

Section-A

Economic Sector

Chapter I

Overview of Economic Sector

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1.1 Introduction

This part of the Report covers matters arising out of audit of State Government Departments and Autonomous Bodies under the Economic Sector in the State of West Bengal.

For the purpose of administration in West Bengal, there are 54 Departments at the Secretariat level headed by Additional Chief Secretaries/ Principal Secretaries/ Secretaries who are assisted by Directors/ Commissioners/ Chief Engineers and subordinate officers under them. This report covers the functioning of 22 Departments.

Of the total expenditure of ₹ 30,337.54 crore incurred by these 22 Departments during 2018-19, a major portion (71.55 *per cent*) was incurred by Public Works (24.92 *per cent*), Agriculture (20.08 *per cent*), Power and Non-conventional Energy Sources (14.37 *per cent*), Irrigation and Waterways (6.48 *per cent*) and Transport Department (5.71 *per cent*).

This chapter provides the audited entity's profile, the planning and extent of audit. Chapter II deals with findings of Compliance Audit of various Departments.

1.2 About this Report

Findings arising from audit of 22 Government Departments and 17 Autonomous Bodies under the Economic Sector (**Appendix-I**) are presented in this Report of the Comptroller and Auditor General of India (CAG). Compliance Audit covers examination of transactions relating to expenditure of the audited entities to ascertain whether the provisions of applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

1.3 Authority for Audit

The mandate for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) (DPC) Act, 1971. The CAG conducts audit of expenditure of the Departments of Government of West Bengal under Section 13¹ of the CAG's (DPC) Act.

In addition, the CAG conducts audit of Autonomous Bodies substantially funded by the State Government. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts issued by the CAG.

1.4 Planning and Conduct of Audit

The audit process starts with assessment of risks faced by various Departments of the Government based on expenditure incurred, criticality/ complexity of the

¹ *Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts.*

activities, level of delegated financial powers, assessment of overall internal controls and concerns of the stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

An Annual Audit Plan was formulated to conduct audit on the basis of such risk assessment. After completion of audit of each unit, Inspection Reports (IRs) containing audit findings were issued to the Heads of the entities. The entities were requested to furnish replies to the audit findings within one month of receipt of the IRs. Wherever replies were received, audit findings were either settled or further action for compliance was advised. The important audit observations included in the IRs were processed for inclusion in the Audit Reports.

1.5 Response to Audit

Eleven compliance audit observations including two Detailed Compliance Audits were forwarded (between July 2019 and August 2020) to Additional Chief Secretary/ Principal Secretaries/ Secretaries of the Departments concerned with the request to send their responses. Departmental replies in respect of only two compliance audit observations have been received till date (March 2020).

Audit Reports for the Economic Sector for the years 2011-12 to 2017-18 were sent to the State Government between March 2013 and February 2020 for tabling in the State Legislature. The reports were laid in the State Legislative Assembly as detailed in *Appendix-2*.

Though the Audit Reports for the year 2006-07 to 2016-17 were presented to the State Legislature between March 2008 and July 2019, replies on 58 paragraphs are yet to be received from various Departments under Economic Sector. Status of the pending replies as on 31 December 2020 is given in *Appendix-3*.

Inspection Reports issued upto 31 March 2019 were reviewed and it was found that 1,853 paragraphs relating to 591 IRs remained outstanding at the end of December 2019 (*Appendix-4*).