

## II Summary of Audit Findings

### Outline of Audit Findings per Category

The total number of cases listed on the 2013 Audit Report was 595. Among these, the number of cases which were not deemed appropriate (Improper/Unreasonable Matters) was 578 and the total number of improper amounts<sup>1</sup> was 283,173.98 million yen. (There were also background amounts<sup>2</sup> concerning the cases listed as an issue.) The following Table 1 shows the breakdown of the 595 cases per category.

Table 1: Audit Findings per Category

Category	Number of audit cases	Improper amounts (Unit: million YEN)
• Improprieties <sup>(Note 1)</sup>	402	14,140.66
• Presented Opinions and Demanded Measures <sup>(Note 2)</sup>	100 <sup>(Note 7)</sup>	71,729.58 <sup>(Note 8)</sup>
• Measures Taken <sup>(Note 3)</sup>	76 <sup>(Note 7)</sup>	197,853.33
Total of Improper/Unreasonable Matters	578	283,173,980 <sup>(Note 9)</sup>
• Special Report to the Diet and the Cabinet <sup>(Note 4)</sup>	8 <sup>(Note 10)</sup>	
• Special Report on audit requested by the Diet <sup>(Note 5)</sup>	1	
• Special Report on Audit Implementation <sup>(Note 6)</sup>	9	
Grand total	595 <sup>(Note 11)</sup>	

(Note 1) Improprieties: Matters which are deemed in violation of, or improper against laws, government ordinances or the approved budget.

(Note 2) Presented Opinions and Demanded Measures: Matters on which the Board presented its opinions or demanded measures to relevant ministers etc. under the provisions of Article 34 and 36 of the Board of Audit Act.

(Note 3) Measures Taken: Matters for which the auditee took improvement measures in response to the findings of the Board

(Note 4) Special Report to the Diet and the Cabinet: Matters reported to the Diet and the Cabinet under the provision of Article 30-2 of the Board of Audit Act.

(Note 5) Special Report on audits requested by the Diet: Results of audit reported to the Diet regarding matters audited under the provision of Article 30-3 of the Board of Audit Act based on the request made under the provision of Article 105 of the Diet Act.

- (Note 6) Special Report on Audit Implementation: A report on specific matters which the Board deems it necessary to report among audit activities of the Board.
- (Note 7) 12 cases of “Presented Opinion and Demanded Measures” and Measures Taken have both improper amounts and background amounts.
- (Note 8) In one case concerning “Presented Opinions and Demanded Measures”, calculating the improper amount and background amount were not practically possible.
- (Note 9) Some cases are double counted as Improprieties and “Presented Opinions and Demanded Measures”, Improprieties and Measures Taken, and “Presented Opinions and Demanded Measures” and Measures Taken, so such duplication is deducted from the total. Therefore, adding of each improper amount does not correspond with total.
- (Note 10) One Case of Special Report to the Diet and the Cabinet are double counted as “Presented Opinions and Demanded Measures”
- (Note 11) Total number of audit cases does not include one case in Note 10.

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<sup>1</sup> Improper Amounts: Improper amounts represent any deficiency in the collection of taxes or social insurance premiums to be collected; overpayments for construction or purchases; overpayment of subsidies; amount of credit managed improperly; amount of assets not utilized effectively; and any amount of assets stated improperly in the statements of account and the financial statements.

<sup>2</sup> Background Amounts: Background amounts represent overall amounts of payments or investments etc. regarding the matters concerned. Background amounts are presented when improper amounts cannot be calculated for such audit cases as: 1) where the Board finds, as a result of audit, any matters that it deems necessary to be improved with regard to laws and regulations, system or administration; and 2) which the Board reports to draw public attention to project cases of non-realization of investment effect due to problems in project progress caused by policy issues.

## 1. Outline of Improper/Unreasonable Matters per Category and per Auditee

The Table 2 shows the breakdown of 578 cases of Improper/Unreasonable Matters per category and per auditee.

Table 2: Outline of Improper/Unreasonable Matters per Category and per Auditee (unit of monetary amount, million YEN)

Category Auditee	Improprieties		Presented Opinions and Demanded Measures (Note 2)		Measures Taken (Note 2)		Total (Note 2)	
	Cases	Amount	Article (Note 1)/Cases	Amount	Cases	Amount	Cases	Amount
Diet (House of Representatives)					1	257.74	1	257.74
Cabinet Office (Cabinet Main Office)	2	97.44			2	3,437.36 (779.84)	4	3,534.80 (779.84)
Cabinet Office (National Police Agency)	1	6.70			1	276.67	2	283.37
Ministry of Internal Affairs and Communications	10	(Note 3) 130.93	(34) 2 (36) 2	1,306.37 21.65 (809.26)	1	2,632.47	15	(Note 3) 4,091.42 (809.26)
Ministry of Justice	4	22.89	(34) 1	185.48	3	218.55	8	426.92
Ministry of Foreign Affairs	2	23.75	(Note 4) (Note 11) (36) 2	(Note 4) 6.44 (1,002.29) (604.01)			(Note 4) (Note 11) 4	(Note 4) 30.19 (1,002.29) (604.01)
Ministry of Finance	2	300.29	(34) 1 (Note 5) (36) 2	287.07 (Note 5) (55,774.87)	3	175.30 (982.50)	(Note 5) 8	(Note 5) 762.66 (55,774.87) (982.50)
Ministry of Education, Culture, Sports, Science and Technology	33	6,528.91	(34) 1 (34) • (36) 2 (Note 11) (36) 1	797.00 343.72 1,282.79 (650.88)			(Note 11) 37	(Note 10) 8,913.40 (650.88)
Ministry of Health, Labour and Welfare	201	4,906.23	(Note 6) (34) 6 (34) • (36) 2 (Note 7) (36) 2	(Note 6) 5,544.64 1,512.16 (Note 7) 1,433.59 (424.09)	2	75,442.61	(Note 6) (Note 7) 213	(Note 6), (Note 7) 88,839.23 (424.09)
Ministry of Agriculture, Forestry and Fisheries	44	497.33	(34) 1 (34) • (36) 3 (Note 11) (36) 6	119.40 627.57 (69,791.16) 2,373.76 (381.31) (63,050.70) (38,047.33) (1,277.78)	(Note 11) 10	77,147.03 (6,528.04) (10,737.34) (16,503.55)	(Note 11) 64	(Note 10) 80,516.80 (69,791.16) (381.31) (63,050.70) (38,047.33) (1,277.78) (6,528.04) (10,737.34) (16,503.55)

Category Auditee	Improprieties		Presented Opinions and Demanded Measures		Measures Taken		Total	
				(Note 2)		(Note 2)		(Note 2)
Ministry of Economy, Trade and Industry	11	(Note 3) 94.69	(Note 5) (36) 4	(Note 5) 19,808.30 (108,276.39)	1	16,166.82	(Note 5) 16	(Note 3) , (Note 5) 36,069.81 (108,276.39)
Ministry of Land, Infrastructure, Transport and Tourism	55	740.94	(34) 2 (Note 11) (34) • (36) 2 (36) 8	138.44 1,160.46 (310.59) 2,787.64 (45,012.35) (441,008.19) (115.11) (178,514.44) (2,255,761.37) (9,309.41)	4	3,379.61 (732.38)	(Note 11) 71	(Note 10) 7,944.82 (310.59) (45,012.35) (441,008.19) (115.11) (178,514.44) (2,255,761.37) (9,309.41) (732.38)
Ministry of the Environment	11	476.23	(Note 11) (34) • (36) 1 (36) 1	3,116.72 (14,450.92) 31.91			(Note 11) 13	3,624.86 (14,450.92)
Ministry of Defense	6	37.90	(34) 1 (Note 11) (36) 4	2,487.06 15,800.87 (650.50) (722,330.38) (6,975.16)	7	1,238.23	(Note 11) 18	19,564.06 (650.50) (722,330.38) (6,975.16)
Okinawa Development Finance Corporation			(34) 1	199.60			1	199.60
Japan Finance Corporation			(34) 1	910.45			1	910.45
Promotion and Mutual Aid Corporation for Private Schools of Japan	1	8.06	(36) 1	(12,157.22)			2	8.06 (12,157.22)
Japan Racing Association			(34) 1	1,767.49			1	1,767.49
Narita International Airport Corporation			(34) 1	183.88			1	183.88
East Nippon Expressway					3	223.68	3	223.68
Central Nippon Expressway					3	212.83	3	212.83
West Nippon Expressway					3	182.82	3	182.82
Honshu-Shikoku Bridge Expressway					(Note 11) 1	68.80 (122.74)	(Note 11) 1	68.80 (122.74)
Japan Post Holdings					1	16.83	1	16.83
Japan Legal Support Center					1	68.18	1	68.18
Japan Health Insurance Association					2	72.11	2	72.11
Japan Pension Service	1	5.64	(Note 6) (34) 3	(Note 6) 437.25	(Note 11) 1	6.64 (1,384.38)	(Note 6) (Note 11) 5	(Note 6) 449.53 (1,384.38)
National Museum of Nature and Science			(34) 1	33.02			1	33.02

Auditee	Category		Presented Opinions and Demanded Measures		Measures Taken		Total		
	Improperities		(Note 2)		(Note 2)		(Note 2)		
National Research Institute for Earth Science and Disaster Prevention	1	7.20					1	7.20	
National Institute of Occupational Safety and Health, Japan			(34)	1	26.99		1	26.99	
National Agriculture and Food Research Organization	11	94.30					11	94.30	
National Institute of Agrobiological Science	1	110.32					1	110.32	
National Institute of Advanced Industrial Science and Technology			(34) • (36)	1	2,497.57		1	2,497.57	
National Maritime Research Institute			(34)	1	255.79		1	255.79	
Marine Technical Education Agency			(34)	1	21.68		1	21.68	
National Institute for Environmental Studies	1	3.10					1	3.10	
Japan Mint					1	151.37	1	151.37	
National Printing Bureau					1	24.51	1	24.51	
National Consumer Affairs Center of Japan					1	305.00	1	305.00	
Agriculture & Livestock Industries Corporation			(36)	1	2,423.54	2	900.00 (783.65)	3	3,323.54 (783.65)
Japan International Cooperation Agency			(Note 4) (36)	1	(Note 4)		(Note 4) 1	(Note 4)	
New Energy and Industrial Technology Development Organization					1	15.83	1	15.83	
RIKEN					1	5.93	1	5.93	
Japan Sports Council			(34)	1	790.33		1	790.33	
Japan Arts Council			(34)	1	30.80		1	30.80	
Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers					1	648.20	1	648.20	
Welfare and Medical Service Agency			(Note 7) (36)	1	(Note 7)		(Note 7) 1	(Note 7)	
Japan National Tourism Organization					1	439.18	1	439.18	
Japan Oil, Gas and Metals National Corporation			(36)	1	(403.02)	1	562.20	2	562.20 (403.02)
National Hospital Organization					1	2,482.79	1	2,482.79	

Auditee / Category	Improprieties	Presented Opinions and Demanded Measures		Measures Taken		Total	
			(Note 2)		(Note 2)		(Note 2)
Japan Student Services Organization		(Note 11) (34) 1	595.61 (486.79)			(Note 11) 1	595.61 (486.79)
Japan Agency for Marine-Earth Science and Technology				1	1,629.07	1	1,629.07
Urban Renaissance Agency		(36) 1	(57,039.94)	2	1,906.24	3	1,906.24 (57,039.94)
Japan Housing Finance Agency				1	94.65	1	94.65
National Center for Child Health and Development				1	46.01	1	46.01
Tohoku University		(36) 1	(Note 9) 12.64			1	(Note 9) 12.64
Akita University		(36) 1	(Note 8), (Note 9)			1	(Note 8), (Note 9)
Yamagata University		(36) 1	(Note 9) 7.22			1	(Note 9) 7.22
University of Tsukuba		(36) 1	(Note 9) 8.34			1	(Note 9) 8.34
Kanazawa University		(36) 1	(Note 9) 6.19			1	(Note 9) 6.19
University of Yamanashi		(36) 1	(Note 9) 2.98			1	(Note 9) 2.98
Shinshu University		(36) 1	(Note 9) 14.29			1	(Note 9) 14.29
Gifu University		(36) 1	(Note 9) 2.01			1	(Note 9) 2.01
Hamamatsu University School of Medicine		(36) 1	(Note 9) 10.20			1	(Note 9) 10.20
Mie University		(36) 1	(Note 9) 5.29			1	(Note 9) 5.29
Shiga University of Medical Science		(36) 1	(Note 9) 1.78			1	(Note 9) 1.78
Kyoto University		(36) 1	(Note 9) 8.94			1	(Note 9) 8.94
Kobe University		(36) 1	(Note 9) 16.43			1	(Note 9) 16.43
Tottori University		(36) 1	(Note 9) 5.18			1	(Note 9) 5.18
Shimane University		(36) 1	(Note 9) 6.52			1	(Note 9) 6.52
Okayama University		(36) 1	(Note 9) 6.35			1	(Note 9) 6.35
Yamaguchi University		(36) 1	(Note 9) 5.58			1	(Note 9) 5.58
Tokushima University		(36) 1	(Note 9) 7.32			1	(Note 9) 7.32
Ehime University		(36) 1	(Note 9) 12.64			1	(Note 9) 12.64
Kochi University		(36) 1	(Note 9) 6.88			1	(Note 9) 6.88
Saga University		(36) 1	(Note 9) 4.12			1	(Note 9) 4.12
Nagasaki University		(36) 1	(Note 9) 7.87			1	(Note 9) 7.87

Auditee	Category		Presented Opinions and Demanded Measures		Measures Taken		Total	
	Improperities		(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
Oita University			(36) 1	(Note 9) 18.26			1	(Note 9) 18.26
University of Toyama			(36) 1	(Note 9) 7.08			1	(Note 9) 7.08
Japan Broadcasting Corporation (NHK)	2	8.45					2	8.45
Metropolitan Expressway					1	9.39	1	9.39
Hanshin Expressway					1	233.90	1	233.90
Shoko Chukin Bank			(34) 1	198.43			1	198.43
Hokkaido Railway			(36) 1	(3,852.83)			1	(3,852.83)
Shikoku Railway			(36) 1	(743.69)			1	(743.69)
NTT East					1	2,416.41	1	2,416.41
Japan Post					2	243.33	2	243.33
Japan Post Bank					1	43.09	1	43.09
Japan Post Insurance	1	41.77			1	37.16	2	78.93
Tokyo Electric Power Company					1	(16,745.09)	1	(16,745.09)
Japan Sewage Works Agency					1	4,197.16	1	4,197.16
Open University of Japan					1	237.63	1	237.63
Farmers Pension Fund	1	3.82					1	3.82
Total	402	(Note 3) 14,140.66	(Note 4); (Note 5); (Note 6); (Note 7); 100;	71,729.58	76	197,853.33	(Note 4); (Note 5); (Note 6); (Note 7); 578;	(Note 3) (Note 10) 283,173.98

(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) Because one case concerns a joint project by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, duplications has been eliminated from the total amount.

(Note 4) Although one case involves both the Ministry of Foreign Affairs and the Japan International Cooperation Agency, the amount has been listed only in the column of the Ministry of Foreign Affairs. In addition, duplication has been eliminated from the total number of cases.

(Note 5) Although one case involves both the Ministry of Finance and the Ministry of Economy, Trade and Industry, the amount has been listed only in the column of the Ministry of Economy, Trade and Industry. In addition, duplication has been eliminated from the total number of cases.

(Note 6) Although two cases involve both the Ministry of Health, Labour and Welfare and the Japan Pension Service, the amounts have been listed only in the column of the Ministry of Health, Labour and Welfare. In addition, duplication has been eliminated from the total number of cases.

(Note 7) Although one case involves both the Ministry of Health, Labour and Welfare and the Welfare and Medical Service Agency, the amount has been listed only in the column of the

Ministry of Health, Labour and Welfare. In addition, duplication has been eliminated from the total number of cases.

- (Note 8) In one case concerning Akita University, calculating the improper amount and background amount were not practically possible.
- (Note 9) The background amount of 131.07 million yen is related to the University Hospital Management Accounting System involving 24 national university corporations and is an expense for developing the system which has been introduced in 41 national university corporations. Therefore, it has not been listed for any national university corporations.
- (Note 10) Some cases have been included in both “Improprieties” and “Presented Opinions and Demanded Measures”. They concern 1) Subsidies for the Renovation of Private School Facilities (Subsidies for the Renovation of Private School Facilities including Educational and Research Equipment [Subsidies for the Improvement of Private Senior High School Facilities]; 2) Youth Farm Workers Stipend Project; 3) promotion services for new farmers; 4) Project on Promoting the Sixth Industry to Revitalize Agriculture and Rural Areas; 5) Housing Safety Net Maintenance Promotion Project Using Housing Stock and Housing Safety Net Maintenance Promotion Project Using Private Houses. A case has been included in both “Presented Opinions and Demanded Measures” and “Measures Taken”. It concerns 6) the Project on Promoting the Sixth Industry to Revitalize Agriculture and Rural Areas. 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 11) Concerning the categories “Presented Opinions and Demanded Measures” and “Measures Taken”, 12 cases in total have both improper amounts and background amounts.



The titles of Improper/Unreasonable Matters per Ministry/Agency and per Corporation are as follows.

## **A Improper/Unreasonable Matters per Ministry/Agency**

### (1) Diet (House of Representatives)

Measures Taken - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.

### (2) Cabinet Office

#### (Cabinet Main Office)

Improprieties - The expected objectives in the outsourcing contract of the System of National Accounts (SNA) were not achieved.

Improprieties - The wooden buildings were not constructed in accordance with designs.

Measures Taken - Regarding the implementation of local independent projects using subsidies such as the grant for comprehensive measures to revitalize community.

Measures Taken - Regarding the subsidized projects that have been implemented by cities and towns of Okinawa Prefecture for the purposes to revitalize communities via development of special products.

#### (National Police Agency)

Improprieties - The estimated cost of disposal related to dismantlement of branch offices was excessive.

Measures Taken - Regarding procurement of lights for the automatic recognition system of license plate number.

### (3) Ministry of Internal Affairs and Communications

Improprieties - Improper execution of subsidized projects and improper accounting.

- a. The purposes of subsidization for repair work etc. of facilities using the temporary grants for measures to revitalize community and address economic crisis were not achieved.
- b. Expenses of the grants to promote development of regional telecommunications infrastructure were reimbursed excessively.
- c. The project for the temporary grants for measures to revitalize community and livelihood was not implemented.
- d. Funds created by the subsidies to promote utilization of telecommunications technology were used inappropriately.
- e. Part of the expenses of the project financed by the grants for training and utilization of regional human resources in the field of telecommunications technology was not eligible for grants.
- f. Funds created by subsidies for special measures for the promotion and development of Okinawa were used for purposes other than the original intent.

Demanded Measures 34 - Regarding the revision of book values of important goods.

Demanded Measures 34 - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.

Presented Opinions 36 - Regarding the project to install trunk line for cable TV implemented with subsidies to promote wireless system.

Demanded Measures 36 - Regarding the implementation of the projects to develop IT infrastructures for disaster prevention.

Measures Taken - Regarding the amount of Standard Financial Demand concerning pensions in Local Allocation Tax.

#### (4) Ministry of Justice

Improprieties - Payment of salaries to full-time doctors who were not working at the working hours was improper.

Improprieties - Overtime allowance for the Senior Assistants for Enforcement Affairs was overpaid.

Demanded Measures 34 - Regarding the payment of the outsourcing expenses of the management and operation of medical clinics in penal institutions.

Measures Taken - Regarding the collective procurement of blankets to be lent to inmates of penal institutions.

Measures Taken - Regarding labor cost for welfare workers in the outsourcing administration expenses.

Measures Taken - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.

#### (5) Ministry of Foreign Affairs

Improprieties - Accounting at the overseas government establishments was inappropriate.

Presented Opinions 36 - Regarding the effectiveness of ODA.

Presented Opinions 36 - Regarding the implementation of grant assistance for grass-roots human security projects.

#### (6) Ministry of Finance

Improprieties - There was an excess or deficiency in tax collection.

Improprieties - The contracted amount in the loan agreement of state-owned port facilities was too low.

Demanded Measures 34 - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.

Presented Opinions 36 - Regarding the implementation of the securitization support programs for small and medium enterprises provided by the Japan Finance Corporation.

Presented Opinions 36 - Regarding the omission of report items and the correction of errors in the national property register, etc.

Measures Taken - Regarding taxation concerning non-residents who have tax liabilities.

Measures Taken - Regarding rental assets which are eligible for grants distributed to municipalities where national assets, etc. are located.

Measures Taken - Regarding the determination of the end dates for the government official residence designated for abolition.

(7) Ministry of Education, Culture, Sports, Science and Technology

Improprieties - Accounting of outsourcing expenses concerning the sports promotion outsourcing project was improper.

Improprieties - Payments for outsourcing expenses concerning the research on the environmental radioactivity level (radiation analysis) were overpaid.

Improprieties - Improper execution of subsidized projects and improper accounting.

- a. State contributions to compulsory education expenses were overpaid.
- b. Subsidies for university reform promotion, etc. (university reform promotion project) were overpaid.
- c. Subsidies for establishment of private school facilities (establishment of private kindergarten facilities) were overpaid.
- d. Subsidies for establishment of private school facilities (establishment of facilities to improve disaster prevention functions) were overpaid.
- e. Subsidies for establishment of private school facilities (emergency and special promotion to improve functions including disaster prevention) were overpaid.
- f. Payment of subsidies for promotion of sports in private sector was inappropriate.
- g. Grants for the improvement of environments of school facilities were overpaid.
- h. Grants for regional independent strategy (projects to establish facilities for industrial education) were overpaid.
- i. Subsidies for the maintenance of national treasures and important cultural properties were overpaid.

Demanded Measures 34 - Regarding the calculation of state contributions to compulsory education expenses.

Demanded Measures 34, 36 - Regarding the treatment of expenses eligible for subsidies for anti-seismic reinforcements to private school facilities.

Demanded Measures 34, 36 - Regarding the calculation of Grants for improvement of environments of schools facilities.

Presented Opinions 36 - Regarding the utilization of electronic whiteboards included in the projects to establish the environment of information and communication technology in Schools.

(8) Ministry of Health, Labour and Welfare

Improprieties - There was an excess or deficiency in collected labor insurance premiums.

Improprieties - There was a deficiency in collected premiums of health insurance and welfare insurance.

Improprieties - Accounting concerning consignment businesses did not adhere to accounting laws and regulations.

Improprieties - Compensation benefits for absence from work were not properly paid in accordance with workers' accident compensation insurance scheme.

Improprieties - Unemployment benefits were not properly paid in accordance with employment insurance scheme.

Improprieties - Employment adjustment subsidies were not properly paid in accordance with employment insurance scheme.

Improprieties - Specific jobseeker employment development grants (employment development grants for disaster affected people) were not properly paid in accordance with employment insurance scheme.

Improprieties - Grants for the establishment and operation of in-office childcare facilities were not properly paid in accordance with employment insurance scheme.

Improprieties - Old-age pension benefits were not properly paid in accordance with employees' pension insurance scheme.

Improprieties - The State's medical expenses were improper.

Improprieties - Improper execution of subsidized projects and improper accounting.

- a. Use of the funds created with the temporary special grants for community health regeneration was not eligible for subsidies.
- b. Subsidies for medical benefits under the national health insurance scheme were overpaid.
- c. State contributions to provision of medical benefits under the national health insurance scheme were overpaid.
- d. Subsidies for financial adjustment under the national health insurance scheme were overpaid.
- e. State contributions to childcare expenses were adjusted excessively.
- f. Subsidies for childcare support (a portion concerning the community-based childcare support project) were overpaid.
- g. State contributions to public assistance were overpaid.
- h. State contributions to benefits for self-reliance support for disabled people were overpaid.
- i. Subsidies for financial adjustment of the long-term care insurance were overpaid.
- j. Payment of grants for community nursing care and welfare facility development was not eligible for subsidies.
- k. Subsidies for scientific research on health, welfare and labour were overpaid.
- l. Funds created with temporary special grants for emergency employment creation and grants for hometown employment were used for purposes other than the original intent.
- m. Subsidies for promotion of childcare and other measures (a portion of the project relating to promotion of extended-hours childcare) were overpaid.
- n. Grants for child allowance were overpaid.

Improprieties - State contribution to long-term care benefits for the elderly was overpaid.

Improprieties - State contribution to expenses for long-term care for self-reliance support and training for persons with disabilities was overpaid.

Demanded Measures 34 - Regarding the decision making and the collection of the premiums concerning the business owners who have not applied for Labor Insurance.

Demanded Measures 34 - Regarding the operation of the Special Act on the Employee's Pensions.

Demanded Measures 34 - Regarding the calculation of contributions to the high medical costs for the late-stage elderly in the late-stage medical care system for the elderly.

Demanded Measures 34 - Regarding the calculation of state contributions to the medical costs for the disabled concerning joint users of the financial aid for medical treatment aimed at improving independence and the specified disease system under the medical insurance plan.

Demanded Measures 34 - Regarding the management of claims for refunds of illegally paid benefits concerning unemployment benefits.

Demanded Measures 34 - Regarding countermeasures to eliminate inconsistencies in pension records of thirdly insured people under the national pension plan.

Demanded Measures 34 Presented Opinions 36 - Regarding the bed conversion support fund that is held by the Health Insurance Claims Review and Reimbursement Services as a surplus for the implementation of the bed conversion grant program.

Demanded Measures 34 Presented Opinions 36 - Regarding the payment of public assistance for people living in social welfare facilities.

Presented Opinions 36 - Regarding the size of state contributions in the accounts of loans secured by worker's compensation pensions at the Welfare and Medical Service Agency.

Demanded Measures 36 - Regarding the payment of medical expenses overseas in the national health insurance plan, etc.

Measures Taken - Regarding consumption tax in projects subsidized by the community health regeneration fund and the temporary special fund to improve seismic resistance of medical facilities.

Measures Taken - Regarding the emergency human resource development and employment support fund created by grants.

#### (9) Ministry of Agriculture, Forestry and Fisheries

Improprieties - Payments for outsourcing expenses concerning the survey for restraint measure of radioactive materials leakage in forest areas were overpaid.

Improprieties - Improper execution of subsidized projects and improper accounting.

a. Construction was designed inappropriately.

(a) Wooden buildings were designed and constructed inappropriately.

(b) Drainage systems were designed inappropriately.

(c) Farm ponds were designed inappropriately.

(d) Revetments were designed inappropriately.

(e) Windbreak nets were designed inappropriately.

(f) Steel-frame buildings were designed and constructed inappropriately.

(g) Box culverts were designed inappropriately.

(h) Equipment standards in the storage and processing facilities for agricultural products were selected inappropriately.

- (i) Drainage boxes placed in grit chambers were designed inappropriately.
- (j) Discharge channels were designed inappropriately.
- b. Projects were not eligible for subsidies.
  - (a) Expenses for the grant project concerning measures to strengthen agricultural and food industries were not eligible for subsidies.
  - (b) Farming grant for young farmers were paid to those who were not eligible for subsidies.
  - (c) Payments for promotion and establishment of new farmers were not eligible for subsidies.
  - (d) Expenses of the project for promotion of the sixth industry to revitalize agriculture and rural areas were not eligible for subsidies.
  - (e) Part of the outsourced operations implemented in the lifelong duration management project of the irrigation and drainage facilities was not eligible for subsidy.
- c. The purpose of subsidization was not achieved.
  - (a) Agricultural machinery purchased for promotion and establishment of new farmers did not achieve the purpose of subsidization.
  - (b) The purpose of subsidization was not achieved due to suspension of use of the wind turbine generator system.
- d. The expenses of subsidized projects were reimbursed excessively.
  - (a) Expenses for the project concerning utilization technology development of digital forest spaces information were reimbursed excessively.
  - (b) Expenses of the subsidized model project to support human resource development and dispatch for revitalization of rural areas were reimbursed excessively.
  - (c) Expenses of the subsidized projects including the project concerning comprehensive measures to improve environment and promote biomass were reimbursed excessively.
  - (d) Expenses of the subsidized operations concerning promotion and establishment of new farmers were reimbursed excessively.
- e. Construction was carried out inappropriately.
  - (a) Construction of the cubicle high voltage power receiving and transforming facility was carried out inappropriately.
  - (b) Construction of earth retaining walls was implemented inappropriately.
- f. The expenses of subsidized projects were reimbursed excessively or subsidies were used for purposes other than the original intent.
 

Expenses of subsidized operations in the support project for the establishment of facilities to promote collaboration between agriculture, commerce and industry were reimbursed excessively; and the facilities, etc. were used for purposes other than the original intent.
- g. Assets were disposed of without permission.
 

Facilities established with the grant project concerning measures to strengthen agricultural and food industries were rented out without proper permission.

h. Subsidies were calculated inappropriately.

Grant rates in the grant project concerning measures to strengthen agricultural and food industries were applied incorrectly.

Demanded Measures 34 - Regarding the implementation of subsidy projects for new farmers.

Demanded Measures 34 Presented Opinions 36 Demanded Measures 36 - Regarding the implementation of the farming grant for young farmers.

Demanded Measures 34, 36 - Regarding the eligible area for grants in the program for stabilization of management income, etc.

Demanded Measures 34, 36 - Regarding the administration of the forest zone for recreation and the rental of state-owned forests.

Presented Opinions 36 - Regarding the implementation of ODA under the jurisdiction of the Fisheries Agency.

Presented Opinions 36 - Regarding the implementation of the projects to establish profitable fisheries.

Demanded Measures 36 - Regarding the subsidized project of additional credit offering.

Demanded Measures 36 - Regarding lifelong duration management of the main irrigation facilities.

Demanded Measures 36 - Regarding the effectiveness of the project for promotion of the sixth industry to revitalize agriculture and rural areas, etc.

Demanded Measures 36 - Regarding recovery concerning subrogation from the Emergency Support Projects for the Guarantee Insurance Fund, etc.

Measures Taken - Regarding the unused portion and refund of Grants for Rehabilitation and Reconstruction.

Measures Taken - Regarding the cost-effectiveness analysis of the grant project for the measures to strengthen agricultural and food industries.

Measures Taken - Regarding the payment for the suppliers, etc. in the direct select project.

Measures Taken - Regarding the implementation of the directly paid grant project for hilly and mountainous areas, etc.

Measures Taken - Regarding the slope protection works in pond repair.

Measures Taken - Regarding the management of automatic security systems in the branch offices of regional institutions.

Measures Taken - Regarding the implementations of thinning, etc. in the forestry management project, etc.

Measures Taken - Regarding the implementation of pipeline construction concerning the project to improve state-owned land.

Measures Taken - Regarding the bidding of outsourcing contracts concerning operations such as sales of state-owned rice.

Measures Taken - Regarding the screening for provision of subsidies concerning the project for stockpile of barley.

#### (10) Ministry of Economy, Trade and Industry

Improprieties - The outsourcing expenses for the survey of support for small and medium

enterprises (project to establish social systems for circulating safety knowledge) were overpaid.

**Improprieties** - The outsourcing expenses for the project to assist kid's design products development were overpaid.

**Improprieties** - Improper execution of subsidized projects and improper accounting.

- a. The expenses of subsidized projects were reimbursed excessively.
  - (a) Expenses for subsidized operations were reimbursed excessively because the income equivalent of subsidiary companies, which is supposed to be deducted, was miscalculated.
  - (b) Expenses for subsidized operations were reimbursed excessively because lease costs defrayed after the period of the subsidized operations were included.
- b. Funds created by subsidies were used inappropriately.

Expenses in the promotion projects such as overseas development of contents were not eligible for subsidies.
- c. Projects were not eligible for subsidies.
  - (a) Part of the expenses of the subsidized operations in the support project of gasoline distribution cost to remote islands was not eligible for subsidies.
  - (b) Expenses paid to interested parties were not eligible for subsidies, etc.
- d. Construction was designed inappropriately.

LED light poles were designed inappropriately.
- e. Subsidies were used for purposes other than the original intent.

Part of the equipment established was used for purposes other than the original intent.
- f. Subsidies were overpaid  
Subsidies were overpaid due to misapplication of subsidy rate concerning the establishment of a monitoring system.

**Presented Opinions 36** - Regarding the effectiveness of the support project for overseas development of small and medium enterprises.

**Presented Opinions 36** - Regarding the implementation of the securitization support operation which the Japan Finance Corporation conducts as the project for small and medium enterprises.

**Presented Opinions 36** - Regarding establishment of a subsidy unit price in the support project for gasoline distribution costs to remote islands.

**Presented Opinions 36** - Regarding the operation status of the wind turbine generation project, the equipment of which was established in the subsidized operations.

**Measures Taken** - Regarding funds such as grants paid for prefectures supplying electric power to other prefectures to use as the source of the loan fund for the cost of the establishment of new businesses.

#### (11) Ministry of Land, Infrastructure, Transport and Tourism

**Improprieties** - The purpose of the demolition and dismantlement work of office buildings in the government buildings project was not achieved.



**Improprieties** - The design was inappropriate in implementing the national expressway construction project.

**Improprieties** - The contracted amount of the outsourcing contract concerning airport security services was comparatively high.

**Improprieties** - Improper execution of subsidized projects and improper accounting.

- a. Construction was implemented at low prices and projects were not eligible for subsidies.

By submitting grant applications or performance reports with false contents, repairs were implemented at low prices, and rental houses which did not meet the subsidy criteria were not eligible for subsidies, etc.

- b. Subsidies were calculated inappropriately.

- (a) Compensations concerning building relocations were calculated inappropriately.

- (b) Expenses concerning the project to lower the rents of public housing were calculated inappropriately.

- (c) Subsidies were overpaid due to the inclusion of expenses for sea routes which were not eligible for subsidies.

- (d) Subsidies for the establishment, maintenance and improvement of regional public transportation were overpaid.

- c. Construction was designed inappropriately.

- (a) Breast walls of bridge abutments were designed inappropriately.

- (b) Anchored earth retaining walls were designed inappropriately.

- (c) Assembly halls in municipal houses were designed inappropriately.

- (d) Box culverts were designed inappropriately.

- d. Construction was different from design

- (a) Construction of earth retaining walls were different from the designs.

- (b) Construction of mortar spray work was different from the design.

- e. Implementation plan of construction was designed inappropriately.

The purpose of anti-seismic reinforcement in the works of the grit chamber pump station was not achieved.

- f. Subsidies were used for purposes other than the original intent.

Homes for exhibition which were established in the promotion project of regional housing model were used for purposes other than the original intent, etc.

- g. Construction contract was processed inappropriately.

The contract concerning the usage amount of recycled materials was processed inappropriately.

- h. Estimated cost of construction was excessive

Estimated cost of repairs on vertical wave-absorbing blocks was excessive.

**Demanded Measures 34** - Regarding the payment of the outsourcing expenses in the vehicle management operation, etc.

**Demanded Measures 34** - Regarding the operation expenses concerning safe voyage of marine vessels.

**Demanded Measures 34** **Presented Opinions 36** - Regarding the project for maintenance and

promotion of housing safety net.

Demanded Measures 34, 36 - Regarding the creation of the flood hazard map including the designation of potential flooding areas and digitalization of potential flooding areas diagram.

Presented Opinions 36 - Regarding the projects concerning the promotion of container freight collection from regional ports to Keihin Port or Hanshin Port.

Presented Opinions 36 - Regarding the effectiveness of the power pole removal in the common cable ducts project.

Presented Opinions 36 - Implementation of projects to promote group relocation for disaster mitigation in areas affected by the Great East Japan Earthquake

Demanded Measures 36 - Regarding the entry of basic data into the road management database system.

Demanded Measures 36 - Regarding the maintenance of the control reservoirs, etc.

Demanded Measures 36 - Regarding the maintenance of dams.

Demanded Measures 36 - Regarding the effective use of prospective lands for toll booths in the new state-managed roads.

Demanded Measures 36 - Regarding the effort to guarantee competitiveness in contracts which the regional civil aviation bureau makes concerning airport management operations.

Measures Taken - Regarding the subsidized projects concerning the purchase of low-floor buses.

Measures Taken - Regarding the design of sewage treatment plants and other facilities in sewage treatment system.

Measures Taken - Regarding the total estimated cost of special maintenance contracts for aircrafts, etc.

Measures Taken - Regarding the calculation of compensation for relocation in road improvement projects implemented as state subsidized projects.

#### (12) Ministry of the Environment

Improprieties - The outsourcing expenses were overpaid.

Improprieties - Improper execution of subsidized projects and improper accounting.

- a. Funds created by subsidies were used inappropriately.
  - (a) The projects implemented by using the regional green new deal funds were not eligible as funded operations.
  - (b) The construction projects implemented by using local government support funds for introduction of renewable energy, etc. were designed inappropriately.
- b. Equipment was designed inappropriately.

Radiation monitoring equipment was designed inappropriately.
- c. Projects were not eligible for subsidies.

Part of the expenses of the promotion grants to establish recycling society was not eligible for the grants.
- d. The expenses of subsidized projects were reimbursed excessively.

Expenses of the subsidized operations in the project for measures to control carbon dioxide emission were reimbursed excessively.

Demanded Measures 34 Presented Opinions 36 - Regarding the operation and maintenance of melting and solidifying facilities and the use of the molten slag.

Demanded Measures 36 - Regarding the structure of the germanium semiconductor-based radiation detectors established with the outsourcing expenses of the environmental radioactivity level surveys.

### (13) Ministry of Defense

Improprieties - The payment of unaccompanied duty allowance was inappropriate over an extended period of time.

Improprieties - Accounting concerning procurement of goods was inappropriate.

Improprieties - Cash was unlawfully taken by an official.

Demanded Measures 34 - Regarding the repair of the communication electronic equipment to modernize the F-15 fighter aircraft.

Presented Opinions 36 - Regarding procurements such as ink cartridges.

Presented Opinions 36 - Regarding the request and confirmation of the inquiry sheets concerning service-related foreign military sales.

Presented Opinions 36 - Regarding the reliability assurance of the informational materials in contracts related to procurements of defense equipment, etc. (Special Report to the Diet and the Cabinet)

Demanded Measures 36 - Regarding the assurance of fairness, etc. in the contract procedures in the residential soundproofing project.

Measures Taken - Regarding the development of an online medical care fee claim bill management system.

Measures Taken - Regarding the procedures to discontinue renting private houses paid by the state.

Measures Taken - Regarding the secondary battery and battery chargers used for portable transceivers.

Measures Taken - Regarding the use of portable transceivers procured in case of large scale disasters, etc.

Measures Taken - Regarding the outsourcing of the administration of the lease contracts concerning lands for defense facilities.

Measures Taken - Regarding the implementation of calibration and verification of measuring instruments, etc. equipped on naval vessels.

Measures Taken - Regarding the management of anti-influenza virus medication in stock.

## **B Improper/Unreasonable Matters per Entity**

### (1) Okinawa Development Finance Corporation

Demanded Measures 34 - Regarding the total estimated cost of the operation and maintenance contract of the information system.

(2) Japan Finance Corporation

Demanded Measures 34 - Regarding the implementation of low interest lending in the special loan for recovery from the Great East Japan Earthquake.

(3) Promotion and Mutual Aid Corporation for Private Schools of Japan

Improprieties - Accounting of subsidies for private universities' current expenses were improper.

Presented Opinions 36 - Regarding the operation of accommodation facilities of the Promotion and Mutual Aid Corporation for Private Schools of Japan.

(4) Japan Racing Association

Demanded Measures 34 - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.

(5) Narita International Airport Corporation

Demanded Measures 34 - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.

(6) East Nippon Expressway, (7) Central Nippon Expressway, (8) West Nippon Expressway

Measures Taken - Regarding steel materials for temporary bridges, etc. which were set up temporarily during the construction period.

Measures Taken - Regarding the design of the concrete shaving works.

Measures Taken - Regarding maintenance and inspection of septic tanks in the service areas of the expressways.

(9) Honshu-Shikoku Bridge Expressway

Measures Taken - Regarding the storage battery of the power-supply unit.

(10) Japan Post Holdings, (11) Japan Post, (12) Japan Post Bank, (13) Japan Post Insurance

Measures Taken - Regarding the use of landlines.

(14) Japan Legal Support Center

Measures Taken - Regarding the implementation of the civil legal aid operation.

(15) Japan Health Insurance Association

Measures Taken - Regarding the procurement of PCs for the health education support system.

Measures Taken - Regarding the accommodation securing project implemented with the outsourcing contract of seamen's insurance recreation project.

(16) Japan Pension Service

Improprieties - Contracted amount concerning the kitting of the office work processing terminals was excessive.

Demanded Measures 34 - Regarding the operation of the Special Act on the Employee's Pension.

Demanded Measures 34 - Regarding countermeasures to eliminate the inconsistencies in the pension records of thirdly insured people under the national pension.

Demanded Measures 34 - Regarding the execution of contract procedure to which the Agreement of Government Procurement applied.

Measures Taken - Regarding the lease contract made to use a part of the building for the data center.

(17) National Museum of Nature and Science, (18) National Institute of Occupational Safety and Health, Japan, (19) National Maritime Research Institute, (20) Marine Technical Education Agency, (21) Japan Sport Council, (22) Japan Arts Council

Demanded Measures 34 - Regarding the execution of contract procedure to which the Agreement of Government Procurement applied.

(23) National Research Institute for Earth Science and Disaster Prevention

Improprieties - Contract amount for the works including manufacturing and setting up the test model of large space building for experimental studies was comparatively high.

(24) National Agriculture and Food Research Organization

Improprieties - Accounting concerning the purchase of goods for research was inappropriate.

(25) National Institute of Agrobiological Science

Improprieties - Accounting concerning the purchase of goods for research was inappropriate.

(26) National Institute of Advanced Industrial Science and Technology

Demanded Measures 34 Presented Opinions 36 - Regarding the maintenance and use of research equipment, etc.

(27) National Institute for Environmental Studies

Improprieties - Contract amount of the outsourcing operations concerning symposiums open to the public was comparatively high.

(28) Japan Mint

Measures Taken - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.

(29) National Printing Bureau

Measures Taken - Regarding the leased lands of unnecessary assets.

(30) National Consumer Affairs Center of Japan

Measures Taken - Regarding the implementation of the advising service operation by National

Consumer Affairs Center on weekends and public holidays.

(31) Agriculture & Livestock Industries Corporation

Demanded Measures 36 - Regarding the payment of a compensation concerning beef cattle sales, etc. to the Federation of Agricultural Cooperative Association, etc.

Measures Taken - Regarding the cost- benefit analysis of the promotional project of the livestock industry.

Measures Taken - Regarding shares the Corporation owns.

(32) Japan International Cooperation Agency

Presented Opinions 36 - Regarding the effectiveness of ODA.

(33) New Energy and Industrial Technology Development Organization, (34) Japan National Tourism Organization

Measures Taken - Regarding the deposits, etc. which are not to be used as a financial source for businesses.

(35) RIKEN

Measures Taken - Regarding the review of the ratio to burden the basic charge of electricity cost of the rental space.

(36) Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers

Measures Taken - Regarding the lands which are not used effectively.

(37) Welfare and Medical Service Agency

Presented Opinions 36 - Regarding the size of state contribution in the accounts of loans secured by worker's compensation pensions at the Welfare and Medical Service Agency.

(38) Japan Oil, Gas and Metals National Corporation

Presented Opinions 36 - Regarding the establishment, operation and maintenance of the administration system in government stockpiling facilities.

Measures Taken - Regarding the implementation of bidding through overall-best-value evaluation method.

(39) National Hospital Organization

Measures Taken - Regarding the conclusion of contracts concerning the procurement of medical supplies and stock management operation.

(40) Japan Student Services Organization

Demanded Measures 34 - Regarding the treatment of overpaid amounts in the scholarships

and student loan project.

(41) Japan Agency for Marine-Earth Science and Technology

Measures Taken - Regarding the ship construction contract to implement marine survey and observation.

(42) Urban Renaissance Agency

Presented Opinions 36 - Regarding the accounting concerning maintenance work in the rental housing project.

Measures Taken - Regarding the outsourcing contracts, such as general cleaning of the rental housing complexes equipped with LED communal lights.

Measures Taken - Regarding additional equipment, etc. in rental housing complexes.

(43) Japan Housing Finance Agency

Measures Taken - Regarding the investment profit of the state funds in the securitization support account.

(44) National Center for Child Health and Development

Measures Taken - Regarding the procurement of laboratory chemicals for clinical tests used in the hospital for treatment of patients.

(45) Tohoku University, (46) Akita University, (47) Yamagata University, (48) University of Tsukuba, (49) Kanazawa University, (50) University of Yamanashi, (51) Shinshu University, (52) Gifu University, (53) Hamamatsu University School of Medicine, (54) Mie University, (55) Shiga University of Medical Science, (56) Kyoto University, (57) Kobe University, (58) Tottori University, (59) Shimane University, (60) Okayama University, (61) Yamaguchi University, (62) Tokushima University, (63) Ehime University, (64) Kochi University, (65) Saga University, (66) Nagasaki University, (67) Oita University, (68) University of Toyama

Presented Opinions 36 - Regarding the use of the university hospital account management system

(69) Japan Broadcasting Corporation (NHK)

Improprieties - Cash was unlawfully taken by an official.

(70) Metropolitan Expressway

Measures Taken - Regarding the electricity contracts for the operation of ventilation equipment, etc. inside tunnels.

(71) Hanshin Expressway

Measures Taken - Regarding estimated cost of the safety control expenses in maintenance management work, etc. on expressways.

(72) Shoko Chukin Bank

Demanded Measures 34 - Regarding implementation of interest subsidies in loans from the Great East Japan Earthquake recovery fund.

(73) Hokkaido Railway Company

Presented Opinions 36 - Regarding maintenance of railway facilities.

(74) Shikoku Railway Company

Presented Opinions 36 - Regarding maintenance of railway facilities.

(75) NTT East

Measures Taken - Regarding outsourcing of sales operations.

((11) Japan Post)

Measures Taken - Regarding procurement of fuel for vehicles.

((13) Japan Post Insurance)

Improprieties - Expenses concerning the maintenance contract of the Application OCR System were excessive.

(76) Tokyo Electric Power Company

Measures Taken - Regarding the penalty clause concerning bid-rigging, etc.

(77) Farmers Pension Fund

Improprieties - Payments of pension for transferring management to successors in the former farmers' pension project were improper.

(78) Japan Sewage Works Agency

Measures Taken - Regarding the design of sewage treatment plants and other facilities in sewage treatment business.

(79) Open University of Japan

Measures Taken - Regarding the execution of contract procedure concerning to which the Agreement of Government Procurement applied.



## **2. Special Report to the Diet and the Cabinet, and Special Report on the audit requested by the Diet, etc.**

The titles of Special Report to the Diet and the Cabinet, Special Report on audit requested by the Diet, and Special Audit on Audit Implementation are as follows.

### **A Special Report to the Diet and the Cabinet**

- The implementation status of public assistance.
- The status of the local financing program and the special work allowance for local government officials, etc.
- The status of affiliated companies of incorporated administrative agencies.
- Presented Opinions 36 - The reliability assurance of the information materials in contracts related to procurements of defense equipment, etc.
- The implementation status of the measures for a stable supply of timbers for Reconstruction.
- The implementation status of the projects related to renewable energy.
- The implementation of ODA (technical cooperation) under the jurisdiction of each ministry/agency (except the technical cooperation under the jurisdiction of the Ministry of Foreign Affairs).
- The implementation status of ODA (contributions/donations to international organizations, etc.) under the jurisdiction of each ministry/agency.

### **B Special Report on audit requested by the Diet**

- The efforts by the Japan Pension Service, etc. concerning the pension record issue.

### **C Special Report on audit implementation**

- The implementation status of the project for the destruction of abandoned chemical weapons.
- The application status of the tax exemption concerning dependents residing overseas.
- The taxation status of corporate taxes against public service corporations, etc.
- The application status and review status of the special taxation (special liquor tax rates concerning sake and beer).
- The maintenance and update of life extension program of social infrastructure.
- The implementation status of the improvement plan of the user-friendliness of expressways.
- The disposal of disaster waste resulted from the Great East Japan Earthquake.
- The status of temporary storage and disposal of the designated waste caused by radioactive materials emitted as a result of the nuclear power plant accident following the Great East Japan Earthquake.
- The status and changes in finance of the Bank of Japan.