

Press Brief on Audit Report (State Finances) 2017-18

In accordance with Article 151 of the Constitution of India, Comptroller and Auditor General of India (CAG) submit his Audit Reports to the Governor of the State for being laid on the table of the Legislature. Accordingly, Report of the Comptroller and Auditor General of India for the year 2017-18 (State Finances) - Government of Rajasthan, has been laid on the table of the State Legislature on 17 July 2019. As per procedure, the Report of the CAG stand referred to the Public Accounts Committee.

The following are some of the highlights of the Audit Report:

Finances of the State Government

The State Government has achieved fiscal deficit of 3.02 *per cent* against the target of 3 *per cent* as laid down in FRBM Act and at the end of 2017-18, the fiscal deficit was ` 25,342 crore. The State continued to have a revenue deficit of ` 18,535 crore during 2017-18.

The outstanding fiscal liabilities of the State increased from ` 1, 29,910 crore in 2013-14 to ` 2, 81,182 crore at the end of 2017-18, it increased by 10 *per cent* over to 2016-17.

(Paragraph 1.2.1 and 1.10.2)

The revenue receipt of the State increased steadily from ` 74,471 crore in 2013-14 to ` 1, 27,307 crore in 2017-18. It increased by ` 18,281 crore (16.8 *per cent*) as compared to previous year (8.7 *per cent*). However, it was lower by ` 2,855 crore and ` 7,386 crore than the Budget Estimates & Revised Estimates respectively.

The revenue expenditure of the State increased steadily from ` 75,510 crore in 2013-14 to ` 1,45,842 crore in 2017-18. Revenue expenditure increased by ` 18,702 crore (14.7 *per cent*) over the previous year. Though it was lower than revised estimates by ` 9,017 crore, however, it was higher than budget estimates by ` 2,152 crore.

(Paragraph 1.2.2)

Out of selected four gender budgeting schemes, nil expenditure in one gender based scheme and expenditure ranging between 24 to 67 *per cent* in the remaining three schemes point to need for better monitoring of the implementation of gender budgeting by the State.

(Paragraph 1.2.3)

The share of expenditure on salary and wages in total revenue expenditure increased from 26.30 *per cent* in 2016-17 to 29.50 *per cent* in 2017-18. Further, the ratio of Capital expenditure to total expenditure increased from 15.83 *per cent* in 2016-17 to 16.41 *per cent* in 2017-18.

However, share of operation and maintenance in revenue expenditure on social services and economic services decreased to 0.91 *per cent* in 2017-18 from 1.19 *per cent* in 2016-17.

(Paragraph 1.8.2)

The amount spent (₹ 20,175.99 crore) in 247 incomplete projects/works was 12 *per cent* of the cumulative capital outlay (₹ 1, 68,490.76 crore) of the State. The total cost overrun was ₹ 7,992 crore in 39 projects. Due to non-completion of projects within the stipulated time, the expected benefits to society were delayed and the cost of the projects also increased over the years.

(Paragraph 1.9.2)

As per the Finance Accounts of the State Government, the investment of the State Government included ₹ 44,281.63 crore in 49 working Government companies, of which only eight companies declared dividend aggregating to ₹ 64.46 crore against an investment of ₹ 573.71 crore. The investment of the State government in five power sector companies was ₹ 41,442.76 crore which was 91 *per cent* of the total investment of the State Government.

(Paragraph 1.9.3)

As of 31 March 2018, there were 64 cases amounting to ₹ 1,094.90 crore of adverse balances under Debt, Deposit and Remittances (DDR) heads out of which ₹ 1,031.52 crore was under Pension Funds of employees of Municipal Councils/Municipalities under 'Insurance and Pension Funds'.

(Paragraph 1.9.6)

Financial Management and Budgetary Control

During 2017-18, 42.37 *per cent* (₹ 76,035 crore) of the total expenditure (₹ 1, 79,473 crore) was incurred during last quarter of the current financial year. However, 37.68 *per cent* (₹ 64,442 crore) of the total receipts (₹ 1, 71,015 crore) was received during last quarter only. The expenditure has increased from 29.08 *per cent* (₹ 47,141 crore) incurred in last quarter of the previous year 2016-17. Thus, substantial expenditure was incurred by the departments during last quarter/month of the year which was indicative of inadequate financial control over the expenditure.

(Paragraph 2.3.2)

During 2017-18, an expenditure of ` 1, 84,087.31 crore was incurred against total grants and appropriations of ` 2, 00,077.50 crore leaving savings of ` 15,990.19 crore. Supplementary provisions of ` 3,160.89 crore obtained in 28 cases, proved unnecessary.

Departments surrendered ` 15,799.52 crore on the last working day of the financial year leaving no scope for utilising these funds for other purposes. In 15 cases (12 grants), where saving were ` 8782.39 crore, an amount of ` 302.80 crore was not surrendered. Further, in 80 cases, lumpsum provision of ` 5,940 crore was made, out of which ` 4,707.59 crore (79.3 per cent) remained unutilized.

In 9 cases involving 8 grants there was persistent savings (` 100 crore and above) ranging from 12.5 per cent to 59.7 per cent during the preceding three years. The persistent saving over the years were indicative of over assessment of funds by the State Government.

(Paragraph 2.2, 2.3.5, 2.3.9 and 2.3.4)

Detailed Contingent Bills remained outstanding against 134 Abstract Contingent Bills amounting to ` 429.19 crore as on 30 June 2018.

(Paragraph 2.5)

Financial Reporting

As on 30 June 2018, 62 Utilisation certificates amounting to ` 2.34 crore were outstanding in respect of grants provided during 2004-17.

(Paragraph 3.1)

An amount of ` 16,565.70 crore had been invested by the State Government in 10 undertakings at the end of financial year up to which their accounts were finalised. Of these, eight undertakings incurred accumulated loss of ` 12,211.94 crore, continuously for more than five years.

(Paragraph 3.3)

Out of 872 outstanding cases of misappropriation, theft and losses of Government money amounting to ` 67.73 crore, departmental and criminal investigation was awaited in 320 cases involving ` 32 crore. Further, orders for recovery/write off in 491 cases involving ` 30.80 crore were also awaited.

(Paragraph 3.4)

During 2017-18, out of the total amount of ` 30,295.29 crore transferred to/deposited in Personal Deposit Account, ` 4,035.89 crore (13.32 *per cent*) was transferred only in March 2018. Out of the total amount transferred, there was unspent balances of ` 9,538.57 crore lying in 1,666 PD accounts. As of 31 March 2018, total 20 PD Accounts having balance amount of ` 1.98 crore remained inoperative for the last five years (2013-18).

(Paragraph 3.5)

During 2017-18, Finance Accounts 2017-18 of Government of Rajasthan disclosed that ` 10,927.16 crore, comprising 6.56 *per cent* of the total expenditure (Revenue and Capital) were classified under the Minor Head '800-Other Expenditure'.

(Paragraph 3.6)