

Chapter 3

Financial Reporting

This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

Subsidiary Rule 330A under the West Bengal Treasury Rules stipulates that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees within one year from the date of release of grant, unless specified otherwise, and after verification, these should be forwarded to the Accountant General. The year-wise position of non-furnishing of UCs is shown in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilisation Certificates

			(Rupees in crore)
	Year	Number of UCs awaited	Amount involved
1	Up to 2007-08	143288	25451.76
2	2008-09	12474	4512.11
3	2009-10	19624	6012.13
4	2010-11	10225	5858.59
		185611	41834.59

Source : Finance Accounts 2010-11

Out of 185611 number of cases involving ₹ 41834.59 crore mentioned above, submission of UCs for 175386 cases involving ₹ 35976 crore, though became overdue, remained outstanding as of March 2011. Of these 143288 cases (₹ 25451.76 crore) remained outstanding for more than three years. Non-submission of the UCs in time may result in misutilisation of the grants. The large pendency in submission of UCs indicates lack of monitoring of utilisation of grants and loans released to the grantees by the departments.

3.2 Non-submission/delay in submission of accounts by ULBs/PRIs

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Department are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. Examiner of Local accounts, West Bengal, under the Accountant General (Receipts, Works and Local Bodies Audit), West Bengal is the statutory Auditor of Autonomous Local Bodies.

As of June 2011, 427 annual accounts of 138 autonomous bodies/ authorities due up to 2009-10 had not been received by the Examiner of Local accounts,

West Bengal, under the Accountant General (Receipts, Works and Local Bodies Audit), West Bengal. The details of these accounts are given in **Appendix 3.1** and their age-wise pendency is presented in **Table 3.2**

Table 3.2: Age-wise arrears of Annual Accounts due from Government Bodies

Delay in Number of Years	No. of the Bodies/ Authorities*
0 - 1	5
1 - 3	105
3 - 5	24
5 - 7	2
7 - 9	1
9 & above	1
	138

Source : Office of the AG (RW & LBA)

* Note: As Grants released to Urban Local Bodies/Urban Development Authorities are not classified separately and since all the units are not audited in a particular year, complete picture of grants released is not readily available.

Audit scrutiny of accounts of 17 bodies and authorities during 2010-11, for the period from 2005-06 to 2009-10¹ revealed that grants aggregating ₹ 90.20 crore, meant for development and miscellaneous purposes were lying unspent with 14 bodies (one District Primary School Council, two Universities and eleven Urban Local Bodies). The details are given in **Appendix 3.2**. The concerned bodies did not furnish reasons for non-utilisation and non-refund of the Government grants. There was nothing on record to show whether any action have been taken to adjust/refund the unutilised grants. Moreover, the amount of unutilised grants in the Darjeeling DPSC (2005-10), Bengal Engineering and Science University (2009-10) and University of Burdwan (2008-10) could not be ascertained in audit due to non-production / non-maintenance of basic records.

Further, scrutiny of Panchayati Raj Institutions revealed that as of March 2011 grants aggregating to ₹ 729.05 crore had been lying unspent in respect of 18 Zila Parishads (ZPs). Out of these, balances in six ZPs² accounted for ₹ 361.29 crore (50 per cent). Reasons for non-utilisation of these grants were not furnished by most of the ZPs. The details are given in **Appendix 3.3**.

3.3 Delays in Submission of Accounts/Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in various fields namely, area development, animal resources, human rights, legal services, housing etc. A large number of these bodies are audited by the CAG under Sections 19 and 20 (1) of the C&AG's DPC Act 1971, with regard to the verification of their

¹including transaction audit of 154 accounts

²North 24 Parganas ZP : ₹ 92.35 crore, South 24 Parganas ZP: ₹ 75.42 crore, Malda ZP: ₹ 49.59 crore, Paschim Medinipur: ₹ 49.41 crore, Nadia ZP: ₹ 47.60 crore and Murshidabad ZP: ₹ 46.92 crore

transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinised in audit, review of internal management and financial control, review of systems and procedures etc. The audit of accounts of 46 bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to Audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature in respect of 32 bodies, on which SARs are to be placed before the Legislature are indicated in **Appendix 3.4**. The frequency distribution of autonomous bodies according to the delays in submission of accounts to Audit and placement of Separate Audit Reports in the legislature after the entrustment of Audit to CAG is summarised in **Table 3.3**.

Table 3.3: Delays in Submission of Accounts and tabling of Separate Audit Reports

Delays in submission of Accounts (In Months)	Number of Autonomous Bodies	Delays in submission of SARs in Legislature (in Years)	Number of Autonomous Bodies
1 - 6	35	0 - 1	5
6 - 12	3	1 - 2	1
12 - 18	4	2 - 3	26
18 - 24	2	3 - 4	-
24 & above	11	4 - 5	-
Total	55	5 & above	-
		Total	32

Source : Concerned Department

None of these 32 autonomous bodies (*vide Appendix 3.4*) has submitted accounts for the year 2010-11, while only nine have submitted accounts up to 2009-10. The remaining did not submit accounts for various years starting from 1990-91 (Darjeeling Gorkha Hill Council). Further, Separate Audit Reports on 67 annual accounts of 15 bodies are yet to be tabled as of October 2011. This has diluted the basic tenet of legislative control over expenditure of public funds.

3.4 Departmental Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *pro forma* accounts in the prescribed format annually showing the working results of financial operations, so that the Government can assess the efficiency and economy of their working. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood may also render the system susceptible to risk of fraud and leakage of public money.

The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit within a specified time frame.

As of June 2011, there were 19 such undertakings; of these five³ had not prepared their accounts since inception. Four undertakings had prepared their up to date accounts and the accounts of remaining 10 units were in arrears ranging from one to 23 years. The Comptroller and Auditor General had repeatedly commented in the Audit Reports of the State on the failure of the Heads of Departments and the management of undertakings in timely preparation of *pro forma* accounts. Principal Accountant General (Audit) had also been periodically reminding the Principal Secretary (Finance) and the Secretaries of the concerned departments in this matter.

During the period July 2010 to June 2011, six undertakings finalised six *pro forma* accounts for the years 2009-10 and earlier. Consequently, there was hardly any accountability of the Management and Government in respect of public funds spent by these undertakings.

The department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government therein are given in **Appendix 3.5**. It appears that fourteen undertakings were incurring losses continuously for more than five years. Accumulated loss as per latest accounts received up to June 2011 amounted to ₹ 1970.16 crore.

3.5 Misappropriations, losses, defalcations, etc.

As per Rule 39 of the West Bengal financial rules, any loss of public money, departmental revenue of receipts, stores or other property, caused by defalcation or otherwise, should be immediately reported to the Accountant General. On the other hand, if the irregularity is detected by Audit in the first instance, the Accountant General will report it immediately to the administrative authority concerned.

No such intimation was, however, furnished by the State Government since 2001. As of March 2011, there were 1039 cases⁴ of misappropriation, defalcation, etc. involving Government money amounting to ₹ 88.16 crore on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in **Appendix 3.6** and nature of these cases is given in **Appendix 3.7**. The age-profile of the pending cases and the number of cases pending in each category – theft and misappropriation/loss as emerged from these appendices are summarized in **Table 3.4**.

Table 3.4: Profile of Misappropriations, losses, defalcations, etc.

Age-Profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
0 - 5	211	6177.85	Theft	328	1536.58
5 - 10	128	1729.70	Misappropriation/Loss of material	713	7279.79
10 - 15	121	386.32			
15 - 20	69	315.36			
20 - 25	71	150.55			
25 & above	439	56.31			
Total	1039	8816.09	Total Pending cases	1039	8816.09

Source : Detected by Audit and as reported by DDOs

³ 1. Silk Reeling Scheme; 2. Government Sales Emporia in Calcutta & Howrah; 3. Central Lock Factory; 4. Training cum Production Centre, Mechanical Toys, Hooghly and 5. Industrial Estate, Maniktala

⁴ Excluding cases included in the Civil Audit Reports as separate audit paragraphs, progress of which are monitored separately.

3.6 Non-reconciliation of Departmental figures

3.6.1 Un-reconciled receipts / expenditure

To enable controlling officers of Departments to exercise effective control over expenditure to keep it within budget grants and to ensure accuracy of their accounts, Financial Rules (Rule 385 of West Bengal Financial Rules) stipulate that expenditure recorded in their books be reconciled every month during the financial year with that recorded in the books of the Accountant General.

Out of 185 Controlling Officers⁵ (COs), 98 COs (53 *per cent*) did not reconcile their departmental figures for the year 2010-11. As a result, only 29 *per cent* (₹ 13833.58 crore) of total receipts and nine *per cent* (₹ 6073.12 crore) of total expenditure were reconciled by the State Government.

Such laxity on the part of the Department can potentially affect the quality of accounts.

3.6.2 Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills

Administrative Departments issue sanction orders with the concurrence of Finance Department, authorizing different Drawing and Disbursing Officers (DDOs) to draw advances on Abstract Contingent (AC) bills. Under Rule 4.138 of West Bengal Treasury Rules 2005, these AC bills are required to be adjusted within one month from the date of completion of the purpose for which the same were drawn and in no case beyond 60 days from the date of drawal of the respective AC bill. Sub Rule (5) and (6) of Rule 4.138 further stipulate that every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective Controlling Officers for countersignature and transmission to the Accountant General.

However, in contravention of the said provisions of WBTR, ₹ 815.29 crore⁶ drawn during 2002-03 to 2010-11 through 11314 AC bills remained unadjusted as of March 2011, which was substantially higher (71 *per cent* in terms of value and 32 *per cent* in terms of number) than the position as of March 2010. The position of drawal of AC bills and submission of adjustment there against were as under:

Table 3.5: Position of drawal and adjustment of AC bills (Rupees in crore)

Year	Opening balance		AC Bills drawn		DC Bills received		Outstanding AC Bills	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
2006-07	7977	247.84	4026	257.65	3198	172.86	8805	332.63
2007-08	8805	332.63	3544	262.52	3356	191.19	8993	403.96
2008-09	8993	403.96	3246	101.85	3657	17.08	8582	488.73
2009-10	8582	488.73	4054	276.94	4074	290.33	8562	475.35
2010-11	8562	475.35	3885	405.59	1133	65.65	11314	815.29

Source : Records of Pr AG (A&E), WB

It would be evident from the above table that the number of DC bills submitted in Treasuries during 2010-11 was much lower than that of previous year, which is a matter of concern. Moreover, as against 8562 bills outstanding as on 31 March 2010, only 677 DC bills (eight *per cent*) were submitted during 2010-11. Out of

⁵ As per old list maintained by the AG (A & E)

⁶ Of the unadjusted amounts, pendency of the bills was as under: since 2002-03: ₹19.15 crore, 2003-04: ₹ 26.95 crore, 2004-05: ₹ 29.76 crore, 2005-06: ₹ 36.35 crore, 2006-07: ₹ 29.67 crore, 2007-08: ₹ 61.21 crore, 2008-09: ₹ 68.52 crore, 2009-10: ₹ 159.38 crore, 2010-11: ₹ 384.30 crore.

11314 outstanding bills, 7885 bills involving ₹ 430.99 crore were outstanding for more than one year. As amounts drawn through AC bills are not subjected to Treasury check, non-adjustment of AC bills for years together indicates dilution of the basic tenet of Treasury check and Legislative control. Moreover, such long pendency of DC bills is fraught with the risk of misuse of Government funds.

Test check of the records of 28 Drawing and Disbursing Officers (DDOs) revealed that ₹ 588.14 crore (2550 bills) was drawn through AC bills during 2005-06 to 2010-11. Adjustments of 1713 bills for ₹ 363.59 crore were submitted during this period leaving an outstanding balance of 1120 bills worth ₹ 254.20 crore as of March 2011.

Scrutiny of records further revealed the following:

- Total number of unadjusted bills and their amounts in these units increased steadily from 439 (₹ 49.33 crore) in March 2006 to 1120 (₹ 254.20 crore) in March 2011.
- Out of test checked 28 DDOs, in case of 16⁷ DDOs, unadjusted amount as of March 2011 accumulated to more than ₹ 1 crore.
- Advance of ₹ 1.69 crore drawn by the Director General, Fire and Emergency Services, West Bengal between 2007-08 and 2009-10 in five bills in connection with shifting of tower, purchase of motor chasis, purchase of vehicle and compensation payment to deceased family remained unadjusted as of March 2011 for reasons not on record.
- There were discrepancies in the position of adjustment of AC bills between records maintained by DDO and Treasury/ PAO, which have not been reconciled for years together as shown below. These discrepancies were a matter of concern which needs immediate reconciliation.

Table 3.6: Discrepancies between the records of DDO and Treasury/PAO:

(Amounts in Rupees)			
	<i>Name of the DDO</i>	<i>No of Bills</i>	<i>Amount</i>
<i>Number of bills and amount shown adjusted in the DDO's record but found outstanding in the Treasury/PAO records</i>			
1	Director General of Fire Services, Kolkata	54	108878627
2	Commandant, SAP, 6th Bn, Barrackpore	33	78552300
3	SDO, Barrackpore	29	22991196
4	Addl. DG & IG of police	6	1407630
5	AO Pool Car Office, Transport Deptt.	3	78144
<i>Bills and amount shown adjusted in the Treasury record but found outstanding in the DDO's record</i>			
1	Director (Supply & Accounts) RRR Directorate	1	127293
2	Dy. Commandant, Water Wing, Civil Defense, WB	1	71700
3	Commandant. SAP, 2nd Bn, Barrackpore	5	29460529

Source : Records of DDOs and the Treasuries

⁷ AO, Kolkata Police (₹ 90.99 crore), Secretary, PSC (₹ 6.38 Crore), AO, WB Secretariat (₹ 13.24 crore), DG, Fire & Emergency Services (₹ 2.25 crore), DG&IG of Police IB (₹ 14.36 crore), DM, Howrah (₹ 9.49 crore), Commandant, SAP, 3rd Bn (₹ 1.36 crore), SDO, Barrackpore (₹ 3.04 crore), Commandant, SAP, 6th Bn (₹ 33.25 crore), DM North 24 Parganas (₹ 13.69 crore), DM, Hooghly (₹ 10.18 crore), SDO Barasat (₹ 2.70 crore), RR Commissioner (₹ 6.84 crore), Commandant, SAP, 2nd Bn (₹ 30.96 crore), DM Nadia (₹ 10.61 crore), SP South 24 Parganas (₹ 1.42 crore).

3.6.3 Personal Deposit Accounts

Funds Transferred to Personal Deposit (PD) Accounts are booked as expenditure under the service heads from which the money was transferred.

In terms of Rule 6.09 West Bengal Treasury Rules, Personal Deposit (PD) Account or Personal Ledger Account (PLA) is created by debit to the Consolidated Fund of the State other than those created under any law or rule having the force of law by transferring fund from the consolidated fund of the state for discharging liabilities of the Government arising out of special enactments, shall be closed at the end of financial year by minus debit of the balance to the relevant service heads in the consolidated fund of the state. As per West Bengal Treasury Rules any PD Account not operated for two consecutive years and there is a reason to believe that the need for such accounts has ceased, the same shall be closed.

In West Bengal, the closing balance under 8443- 106 - PD Accounts at the end of 2010-11 was ₹ 2430.57 crore and the balances were increasing every year, as shown below:

Table 3.7: Amounts received and disbursed in PD accounts during last three years

	Opening balance	Receipt	Disbursement	Closing balances
	Rupees in crore			
2008-09	1561.76	1127.37	991.66	1697.47
2009-10	1697.47	1299.92	988.65	2008.74
2010-11	2008.74	1600.93	1179.10	2430.57

Source : Finance Accounts

There were 148 PL Accounts in operation in the State as of March 2011. Total amounts remaining parked in PL Accounts of the State increased from ₹ 743.95 crore as of March 2005 to ₹ 2430.57 crore as of March 2011. During 2007-08, 2008-09, 2009-10 and 2010-11, amounts transferred to 8443-106-Personal Deposits Accounts (PL Accounts) stood at ₹ 270.44 crore, ₹ 304.63 crore, ₹ 549.87 crore and ₹ 655.94 crore respectively, indicating an increasing trend. Given the fact that these amounts have been booked as final expenditure under service heads and final expenditures would not be subjected to Treasury checks, this trend assumes seriousness.

Test-check of 31 PLAs maintained by 30 DDOs under five departments, opened between 1962-63 and 2007-08, revealed the following irregularities:

- Out of 31 PLAs maintained by 30 DDOs, 19 were required to be closed at the end of each financial year. It was seen that of the same, excepting two⁸ no other PLAs were closed though required under rules. Amount parked in the PLAs of 11 DMs stood at ₹ 473.29 crore as on 31 March 2011. Details are given in **Appendix 3.8**. Moreover, five⁹ accounts with a total balance of ₹ 1.97 crore remained in-operative for a period ranging between four and 13 years.

⁸ Secretary, West Bengal Legislative Assembly and Secretary Public Service Commission.

⁹ 1. DG&IG of Police, West Bengal, 2. Principal, Dr. R. Ahmed Dental College & Hospital, Kolkata, 3. MSVP, Calcutta National Medical College & Hospital, 4. MSVP, Medical College & Hospital, Kolkata and 5. Directorate of Animal Resources & Animal Health, Kolkata

- As per order (October 2008) of School Education Department, all funds relating to cooked Mid-Day Meal Programme should be transferred to the savings bank account to be opened exclusively for transacting funds meant for this Programme. However, six DMs¹⁰ retained Mid Day Meal programme funds of ₹ 7.25 crore as of March 2011 in their PL Account.
- Unspent balances of ₹ 69.15 lakh were not deposited to Government Account by DMs, Murshidabad, North 24-Parganas, Bankura and South 24 Parganas even though the works for which the funds received were completed.
- Six DDOs had discrepancies (between PLA Cash Book balances and Treasury Pass Books balances due to non-reconciliation required under Rule 6.08(5) of WBTR 2005 (*Appendix 3.9*).
- As of March 2011, 12 District Magistrates retained various major developmental funds (BADP, BEUP, UUP, PUP etc.) of ₹ 300.81 crore pertaining to 2010-11 in PLAs, indicating that the expenditure booked under State Consolidated Fund was inflated to that extent.
- Eight DDOs did not spend any part of ₹ 21.89 crore till date which were originally received for different purposes during various years starting from 1996-97 as detailed in *Appendix 3.10*.

3.6.4 Booking under minor head 800: Other Receipts and 800: Other Expenditure

With increasing range and diversification of Government activities and programmes, existing Minor heads often fall short in accommodating all transactions under some projects. In case of non-availability of accurate classification, the residuary Minor head 800: Other expenditure or 800: Other Receipts are used to book transactions in the Accounts.

During 2010-11, ₹ 2,855.13 crore under 98 Major Heads of Account (representing functions of the Government) was classified under the Minor Head “800-Other Expenditure” in the accounts and this amount constituted 4.27 *per cent* of the total expenditure recorded under various Major Heads. The major Schemes such as, Grants to WBSEDCL for implementation of RE Schemes in the district which have not been covered by RGGVY Schemes, Bidhayak Elaka Unnayan Prakalpa, New Incentive Scheme for encouraging the setting up of New Industrial Units, Grants to CMC/HMC for adjustment of Energy Bills of CESC etc, are not depicted distinctly in the Finance Accounts, though the details of these expenditure are depicted at the sub-head (scheme) level or below in the Detailed Demands for Grants and corresponding head-wise Appropriation Accounts forming part of the State Government Accounts.

¹⁰1. DM, Burdwan (₹ 0.40 lakh), 2. DM, Bankura (₹ 0.79 crore), 3. DM, Jalpaiguri (₹ 0.60 crore), 4. DM, Cooch Behar (₹ 4.67 crore) and 5. DM, North 24-Parganas (₹ 1.15 crore), 6. DM Uitar Dinajpur (₹ 0.04 crore).

Similarly, ₹ 4,755.26 crore under 62 Major Heads of Account, constituting more than 10 *per cent* of total recorded receipts, was classified under “800-Other Receipts” in the accounts.

High incidence of transactions under minor head 800 is fraught with the risk of affecting the transparency of the accounts.

3.6.5 Analysis of balances of Suspense and Remittance

Clearance of Suspense and Remittance balance depends on the details furnished by the Government Departments/Works and Forest Divisions/ Central Ministries/PAOs/RBI etc.

In West Bengal, net Debit balances under 8658-Suspense Accounts¹¹ increased from ₹ 276.05 crore in 2009-10 to ₹ 615.33 crore in 2010-11. Similarly, Credit balances under Suspense head 8658¹² increased from ₹140.52 crore in 2009-10 to ₹ 153.91 crore in 2010-11.

However, under 8782-Cash Remittances and Adjustments etc. there was a decline from ₹ 478.52 crore during the previous year to ₹ 212.64 crore in the current year.

Further, the balances under Suspense and Remittance heads as of March 2011, which may impact the cash balances are shown in the table below:

Table 3.8: Suspense and Remittance Balances that impact the cash balance

A Suspense Balances		(Rupees in crore)		
Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2011		Impact on outstanding cash balance
		Dr.	Cr.	
1	8658-Suspense Accounts (a) Ministry of Transport and Highways	87.33	(-) 0.37	Cash balance to increase on settlement
2	Account with Defence CDAP Allahabad	178.80	170.35	
3	109-Reserve Bank Suspense- Head Quarters	(-) 1.20	(-) 16.41	
4	110-Reserve Bank Suspense- Central Accounts Office	1600.82	1172.87	Cash balance will decrease on settlement
5	112-Tax, deducted at source Suspense	(-) 0.04	78.07	
6	129-Material purchase settlement Suspense Account	-	75.80	

¹¹ 101 – PAO suspense, 102- Suspense Civil, 107-Cash settlement and 110-RB suspense CAO

¹² 112 DS suspense and 129 MPSSA

B Remittance Balances				(Rupees in crore)
Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2011		Impact on outstanding cash balance
		Dr.	Cr.	
1	102-PW Remittances I-Remittances into Treasuries	7313.85	7206.07	Cash balance to increase on clearance
2	103-Forest Remittances I-Remittances into Treasuries	1540.88	1216.71	
3	8793-Inter State Suspense Account	7.27	(-) 0.08	
4	II- PW Cheques	28341.36	29144.36	Cash balance to decrease on clearance
5	Forest Cheques	2938.35	3270.16	

Source : Finance Accounts

Sustained efforts are needed to clear the balances so as to depict true and fair picture of the State accounts.

3.7 Conclusion and Recommendations

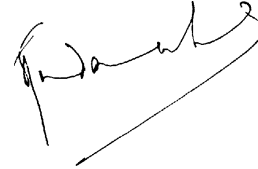
Pendency in submission of annual accounts of autonomous bodies/ authorities coupled with delay in placement of Separate Audit Reports in the State Legislative Assembly diluted the financial control. There were considerable delays in finalising *pro forma* accounts of departmentally managed commercial undertakings indicating laxity in the accountability mechanism of both the management and Government in respect of public funds invested in those undertakings.

Accumulation of unadjusted AC bills and increasing trend of parking of developmental funds in PL Accounts was also a major area of concern, as substantial amounts were drawn from treasury or transferred out of the Consolidated Fund of the State without proper treasury checks and Legislative control. Some departments were negligent in reconciling the expenditure / receipt figures with those of the Accountant General.

The following suggestions are made

- ***Controlling Officers should ensure submission of outstanding accounts of autonomous bodies within the stipulated period;***

- *Controlling Officer should ensure timely submission of adjustment bills against the advances drawn by DDOs on Abstract Contingent (AC) bill;*
- *Immediate steps need to be taken for review of status of Personal Ledger Accounts and closure of the inoperative ones.*



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