

CHAPTER I: INTRODUCTION

CHAPTER I: INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the performance audits and test audit of transactions of various departments of the Government of Tripura pertaining to Social, Economic and Revenue Sectors.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management and contribute to better governance.

This chapter in addition to explaining the planning and coverage of audit, provides a synopsis of significant instances of non-compliance with applicable laws, rules, regulations, various orders and instructions issued by competent authorities.

1.2 Authority for Audit

This office functioned as a Branch Office of the Accountant General, Assam from 1967. Since 18 November 1974, it has been functioning as an independent office. Following a restructuring of cadres in 1984, the audit functions were entrusted to the office of the Accountant General (Audit), Tripura and the Accounts and Entitlement functions were entrusted to the Accountant General (A&E), Tripura.

Under the directions of C&AG, the Office of the Principal Accountant General (Audit), Tripura conducts audit of government departments, Public Sector Undertakings, Autonomous Bodies and other Institutions¹ under Social, Economic, Revenue and General Sectors, which are spread all over the State. The Accountant General (Audit) is assisted by two Deputy Accountants General.

The authority for audit is derived from Article 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C & AG's (DPC) Act). Under Section 13 of the C & AG's (DPC) Act the Office of the Principal Accountant General (Audit) has been entrusted with the audit of all expenditure incurred from the Consolidated Fund of Government of Tripura. This office conducts audit of revenue receipts of Government of Tripura under Section 16 of the C & AG's (DPC) Act. This office conducts supplementary audit of the Balance Sheet of all State Government companies under Section 143 (6) (a) of the Companies Act, 2013. This office is responsible for audit of accounts of autonomous bodies and authorities falling under Section 14, 15, 19 (2), 19 (3) and 20 (1) of C & AG's (DPC) Act.

¹ Audit of World Bank assisted projects, Asian Development Bank assisted projects, etc.

Besides these, this office is also responsible for audit of accounts of Tripura Tribal Areas Autonomous District Council (TTAADC) constituted under the provision of Sixth Schedule of the Constitution. The Audit Report on the accounts of the Council is prepared separately for laying before the Council. The C&AG prescribes the principles and methodologies for various audits in the Auditing Standards and the Regulations on Audit and Accounts (Amendments), 2020.

1.3 Planning and conduct of Audit

Audit process commences with the assessment of risk of the departments based on the expenditure incurred, criticality/complexity of activities, priority accorded for the activity by the Government, level of delegated financial powers, assessment of internal controls, concerns of stakeholders, previous audit findings, *etc.* Based on this risk assessment, frequency and extent of audit are decided and an annual audit plan is formulated to conduct audit.

After completion of each audit, Inspection Report (IR) containing audit findings is issued to the Head of the unit with a request to furnish replies within one month of receipt of the IR. Wherever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in the Government, are processed for inclusion in the Audit Report which are submitted to the Governor of Tripura under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

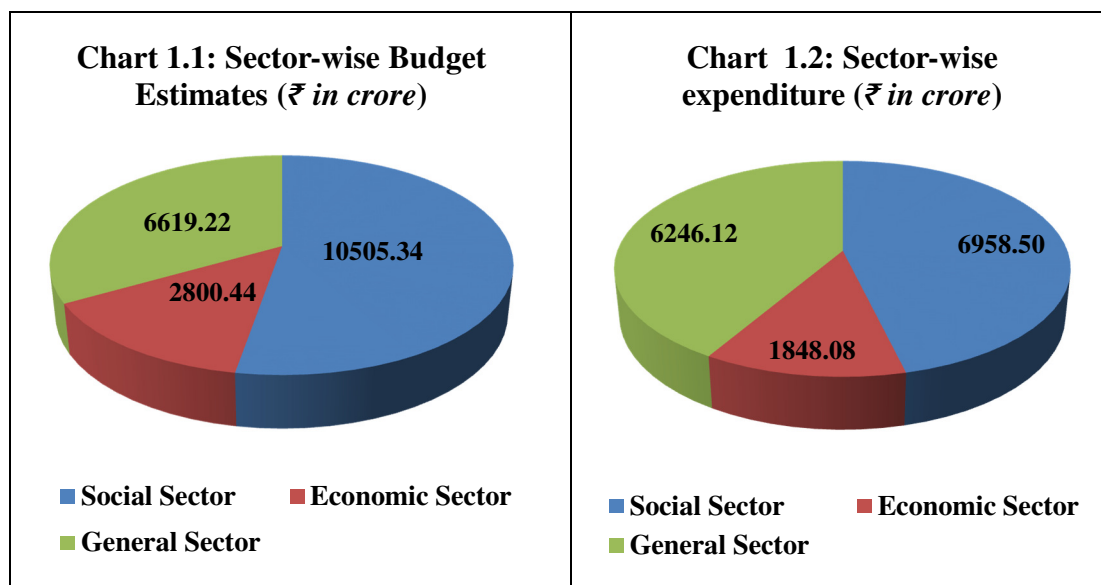
Audit Plan is prepared in such a way that it fits into the long term and short term goals of audit in consonance with the overall “Vision and Mission” of the Indian Audit & Accounts Department. It has been prepared after carrying out risk assessment and keeping in view the available manpower. Elements of the Audit Quality Management Framework (AQMF) *viz.* materiality, inputs from Voucher Level Computerisation (VLC), financial size of the units, data from various e-governance initiatives taken by government, flagship programme undertaken by auditees, press criticism/ electronic media coverage, expected audit impact and continuous improvement based on past experience, *etc.* were taken into account to the extent possible while framing out the plan. A sector wise analysis of government spending, investment policy of the government in infrastructure development, industrialisation and socio-economic activities alongwith due consideration of possible audit impact were taken into account in prioritising auditee units for preparing the audit plan.

Considering the availability of resources, focus has been given in areas of high financial risk than to thinly spreading out the resources throughout the Government activities. This would have better socio-economic impact and add value to

governance. Out of 1,680 auditee units², 186 units³ were planned for audit during 2019-20 after carrying out risk assessment and keeping in view the available manpower, of which 63 units⁴ were actually audited during 2019-20.

1.4 Significant Audit Observations

During the year 2019-20, the State Government had incurred an expenditure of ₹ 15,052.70 crore against the budget provision of ₹ 19,925.00 crore under Social, Economic and General Sectors. Sector wise expenditure is depicted in the **Charts 1.1** and **1.2**.



Source: Appropriation Accounts 2019-20

This Report *inter alia* contains three Performance Audits titled “Efficacy of Implementation of 74th Constitutional Amendment Act”, “Development and Promotion of Horticulture in Tripura” and “Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) schemes”, one Subject Specific Compliance Audit on “Processing of Refund claims under GST in Tripura” and three Compliance Audit paragraphs on major findings of audit from test check of the transactions of 63 units in the Social, Economic, Revenue and General Sectors involving an expenditure of ₹ 10,443.73 crore⁵. Significant audit findings are discussed in the respective succeeding chapters.

² As on 31 March 2020 {excluding Local Bodies (PRIs and ULBs), units under Central Government and Banks}

³ Social Sector: 38 units, Economic Sector: 70 units, Economic Sector (PSU): four units, Revenue Sector: 36 units and General Sector: 38 units

⁴ Social Sector: 21 units, Economic Sector: 10 units, Economic Sector (PSU): six units, Revenue Sector: 18 units and General Sector: eight units

⁵ Social Sector: ₹ 4,729.04 crore, Economic Sector: ₹ 258.88 crore, Economic Sector (PSU): ₹ 4,890.11 crore, Revenue Sector: ₹ 219.84 crore and General Sector: ₹ 345.86 crore

