

## CHAPTER-VI: GENERAL

### 6.1 Profile of the Audited Entity

There are 66 Departments, 236 Autonomous Bodies (ABs) and 14 Public Sector Undertakings (PSUs) under General and Social Sector of the Government of Rajasthan, headed by Additional Chief Secretary/Principal Secretaries/Secretaries, which are audited by the Principal Accountant General (Audit-I), Rajasthan, Jaipur. A list of the Departments is given in *Appendix 6.1*.

The comparative position of expenditure incurred by the Government of Rajasthan during 2017-18 to 2021-22 is given in **Table 6.1**.

**Table 6.1: Comparative position of expenditure incurred by the Government**

(₹ in crore)					
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Revenue expenditure</b>					
General services	43,451	54,364	56,186	60,144	65,406
Social services	53,064	65,687	68,313	74,009	85,054
Economic services	49,327	46,722	51,986	44,156	59,330
Grants-in-aid and Contribution	-*	-**	-***	-****	-*****
<b>Total (A)</b>	<b>1,45,842</b>	<b>1,66,773</b>	<b>1,76,485</b>	<b>1,78,309</b>	<b>2,09,790</b>
<b>Capital and other expenditure</b>					
Capital Outlay	20,623	19,638	14,718	15,271	24,152
Loans and Advances disbursed	1,334	1,113	2,255	491	621
Payment of Public Debt <sup>1</sup>	11,674	16,915	20,032	41,023	56,128
Contingency Fund	-	-	-	-	500
Public Accounts disbursement	1,47,088	1,60,570	1,79,741	1,99,229	2,40,110
<b>Total (B)</b>	<b>1,80,719</b>	<b>1,98,236</b>	<b>2,16,746</b>	<b>2,56,014</b>	<b>3,21,511</b>
<b>Grand Total (A+B)</b>	<b>3,26,561</b>	<b>3,65,009</b>	<b>3,93,231</b>	<b>4,34,323</b>	<b>5,31,301</b>

Source: Audit Reports on State Finances of the respective years.

\* ₹ 11 lakh only, \*\* ₹ 9 lakh only, \*\*\* ₹ 7 lakh only, \*\*\*\* ₹ 7 lakh only, \*\*\*\*\* ₹ 4 lakh only.

### 6.2 Authority for Audit

The authority for Audit by the Comptroller and Auditor General of India (CAG) is derived from Articles 149 and 151 of the Constitution of India and Section 13, 14, 15 & 17 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2007, as amended in 2020, and the Auditing Standards, 2017 issued by the CAG.

<sup>1</sup> Including Ways & Means Advances and Overdraft.

### **6.3 Audit Planning and conduct of Audit**

The Office of the Principal Accountant General (Audit-I), Rajasthan conducts audit of Government Departments/Offices/Autonomous Bodies/PSUs/Institutions under the General and Social Sector, under the directions of the CAG. During 2021-22, financial and compliance audits of the selected units under various General and Social Sector Departments, Autonomous Bodies, PSUs and externally aided projects of the GoR were conducted by audit teams of the office of the Principal Accountant General (Audit-I), Rajasthan, Jaipur.

The audit process starts with an assessment of risk exposure of various Government Departments/Organisations/Autonomous Bodies and schemes/projects, etc. Risk assessment is based on expenditure, criticality/complexity of activities, level of delegated financial powers and assessment of overall internal controls and the concerns of stakeholders. Audit findings during previous years are also considered in this exercise.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the units/departments with the request to furnish replies on audit findings within one month of receipt of the Inspection Report. When the replies are received, audit findings are either settled or further compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Reports.

During 2021-22, 10,023 mandays (for financial audit and compliance audit) were used for audit of 533 units (out of the 24,550) of General and Social Sector Departments (except Panchayati Raj Institutions and Urban Local Bodies). The audit plan covered those units/entities, which were vulnerable to significant risk, as per the risk assessment.

### **6.4 Response of the Government/ Departments to Audit observations**

**6.4.1** The draft paragraphs are forwarded to the Principal Secretaries/Secretaries of the departments concerned, drawing their attention, for their response. It is brought to their personal attention that in view of likely inclusion of such paragraphs in the Audit Reports of the Comptroller and Auditor General of India, which are placed before State Legislature, it would be desirable to include their comments. Accordingly, draft paragraphs proposed for inclusion in this report, were forwarded to the Principal Secretaries/Secretaries concerned. The responses of the concerned departments wherever received, have been suitably incorporated in the Report.

**6.4.2** Rule 327 (1), read with Appendix 6 of General Financial and Accounts Rules prescribes the retention period of various accounting records, which ranges between one and three years after Audit by Accountants General.

Inability of the departmental officers to furnish compliance of the audit observations in Inspection Reports results in non-settlement of IR paragraphs. As of September 2022, there were 6,171 IRs containing 27,119 paragraphs,

issued during the period from 1998-99 to 2021-22 which were pending for settlement. Year-wise pendency is given in **Table 6.2**.

**Table 6.2: Details of IRs and Paragraphs pending for settlement**

S.No.	Year	IRs	Paragraphs
1	Up to 2014-15	3,097	8,945
2	2015-16	655	2,638
3	2016-17	502	2,254
4	2017-18	302	1,925
5	2018-19	499	3,090
6	2019-20	656	4,590
7	2020-21	306	2,254
8	2021-22 (issued up to March 2022)	154	1,423
<b>Total</b>		<b>6,171</b>	<b>27,119</b>

The GoR issued (May 1997) instructions to all the departmental officers for sending first reply to IRs within a month and replies to further audit observations within a fortnight, to ensure early settlement of outstanding paragraphs in IR. These instructions have been reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each Administrative Department for ensuring compliance to all the matters relating to audit.

Detailed analysis of IRs issued to two departments was carried out to study the pendency of responses to the paragraphs brought out in the IRs. Analysis of the IRs of various units of Tribal Area Development Department (90 IRs) and Technical Education Department (104 IRs) revealed that 1,131 paragraphs pertaining to 194 IRs were outstanding as on 30 September 2022. Category-wise details of irregularities commented in IRs are given in **Appendix 6.2**. It was noticed that the first compliances, which had to be submitted to Audit within one month of issue of IRs, were received with an average delay of 15 months (ranging from 04 days to 137 months) in respect of 191 IRs<sup>2</sup> and first compliance of one IR<sup>3</sup> is yet to be received.

The Government should look into the matter and ensure that procedures exist for (a) taking action against the officials who failed to send replies to IRs/paragraphs as per time schedule, (b) taking action to recover loss/outstanding advances/overpayment in time bound manner and (c) revamping the system to ensure prompt and proper response to audit observations.

## **6.5 Follow-up on Audit Reports**

The Finance Department of the GoR decided (December 1996) that Action Taken Explanatory Notes (ATENs) on all paragraphs/performance audits that have appeared in Audit Reports be submitted to the Public Accounts

2 Total 191 IRs where first compliance was received with delays-Technical Education Department: 103 IRs (09 days to 137 month), Tribal Area Development Department: 88 IRs (04 days to 107 months).

3 First compliance of IR of Vidya Bhavan College, Udaipur (Technical Education Department) for the period April 2007 to March 2013 was not received.

Committee (PAC), duly vetted by Audit, within three months from the date of laying of the Reports in the State Legislature.

A total of 54 compliance audit paragraphs that featured in the Reports of the Comptroller and Auditor General of India on Expenditure Sector (erstwhile General and Social Sector) for the years ended 31 March 2017, 2018, 2019, 2020 and 2021 were placed before the State Legislature between 05 September 2018 and 22 September 2022. ATENs on eight paragraphs were received within prescribed time and ATENs on 46 paragraphs were received late with an average delay of 03 to 04 months.

The PAC discussed 29 selected paragraphs pertaining to the Audit Reports for the years from 2016-17 to 2019-20 and its recommendations on these 29 paragraphs were incorporated in 19 PAC Reports (pertaining to 18 departments) up to September 2024.

#### **6.6 Coverage of this part of the Report**

During the last few years, audit has reported several significant deficiencies in implementation of various programmes/activities as well as the quality of internal controls in selected departments through performance audits, which had impacted the success of programmes and functioning of the departments. Similarly, the deficiencies noticed during compliance audit of the government departments/organizations were also reported.

The current report brings out deficiencies in critical areas, which impact the effectiveness of the GoR. Some important findings of compliance audit paragraphs have been reported in Chapter VII.