, the Board presented opinions that the Agency should systematically and accurately make efforts to complete the project by considering measures for generating demand for land not disposed of for a long time and by endeavoring to improve the preciseness of the calculation of current land prices. (1 case; improper amount: 93,638.20 million yen; background amount: 1,601,900 million yen)

○ Japan Atomic Energy Agency

- Regarding the research and development on the fast-breeder reactor, "Monju", the Board presented opinions that the Agency should increase transparency of the research by timely monitoring research and development expenses and announcing those expenses publicly, and utilize the related usable facilities. (1 case; improper amount: 83,085.25 million yen)

[This case was reported to the Diet and the Cabinet on November 29, 2011 in accordance with the provision of Article 30-2 of the Board of Audit Act.]

○ Japan Housing Finance Agency

- The Board presented opinions that the Agency should appropriately conduct examinations concerning housing loan credits under the securitization support project, thereby contributing to prevention of occurrence of improper cases and early arrears cases.  
(1 case; background amount: 6,217.08 million yen)

○ Japan Post Service Company

- Regarding the management of the home delivery service, the Board presented opinions that the Company should reduce the outsourcing cost by constantly monitoring the loading ratio of the outsourced delivery and efficiently manage the delivery service by utilizing the remaining space.  
(1 case; improper amount: 7,688.12 million yen)

**(b) Presented opinions and demanded measures (4 cases)**

○ Ministry of Finance

- Regarding the proof coin sets, the Board demanded measures that the Ministry should set the selling price in order that expenditures from the general account would be equivalent to or less than the cost of manufacturing normal coins for circulation and presented opinions that, when the Ministry decided to issue silver coins, it should make efforts to increase the revenue of the general account by considering measures for having the selling price reflect the current price of the silver metal used as the raw material. (1 case; improper amount: 271.85 million yen)

○ Ministry of Education, Culture, Sports, Science and Technology

- The Board demanded measures and presented opinions so that a system for preventing research institutes from improperly using the Ministry's public research expenses should be established and appropriately managed.  
(1 case; improper amount: 659.30 million yen; background amount: 380,718.00 million yen)

[This case was reported to the Diet and the Cabinet on October 11, 2012 in accordance with the provision of Article 30-2 of the Board of Audit Act.]

○ Ministry of Health, Labour and Welfare

- The Board presented opinions that private day nurseries established by social welfare service corporations should be effectively used by securing transparency of retained savings and demanded measures so that the term-end balance of excessively retained amount would be adjusted.  
(1 case; improper amount: 3,171.24 million yen; background amount: 76,540.25 million yen)

○ Ministry of Land, Infrastructure, Transport and Tourism

- The Board demanded measures for the Ministry to improve the management system, such as by reviewing the method of management classification of tsunami observation facilities and notifying each district meteorological observatory of the result of management classification. In addition, the Board presented opinions that the Ministry should disclose the status of possession of available information on tsunami so that more support could be provided to local governments' regional disaster prevention.  
(1 case; background amount: 620.63 million yen)

**(C) Demanded measures**

**(18 cases)**

○ Ministry of Internal Affairs and Communications

- Regarding the projects for which grants were issued to promote regional utilization of information-communication technology, the Board demanded measures for the Ministry to realize the effects of the projects fully by establishing project objectives concerning the use of introduced equipment, such as information-communication terminals, monitoring the status of its use, appropriately carrying out ex-post evaluation, and fully using referential information gained from outsourced projects which have been already carried out.  
(1 case; improper amount: 4,709.68 million yen)
- Regarding the calculation of ordinary Local Allocation Tax Grants related to the redemption of principal for local bonds, the Board demanded measures for the Ministry to calculate the amount of basic financial demand from local governments reasonably by calculating the amount of financial demand related to expenditures on local bonds based on the reduced amount of paid interest which reflected the actual status after the exemption of the compensation payment incurred by the premature redemption of public funds .  
(1 case; improper amount: 6,531.50 million yen)

[This case was reported to the Diet and the Cabinet on July 30, 2012 in accordance with the provision of Article 30-2 of the Board of Audit Act.]

○ Ministry of Finance

- Regarding the cases where sale of State assets used based on a false belief were not processed, the Board demanded measures for the Ministry to promote the disposal further by setting a time limit for negotiations for sale and timely and appropriately reviewing the disposal policy according to the status of negotiations. (1 case; improper amount: 2,095.30 million yen)

○ Ministry of Health, Labour and Welfare

- Regarding the unused equipment procured by subsidies from the National Health Insurance Organizations, the Board demanded measures for the Ministry to promote effective use by considering measures for using it sooner under the project for joint electronic processing concerning insurers' clerical work. (1 case; improper amount: 1,355.93 million yen)

- Regarding the provision of occupational aid under the public assistance scheme, the Board demanded measures for the Ministry to provide employment support more effectively by clarifying the objective for the insured persons' independence.  
(1 case; improper amount: 92.42 million yen)
- Regarding the construction of office facilities that provided welfare service for the disabled by the subsidies for construction of social welfare facilities, the Board demanded measures for the Ministry to realize the effect of the project fully by understanding disabled persons' concrete needs.  
(1 case; improper amount: 2,167.84 million yen)
- The Board demanded measures for the Ministry to carry out appropriate and effective ex-post confirmation of payment of expenses for treatment of injuries caused by labor accidents by using the information on repayment of medical treatment fees held by the Local Bureau of Health and Welfare.  
(1 case; improper amount: 23.64 million yen)

○ Ministry of Agriculture, Forestry and Fisheries

- Regarding the system for issuing subsidies to beef calf producers, the Board demanded measures for the Ministry to appropriately calculate subsidies issued to beef calf producers and grants for support of management and breeding of beef cattle by revising the weight categories of beef calf which were the basis for calculating the average selling prices according to the actual situation in the beef calf market.  
(1 case; improper amount: 4,715.57 million yen)
- Regarding the Agriculture, Forestry and Fisheries Credit Foundations' provision of loans to the Agricultural Credit Fund Associations from the State's investments, the Board demanded measures for the Ministry to use loans effectively and make loans and investments appropriate in size by giving necessary loans according to each Prefectural Agricultural Credit Fund Association's possibility of subrogation and financial condition.  
(1 case; improper amount: 12,383.00 million yen)
- Regarding the project for creation of funds for promotion of equipment lease for improvement of lumber supply, the Board demanded measures for the Ministry to monitor the effect of the project and the system of the subsidized companies' implementation of the project, and instruct the subsidized companies to establish a system of carrying out the project with responsibility, in order to fully realize the effect of the project.  
(1 case; improper amount: 83.26 million yen)

○ Ministry of Land, Infrastructure, Transport and Tourism

- Regarding the construction of water disposal facilities in water disposal plants under a sewerage project, the Board demanded measures for the Ministry to construct them timely and appropriately in the future by having the past results properly reflected in construction plans appropriately.  
(1 case; improper amount: 25,728.07 million yen)



- Regarding the State projects for improving ports, the Board demanded measures for the Ministry to appropriately make decisions about the project by concretely specifying the method of cost-benefit analysis in the manual.

(1 case; background amount: 220,800 million yen)

○ Ministry of the Environment

- Regarding the project for installing septic tanks, the Board demanded measures for the Ministry to install septic tanks that met the standards by specifying in guidelines that individuals who installed tanks should consider the actual situation of the use of tanks.

(1 case; improper amount: 540.72 million yen)

○ Ministry of Defense

- Regarding the rocket motors that have been kept in a storehouse due to prohibition of the use of cluster bombs, the Board demanded measures for the Ministry to make a plan for the use of them promptly.

(1 case; improper amount: 564.79 million yen)

○ Japan Racing Association

- Regarding the lease of lodgings for racing stable workers, the Board demanded measures for the Association to collect charges for the parking lots exclusively used by the residents by establishing rules on standards for lease of the lodgings.

(1 case; improper amount: 98.69 million yen)

○ National Consumer Affairs Center

- Regarding the grants for management expenses issued by the State from the supplemental budgets for FY2008, the Board demanded measures for the Center to immediately repay to the State Treasury the amount of funds exceeding the size of funds suitable for future business as unnecessary assets

(1 case; improper amount: 5,836.78 million yen)

○ Japan Water Agency

- Regarding the water development facilities, the Board demanded measures for the Agency to examine the necessity of possession of them, and consider and consult on the disposal of unnecessary facilities. In addition, regarding the cost of managing the roads used for maintenance of the facilities that served also as public roads, the Board demanded measures for the Agency to establish a consultation policy about a standard method for sharing the cost with the road administrator and consult with the road administrator on review of the agreement to require the road administrator to bear its fair share.

(1 case; improper amount: 8,001.92 million yen; background amount: 586.95 million yen)

○ National Hospital Organization

- Regarding the land and buildings possessed by the National Hospital Organization, the Board demanded measures for the Organization to regularly check the status of use and draw up a concrete disposal or utilization plan for those not used effectively.

(1 case; improper amount: 6,728.56 million yen)

### **(3) Measures Taken**

**(53 cases in total)**

#### ○ Ministry of Justice

- Regarding the case where a prisoner has a medical examination at an external medical institution, in response to the audit results by the Board, the Ministry took measures to make a selection from the viewpoint of economy by selecting such institutions that claimed medical expenses at a unit price of 10 yen per medical treatment point unless there were special circumstances, including damage to the health of the prisoner.  
(1 case; improper amount: 56.58 million yen)
- Regarding the estimation of the price of an outsourcing contract at penal institutions, in response to the audit results by the Board, the Ministry took measures to estimate the price economically by surveying the actual condition of the work of the officer responsible for operational management and allowing the officer to serve also as officer in charge of operations unless this would cause any problem. (1 case; improper amount: 57.30 million yen)

#### ○ Ministry of Foreign Affairs

- Regarding the contract on the maintenance of writing machines for IC passports, in response to the audit results by the Board, the Ministry took measures to make the contract economical by paying the contract price according to the actual result of the maintenance.  
(1 case; improper amount: 70.11 million yen)
- Regarding the financial assistance to salaries for teachers of Japanese schools, in response to the audit results by the Board, the Ministry took measures that overseas government establishments made the financial assistance appropriately by surely notifying the steering committees of the Japanese schools of the contents of instructions and collecting relevant documents thereby checking the appropriateness of the amount.  
(1 case; improper amount: 53.45 million yen)

#### ○ Ministry of Finance

- In response to the audit results by the Board, the Ministry took measures to discontinue renting land used as dog training fields outside the drug detection training center by effectively using the training fields on the premises of the center and appropriately prepare a training schedule by fully considering effective use of the training fields.  
(1 case; improper amount: 20.85 million yen)

#### ○ Ministry of Health, Labour and Welfare

- Regarding the outsourced operations in emergency employment creation program and hometown employment revitalization special fund projects, in response to the audit results by the Board, the Ministry took measures to make the consumption tax on the outsourcing expenses appropriately by properly checking that the contractors were exempted from consumption tax.  
(1 case; improper amount: 60.66 million yen)

- Regarding the provision of unemployment benefits, in response to the audit results by the Board, the Ministry took measures to pay unemployment benefits more appropriately by specifying in the guidelines concrete methods of public employment security offices' survey and confirmation, and letting entrepreneurs know about instructions specified in certificates of recruit when a person eligible for unemployment benefits reported that the person had been employed. (1 case; improper amount: 25.58 million yen)
- In response to the audit results by the Board, the Ministry took measures to make the State's expenditures proper by appropriately certifying the eligibility for childcare allowances based on the situation of the certification of the eligibility. (1 case; improper amount: 172.42 million yen)

○ Ministry of Agriculture, Forestry and Fisheries

- In order to fully realize the effect of the project for promoting the establishment of a system for management of facilities constructed by the State, in response to the audit results by the Board, the Ministry took measures to accurately monitor the status of accomplishment of the target management level stated in the establishment plan, and timely and appropriately give necessary instructions based on the examination result of the status. (1 case; background amount: 6,159.11 million yen)
- Regarding the land improvement projects administered by Prefectures together with maintenance projects, in response to the audit results by the Board, the Ministry took measures to calculate the total cost and the total benefit for cost-benefit analysis appropriately and adopt projects properly by making the contents of the basic guidelines widely known. (1 case; background amount: 36,124.99 million yen)
- Regarding the projects carried out by a method where entities receiving subsidies issue indirect subsidies to implementing entities, in response to the audit results by the Board, the Ministry took measures to carry out the procedure for issuing indirect subsidies appropriately by revising the manual for examination of result reports. (1 case; improper amount: 23,976.59 million yen)
- Regarding the contract for outsourcing the management support and maintenance of the General Food Policy Bureau's information management system, in response to the audit results by the Board, the Ministry took measures to make the estimation of target prices appropriate by establishing standards for estimating the target prices according to the actual situation of the services. (1 case; improper amount: 36.10 million yen)
- Regarding the grants for compensation for income from dry field products, in response to the audit results by the Board, the Ministry took measures to calculate the amount of grants for continuation of farming by setting a target production volume with consideration for the actual crop acreage. (1 case; improper amount: 23.65 million yen)
- Regarding the version upgrade of software, in response to the audit results by the Board, the Ministry took measures to reduce the cost by fully examining the necessity of the upgrade and when the upgrade should be conducted. (1 case; improper amount: 50.03 million yen)

○ Ministry of Land, Infrastructure, Transport and Tourism

- Regarding the radio systems on the patrol boats, in response to the audit results by the Board, the Ministry took measures to carry out statutory maintenance and function test appropriately by establishing policies for them and concretely clarifying the methods for them  
(1 case; improper amount: 22.60 million yen)
- Regarding the calculation of compensation for relocation of septic tanks for human waste under a road construction project, in response to the audit results by the Board, the Ministry took measures to calculate the compensation appropriately by using the estimated unit price for the tanks instead of the unit price for combined tanks.  
(1 case; improper amount: 135.90 million yen)
- Regarding the outsourcing of cleaning service for bachelors' dormitories, in response to the audit results by the Board, the Ministry took measures to estimate the cost of cleaning of bachelors' dormitories appropriately by notifying local offices about the exclusion of corridors, stairs and other common use spaces from the scope of the outsourcing.  
(1 case; improper amount: 43.10 million yen)

○ Ministry of Defense

- Regarding the disaster dispatch allowances to self-defense officials engaged in disaster dispatch activities when the Great East Japan Earthquake occurred, in response to the audit results by the Board, the Ministry took measures to pay allowances appropriately by making notifications of payment widely known and establishing a system for checking whether payment was appropriate or not.  
(1 case; improper amount: 32.32 million yen)
- Regarding the maintenance of electronic copiers, in response to the audit results by the Board, the Ministry took measures to reduce the maintenance cost by adopting an economical maintenance method.  
(1 case; improper amount: 42.89 million yen)
- In response to the audit results by the Board, the Ministry took measures so that SDF troops and hospitals could effectively use patient information equipment for improving the lifesaving rate during transportation of patients by establishing a system for prompt and accurate use of the equipment.  
(1 case; improper amount: 50.54 million yen)
- Regarding the procurement of III-type exposure suits for aerial lifesaving, in response to the audit results by the Board, the Ministry took measures to calculate the needed number of suits appropriately according to the actual situation of the use by supplying the suits to airplanes not to individuals.  
(1 case; improper amount: 99.46 million yen)

○ Japan Finance Corporation

- Regarding the payment of travel expenses for moving to a place of the new appointment, in response to the audit results by the Board, the Ministry took measures to make the amount of

allowance for accommodation and miscellaneous expenses necessary after arriving at the place appropriate according to the actual situation of accommodation and accommodation expenses. (1 case; improper amount: 146.25 million yen)

○ Bank of Japan

- In response to the audit results by the Board, the Bank of Japan took measures to maintain and manage storage batteries installed in the emergency equipment in the branches by accurately grasping management information necessary for making judgment about renewal of the storage batteries and by regularly maintaining and inspecting facilities for direct-current power-supply. (1 case; background amount: 2,577.19 million yen)
- In response to the audit results by the Board, the Bank of Japan took measures to consider disposing lots if the necessity to possess them was low by immediately examining the necessity to possess lots that have been vacant for a long time, and reviewing the method of using lots that have been not often used. (1 case; improper amount: 2,226.68 million yen)

○ East Nippon Expressway, Central Nippon Expressway, West Nippon Expressway

- Regarding the operational management expenses and subsidies under outsourcing contracts, in response to the audit results by the Board, the companies took measures to reduce the outsourcing expenses by calculating the expenses based on the amount that the contractors actually paid for subcontracting.
 

3 cases; improper amount:	20.49 million yen (East Nippon Expressway)
	20.49 million yen (Central Nippon Expressway)
	20.49 million yen (West Nippon Expressway)
- In response to the audit results by the Board, the companies took measures to make the pavement and maintenance of roads appropriate by not conducting trial paving in principle.
 

3 cases; improper amount:	94.64 million yen (East Nippon Expressway),
	63.51 million yen (Central Nippon Expressway),
	29.11 million yen (West Nippon Expressway)

○ Japan Health Insurance Association

- Regarding the contract on the maintenance and management of the Japan Health Insurance Association's health insurance system, in response to the audit results by the Board, the Association took measures to estimate the target price by having the percentage of man-hour by each engineers' level according to the operations in the specifications reflected to the target price. (1 case; improper amount: 64.80 million yen)

○ National Institution for Youth Education

- In response to the audit results by the Board, the Institution took measures to transfer the funds to the State Treasury retained in the Institution due to accounting methods concerning sale of unnecessary assets. (1 case; improper amount: 17.99 million yen)

○ Fisheries Research Agency

- In response to the audit results by the Board, the Agency took measures to transfer the funds to the State Treasury retained in the Agency by accounting method concerning sale of unnecessary assets. (1 case; improper amount: 73.86 million yen)

○ Marine Technical Education Agency

- In response to the audit results by the Board, the Agency took measures to transfer the funds to the State Treasury retained in the Agency due to accounting method concerning sale of unnecessary assets. (1 case; improper amount: 476.53 million yen)

○ National Printing Bureau

- In response to the audit results by the Board, the Bureau took measures to reduce the cost of purchasing trial printing paper by using each piece of paper twice during the process of printing Bank of Japan notes. (1 case; improper amount: 13.47 million yen)
- In response to the audit results by the Board, the Bureau took measures to estimate the target prices of contracts amended according to changes in design of building repair economically by having the percentage of bidding price against target price of the original contract reflected in the target price of the amended contract. (1 case; improper amount: 23.60 million yen)

○ Northern Territories Issue Association

- In response to the audit results by the Board, the Association took measures to transfer the funds to the State Treasury that the Association retained without assuming the use of them. (1 case; improper amount: 19.83 million yen)

○ New Energy and Industrial Technology Development Organization

- Regarding the test and research tools leased free of charge, in response to the audit results by the Board, the Organization took measures to transfer them by the remaining value at the end of the lease period by allowing the lessee's continuous use during the procedures for onerous transfer were followed after the end of the lease period. (1 case; improper amount: 81.53 million yen)

○ Japan Science and Technology Agency

- In response to the audit results by the Board, the Agency took measures to transfer the funds to the State Treasury retained in the Agency because deposits had been returned. (1 case; improper amount: 319.61 million yen)

○ Japan External Trade Organization

- In response to the audit results by the Board, the Organization took measures to transfer the funds to the State Treasury retained in the Organization due to accounting methods concerning transfer of unnecessary assets. (1 case; improper amount: 806.11 million yen)

○ Japan Oil Gas and Metal National Corporation

- In response to the audit results by the Board, the Corporation took measures to transfer to the State Treasury the revenue from the sale of fixed assets and the funds retained due to accounting methods concerning transfer of fixed assets. (1 case; improper amount: 14.62 million yen)

○ Japan Agency for Marine-Earth Science and Technology

- Regarding the contract on outsourcing of management of a riser drilling vessel, in response to the audit results by the Board, the Agency took measures to limit expenses to those to be settled in a specific year and to ensure that the deposit and other expenses to be repaid to the contractor in the future would be returned to the Agency. (1 case; improper amount: 85.85 million yen)

○ Organization for Small & Medium Enterprises and Regional Innovation

- Regarding the reserves carried forward from the previous middle-term target period for textile industry, in response to the audit results by the Board, the Organization took measures to transfer to the State Treasury the excess over the amount necessary for the future. (1 case; improper amount: 857.00 million yen)

○ Urban Renaissance Agency

- In response to the audit results by the Board, the Agency took measures to replace fluorescent lamps in apartment housing complexes appropriately and economically by replacing them whenever they burned out instead of replacing them at the same time. (1 case; improper amount: 152.15 million yen)

○ Japan Atomic Energy Agency

- Regarding the funds retained in the Agency because of repayment of deposits, in response to the audit results by the Board, the Agency took a measure to transfer them to the State Treasury. (1 case; improper amount: 113.39 million yen)

○ Hanshin Expressway Company

- Regarding the estimation of the direct cost of partial repair of road structures, in response to the audit results by the Board, the Company took measures to make the estimation appropriate by reviewing the ratio of miscellaneous expenses according to the situation of the use of repairing machinery. (1 case; improper amount: 48.00 million yen)

○ NTT East, NTT West

- Regarding the electronic substrates that contain subscriber lines and were mounted in exclusive line systems, in response to the audit results by the Board, the companies took measures to reduce the purchase cost by using idle electronic substrates.

〔 2 cases; improper amount: 246.90 million yen (NTT East), 211.45 million yen (NTT West) 〕

- Regarding the electricity contracts for remote subscriber line transmission systems, in response to the audit results by the Board, the companies took measures to reduce the use of electricity and save the cost by managing the contracts appropriately and removing unused line substrates.

〔 2 cases; improper amount: 42.44 million yen (NTT East), 30.78 million yen (NTT West) 〕

○ Japan Post Service, Japan Post Network

- In response to the audit results by the Board, the companies took measures to decrease the basic charges under heat supply contracts by reviewing the contract capacity appropriately according to the result of the use and establishing a system for reviewing the contract capacity timely and appropriately.

〔 2 cases; improper amount: 8.17 million yen (Japan Post Service), 23.76 million yen (Japan Post Network) 〕

○ Japan Post Bank

- Regarding the procurement of goods recommended for the use of sales promotion measures, in response to the audit results by the Board, the Bank took measures to carry out contract affairs appropriately, such as establishment of a system for the head office's monitoring the status of the area headquarters' procurement and promotion of lump-sum procurement of goods for which lump-sum procurement was possible.

(1 case; improper amount: 123.90 million yen)

**(4) Audit results of cases for which the Board presented opinions and demanded measures**

Of the cases for which the Board presented opinions or demanded measures, there were 99 cases where measures were not completed until the FY2010 Audit Report. The audit results of the cases have been described herein. Of the 99 cases, measures have been completed in 79 cases, while they have still not been completed in 20 cases. Table 3 shows the outlines of them by ministry or agency.



Table 3: Outlines of audit results of cases for which the Board presented opinions or demanded measures (Unit: cases)

Ministry or agency	Number of cases of incomplete measures by year of audit report	Status of measures taken in this fiscal year	
		Complete measures	Incomplete measures
<i>Cabinet</i>	FY2009	1	
<i>Cabinet (Cabinet main office)</i>	FY2010	1	
Cabinet (Financial Services Agency)	FY2009	1	
Ministry of Internal Affairs and Communications	FY2009	1	1
Ministry of Justice	FY2008	1	
	FY2009	1	
Ministry of Foreign Affairs	FY2010	3	
Ministry of Finance	FY2009	(Note 1) 2	(Note 1) 2
	FY2010	(Note 2) 2	1 (Note 2) 1
Ministry of Education, Culture, Sports, Science and Technology	FY2010	2	2
Ministry of Health, Labour and Welfare	FY2009	1	1
	FY2010	(Note 2) 12	10 (Note 2) 2
Ministry of Agriculture, Forestry and Fisheries	FY2008	2	1
	FY2009	1	1
	FY2010	(Note 3) 7	4 (Note 3) 3
Ministry of Economy, Trade and Industry	FY2009	(Note 1) 3	(Note 1) 2
	FY2010	3	1
Ministry of Land, Infrastructure, Transport and Tourism	FY2009	6	4
	FY2010	(Note 4) 11	(Note 4) 11
Ministry of the Environment	FY2008	1	1
	FY2009	1	1
	FY2010	2	1
Ministry of Defense	FY2010	5	4
Japan Racing Association	FY2010	1	1
Tokyo Metro	FY2010	1	1
Japan Pension Service	FY2010	2	2
Nippon Export and Investment Insurance	FY2010	1	1
National Institute of Advanced Industrial Science and Technology	FY2010	1	1
Japan Mint	FY2010	1	1
Agriculture & Livestock Industries Corporation	FY2010	(Note 3) 1	(Note 3) 1
Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers	FY2010	(Note 5) 1	(Note 5) 1
National Hospital Organization	FY2010	1	1
Urban Renaissance Agency	FY2009	1	1
	FY2010	2	2
Japan Housing Finance Agency	FY2010	(Note 4) 1	(Note 4) 1
Hokkaido University	FY2010	1	1
Saitama University	FY2010	1	1
University of Tokyo	FY2010	1	1
Tokyo Medical and Dental University	FY2010	1	1
Tokyo University of Foreign Studies	FY2010	1	1
Tokyo University of the Arts	FY2009	1	1
Hitotsubashi University	FY2010	1	1
Fukui University	FY2010	1	1
Shinshu University	FY2010	1	1
Shizuoka University	FY2010	1	1
Nagoya University	FY2010	1	1
Kyoto University	FY2010	1	1
Osaka University	FY2010	1	1
Kochi University	FY2010	1	1
Kyushu University	FY2010	1	1
Kagoshima University	FY2010	1	1
Japan Broadcasting Corporation	FY2009	1	1
Hokkaido Railway	FY2010	1	1
Shikoku Railway	FY2010	1	1
Kyushu Railway	FY2010	1	1
Subtotal	FY2008	4	3
	FY2009	(Note 1) 19	(Note 1) 12
	FY2010	(Note 2), (Note 3) (Note 4) 76	(Note 4) (Note 2), (Note 3) 12
Total		(Note 1), (Note 2) (Note 3), (Note 4) 99	(Note 1), (Note 4) (Note 2), (Note 3) 20

- (Note 1) As two cases concerning the Ministry of Finance and two cases concerning the Ministry of Economy, Trade and Industry in the FY2009 Audit Report were related to both Ministries, duplication has been eliminated from the total.
- (Note 2) As one case concerning to the Ministry of Finance and one case concerning the Ministry of Health, Labour and Welfare in the FY2010 Audit Report were related to both Ministries, duplication has been eliminated from the total.
- (Note 3) As one case concerning the Ministry of Agriculture, Forestry and Fisheries and one case concerning to the Agriculture & Livestock Industries Corporation in the FY2010 Audit Report were related both to the Ministry and the Corporation, duplication has been eliminated from the total.
- (Note 4) As one case concerning to the Ministry of Land, Infrastructure, Transport and Tourism and one case concerning to the Japan Housing Finance Agency in the FY2010 Audit Report were related both to the Ministry and the Agency, duplication has been eliminated from the total.
- (Note 5) In this case, the Board demanded measures for rectification and improvement pursuant to Article 34 of the Board of Audit Act in June 2011 for the President of the Employment and Human Resources Development Organization of Japan concerning the establishment of a head office to carry out operations related to the conclusion of contracts on lease of employment promotion housing. As the Organization was disorganized in October 1, 2011, the Board audited the status of progress in the implementation of measures taken by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, which took over the operations related to the management of the employment promotion housing.

Of the above-mentioned cases, the Board will continue to audit the status of progress in the implementation of measures in 20 cases where measures have still not been completed.

## **(5) Audit results of measures taken concerning improprieties**

- a Implementation status of measures concerning improprieties reported in the past Audit Reports

The Board conducted audits on the implementation status of measures taken concerning improprieties reported in the Audit Reports from FY1946 through FY2010 as of the end of July 2012. The Board found out that measures for 472 cases which amounted to 12,429.27 million yen in 38 ministries/agencies had not yet been taken and that among these, 469 cases which amounted to 11,618.38 million yen in 37 ministries/agencies included measures to return money.

- b Implementation status of measures taken by relevant authorities in response to the audit results of the Board

As described in FY2010 Audit Report, the Board continued to conduct audits on the implementation status of measures in 100 cases where relevant authorities took measures according to the audit results. Of the 100 cases, the Board conducted audits on the implementation status of measures taken in 95 cases, excluding five cases that did not need audits because measures had already been performed. As a result, the Board found that there was one case where some measures had not been performed.

## **2. Outline of “Special report to the Diet and the Cabinet, Special Report on audit requested by the Diet, etc.”**

### **(1) Special Report to the Diet and the Cabinet**

The Board reported 13 cases below to the Diet and the Cabinet as provided in Article 30-2 of the Board of Audit Act. Of them, the following seven cases are described in “Special report to the Diet and the Cabinet, special report on audit requested by the Diet, etc.,” excluding the six cases described in “Audit findings by auditee.” (See Note below.)

(Note) Six cases described in “Audit findings by auditee.”

“Regarding the operations and systems related to personnel and salaries, the Board presented opinions that the Cabinet Office and the Cabinet should continue efforts to improve them and manage them stably through promotion of coordination with the participating government offices and realize the effect of the optimization through fully sharing information with the participating government offices and supporting the transition to the new system.”

“Regarding the calculation of ordinary Local Allocation Tax Grants related to the redemption of principal for local bonds, the Board demanded measures for the Ministry to calculate the amount of basic financial demand from local governments reasonably by calculating the amount of financial demand related to expenditures on local bonds based on the reduced amount of paid interest which reflected the actual status after the exemption of the compensation payment incurred by the premature redemption of public funds.”

“The Board presented opinions that the Ministry should consider effectively using the sports promotion funds created as investment type funds by the Japan Sport Council.”

“The Board demanded measures and presented opinions so that a system for preventing research institutes from improperly using the Ministry’s public research expenses should be established and appropriately managed.”

“Regarding the expenses for outsourcing the maintenance of T-7 basic training airplanes, the Board presented opinions that the Ministry should make efforts to have the proposals presented in the overall-greatest value evaluation reflected in future contracts appropriately to contribute to more economic and efficient use of expenses.”

“Regarding the research and development on the fast-breeder reactor, “Monju”, the Board presented opinions that the Agency should increase transparency of the research by timely monitoring research and development expenses and announcing those expenses publicly, and utilize the related usable facilities.”

- a. Regarding the competitiveness, calculation of target price and the situation of sharing information among each ministry and agency’s procurement concerning contracts on information systems
- b. Regarding the simplified tax system for consumption tax
- c. Regarding the situation of provision of emergency temporary houses constructed for relief of victims of the Great East Japan Earthquake

- d. Regarding the situation of observation related to earthquakes and volcanoes
- e. Regarding the effect of subsidies for promotion of environment-friendly home electronics
- f. Regarding the financial condition of Japan Post Service
- g. Regarding the status of progress in the optimization of the following three types of operations and systems common to ministries and agencies: those for personnel and salaries; those for procurement; and those for travel expenses, rewards/allowances and goods management

## **(2) Special Report on audit requested by the Diet**

In response to the Diet's request for audits under Article 105 of the Diet Act, the Board conducted audits and reported audit results of the following nine cases pursuant to Article 30-3 of the Board of Audit Act:

- a. Regarding the status of the special account reform
- b. Regarding large-scale flood prevention projects (dams, drainage canals, underground channels, etc.)
- c. Regarding beef calf measures financed by customs on beef
- d. Regarding the situation of contracts related to the management of pension reserves (employees' pension and national pension)
- e. Regarding the implementation status of earthquake and tsunami measures for public facilities
- f. Regarding measures for making public structures earthquake-resistant
- g. Regarding the situation of recognition of independent administrative agencies' unnecessary assets
- h. Regarding the case of excessive claims by Mitsubishi Electric
- i. Regarding the project implementation status for recovery from the Great East Japan Earthquake

## **(3) Special Report on audit implementation**

The Board herein described the following six cases as special reports on audit implementation:

- a. Regarding the status of implementation of capital reinforcement measures under the Act on Special Measures for Strengthening Financial Functions revised for coping with disasters caused by the Great East Japan Earthquake, the status of repayment of public funds related to the capital reinforcement measures and the financial condition of the Deposit Insurance Corporation of Japan

- b. Regarding the situation of audits of State subsidies for sports promotion projects
- c. Regarding the construction of a basic system for management of the Japan Patent Office
- d. Regarding disposal of waste generated by the Great East Japan Earthquake
- e. Regarding the management of Narita International Airport Corporation
- f. Regarding the business condition of research and development corporations

**(4) Implementation status of audits the Board carried out for specific issues of public concern**

Regarding the issues discussed at the Diet, issues reported on newspaper and other issues of public concern, the Board classified those described in “Chapter 3 Audit findings by auditee” and “Chapter 4 Special report to the Diet and the Cabinet, and Special report on audit requested by the Diet” into the following: (1) issues concerning property, funds and other stock; (2) issues concerning special accounts and independent administrative agencies; (3) issues concerning social security; (4) issues concerning security of safety on people’s lives; (5) issues concerning recovery from the Great East Japan Earthquake; (6) the efficient use of administrative expenses and the effectiveness of projects; and (7) other issues.

**(5) Auditing of special account financial documents**

As provided in the Act on Special Accounts, from the aspects of accuracy and regularity, the Board audited the FY2010 financial documents of 18 special accounts under the jurisdiction of 10 ministers/agencies, which were sent by the Cabinet in November 2011. In December 2011, the Board notified the Cabinet of the completion of the auditing and returned the documents.

As a result of the audits, the Board found that some amounts entered in the financial documents were not presented appropriately in two special accounts under the jurisdiction of the Ministry of Justice and the Ministry of Agriculture, Forestry and Fisheries. In addition, the Board found that the disclosure of financial information was insufficient concerning one special account under the jurisdiction of the Ministry of Agriculture, Forestry and Fisheries.