

CHAPTER-VI
GENERAL

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6.1 Profile of the Audited Entity

There are 66 Departments, 234 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 Accountant General (Audit-I), Rajasthan, Jaipur. A list of the Departments is given at *Appendix 6.1*.

The comparative position of expenditure incurred by the Government of Rajasthan during 2016-17 to 2020-21 is given in the **Table 6.1** below:

Table 6.1

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
(₹ in crore)					
Revenue expenditure					
General services	39,203	43,450	54,364	56,186	60,144
Social services	49,371	53,064	65,687	68,313	74,009
Economic services	38,565	49,327	46,722	51,986	44,156
Grants-in-aid and Contribution	_##	_*	_**	_***	_****
Total	1,27,139	1,45,841	1,66,773	1,76,485	1,78,309
Capital and other expenditure					
Capital Outlay	16,980	20,623	19,638	14,718	15,271
Loans and Advances disbursed	12,965	1,334	1,113	2,255	491
Payment of Public Debt	5,015	11,674	16,915	20,033	41,023
Contingency Fund	-	-	-	-	-
Public Accounts disbursement	1,48,885	1,47,088	1,60,570	1,79,741	1,99,229
Total	1,83,845	1,80,719	1,98,236	2,16,747	2,56,014
Grand Total	3,10,984	3,26,560	3,65,009	3,93,232	4,34,323

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

₹ 6 lakh only, * ₹ 11 lakh only, ** ₹ 9 lakh only, *** ₹ 7 lakh only, **** ₹ 7 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 (DPC) 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.

6.3 Audit Planning and conduct of Audit

The Office of the 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 2020-21, financial and compliance audits of the selected units under various General and Social Sector Departments, Autonomous Bodies (except Panchayati Raj Institutions and Urban Local Bodies), PSUs and externally-aided projects of the GoR were conducted by audit teams of the office of 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 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 2020-21, 16,537 mandays (for financial audit and compliance audit) were used for audit of 699 units (out of the 24,258) of General and Social Sector Departments. 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 observation

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 concerned departments did not send replies to three out of 14 compliance audit paragraphs included in Chapter VII. 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.

Failure of the departmental officers to furnish compliance of the audit observations in Inspection Reports (IRs) results in non-settlement of IR paragraphs. As on September 2021, there were 7,864 IRs containing 33,715

paragraphs, issued during the period from 2003-04 to 2020-21 which were pending settlement. Year-wise pendency is given in the Table 6.2 below:

Table 6.2

Year	IRs	Paragraphs
Up to 2013-14	3,516	9,889
2014-15	742	2,262
2015-16	749	3,026
2016-17	649	3,044
2017-18	390	2,382
2018-19	625	4,002
2019-20	797	6,109
2020-21	396	3,001
Total	7,864	33,715

GoR, to ensure early settlement of outstanding paragraphs in IRs, issued (August 1969) instructions to all the departmental officers for sending first reply to IRs within a month and replies to further audit observations within a fortnight. 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 three 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 Law and Legal Affairs Department (236 IRs), Animal Husbandry Department (83 IRs) and Higher Education Department (415 IRs) revealed that 3,003 paragraphs (including sub-para) pertaining to 734 IRs were outstanding as on 30 September 2021. Category-wise details of irregularities commented in IRs is 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, was received with an average delay of 50 months (ranging from 1 to 204 months) in respect of 210 IRs¹ pertaining to Law and Legal Affairs Department, Animal Husbandry Department and Higher Education Department.

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 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

¹ Total 210 IRs where first compliance was received with delays-Law and Legal Affairs Department: 92 IRs (10 to 204 months), Animal Husbandry Department: 82 IRs (01 to 65 months) and Higher Education Department: 36 IRs (04 to 151 months).

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.

6.6 Follow-up on Audit Reports

The Finance Department of the GoR decided (December 1996) that Action Taken Explanatory Notes (ATNs) on all paragraphs/performance audits that have appeared in Audit Reports be submitted to the Public Accounts Committee, duly vetted by Audit, within three months from the date of laying of the Reports in the State Legislature.

A total of 75 paragraphs (including eight performance audits) 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 2016, 2017, 2018, 2019 and 2020 were placed before the State Legislative Assembly between 30 March 2017 and 14 September 2021. ATNs on 16 paragraphs were received within prescribed time and ATNs on 51 paragraphs were received late with an average delay of 3 to 4 months. ATNs on eight paragraphs (Audit Report 2019-20) were yet to be received (January 2022).

The PAC discussed 39 selected paragraphs pertaining to the Audit Reports for the years from 2015-16 to 2018-19 and its recommendations on these 39 paragraphs were incorporated in 29 PAC Reports (pertaining to 19 departments) up to March 2021.