CHAPTER - I

Overview of Audit

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1.1 Introduction

This Report covers matters arising out of audit of State Government Departments and Autonomous Bodies (ABs) under the audit jurisdiction of the office of the Principal Accountant General (Audit-II), West Bengal.

As of 31 March 2024, there were 58 Administrative Departments headed by Additional Chief Secretaries/ Principal Secretaries/ Secretaries, who are assisted by Directors/ Commissioners/ Chief Engineers and other subordinate officers in the State of West Bengal. The jurisdiction of this office relates to functioning of 24 Departments (***Appendix-1.1***) and 36 ABs including one Regulatory Authority (***Appendix-1.2***).

Of the total expenditure of ₹ 49,246.04 crore incurred by these 24 Departments during 2023-24, a major portion was incurred by Agriculture (19.02 *per cent*), Public Works (16.79 *per cent*), Public Health Engineering (16.50 *per cent*), Food and Supplies (14.37 *per cent*), Power (11.00 *per cent*) and Irrigation and Waterways (6.30 *per cent*) Departments. The comparative position of expenditure incurred by the Departments during the period 2021-22 to 2023-24 is given in **Table 1.1**.

Table 1.1: Trend of expenditure over three years

(₹ ***in crore***)

Sl. No.	Name of the Department	2021-22	2022-23	2023-24	Percentage of expenditure over total expenditure for the year 2023-24
1.	**Agriculture**	**6,581.23**	**7,995.07**	**9,364.60**	**19.02**
2.	Agriculture Marketing	88.48	121.22	280.64	0.57
3.	Animal Resource Development	855.09	964.08	1,164.50	2.36
4.	Consumer Affairs	74.07	102.93	92.59	0.19
5.	Co-operation	608.32	540.33	543.73	1.10
6.	Environment	35.93	30.17	39.51	0.08
7.	Fisheries	207.63	235.42	289.85	0.59
8.	**Food & Supplies**	**13,393.60**	**14,533.33**	**7,076.14**	**14.37**
9.	Food Processing Industries and Horticulture	90.25	105.53	137.52	0.28
10.	Forest	622.86	636.42	794.47	1.61
11.	Industry, Commerce and Enterprises	394.33	274.39	339.97	0.69
12.	Information & Cultural Affairs	518.02	546.72	595.42	1.21
13.	Information Technology & Electronics	98.57	775.08	123.24	0.25
14.	**Irrigation & Waterways**	**2,255.66**	**2,514.95**	**3,101.39**	**6.30**
15.	Micro, Small & Medium Enterprises and Textiles	392.43	539.55	558.57	1.13

Sl. No.	Name of the Department	2021-22	2022-23	2023-24	Percentage of expenditure over total expenditure for the year 2023-24
16.	Non-Conventional and Renewable Energy Sources	34.52	16.66	44.65	0.09
17.	**Power**	**3,404.26**	**3,349.65**	**5,418.89**	**11.00**
18.	Public Enterprises & Industrial Reconstruction	34.28	30.20	44.31	0.09
19.	**Public Health Engineering**	**4,731.19**	**3,644.12**	**8,127.73**	**16.50**
20.	**Public Works**	**6,016.94**	**7,054.90**	**8,270.72**	**16.79**
21.	Science and Technology and Biotechnology	33.18	31.11	32.14	0.07
22.	Tourism	121.90	124.22	126.45	0.26
23.	Transport	1,570.63	1,428.01	1,626.55	3.30
24.	Water Resources Investigation & Development	990.90	1,093.16	1,052.46	2.14
	Total	**43,154.27**	**46,687.22**	**49,246.04**	

(Source: Appropriation Accounts of Government of West Bengal for the relevant years)

This chapter provides the audited entity's profile, planning for and extent of audit and response to Audit by various Departments.

1.2 About this Report

Audit findings arising from Compliance audit of 12 Government Departments under the audit jurisdiction of this office are included in this Report. 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 Comptroller and Auditor General of India (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 Audit of expenditure of the Departments of Government of West Bengal were conducted under Section 13[1] of the CAG's (DPC) Act. In addition, the CAG is the sole Auditor in respect of Autonomous Bodies which are audited under Sections19(2)[2], 19(3)[3] and 20(1)[4] of the CAG's (DPC) Act. Moreover, CAG also conducts audit of other Autonomous Bodies, under Section

[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.*

[2] *Audit of accounts of Corporation (not being companies) established by or under law made by Parliament in accordance with the provisions of the respective legislations.*

[3] *Audit of the accounts of corporations (not being companies) established by or under law made by the State Legislature at the request of the Governor.*

[4] *Audit of accounts of anybody or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the CAG and the Government.*

14[5] of CAG's (DPC) Act, which are substantially funded by the 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 selection of Units from Tableau based Risk Analysis Dashboard, based on Control Risk (three parameters[6]) and Inherent Risk (nine parameters[7]). Based on this risk assessment, the frequency and extent of audit are decided.

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

1.5 Response to Audit

Twelve Audit paragraphs, one long paragraph and two[8] Subject Specific Compliance Audits (SSCAs) included in this Report, were forwarded (between January 2024 and April 2025) to Additional Chief Secretary/ Principal Secretaries/ Secretaries of the Departments concerned with a request to send their responses. Departmental replies in respect of eight audit paragraphs, one long paragraph and two SSCAs were received till date (July 2025). The responses of concerned Departments as well as replies to initial audit memos, wherever received, have been suitably incorporated in the Report.

Six Audit Reports for the last five years *i.e.* 2018-19 to 2022-23 were sent to the State Government between May 2021 and May 2025 for tabling in the State Legislature. However, four reports pertaining to the year 2020-21 (one), 2021-22 (two) and 2022-23 (one) have not yet been (July 2025) laid. Details of the Report handed over to the State Government for laying in the State Assembly are shown in ***Appendix-1.3***.

Though the Audit Reports for the year 2006-07 to 2019-20 were presented to the State Legislature between March 2008 and March 2022, replies for the 158 paragraphs are yet to be received from 12 Departments under the audit jurisdiction of this office. Status of the pending replies as on 31 March 2025 is given in ***Appendix-1.4***.

[5] *Audit of (i) all receipts and expenditure of a body/authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of anybody or authority where the grants or loans to such body or authority from the Consolidated fund of the State in a financed year is not less than ₹ 1.00 crore.*

[6] *Allotment vs Expenditure, Detailed Contingency bill pending and Utilization Certificate pending.*

[7] *Expenditure on other than on salary, expenditure on Major/Flagship schemes, pendency of Audit, expenditure at the fag end of the year/fund transferred to PL A/C & AC drawals, Increase/Decrease in expenditure, transfer of funds in PL A/cs, number of Part II (A) paras, complaints/requests received and media clippings.*

[8] *"Adequacy and efficacy of Departmental Infrastructure and Human Resources in Animal Resources Development Department" and "Coastal Tourism under Blue Economy".*

As stipulated in the Rules of Procedure of the Committee on Public Accounts (PAC), the administrative Departments are required to take suitable action on the recommendations made in the Reports of PAC presented to the State Legislature and submit comments on the action taken or proposed to be taken on those recommendations within six months. Action Taken Notes on 16 paras contained in 12 Reports of the PAC presented to the Legislature between July 1999 to June 2019 had not been submitted by four Departments[9] to the Assembly Secretariat as of 31 March 2025.

Inspection Reports issued till 31 March 2025 to 24 Departments were reviewed and it was observed that 3,321 paragraphs relating to 786 IRs remained outstanding at the end of March 2025 (***Appendix-1.5***).

1.6 Placement of Separate Audit Reports of Autonomous Bodies

Separate Audit Reports (SARs) are the audit reports of the CAG on accounts of ABs. These reports are to be laid before the State Legislature as per the provisions of the respective Acts.

The status of placement of SARs issued by the CAG (up to March 2025) on the accounts of ABs in the State Legislature is shown in ***Appendix-1.6***. Seventy-seven SARs in respect of the nine ABs were issued to Government during August 2011 to March 2025. These are yet to be placed in the State Legislature.

[9] *Food and Supplies Department, Fisheries Department, Public Works Department and Transport Department.*