

**CHAPTER-I**  
**INTRODUCTION**



## CHAPTER-I INTRODUCTION

### 1.1 About this Report

This report contains the results of Compliance Audits of various departments under General, Social and Economic Sectors of the Government of Jharkhand conducted during 2017-18 in compliance with the CAG's audit mandate.

The report aims to assist the Jharkhand Legislative Assembly in ensuring executive accountability and improving the process of governance and improving public service delivery of various departments.

This report contains the following chapters:

**Chapter I:** General information about the auditee departments

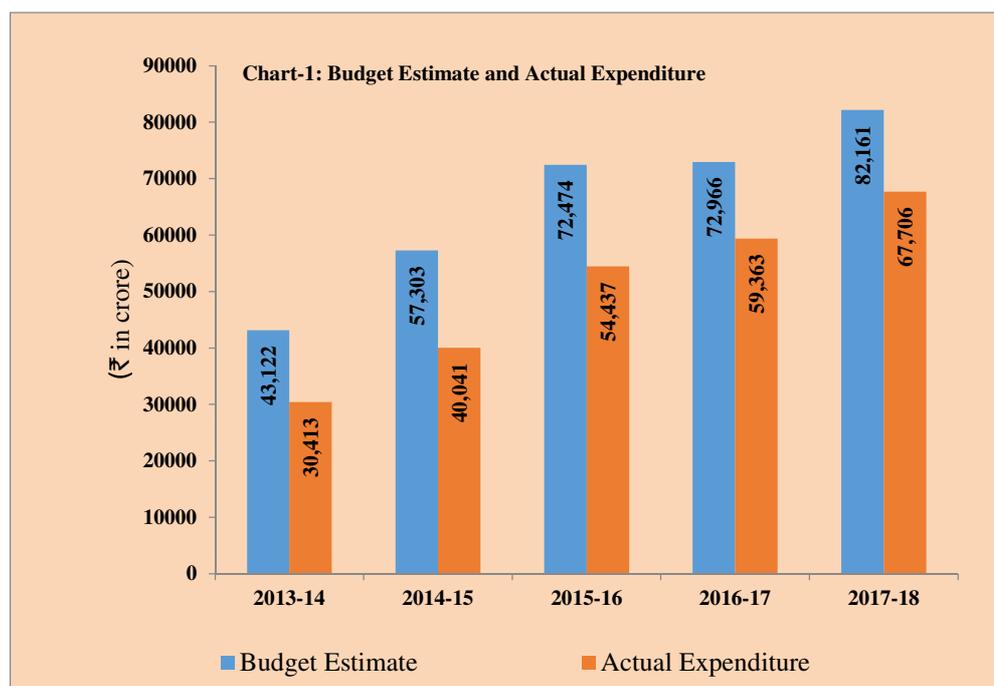
**Chapter II:** Performance Audit on Modernisation of Police Force in Jharkhand

**Chapter III:** Compliance Audits in respect of six departments.

### 1.2 Auditee Profile

Twenty-seven out of the total 31 departments in Jharkhand fall under the General, Social and Economic Sectors (GSES). These departments are headed by Additional Chief Secretaries/ Principal Secretaries/ Secretaries, who are assisted by Commissioners/ Directors and subordinate officers under them.

The State Government spent only ₹ 67,706 crore against the budget of ₹ 82,161 crore during 2017-18. The trend of budget estimates and actual expenditure during 2013-18 is depicted in **Chart 1**.



Details of major spending departments are shown in **Table 1.1**

**Table 1.1: Statement of expenditure of six major departments**

(₹ in crore)

Sl. No.	Department	2015-16	2016-17	2017-18
1	Road Construction Department	3,633	4,521	5,328
2	School Education and Literacy Department	5,524	6,637	6,491
3	Home, Jail and Disaster Management Department	4,328	3,994	5,130
4	Rural Development Department	4,001	3,470	8,153
5	Urban Development and Housing Department	1,621	2,879	3,028
6	Health, Medical Education and Family Welfare Department	2,159	2,469	2,847
	<b>Total</b>	<b>21,266</b>	<b>23,970</b>	<b>30,977</b>

### 1.3 Audit Coverage

Accountant General (Audit), Jharkhand conducted audit of 309 units out of total 7,140 units under 27 departments during 2017-18. Of these, 205 units (66 per cent) were from the six major departments indicated in **Table-1.1**.

### 1.4 Response of the Government to Audit

#### Inspection Reports (IRs)

A detailed review of IRs issued up to March 2018 to 6,307 Drawing and Disbursing Officers (DDOs) pertaining to 27 departments revealed that 34,075 paragraphs contained in 5,618 IRs were outstanding for settlement for want of convincing replies as on 31 March 2019. Of these, the DDOs submitted initial replies against 19,996 paragraphs contained in 3,187 IRs while, in respect of 14,079 paragraphs contained in 2,431 IRs, there was no response from the DDOs.

**Table 1.2: Outstanding IRs and paragraphs (issued up to 31 March 2018) as on 31 March 2019**

SL. No.	Period	No. of outstanding IRs	No. of outstanding paras
1	2017-18	311	2,036
2	1 year to 3 years	1,390	8,241
3	3 years to 5 years	805	5,726
4	More than 5 Years	3,112	18,072
	<b>Total</b>	<b>5,618</b>	<b>34,075</b>

During 2017-18, no Audit Committee Meeting with departmental officers was held.

### 1.5 Compliance Audits

For the present Audit Report 2017-18, draft reports on one Performance Audit and four Compliance Audit Paragraphs were forwarded to the concerned Administrative Secretaries. Replies have been received in respect of the

Performance Audit and two paragraphs while no replies were furnished by the departments<sup>1</sup> on the remaining two paragraphs despite repeated reminders.

### 1.6 Action taken on earlier Audit Reports

According to the rules of procedure for the internal working of the Committee on Public Accounts, the Administrative departments were to initiate, *suo moto* action on all Audit paragraphs and Reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs), regardless of whether these are taken up for examination by the Public Accounts Committee (PAC) or not. The departments were to furnish detailed Action Taken Notes (ATNs), duly vetted by Audit, indicating the remedial action taken or proposed to be taken by them. The Audit Reports on GSES for the years 2008-09 to 2016-17 have 202 outstanding paragraphs. Of these, PAC has taken up 63 paragraphs for discussion and made one recommendation in respect of one sub-paragraph pertaining to the Audit Report 2008-09 (**Sub-paragraph 1.3.6.1**). However, no ATN on this sub-paragraph has been received.

Further, the Audit Reports of 2000-01 to 2007-08 which were left to the Departments for follow-up, had 201 outstanding paragraphs of which 94 paragraphs were taken up for discussion by PAC. Against this, PAC had made recommendations in respect of seven paragraphs and eight sub-paragraphs of which, ATNs were received in respect of two paragraphs and six sub-paragraphs as detailed in **Table 1.3** below:

**Table 1.3: Status of PAC discussion**

Status	Audit Report (Civil) for the year 2000-01 to 2007-08	Audit Report (Civil) for the year 2008-09 to 2016-17
No. of outstanding Audit paras	201	202
Taken up by PAC for discussion	94	63
Not taken up for PAC discussion	107	139
Recommendation made by PAC	07 Para and 08 Sub Para	01 Sub para
ATN received	02 Para and 06 sub para	Nil
Action taken by the department	02 Para and 06 sub para	Nil

<sup>1</sup> School Education and Literacy; and Art, Culture and Youth Affairs.

