

## **Frequently Asked Questions (FAQs)**

1. Is the AG Bengal Office under the Government of West Bengal?

No. Accountant General, West Bengal is an office of the Indian Audit & Accounts Department under the Government of India.

2. Are the staff of the AG Bengal State Government Employees?

No. Staff of AG Bengal are employees under the Government of India.

3. Under which Department of the Government of India does the AG Bengal office belong?

Indian Audit & Accounts Department

4. Under which Government of India Ministry does the IA&AD belong?

Indian Audit & Accounts Department does not belong to any Ministry of the Government of India. It is headed by the Comptroller & Auditor General of India, a Constitutional Body.

5. What is the relation between the AG Bengal Office and the Comptroller & Auditor General of India?

All the AG offices in West Bengal are the field offices under the C&AG of India, mandated with the accounts and audit of the Government of West Bengal.

6. How many AG Offices are there in West Bengal/ Kolkata? What are their functions?

There are three different Pr.AG/ AG offices in Kolkata.

<b>Name of the Office</b>	<b>Address of the Office</b>	<b>Function of the Office</b>
Principal Accountant General (General & Social Sector Audit), West Bengal	Treasury Buildings, 2 Government Place West, Kolkata 700001	<ul style="list-style-type: none"><li>• Audit of the Departments, Autonomous Bodies and Public Sector Undertakings under the Departments belonging to the General and Social Sector.</li><li>• Audit and certification of the Appropriation &amp; Finance Accounts of</li></ul>

		the State Government.
Accountant General (Economic & Revenue Sector Audit), West Bengal	CGO Complex, 5th Floor, 3rd MSO Building, DF Block, Salt Lake, Kolkata-700064	<ul style="list-style-type: none"> <li>• Audit of the Departments, Autonomous Bodies and Public Sector Undertakings under the Departments belonging to the Economic Sector.</li> <li>• Audit of Revenue Receipts of the State Government</li> </ul>
Principal Accountant General (Accounts & Entitlements), West Bengal	Treasury Buildings, 2 Government Place West, Kolkata 700001	<ul style="list-style-type: none"> <li>• Compilation of accounts of the Government of West Bengal.</li> <li>• Processing of pension cases of the State Government employees</li> <li>• Maintenance of General Provident Fund accounts of the State Government Employees</li> </ul>

7. What are the other offices under the IA&AD in Kolkata apart from the AG offices?
- Director General of Audit (Central), Kolkata
  - Director General of Audit, Eastern Rly., Kolkata
  - Director General of Commercial Audit & Ex-off. Member Audit Board-I, Kolkata
  - Director General of Commercial Audit & Ex-off. Member Audit Board-II, Kolkata
  - Principal Director of Audit, Ordnance Factories, Kolkata
  - Principal Director of Audit, South Eastern Rly., Kolkata

- Principal Director of Audit, Metro Rly. & Rly Production Units, Kolkata
- Regional Training Institute, Kolkata
- Branch Office of the Director General of Audit, Post & Telegraph, New Delhi
- Branch Office of the Pr. Director of Audit (Scientific Departments), New Delhi
- Branch Office of the Principal Director of Commercial Audit & Ex-off. Member Audit Board-IV, New Delhi

8. What types of audit does the AG Bengal office conduct?

- Compliance Audit.
- Performance Audit.
- Financial Audit.

9. What is the difference between financial audit, compliance audit and performance audit?

- Compliance audit is carried out with a view to verifying that the expenditure conforms to the relevant provisions of the Constitution, Acts passed by the Legislature, laws, rules, regulations, and other instructions pertaining to the entities being audited.
- Performance audit is an independent assessment or examination of the extent to which an entity, programme or organisation operates efficiently and effectively, with due regard to economy.
- Financial audit is basically audit of the financial statements of the Union and State Governments (Appropriation Accounts and Finance Accounts), autonomous bodies, Government companies/ corporations etc. in accordance with the auditing standards generally accepted in India and expressing of opinions on these accounts through audit certificates.

10. What are the statutory provisions of the authority of C&AG in respect of audit?

Article 151 of the Constitution of India provides that the reports of the Comptroller and Auditor General of India relating to the accounts of the Union or a State government shall be submitted to the President or the Governor of the State respectively, who shall cause them to be laid before each House of Parliament/ Legislature of the State. The statutory position is established under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service), Act 1971.

Under Section 18 read with Section 2(e) of the Act, the Comptroller & Auditor General has the authority:

- to inspect any office of accounts under the control of the Union or of a State or of a Union Territory having a legislative assembly;

- to require that any accounts, books, papers and other documents which deal with or form the basis of or are otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may appoint for his inspection; and
- to put such questions or make such observations as he may consider necessary, to the person in charge of the office and to call for such information as he may require for the preparation of any account or report which it is his duty to prepare. The person in charge of any office or department, the accounts of which have to be inspected and audited by the Comptroller & Auditor General, shall afford all facilities for such inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

11. Where from does the C&AG derive its mandate for the Performance Audit?

The mandate of C&AG of India for performance audits is described in Sections 13, 14, 15, 16, 17, 19 and 20 read with Section 23 of this Act. Chapter 7 of the Regulations on Audit and Accounts, 2007 provides the specific guidance on this subject.

12. What do the CAG's Audit Reports contain?

The Audit Reports contain comments on the regularity, propriety and effectiveness of expenditure. The Audit Reports draw attention to:

- (a) matters arising from Appropriation Accounts, the more important being;
  - (i) cases of excess over grants/appropriations requiring regularization;
  - (ii) cases where expenditure has been incurred on a 'New Service' 'New Instrument of Service' without specific authority of the Legislature;
  - (iii) points relating to efficiency of budgeting and control over expenditure;
- (b) points of interest arising from Finance Accounts;
- (c) points arising from the audit of expenditure, including expenditure on commercial and trading activities carried on by Government departments and of accounts of stores and stock. The Reports indicate important cases of non-observance of rules and standards of financial propriety;
- (d) points arising from reviews from the financial aspect of the achievements of selected projects and schemes undertaken by Government;
- (e) important cases of loss, write-off and wasteful or nugatory expenditure;
- (f) points arising from the audit of other financial transactions of Government, such as receipts, debt, deposit and remittance transactions;
- (g) matters relating to Government companies, statutory corporations and other autonomous bodies, the accounts of which are audited by the Indian Audit & Accounts Department;

(h) any other matter of interest from the financial or accounting point of view which the CAG considers necessary to bring to the notice of the Legislature.

13. What is an Audit Plan? How is it prepared?

An Audit Plan is an annual programme of audit, which specifies the units and schemes/programmes to be audited during the ensuing financial year, based on the availability of audit resources during the year.

Every year, each audit office frames a formal Audit Plan, based on detailed risk analysis, with reference to the quantum of expenditure, level of internal controls, past audit findings, media reports, schemes undertaken by the departments and other parameters. The plan identifies the auditee units proposed to be taken up for audit and allocation of audit resources. The aims of the Audit Plan are to:

- provide reasonable assurance to the stakeholders that all reasonable risks have been covered while deciding the audit priorities;
- prioritise the audit assignments to cover the mandatory and high-risk areas/sectors (departments, programmes/schemes/projects etc) with special emphasis on current issues and thrust areas;
- improve the quality of audit by providing adequate supervision and guidance using the services of experts, if considered necessary;
- pay special attention to new and emerging challenges to audit, attributable to changes in the auditee environment.

14. What is an Inspection Report?

The results of an inspection are formally communicated in a report known as an Inspection Report to the officer-in-charge of the concerned auditee unit with a request to submit written replies on the audit findings within a stipulated time period.

15. Are the audit observations contained in the Inspection Reports pursued by audit offices? If so, how?

The replies received from the auditees in response to the Inspection Reports are examined in the audit offices and if found satisfactory, the observations are settled by them. Periodical reminders are issued by the audit offices regarding outstanding Inspection Reports/ observations. The audit observations are also discussed and settled during Audit Committee meetings between audit personnel and the representatives of the auditees. At the time of the next audit too, the audit observations that remain unsettled are reviewed by the audit parties. In sum, the audit observations contained in the IR are pursued till their final settlement.

16. What are draft paragraphs?

Major audit findings arising out of audit inspections are processed as draft paragraphs for inclusion in the CAG's Audit Reports to be placed before the Legislature. The audit offices send the proposed draft paragraphs to the concerned Secretaries to Government by name for sending the replies of the Government within a period of six weeks. The replies of the Government are taken into consideration before finalising the draft audit paragraphs. In cases where the replies are satisfactory, the draft paragraphs are not included in the Audit Reports.

17. Are auditee units given adequate opportunity to reply to audit observations before they are finalized?

Yes. At each stage, the auditee units are given adequate opportunity to reply to audit observations before they are processed further. During the course of audit, preliminary audit findings are communicated to the auditee units in the form of audit memos. The replies to the audit memos are required to be furnished promptly to facilitate appreciation of the audit findings. The inspecting officers discuss the major findings included in the draft inspection reports with the officers in charge of the auditee units at the close of audit. Any points of disagreement are brought out and discussed with the inspecting officers during the meeting with a view to resolve the same.

The Inspection Reports are formally communicated to the officers in charge of the auditee units with requests to submit written replies on the audit findings within the stipulated time. The replies received from the auditees in response to the Inspection Reports are examined and if found satisfactory, the observations in the Inspection Reports are settled by the audit office.

Out of the audit observations in the Inspection Reports, the major audit findings are processed further for inclusion in the CAG's Audit Reports to be placed before the Legislature. The audit office sends proposed draft paragraphs to the concerned Secretaries to Government by name for sending the replies within a period of six weeks. The replies of the Government are taken into consideration before finalising the draft audit paragraphs. In cases where the replies are satisfactory, the draft paragraphs are not included in the Audit report.

18. What are the reports published by the AG Audit offices?

Office	Audit Products
Principal Accountant General (G&SSA), WB	Report on the State Finances & Report on the General & Social Sector
Examiner on Local Accounts (PRIs) under the Office of the Principal Accountant General (G&SSA), WB	Report on the Examiner of Local Accounts (Panchayati Raj Institutions)
Examiner on Local Accounts (ULBs) under the Office of the Principal Accountant General (G&SSA), WB	Report on the Examiner of Local Accounts (Urban Local Bodies)

Accountant General (E&RSA), WB	Report on the Economic Sector, Report on Revenue Receipts & Report on Public Sector Undertakings
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19. What is the fate of the reports published by the AG Audit offices?

The Reports of the C&AG of India are considered/ discussed by Legislative Committees of the West Bengal Legislative Assembly mentioned against each.

<b>Volume of the Reports</b>	<b>Legislative Committee at whose disposal the Report is placed after tabling</b>
Report on the State Finances	Public Accounts Committee (PAC)
Report on the General & Social Sector	Public Accounts Committee (PAC)
Report on the Economic Sector	Public Accounts Committee (PAC)
Report on Revenue Receipts	Public Accounts Committee (PAC)
Report on Public Sector Undertakings	Committee on Public Undertakings (COPU)

Report of the Examiner on Local Accounts:

<b>Volume of the Reports</b>	<b>Legislative Committee at whose disposal the Report is placed after tabling</b>
Report on the Examiner of Local Accounts (Panchayati Raj Institutions)	Committee on Local Fund Accounts
Report on the Examiner of Local Accounts (Urban Local Bodies)	Committee on Local Fund Accounts

20. What are the functions of the Public Accounts Committee and the Committee on Public Undertakings?

The Public Accounts Committee (PAC) and the Committee on Public Undertakings (COPU) examine the expenditures incurred by the executive to assess whether the moneys disbursed were available and applicable to the service to which they had been applied, that the expenditures conformed to the authority that governed it and that the rules of financial propriety and economy in expenditure were duly observed. These committees also examine the efficiency of implementation of projects and schemes and whether their objectives were attained or not. The Public Accounts Committee examines the Appropriation Accounts and the Report of the Comptroller and Auditor General thereon and the Annual Finance Accounts of the Government and any other

accounts placed before the House. The Committee on Public Undertakings considers the Audit Reports relating to commercial enterprises.

21. How does the PAC/COPU function? Does it examine witnesses?

The working of the Committees is generally governed by the specific provisions of the Rules of Procedure and Conduct of Business in Lok Sabha/Vidhan Sabhas. In respect of matters not covered by these provisions, the functioning of these Committees is governed by the general rules relating to the Parliamentary Committees/ Legislative Committees as provided in the Rules of Procedure and Conduct of Business in Lok Sabha/Vidhan Sabhas. These rules are further supplemented by the directions issued by the Presiding Officer of the Legislature in exercise of the powers conferred upon him by the Rules of Procedure and Conduct of Business in Lok Sabha/Vidhan Sabhas. Besides, these Committees have also framed detailed internal working rules.

The Committees (PAC/COPU) have the powers to send for persons, papers and records. They have the powers to take evidence or call for documents. However, Government may decline to produce a document on the ground that its disclosure would be prejudicial to the safety or interest of the State.

22. Can PAC and COPU examine matters not featured in the Audit Reports of CAG?

Normally, Audit Reports of CAG form the base material for examination by PAC/COPU. Nevertheless, the Committees have the power to go beyond the scope of Audit Reports and select non-audited subjects for examination depending on the public importance of such topics.

23. What is the role of the CAG in PAC/COPU meetings?

The CAG and his officials play a key role in the functioning of PAC/COPU of Parliament and the State Legislatures. His Reports generally form the basis of the Committees' working. CAG or his officials assist the Committee members in selection of audit paragraphs for in-depth examination. He scrutinizes the notes which the departments submit to the Committees, helps the Committees to check the veracity of the submissions made to them and also helps them to check the correctness of facts and figures in their draft reports.

24. How are draft paragraphs and reviews selected by PAC/COPU? How are they dealt with?

At the beginning of its term every year, the Committee makes a selection of audit paragraphs included in the various Reports of the CAG of India laid on the table of the House for examination. After holding deliberations and taking note of the time available at its disposal, the Committee selects relatively important paragraphs out of the various Audit Reports of the CAG for detailed examination.

After the selection of subjects, the Committee calls for detailed written information thereon from the departments concerned. Thereafter, the Committee takes oral evidence of the representatives of the departments concerned. The heads of



departments appear before the Committee when matters relating to their departments are examined by the Committee. After obtaining elucidation on all points connected with the examination of the subject, the Committee frames its recommendations in the form of a Report which, after finalisation by them, is presented to the House.

25. What happens to the draft paragraphs and reviews not selected by PAC/COPU for discussion?

In respect of those cases in the Audit Reports which cannot be discussed in detail by the Committees, Action Taken Notes are required to be submitted by the departments concerned to the PAC within a period of four months after vetting by Audit. This ensures that the Audit Reports are not taken lightly by the Government, even if the entire reports are not deliberated upon by the Committee.

26. Who audits the auditors?

Sometimes a question is asked as to “Who audits the auditors?” The office of the CAG of India has an internal inspection wing which periodically inspects the audit and accounts offices in the country, to ensure whether they have adequate administrative and technical controls and they are effectively complied with.

In addition to this, the CAG has a system of ‘Peer Review’, i.e. review of work done by an entity by another entity of a similar standing. The Peer Review of the audit offices is done by heads of other similar audit offices. It seeks to ensure that the audit work is planned effectively, executed efficiently and that the audit product meets the benchmarks of the organization and the needs of stakeholders.