

## II Summary of Audit Results

### 1. Audit Results by Category and by Auditee

The total number of cases listed in the Audit Report for FY2023 was 345 and the improper amounts totaled 64,862.18 million yen. The following Table 1 shows the breakdown.

Table 1: Audit Findings by Category

Category	Number of audit cases	Improper amounts (Unit: million YEN)	Number of audit cases with “Background Amount” out of the number of audit cases listed on the left
Improprieties	294	7,736.86	-
Presentation of Opinions and/or Demand for Measures			
Related to Article 34 of the Board of Audit Act	4	534.27	1
Related to Article 34 and 36 of the Board of Audit Act	2	1,063.83	1
Related to Article 36 of the Board of Audit Act	16	50,632.69	5
	22	52,230.79	7
Measures Taken	22	5,064.11	3
Total of Improper/Unreasonable Matters	338	<334 cases> 64,862.18	
Special Report to the Diet and the Cabinet	1		
Special Report on Audit Requested by the Diet	-		
Report on Specific Matters	6		
Grand total	345	<334 cases> 64,862.18	

(Note 1) Since amounts under 10,000 yen are rounded down, there may be cases where the total does not match when aggregated.

(Note 2) 6 cases of “Presentation of Opinions and/or Demand for Measures” and “Measures Taken” have both improper amounts and background amounts.

(Note 3) Some cases are counted both as “Improprieties” and as “Presentation of Opinions and/or Demand for Measures” or both as “Improprieties” and as “Measures Taken”. As such duplication is deducted from the total, adding each improper amount does not correspond with the total.

**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 financial statements. The total sum of improper amounts in the Audit Report is sometimes referred to as "the total amount of wasteful expenditure." While the total amount of them tends to be referred as "the total amount of wasteful expenses", the Board of Audit of Japan does not use the term "wasteful expenses" when explaining the Improper/Unreasonable matters, having in mind that they concern various situations as set forth above.

**Background Amounts:** Background amounts represent overall amounts of payments or investments, etc. regarding matters concerned. Background amounts are presented when improper amounts cannot be calculated for audit cases such as: 1) where the Board finds, as a result of audit, any matters that it finds 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. Besides, the background amounts are not totaled up since the basis for determining the background amounts differ from case to case.

Table 2: Improper/Unreasonable Matters by Category and by Auditee

(unit of monetary amount, million YEN)

Category Auditee	Improprieties		Presentation of Opinions and/or Demand for Measures		Measures Taken		Total	
	Cases	Amount	(Note 1) Article/Cases	(Note 2) Amount	(Note 2) Cases	(Note 2) Amount	(Note 2) Cases	(Note 2) Amount
Cabinet Office	15	73.02			1	31.35	16	104.37
Cabinet Office (National Police Agency)			(Note 7) ③④ 1	237.03 (4,873.00)			(Note 7) 1	237.03 (4,873.00)
Cabinet Office (Children and Families Agency)					2	139.35	2	139.35
Reconstruction Agency			(Note 3) ③⑥ 1	(Note 3)			(Note 3) 1	(Note 3)
Ministry of Internal Affairs and Communications	20	307.14					20	307.14
Ministry of Foreign Affairs			(Note 4) (Note 7) ③⑥ 1	(Note 4) 49.00 (4,128.51)	1	378.09	(Note 4) (Note 7) 2	(Note 4) 427.09 (4,128.51)
Ministry of Finance	1	336.02	③④ 1	47.59	(Note 7) 2	446.60 (7,577.22)	(Note 7) 4	830.21 (7,577.22)
Ministry of Education, Culture, Sports, Science and Technology	24	263.68	③④ 1 (Note 3) ③⑥ 2	63.86 (Note 3) 1,079.55			(Note 3) 27	(Note 3) 1,407.09
Ministry of Health, Labour and Welfare	127	5,567.83	③④ • ③⑥ 1 (Note 7) ③⑥ 3	107.35 1,931.54 (478,910.79)	3	195.54	(Note 7) 134	(Note 6) 7,766.23 (478,910.79)
Ministry of Agriculture, Forestry and Fisheries	17	129.11	(Note 3) ③⑥ 5	(Note 3) 35,181.65 (26,831.51)	2	33.89	(Note 3) 24	(Note 3) 35,344.65 (26,831.51)
Ministry of Economy, Trade and Industry	3	10.33	(Note 5) ③④ • ③⑥ 1	(Note 5)	1	1,626.44	(Note 5) 5	(Note 5) 1,636.77
Ministry of Land, Infrastructure, Transport and Tourism	30	624.08	③④ 1 (Note 3) ③⑥ 4	185.79 (Note 3) 1,356.86 (19,099.06) (102,668.58)	(Note 7) 3	158.80 (753.28)	(Note 3) (Note 7) 38	(Note 3) 2,325.53 (19,099.06) (102,668.58) (753.28)

Category Auditee	Improprieties		Presentation of Opinions and/or Demand for Measures		Measures Taken		Total	
	Cases	Amount	(Note 1) Article/Cases	(Note 2) Amount	(Note 2) Cases	Amount	(Note 2) Cases	Amount
Ministry of the Environment	8	164.58					8	164.58
Ministry of Defense	2	43.73			3	1,157.79	5	1,201.52
The Promotion and Mutual Aid Corporation for Private Schools of Japan	2	5.65					2	5.65
Central Nippon Expressway Company Limited	1	28.22					1	28.22
Honshu-Shikoku Bridge Expressway Company Limited					1	21.82	1	21.82
Japan Health Insurance Association					1	24.44	1	24.44
Japan International Cooperation Agency (JICA)			(Note 4) ③⑥ 1	(Note 4)			(Note 4) 1	(Note 4)
Organization for Small & Medium Enterprises and Regional Innovation	43	172.74	(Note 5) (Note 7) ③④・③⑥ 1	(Note 5) 956.48 (5,828.91)			(Note 5) (Note 7) 44	(Note 5) (Note 6) 995.66 (5,828.91)
Urban Renaissance Agency					1	850.00	1	850.00
Japan Housing Finance Agency			③⑥ 1	11,034.09			1	11,034.09
Nippon Hoso Kyokai (NHK: Japan Broadcasting Corporation)	1	10.68			1	(319.79)	2	10.68 (319.79)
Total	294	7,736.86	(Note 3) (Note 4) (Note 5) 22	52,230.79	22	5,064.11	(Note 3) (Note 4) (Note 5) 338	(Note 6) 64,862.18

(Note 1) 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 since the basis for determining the background amounts differs from case to case.

(Note 3) One case concerning the Reconstruction Agency pertains to the same issue as one case each concerning the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Land, Infrastructure, Transport and Tourism, with the amounts recorded separately under each respective ministry. In addition, duplication has been eliminated from the total number of cases.

- (Note 4) Although one case involves both the Ministry of Foreign Affairs and the Japan International Cooperation Agency (JICA), 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 Economy, Trade and Industry and the Organization for Small & Medium Enterprises and Regional Innovation, the amount has been listed only in the column of the Organization for Small & Medium Enterprises and Regional Innovation. In addition, duplication has been eliminated from the total number of cases.
- (Note 6) Some cases are counted both as “Improprieties” and as “Presentation of Opinions and/or Demand for Measures” (related to the service productivity improvement IT introduction support project expenses subsidies (refer to pages 58 and 60)), or both as “Improprieties” and as “Measures Taken” (related to State contribution to medical treatment benefits under national health insurance (refer to pages 56 and 61)). As such duplications are deducted from the total, adding each improper amount does not correspond with the total.
- (Note 7) Concerning the categories “Presentation of Opinions and/or Demand for Measures” and “Measures Taken”, 6 cases in total have both improper amounts and background amounts.

## **2. Brief Description of Audit Cases**

The following is a brief description of individual cases.

### **A Improproprieties**

#### **(1) Cabinet Office**

##### **(Cabinet Office)**

- Excessive billing for the costs for the project for the child education and childcare benefit grants
- Excessive billing for the subsidized expenses for the project covered by the Okinawa international logistics hub utilization promotion project subsidies
- A portion of the costs for the project covered by grants for promoting the Vision for a Digital Garden City Nation (digital implementation type (TYPE 1)) was ineligible.
- Excessive payment of child and child-rearing support grants (the portion for extended-hours childcare services)
- Excessive payment of child and child-rearing support grants (the portion for the community child care support centers project)

#### **(2) Ministry of Internal Affairs and Communications**

- Excessive billing for the costs for the project for the temporary grants for regional revitalization for COVID-19
- A portion of the subsidized costs for the remote island transmission dedicated line maintenance project was ineligible.
- Excessive payment of special allocation tax grants
- Excessive payment of special allocation tax grants for post-disaster restoration

#### **(3) Ministry of Finance**

- Cases of deficiency in tax collection

#### **(4) Ministry of Education, Culture, Sports, Science and Technology**

- Excessive payment of subsidies for the improvement of information equipment for public schools
- Excessive payment of subsidies for improvement of private school facilities (research equipment, educational equipment, the ICT utilization promotion project, and the emergency special promotion project for strengthening disaster prevention functions)
- Excessive payment of grants for improvement of school facilities and the environment
- Excessive payment of the Okinawa promotion public investment grants (the project for improving school facilities and the environment)
- Excessive payment of subsidies for the project to facilitate utilization of cultural resources
- Excessive State contribution to the cost of compulsory education

#### **(5) Ministry of Health, Labour and Welfare**

- Excess and deficiency in collection of labor insurance premiums
- Deficiency in collected premiums of health insurance and employees' pension insurance
- Excessive payment in the contract related to the development and operation of the Gathering Medical Information System on COVID-19 (G-MIS)
- Improper payment of special job seeker employment development grant-in-aid under employment insurance (specially disadvantaged job seeker course grant-in-aid)

- Improper payment of career enhancement grant-in-aid under employment insurance
- Improper payment of unemployment benefits under employment insurance
- Improper payment of old-age employees' pension benefits under employees' pension insurance
- Improper State contribution to medical expenses
- Excessive payment of subsidies for securing the outpatient acceptance of fever clinics in the flu season (the project for ensuring outpatient diagnosis and testing system for febrile patients in preparation for the flu season and the support project for medical institutions implementing the project for ensuring outpatient diagnosis and testing system for febrile patients in preparation for the flu season)
- Excessive payment of the emergency support project subsidies for medical institutions admitting COVID-19 patients
- Excessive payment of the emergency comprehensive support grants for COVID-19 (medical portion) (the portion pertaining to a COVID-19 control project and a COVID-19 intensive medical institution system development project)
- Excessive payment of the emergency comprehensive support grants for COVID-19 (for medical care) (the portion pertaining to the facility development project for medical institutions hospitalizing COVID-19 patients)
- Excessive payment of the emergency comprehensive support grants for COVID-19 (for medical care) (the portion pertaining to the outpatient facility development project for returnees & people having contact with COVID-19 patients)
- Excessive payment of the emergency comprehensive support grants for COVID-19 (for medical care) (the portion pertaining to the facility development project for infection testing institutions)
- Excessive payment of the emergency comprehensive support grants for COVID-19 (for medical care) (the portion pertaining to the COVID-19 intensive medical institution facility development project)
- Excessive payment of the emergency comprehensive support grants for COVID-19 (for medical care) (the portion pertaining to the emergency, perinatal & pediatric care system securing project for acceptance of suspected COVID-19 patients)
- Excessive payment of the emergency comprehensive support grants for COVID-19 (for medical care) (the portion pertaining to the COVID-19 vaccination system support project)
- Excessive payment of subsidies for the project to promote medical care provision systems (the portion pertaining to the operation of the perinatal maternal and child medical center)
- Excessive payment of State contribution to medical treatment benefits under national health insurance
- Excessive payment of fiscal adjustment grants under national health insurance
- Excessive State contribution to livelihood assistance benefits
- Excessive State contribution to medical expenses of people with disabilities
- Excessive State contribution to disability benefits for children with disabilities in living support facilities
- Excessive payment of national subsidies for the restoration of social welfare facilities damaged by disasters
- Excessive State contribution to the nursing care benefit
- Excessive payment of fiscal adjustment grants under nursing care insurance
- Improper collection of expenses required for paying labor insurance benefits
- Improper State contribution to nursing care benefits for elderly persons

- Improper State contribution to training benefits included in benefits for services and supports
- Improper State contribution to outpatient benefits for children with disabilities

#### **(6) Ministry of Agriculture, Forestry and Fisheries**

- Improper construction of the erosion control dam because the contractor was allowed to carry out work that differed from the design based on a false perception
- Recipients of the agricultural next-generation human resource investment fund did not continue farming throughout the required farming continuation period, making them ineligible for the subsidy.
- A portion of the costs for the project covered by the grants for developing market scale expansion measures toward the sixth industrialization was ineligible.
- A portion of the subsidized costs for the school meal milk stable demand assurance project was ineligible.
- A portion of the subsidized costs for the specific regional management support project was ineligible.
- Improper design of the windbreak facility
- Improper design of the canal installed to decommission the function of the reservoir
- Improper design of the covered rockfall protection net construction
- Improper design of the foundation of the net fence installed to prevent access to the reservoir
- Excessive billing for the subsidized costs for the project using funds created with the production area power-up project subsidies
- The purification tank acquired through the domestic dairy product competitiveness enhancement project subsidy was used for purposes other than its intended use.
- Excessive billing for the costs for the project for the strong agriculture and core farmers development comprehensive support grants

#### **(7) Ministry of Economy, Trade and Industry**

- In the leather industry promotion project, expenses were excessively recorded without being based on similar transaction prices or actual payment amounts, resulting in excessive billing for the subsidized costs.
- Excessive billing for the subsidized costs for the project covered by the subsidies for management support for SMEs (the commercial and service competitiveness enhancement collaboration support project)
- In the project using a fund created with the subsidies for the project to support self-help of disaster-affected businesses, the purchased equipment was never used for the intended project purpose, resulting in the failure to achieve the subsidy's objective.

#### **(8) Ministry of Land, Infrastructure, Transport and Tourism**

- Excessive payment amount for the entrustment fees related to the trial implementation of technologies aimed at improving labor productivity at the construction site
- Improper design of foot protection works
- Improper design of the monitoring and control equipment
- Improper design of the water pipe bridge
- Improper design of retaining walls
- Improper design of the revetment
- Improper design of catch basins



- Improper design of seismic reinforcement work of bridge piers
- Improper design of the pier's wood deck
- Improper design of the bridge abutment
- Improper design of the sidewall revetment
- Improper calculation of the cost of projects relating to cheaper rent on public housing
- Excessive payment of the great east Japan earthquake reconstruction grants
- Excessive designed quantity for topsoil excavation
- The aircraft acquired through the aircraft purchase subsidy was used for purposes other than the intended subsidy objective.
- In implementing the anti-erosion work project, an increase in the State's share in grants due to an increase in the normal State expense rates should not have been paid.
- Improper procedures related to the disposal of urban park land assets

**(9) Ministry of the Environment**

- Excessive salary paid to a dispatched staff to an international organization
- Improper design of the fall prevention fence in the parking lot within the national park
- Excessive payment of the grants for promoting establishment of a sound material-cycle society
- Excessive payment of the disaster waste management project subsidies
- Improper design of lightning protection measures for plant equipment platforms, walkways
- Improper construction of the refrigeration and air conditioning equipment installation

**(10) Ministry of Defense**

- Improper design of the installation work for the distribution board
- Excessive estimate for the subsidized costs for the disaster prevention administrative radio digitalization work

**(11) The Promotion and Mutual Aid Corporation for Private Schools of Japan**

- Improper accounting of subsidies for private universities' current expenses

**(12) Central Nippon Expressway Company Limited**

- The payment amount for the cost of traffic wardens deployed for pavement repair work was excessive because the drawings/specifications were not revised in accordance with the actual conditions at the construction site.

**(13) Organization for Small & Medium Enterprises and Regional Innovation**

- Excessive payment of the service productivity Improvement IT introduction support project expenses subsidies due to frauds pertaining to substantial returns of funds
- The application developed under the manufacturing, commerce, and service productivity enhancement promotion subsidies failed to achieve the subsidy's objective because some functions were not implemented.
- A portion of the subsidized costs under the small and medium enterprise business restructuring promotion subsidies was ineligible for the subsidy.

**(14) Nippon Hoso Kyokai (NHK: Japan Broadcasting Corporation)**

- Fraud by officials

## **B Presentation of Opinions and/or Demand for Measures**

### **(1) Cabinet Office**

(National Police Agency)

Demand for Measures 34 - Management of claims for damages acquired by the national government as a result of provision of crime victims benefits

### **(2) Ministry of Foreign Affairs**

Presentation of Opinions 36 - Implementation status of Official Development Assistance (ODA)

### **(3) Ministry of Finance**

Demand for Measures 34 - Management of non-administrative assets located within Toda Park

### **(4) Ministry of Education, Culture, Sports, Science and Technology**

Demand for Measures 34 - Conversion of the number of full-time teachers when part-time teachers are assigned as additional staff under the calculation basis for State contribution to the cost of compulsory education

Presentation of Opinions 36 - Status of loaning learner-use computers provided to high schools under the public school information equipment purchase project as part of the GIGA School Concept

### **(5) Ministry of Health, Labour and Welfare**

Demand for Measures 34 36 - Payment of the human resource development support grant-in-aid under employment insurance

Presentation of Opinions 36 - Status of development of systems for follow-up support for special loan including emergency small funds in the livelihood welfare fund loan system in response to the impact of COVID-19

Demand for Measures 36 - Calculation of special adjustment subsidies for the integrated implementation of health services for the elderly and prevention care services

Demand for Measures 36 - Review of operations required for mailing labor insurance premium declarations

### **(6) Ministry of Agriculture, Forestry and Fisheries**

Presentation of Opinions 36 Demand for Measures 36 - Implementation of the paddy field renovation project for new market development

Demand for Measures 36 - Size of loans made by the Agriculture, Forestry and Fisheries Credit Foundations to prefectural agricultural credit fund associations

Demand for Measures 36 - Grasp of progress toward reduction targets and development of improvement plans under the comprehensive support measures for wildlife damage prevention

Demand for Measures 36 - Calculation of fishery income in the urgent support project for introducing fishing vessels to strengthen the competitiveness of the fishing industry

### **(7) Ministry of Economy, Trade and Industry**

Demand for Measures 34 36 Presentation of Opinions 36 - Implementation status of the service productivity improvement IT introduction support project

**(8) Ministry of Land, Infrastructure, Transport and Tourism**

Demand for Measures ③④ - Estimation of costs for construction utilizing ICT (Information and Communication Technology)

Presentation of Opinions ③⑥ - Efficient implementation of seismic reinforcement of bridges on emergency transport roads

Demand for Measures ③⑥ - Implementation of measures to promote the vacating of public housing by high-income residents

Demand for Measures ③⑥ - Handling of unauthorized extensions in the demolition projects of public housing

**(9) Reconstruction Agency, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism**

Demand for Measures ③⑥ - The scale of the funds established and developed through the Fukushima reconstruction acceleration grants

**(10) Japan International Cooperation Agency (JICA)**

Presentation of Opinions ③⑥ - Implementation status of Official Development Assistance (ODA)

**(11) Organization for Small & Medium Enterprises and Regional Innovation**

Demand for Measures ③④ ③⑥ Presentation of Opinions ③⑥ - Implementation status of the service productivity improvement IT introduction support project

**(12) Japan Housing Finance Agency**

Demand for Measures ③⑥ - The scale of government capital contributions in the housing loan insurance account

**C Measures Taken**

**(1) Cabinet Office**

(Cabinet Office)

- Handling of insurance proceeds in the calculation of the subsidy amount for the Okinawa Institute of Science and Technology School Corporation

**(2) Cabinet Office**

(Children and Families Agency)

- The scale of the funds established and developed through the Fukushima reconstruction acceleration grants

**(3) Ministry of Foreign Affairs**

- The operation and service contracts of Japan House

**(4) Ministry of Finance**

- Establishment of a tax filing review system for the adjustment calculation of consumption tax on subsidy and grant income, including cases where the use is not clearly specified in the grant guidelines

- The assessment and determination of consumption tax on individuals who do not possess tax-free goods at the time of departure

**(5) Ministry of Health, Labour and Welfare**

- The calculation procedures for State contribution to medical treatment benefits under national health insurance
- Application of the specific office concentration reduction for in-home long-term care support

**(6) Ministry of Agriculture, Forestry and Fisheries**

- Calculation of transport soil volume related to the production and removal of large sandbags
- Estimation of the target price for the contract of document compilation and bookbinding services

**(7) Ministry of Economy, Trade and Industry**

- Implementation of projects that determine the subsidy amount based on projected figures, such as the consumer rebate subsidy program

**(8) Ministry of Land, Infrastructure, Transport and Tourism**

- Operation of port service vessels
- Procurement and utilization of measuring instruments used to verify the accuracy of X-band rain gauges
- Estimation of the target price for bird control services

**(9) Ministry of Defense**

- Contract modifications related to construction work
- Payment of costs required for charging lead-acid main batteries during periodic inspections of submarines
- Design and construction of works involving the burial of water supply pipes or wastewater drainage pipes

**(10) Cabinet Office (Children and Families Agency), Ministry of Health, Labour and Welfare**

- Handling of the calculation of State contribution to disability benefits for children with disabilities in living support facilities and for persons with disabilities in self-support related to benefit costs to be refunded by businesses

**(11) Honshu-Shikoku Bridge Expressway Company Limited**

- Frequency of collection and delivery services for cash collected as tolls on general toll roads

**(12) Japan Health Insurance Association**

- Cost burden related to retinal examinations conducted as part of general health checkups for lifestyle-related disease prevention

**(13) Urban Renaissance Agency**

- Estimation of costs related to the transportation and disposal of property outside the intended purpose in contracts for support to compulsory execution

**(14) Nippon Hoso Kyokai (NHK: Japan Broadcasting Corporation)**

- Initiatives to promote the signing of receiving contracts with NHK in fee-based homes for the elderly

## **D Special Report to the Diet and the Cabinet, etc.**

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

The following reports were submitted to the Diet and the Cabinet prior to the submission of the Audit Report pursuant to the provision of Article 30-2:

- Implementation status of information inquiries by local governments in the MY Number System

### **(2) Report on Specific Matters**

The Board conducted audits on the following matters which were found necessary to be included in the Audit Report:

- Execution status of supplementary budgets for general account
- Implementation status of the project for the temporary grants for regional revitalization for COVID-19
- Implementation status of benefits projects for child-rearing households and low-income households
- Evaluation system of shares without market prices among assets acquired through inheritance
- Implementation status of the project to promote efficient use of electricity and the project for measures to mitigate drastic changes in electricity and gas prices
- Execution status of budget for national defense