

II Summary of Audit Results

1. Audit Results by Category and by Auditee

The total number of cases listed in the Audit Report for FY2016 was 423. Of these, the number of cases which were found not appropriate (Improper/Unreasonable Matters) was 409 and the improper amounts¹ totalled 87,441.30 million yen. (There were also background amounts² concerning the problem cases.) The following Table 1 shows the breakdown of the 423 cases by category.

Table 1: Audit Findings by Category

Category	Number of audit cases	Improper amounts (Unit: million YEN)
• Improprieties ^(Note 1)	333	13,718.21
• Presentation of Opinions and/or Demand for Measures ^(Note 2)	28 ^(Note 8)	25,811.28
• Measures Taken ^(Note 3)	47 ^(Note 8)	50,513.99
• Special Description ^(Note 4)	1	-
Total of Improper/Unreasonable Matters	409	87,441.30 ^(Note 9)
• Special Report to the Diet and the Cabinet ^(Note 5)	9	
• Special Report on Audit Requested by the Diet ^(Note 6)	2	
• Report on Specific Matters ^(Note 7)	3	
Grand total	423	

(Note 1) Improprieties: Matters being found, as a result of audit, in violation of the law, Cabinet Order, the approved budget, or being found improper.

(Note 2) Presentation of Opinions and/or Demand for Measures: Matters regarding which the Board has presented its opinions or demanded measures to relevant ministers etc. pursuant to the provisions of Article 34 and 36 of the Board of Audit Act.

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

- (Note 4) Special Description: Matters which the Board finds it particularly necessary to report in order to draw the attention of the public.
- (Note 5) Special Report to the Diet and the Cabinet: Matters reported to the Diet and the Cabinet pursuant to the provision of Article 30-2 of the Board of Audit Act.
- (Note 6) Special Report on audits requested by the Diet: Results of audit reported to the Diet regarding matters audited pursuant to 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 Law.
- (Note 7) Report on Specific Matters: A report on specific matters which the Board finds necessary to report among audit activities of the Board.
- (Note 8) 7 cases of “Presentation of Opinions and/or Demand for Measures” and “Measures Taken”, in multiple situations, have both improper amounts and background amounts.
- (Note 9) Some cases are counted both as “Improprieties” and “Presentation of Opinions and/or Demand for Measures”, or “Improprieties” and “Measures Taken”. As such duplications are deducted from the total, adding each improper amount does not correspond with the total.

¹ 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.

² 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 shows the breakdown of 408 cases of “Improper/Unreasonable Matters” (Improprieties, Presentation of Opinions and/or Demand for Measures and Measures Taken in Table 1) by auditee.

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 (Note 2)		Measures Taken (Note 2)		Total (Note 2)	
	Cases	Amount	Article (Note 1) /Cases	Amount	Cases	Amount	Cases	Amount
Cabinet Office (Cabinet Office)	16	279.81	③⑥ 1	372.02	2	2,317.09	19	2,956.85 (Note 6)
Cabinet Office (National Police Agency)					1	97.82	1	97.82
Ministry of Internal Affairs and Communications	29	2,006.95	③⑥ 1	249.36	(Note 7); 2	463.31 (3,965.18)	(Note 7); 32	2,657.22 (3,965.18) (Note 6)
Ministry of Justice	2	478.73					2	478.73
Ministry of Foreign Affairs			(Note 3), (Note 7); ③⑥ 2	(Note 3) 586.51 (31,476.15)			(Note 3); (Note 7); 2	(Note 3) 586.51 (31,476.15)
Ministry of Finance	1	487.88			1	9.69	2	497.57
Ministry of Education, Culture, Sports, Science and Technology	46	1,106.38	③④ 1 ③⑥ 1	884.82 909.49	2	229.86	50	(Note 6) 2,475.34
Ministry of Health, Labour and Welfare	127	4,329.65	③④ (Note 4); ③⑥ 1 (Note 7); ③⑥ 3	1,873.46 (Note 4) 528.10 841.41 (284.56) (94.25)	3	472.01	(Note 4); (Note 7); 135	(Note 4) 8,044.63 (284.56) (94.25)
Ministry of Agriculture, Forestry and Fisheries	26	343.37	(Note 7); ③④ • ③⑥ 1 ③⑥ 4	391.44 (2,566.60) 10,242.61	3	4,829.30 (1,179.05)	(Note 7); 34	(Note 6) 15,705.71 (2,566.60) (1,179.05)
Ministry of Economy, Trade and Industry	9	315.01	③④ • ③⑥ (Note 5), (Note 7); ③⑥ 2	2,444.82 (Note 5) 3,396.28 (551.86)	2	61.02	(Note 5); (Note 5), (Note 6); (Note 7); 14	6,202.86 (551.86)
Ministry of Land, Infrastructure, Transport and Tourism	22	2,495.60	③④ 1 ③⑥ 1	163.85 477.14	6	36,856.08 (96.27)	30	(Note 6) 38,440.30 (96.27)
Ministry of the Environment	17	386.55	③④ 3	235.20 (560,150.62)			20	621.75 (560,150.62)

Auditee	Category		Improproprieties		Presentation of Opinions and/or Demand for Measures		Measures Taken		Total	
					(Note 2)		(Note 2)		(Note 2)	
Ministry of Defense	21	452.29	③④	(Note 7) ③⑥ 1	45.85 (67,172.29)	6	1,492.55	(Note 7) 28	(Note 6) 1,785.84 (67,172.29)	
Promotion and Mutual Aid Corporation for Private Schools of Japan	8	47.92				1	(476.83)	9	47.92 (476.83)	
Japan Racing Association	1	21.13				1	24.93	2	46.06	
East Nippon Expressway Company Limited						1	(8,706.35)	1	(8,706.35)	
Central Nippon Expressway Company Limited						1	(514.66)	1	(514.66)	
Honshu-Shikoku Bridge Expressway Company Limited						1	555.76	1	555.76	
Japan Health Insurance Association	1	16.43	③④	1	17.61			2	34.04	
Japan Pension Service			③④	(Note 4) ③⑥ 1	(Note 4)			(Note 4) 1	(Note 4)	
National Institutes for Quantum and Radiological Science and Technology	1	129.19						1	129.19	
National Agriculture and Food Research Organization	1	10.75				2	79.38	3	90.13	
National Institute of Advanced Industrial Science and Technology			③④	1	2,096.50			1	2,096.50	
Japan Mint	1	83.59						1	83.59	
Japan International Cooperation Agency			(Note 3) ③⑥	1	(Note 3)	2	(448.10) (1,226,259.39)	(Note 3) 3	(Note 3) (448.10) (1,226,259.39)	
Japan Aerospace Exploration Agency						(Note 7) 1	31.30 (31,832.57)	(Note 7) 1	31.30 (31,832.57)	
Japan Railway Construction, Transport and Technology Agency						1	42.60	1	42.60	
National Agency for Automotive Safety and Victims' Aid	1	41.89						1	41.89	
Japan Oil, Gas and Metals National Corporation			③⑥	1	54.81	1	190.64	2	245.45	
National Hospital Organization	2	613.36						2	613.36	

Auditee	Category		Improproprieties		Presentation of Opinions and/or Demand for Measures		Measures Taken		Total	
					(Note 2)		(Note 2)		(Note 2)	
Organization for Small & Medium Enterprises and Regional Innovation, Japan					(Note 5): ③⑥ 1	(Note 5)			(Note 5): 1	(Note 5)
Japan Community Health care Organization							1	2,391.79	1	2,391.79
Japan Housing Finance Agency							1	346.75	1	346.75
National Center for Global Health and Medicine	1	71.63							1	71.63
Metropolitan Expressway Company Limited							1	(1,676.88)	1	(1,676.88)
Hokkaido Railway Company							1	5.80	1	5.80
Shikoku Railway Company							1	6.70	1	6.70
Nippon Telegraph and Telephone East Corporation							1	8.03	1	8.03
Nippon Telegraph and Telephone West Corporation							1	1.58	1	1.58
Total	333	13,718.21			(Note 3), (Note 4): (Note 5): 28	25,811.28	47	50,513.99	(Note 3): (Note 4): (Note 5): 408	(Note 6) 87,441.30

(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) 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 4) Although one case involves both the Ministry of Health, Labour and Welfare and the Japan Pension Service, 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 5) Although one case involves both the Ministry of Economy, Trade and Industry and the Organization for Small & Medium Enterprises and Regional Innovation, Japan, 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) Some cases are counted both as “Improprieties” and “Presentation of Opinions and/or Demand for Measures”, or “Improprieties” and “Measures Taken”. 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”, 7 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 Improper/Unreasonable Matters by Ministry/Agency

(1) Cabinet Office

(Cabinet Office)

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Not eligible for a subsidy:
Part of cost of a project implemented by the emergency support grant for local revitalization and local residents' living (regional revitalization initiative) was not eligible.
- b. Improper calculation of subsidized amounts:
 - (a) Improper calculation of amounts of subsidies for implementation of the community child care support centers project.
 - (b) Excessive payment of subsidies for support for children and child-rearing (the portion for extended-hours childcare projects).
 - (c) Excessive payment of subsidies for support for children and child-rearing (the portion for after-school children's clubs).
- c. Excessive billing of subsidized project cost:
 - (a) Excessive billing of cost of projects eligible for a State contribution towards benefits for children's education and care.
 - (b) Excessive billing of cost of projects implemented by regional revitalization promotion subsidies.
- d. Improper use of funds created by grants:
Excessive billing of cost of projects implemented by funds created by a grant for local community work opportunity creation programs.

Presentation of Opinions 36 - Operation of the nationwide integrated system for the support of children and child-rearing.

Measures Taken - Implementation of projects indirectly subsidized by the emergency support grant for local revitalization and local residents' living (regional revitalization initiative).

(National Police Agency)

Measures Taken - Allocation and the state of use of DNA testing devices.

(2) Ministry of Internal Affairs and Communications

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Excessive payment of subsidies for the cost of developing a system to promote municipal-merger.
- b. Excessive payment of a grant under the regional economic circulation creation project.

- c. Excessive payment of an extraordinary grant for revitalization of regions and public investment.
- d. Excessive payment of an extraordinary grant for heightening regional vitality (local economy vitalization/employment creation).
- e. Excessive payment of subsidies for Individual Number Card issuance projects.
- f. Excessive billing of cost of projects implemented by subsidies for regional public network improvement projects.
- g. Improper design of installation works for radio facilities financed by subsidies for radio system promotion support projects.

Improprieties - Excessive payment of special allocation tax grant for post-disaster restoration.

Demand for measures ㉔ - Securing of quake resistance in facilities/equipment in projects to improve communication facilities with an aim of disaster prevention financed by subsidies for regional public network improvement projects and subsidies for radio system promotion support projects.

Measures Taken - Calculation of payment of subsidies for Individual Number Card issuance projects.

Measures Taken - Management of small-sized portable multi-functional sensors to search for illegal radio stations.

(3) Ministry of Justice

Improprieties - Fraudulent by officials.

(4) Ministry of Foreign Affairs

Presentation of Opinions ㉔ - The effect of official development assistance.

Presentation of Opinions ㉔ - Formulating a verification system of financial statements submitted by international organizations following financial losses incurred at the International Tropical Timber Organization.

(5) Ministry of Finance

Improprieties - Cases of deficiency in tax collection.

Measures Taken - Appropriate utilization of discount mailing services to send notices on the tax filing period.

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

Improprieties - Improper financial management related to refunds.

Improprieties - Excessive payment of costs for commissioned work for projects to utilize the National Training Center's training facilities for each competitive sport.

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Excessive payment of subsidies for the cost of support for students in rural areas.
- b. Excessive grants to cover non-collectible tuition fees at public high schools.
- c. Excessive use of funds in projects implemented using funds created by extraordinary special grants for childcare support (the portion for development of certified children

- centers).
- d. Excessive payment of subsidies for improvement of facilities of the National Institute of Technology.
 - e. Excessive payment of subsidies for improvement of research facilities at private universities.
 - f. Excessive payment of subsidies for improvement of private schools facilities (research devices, educational devices, and a special emergency project to promote enhancement of disaster prevention functions).
 - g. Excessive payment of subsidies for improvement of facilities at national university corporations.
 - h. Excessive payment of grants for public investment for promotion of Okinawa (projects concerning improvement of school facilities and the environment).
 - i. Excessive State contribution to the cost of compulsory education.
 - j. Excessive State contribution to the cost for improvement of facilities at public schools.
 - k. Excessive payment of grants for improvement of school facilities and the environment.
 - l. Excessive payment of subsidies for maintenance of national treasures and important cultural properties.
 - m. Excessive payment of subsidies for improvement of private schools facilities (private kindergarten facility improvement expenses).

Demand for Measures 34 - Calculation of qualified area in projects of newly establishing, enlarging, and/or rebuilding public school facilities.

Demand for Measures 36 - Treatment of funds reserved at national university corporations as a result of account processing upon completion of the medium-term-target period.

Measures Taken - Calculation of amounts of withdrawal from funds concerning reconstruction assistance projects for disaster-affected private schools.

(7) Ministry of Health, Labour and Welfare

Improprieties - Cases of excess and deficiency in collection of labor insurance premiums.

Improprieties - Deficiency in collected premiums of health insurance and employees' pension insurance.

Improprieties - Financial management for the imprest fund used in implementing the program for retrieving overseas remains has been grossly mismanaged.

Improprieties - Improper payment of employment adjustment subsidies under employment insurance.

Improprieties - Improper payment of career formation subsidies under employment insurance.

Improprieties - Improper payment of subsidies for development of employment for specified job seekers under employment insurance.

Improprieties - Improper payment of career enhancement subsidies under employment insurance.

Improprieties - Improper payment of unemployment benefits under employment insurance.

Improprieties - Improper payment of old-age employees' pension benefits under employees' pension insurance.

Improprieties - Improper State contribution to medical expenses.

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Amount of grants equivalent to the amount of the tax deductions for taxable purchase for Consumption Tax was not returned in projects implemented using funds created by extraordinary special grants for improving earthquake resistance of medical facilities.
- b. Excessive payment of State contribution to medical treatment benefits under national health insurance.
- c. Excessive payment of fiscal adjustment grants under national health insurance.
- d. Use of funds for unintended purposes in projects implemented using funds created by the extraordinary special grant for the emergency human resource development and employment support programs.
- e. Excessive billing of cost of projects eligible for a State contribution including contributions to the cost of child protection.
- f. Excessive use of funds in projects implemented using funds created by extraordinary special grants for childcare support (the portion for community child care support centers projects).
- g. Excessive use of funds in projects implemented using funds created by extraordinary special grants for childcare support (the portion for childcare center urgent development projects).
- h. Excessive State contribution to the livelihood assistance subsidy.
- i. Excessive State contribution to the livelihood protection subsidy (the portion that relates to the State contribution to administrative expenses of protection facilities).
- j. Excessive State contribution to benefits for supporting disabled people's self-reliance.
- k. Excessive State contribution to benefits for children with disabilities in living support facilities.
- l. Excessive State contribution to the nursing care benefit.
- m. Excessive State contribution to ordinary adjustment grants for nursing care insurance.
- n. Use of funds for unintended purposes in projects implemented using funds created by extraordinary special grants for projects for urgent job creation and special grants for recreation of employment in hometowns.
- o. Excessive subsidy payment for promotion of childcare (the portion for extended-hours childcare promotion projects).

Improprieties - Improper State contribution to elderly nursing care benefits under nursing care insurance.

Improprieties - Improper State contribution to nursing care benefits and training benefits included in benefits for self-reliance support.

Demand for Measures 34 - Payment of survivor's pension based on the National Pension Act and the Employees' Pension Insurance Act.

Demand for Measures 34 36 - Compulsory collection of national pension premiums.

Presentation of Opinions 36 - Implementation of reimbursement claims concerning car accidents caused by third party in the national health insurance.

Presentation of Opinions 36 - Calculation of nursing care benefits concerning home-visit care used by residents of fee-based homes for the elderly.

Demand for Measures 36 - Operation of the system concerning incentives for supporting reemployment, part of subsidies for supporting labor movement.

Measures Taken - Calculation of reimbursement claims concerning industrial accidents caused by third parties.

Measures Taken - Calculation of subsidies for Hansen's disease sanatoriums.

(8) Ministry of Agriculture, Forestry and Fisheries

Improprieties - Improper financial management related to refunds.

Improprieties - Objectives of contracts not achieved in national irrigation and drainage projects.

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

a. Not eligible for a subsidy:

(a) Benefits for young new farmers were paid to those who were not eligible.

(b) Part of cost of projects under the support program for enhancement of fisheries in producing areas was not eligible for such grant upon calculation of project cost.

(c) Part of cost of projects funded by the regional biomass industrialization program was not eligible for such subsidy upon calculation of project cost.

(d) Tree thinning implemented as a forest environment conservation project was not eligible for such subsidy.

b. Improper design of works:

(a) Improper design of high-voltage substation facilities.

(b) Improper design of storage tanks.

(c) Improper design of water channels.

(d) Improper design of loading embankment works.

c. Excessive billing of subsidized project cost:

(a) Excessive billing of cost of projects subsidized by the comprehensive program for preventing damage by wild animals.

(b) Excessive billing of cost of projects subsidized by the program for accelerated forest improvement and regeneration of forest.

d. Improper execution of works:

(a) Improper execution of water channel restoration works.

(b) Improper execution of retaining walls.

e. Subsidized objective not achieved:

The amount of subsidy for a project was decided based on the claim that the project had been completed even though it had not met the strength requirement for the subsidy applicable to low-cost weather-resistant greenhouses.

f. Improper use of funds created by subsidies:

Excessive billing of cost of projects implemented using funds created by subsidies for accelerated forest improvement and regeneration of forest industry.

Measures Taken 34 36 - Follow-up on projects subsidized by the sixth industry network activity grant.

Presentation of Opinions 36 - Formulating a verification system of financial statements submitted by international organizations following financial losses incurred at the International Tropical Timber Organization.

Demand for Measures 36 - Evaluation of projects for promoting export of agricultural and marine products and food.

Demand for Measures 36 - Installation of fences for preventing intrusion in projects subsidized by the comprehensive program for preventing damage by wild animals.

Demand for Measures 36 - State of certification obtained by facilities in projects of supporting improvement of facilities for HACCP certification.

Measures Taken - Maintenance measures for bridges in wide-area agricultural roads.

Measures Taken - Outsourced projects implemented as inspection on earthquake resistance of bridges by the disaster prevention and mitigation program.

(9) Ministry of Economy, Trade and Industry

Improprieties - Improper financial management related to refunds.

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Excessive billing of subsidized project cost:
 - (a) Excessive billing of cost of subsidized projects funded by the SME cooperatives joint-use facilities disaster recovery subsidy.
 - (b) Excessive billing of cost of subsidized projects funded by the program for supporting efforts of small and medium subcontractors and small-sized enterprises to become independent.
 - (c) Excessive billing of cost of subsidized projects funded by the program for supporting efforts of local SMEs and small-sized enterprises to secure human resources from large cities.
- b. Improper use of funds created by subsidies:
 - (a) Projects subsidized by funds created by the subsidy for promoting reconstructing and inviting industries for local economy were not implemented.
 - (b) Excessive billing of cost of projects financed by funds created by the subsidy for promoting investment in advanced facilities to counter strong yen and energy restrictions.
- c. Not eligible for a subsidy:

Part of cost of projects funded by the SME cooperatives joint-use facilities disaster recovery subsidy was not eligible upon calculation of project cost.
- d. Disposal of property obtained through subsidized projects without permission:

Transfer of equipment obtained by using the SME cooperatives joint-use facilities disaster recovery subsidy without permission.

Demand for Measures 34 36 - Management of goods obtained through outsourced projects concerning research and development projects.

Presentation of Opinions 36 - Scale of government contribution in the investment succession account of the Organization for Small & Medium Enterprises and Regional Innovation, Japan.

Demand for Measures 36 - Implementation of the project for promoting streamlined kerosene distribution.

Measures Taken - Management of the discount system for advance payment in the Mutual Relief System for the Prevention of Bankruptcies of SMEs provided by the Organization for Small & Medium Enterprises and Regional Innovation, Japan.

(10) Ministry of Land, Infrastructure, Transport and Tourism

Improprieties - Improper financial management related to refunds.

Improprieties - Unreasonably high contract amount of maintenance works for existing bridges.

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Improper design of works:
 - (a) Improper design of retaining walls.
 - (b) Improper design of parapets on abutments.
 - (c) Improper design of foundation works of septic tanks.
 - (d) Improper design of foot protection works.
 - (e) Improper design of pressure plate works.
 - (f) Improper design of guardrails.
- b. Improper calculation of subsidized amounts:
 - (a) Improper calculation of project cost for subsidies such as inclusion of construction cost which was not paid.
 - (b) Improper calculation of amounts equivalent to consumption tax.
 - (c) Excessive grant payment due to improper calculation of grants.
 - (d) Improper calculation of compensation concerning relocation of communication lines.
 - (e) Improper calculation of cost of projects eligible for grants concerning bridge construction works.
- c. Improper use of funds created by subsidies:

Grants were used to pay for project cost that was not eligible for grants.
- d. Work executed not in conformity to its design:

Work of box culvert was executed not in conformity to its design.

Demand for Measures 34 - Estimate of construction cost concerning double-floor groundwork in public housing construction projects.

Demand for Measures 36 - Calculation of traffic in projects for securing interregional transportation.

Measures Taken - Cost eligible for loans in container crane improvement projects.

Measures Taken - Decision of successful bidders in bidding under the comprehensive evaluation bidding system.

Measures Taken - Management of subsidies granted to Japan Housing Finance Agency.

Measures Taken - Selection of standards for turbid water treatment equipments in tunneling projects.

Measures Taken - Record on the national property ledger concerning patrol boats which underwent life extension works.

(11) Ministry of the Environment

Improprieties - Objectives of installation works of prevention fences were not achieved.

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Excessive payment of subsidies:
 - (a) Excessive payment of subsidies due to decontamination project cost calculation failing to reflect actual work volume.
 - (b) Excessive payment of subsidies due to improper calculation of site management expenses in subsidized projects for promoting establishment of a sound material-cycle society.
 - (c) Excessive payment of subsidies due to improper calculation of site management expenses in subsidized projects for promoting establishment of a sound material-cycle society.
 - (d) Excessive payment of subsidies due to improper calculation of office expenses in subsidized projects for promoting establishment of a sound material-cycle society.
 - (e) Excessive payment of subsidies due to miscalculation of decontamination project cost.
 - (f) Excessive payment of subsidies due to a failure of deducting iron scraps sales revenue from project cost in subsidized projects for promoting establishment of a sound material-cycle society.
- b. Improper use of funds created by subsidies:
 - (a) Improper design of facilities and part of cost not eligible for subsidies in projects financed by funds for supporting local governments introducing renewable energy.
 - (b) Excessive project cost was incurred in projects financed by funds created by the program for promoting local efforts against coastal flotsam.
- c. Not eligible for a subsidy:

Cost incurred for maintenance of buildings of subsidized projects for promoting establishment of a sound material-cycle society was not eligible for such subsidy.

Demand for Measures 34 - Design of photovoltaic generation equipment to be installed in disaster prevention base facilities.

Demand for Measures 34 - Procedures to change specifications in contracts concerning operations of organizing conferences.

Demand for Measures 34 - Rate of common temporary cost and site management expense rate applied to decontamination works.

(12) Ministry of Defense

Improprieties - Improper financial management related to refunds.

Improprieties - Cases of excess and deficiency in payment upon payment of young retirees benefits.

Improprieties - Objectives of works concerning mooring anchors of floating pier not achieved.

Improprieties - Excessive payment concerning contracts of manufacturing AAM-4 (B).

Improprieties - Improper execution of and accounting for projects with subsidies or grants:

- a. Subsidized objective not achieved:
An IP-based notification system funded by the grant for improvement of vicinities of specified defense facilities failed to achieve the objective of the subsidy.
- b. Improperly designed and executed works:
Improperly designed and executed fishing reefs.

Improprieties - Fraudulent by officials.

Demand for Measures ③4 Presentation of Opinions ③6 - Demand for remedial action of defects in defense equipment procured through the Foreign Military Sales program and errors in account statements, and appropriate implementation of a cross-check on account statements and acceptance inspection records.

Measures Taken - Maintenance of the RIM-162 Evolved Sea Sparrow Missiles.

Measures Taken - Leasing of connecting devices of Joint Weather System.

Measures Taken - Calculation of the estimated cost of a maritime security operation contract.

Measures Taken - Procurement of oil and grease used for maintenance of equipment.

Measures Taken - Disposal of lead-acid batteries.

(1) Cabinet Office, (6) Ministry of Education, Culture, Sports, Science and Technology, (7) Ministry of Health, Labour and Welfare, (8) Ministry of Agriculture, Forestry and Fisheries, (9) Ministry of Economy, Trade and Industry, (10) Ministry of Land, Infrastructure, Transport and Tourism, (12) Ministry of Defense

Measures Taken - Treatment of refunds generated by implementation of reconstruction and rehabilitation projects after the Great East Japan Earthquake.

B Improper/Unreasonable Matters by Entity

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

Improprieties - Improper accounting of subsidies for private universities' current expenses.

Measures Taken - Treatment of special subsidy for supporting operations of large-scale facilities in the subsidies for private universities' current expenses.

(2) Japan Racing Association

Improprieties - Excessive payment of fixed property tax.

Measures Taken - Calculation of loan fees of properties lent to public service corporations.

(3) East Nippon Expressway Company Limited, (4) Central Nippon Expressway Company Limited, (5) Metropolitan Expressway Company Limited

Measures Taken - Outsourcing of maintenance services from subsidiaries of expressway companies.

(6) Honshu-Shikoku Bridge Expressway Company Limited

Measures Taken - High-voltage power demand-supply contracts.

(7) Japan Health Insurance Association

Improprieties - Improper adjustment of double benefits: the injury and illness benefits under health insurance and the disability employee's pension.

Demand for Measures 34 - Adjustment of double benefits: the injury and illness benefits under health insurance and the disability employee's pension under employees' pension insurance.

(8) Japan Pension Service

Demand for Measures 34 36 - Compulsory collection of national pension premiums.

(9) National Institutes for Quantum and Radiological Science and Technology

Improprieties - Improper treatment of contracts concerning follow-up system for health management support.

(10) National Agriculture and Food Research Organization

Improprieties - A ledger system, part of the user terminal management system, was not used for management of terminals due to insufficient consideration during planning of development.

Measures Taken - Calculation of lease fees in cases where research equipment and other articles required for implementation of outsourced projects are procured through a lease.

Measures Taken - Subscription contract for academic journals provided in electronic media.

(11) National Institute of Advanced Industrial Science and Technology

Demand for Measures 34 - Procurement of office supplies.

(12) Japan Mint

Improprieties - Fraudulent by officials.

(13) Japan International Cooperation Agency

Presentation of Opinions 36 - The effect of official development assistance.

Measures Taken - Implementation of follow-up cooperation for grant aid and technical cooperation.

Measures Taken - Calculation of the internal rate of return upon preparatory survey and screening for ODA loan projects.

(14) Japan Aerospace Exploration Agency

Measures Taken - Handling of confirmation of whether a verification work was made on commands newly created by the counterparty of a contract after a launch of an artificial satellite.

(15) Japan Railway Construction, Transport and Technology Agency, (16) Hokkaido Railway Company, (17) Shikoku Railway Company

Measures Taken - Design of on-site spraying slope protection construction in slope works.

(18) National Agency for Automotive Safety and Victims' Aid

Improprieties - Improper presentation of financial statements.

(19) Japan Oil, Gas and Metals National Corporation

Demand for Measures ③⑥ - Procurement of parts for storage equipment in national stockpile facilities.

Measures Taken - Presentation of administration service implementation cost statements.

(20) National Hospital Organization

Improprieties - Improper contracting procedures concerning purchase of medical supplies.

Improprieties - Fraudulent by officials.

(21) Organization for Small & Medium Enterprises and Regional Innovation, Japan

Presentation of Opinions ③⑥ - Scale of government contribution in the investment succession account of the Organization for Small & Medium Enterprises and Regional Innovation, Japan.

(22) Japan Community Health care Organization

Measures Taken - Contracting procedures concerning integrated operations of medical supply procurement and inventory control.

(23) Japan Housing Finance Agency

Measures Taken - Utilization of government contribution in other accounts for purchasing housing loan claims in the securitization support account.

(24) National Center for Global Health and Medicine

Improprieties - Improper payment of night-work allowance to staff who engaged in night duties.

(25) Nippon Telegraph and Telephone East Corporation, (26) Nippon Telegraph and Telephone West Corporation

Measures Taken - Renewal of dry air supplying equipment.

C Special Description

Ministry of Land, Infrastructure, Transport and Tourism

Necessity to take measures for achieving full effect of developed embankments which were not fully utilized due to the fact that partially undeveloped locations or bridges which required rebuilding remained in sections where embankments were to be developed under river improvement plans.

D Special Report to the Diet and the Cabinet, and Special Report on audit requested by the Diet, 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:

- State of application of special taxation measures (related to income tax).
- State of implementation of information security measures concerning pension personal information and impacts of pension personal information leak on the operations of the Japan Pension Service.
- State of implementation of staff training in government ministries, agencies and other organizations.
- State of implementation of subsidized projects concerning introduction of the Social Security and Tax Number System in local governments.
- State of implementation of projects subsidized by the emergency support grant for local revitalization, local residents' living (local consumption stimulation/living support).
- State of implementation of research and development projects in government ministries, agencies and other organizations.
- State of implementation of research and development in national research and development agencies.
- State of development of information systems concerning introduction of the Social Security and Tax Number System in national administrative agencies.
- State of implementation of procurement of the next-generation fighter planes (F-35A).

(2) Special Report on audit requested by the Diet

The following reports were submitted to the Diet based on requests from the Diet:

- State of operations of related organizations of Japan Broadcasting Corporation (NHK).
- State of implementation of reconstruction and rehabilitation projects after the Great East Japan Earthquake.

(3) Report on Specific Matters

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

- Efforts for improving the State's fiscal consolidation.
- Impact of quantitative and qualitative monetary easing on the financial position of the Bank of Japan.
- Acquisition of shares of an Australian comprehensive logistics company by Japan Post Co., Ltd.