

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

ON

STATE FINANCES



FOR THE YEAR ENDED 31 MARCH 2012



GOVERNMENT OF JAMMU AND KASHMIR

Report No. 1 of the year 2012

TABLE OF CONTENTS					
Sl.No.	Contents	Paragraph	Page		
1.	Preface		v		
2.	Executive Summary		vii		
	CHAPTER-I: FINANCES OF THE STATE GOVE	ERNMENT			
3.	Salient Features of the State's Budgetary System and Profile	1.1	2		
4.	Legislative Framework of Budget consequent to the Fiscal Responsibility and Budget Management (FRBM) Act, 2006	1.2	3		
5.	Summary of Current Year's Fiscal Transactions	1.3	4		
6.	Trends in Key Fiscal Aggregates	1.4	7		
7.	Thirteenth Finance Commission recommendations (Th FC)	1.5	8		
8.	Resources of the State	1.6	9		
9.	Funds transferred directly by the Government of India (GOI) to State implementing agencies outside the State Budget	1.7	10		
10.	Revenue Receipts	1.8	11		
11.	Application of Resources	1.9	16		
12.	Grant in Aid/ Financial assistance to Panchayati Raj Institutions (PRIs)/ Urban Local Bodies (ULBs)	1.10	21		
13.	Quality of Expenditure	1.11	23		
14.	Financial Results of Major Works/ Projects	1.12	25		
15.	Returns on Investments	1.13	26		
16.	Assets and Liabilities	1.14	28		
17.	Debt Sustainability	1.15	30		
18.	Fiscal Imbalances	1.16	31		

19.	An assessment of State's compliance with the Debt/ Deficit reduction targets and other obligations under the FRBM Acts and Rules	1.17	35
20.	Conclusion	1.18	41
21.	Recommendations	1.19	44
СН	APTER-II : FINANCIAL MANAGEMENT AND BUDGE	TARY CONTR	OL
22.	Introduction	2.1	45
23.	Summary of Appropriation Accounts	2.2	45
24.	Financial Accountability and Budget Management	2.3	46
25.	Non-reconciliation of Departmental figures	2.4	50
26.	Errors in budgeting process	2.5	51
27.	Review of Grant (Agriculture Department)	2.6	52
28.	Conclusion	2.7	54
29.	Recommendations	2.8	55
	CHAPTER-III : FINANCIAL REPORTIN	NG	
30.	Delay in furnishing of Utilisation Certificates	3.1	57
31.	Non-submission/ delay in submission of Annual accounts by Autonomous Bodies	3.2	58
32.	Departmentally Managed Commercial Undertakings	3.3	59
33.	Bookings under Minor Head 800-'Other Receipts' and 'Other Expenditure'	3.4	60
34.	Conclusion	3.5	60
35.	Recommendations	3.6	61
Appendices			
36.	Part A : Structure and Form of Government Accounts	Appendix	63
	Part B : Layout of Finance Accounts	1.1	63
37.	Methodology Adopted for the Assessment of Fiscal Position	Appendix 1.2	64

38.	The Jammu and Kashmir Fiscal Responsibility and Budget Management Act, 2006	Appendix 1.3	66
39.	Time Series Data on the State Government Finances	Appendix 1.4	69
40.	Abstract of Receipts and Disbursements for the year 2011-12	Appendix 1.5	72
	Summarised Financial Position of the Government of Jammu and Kashmir as on 31 March 2012		75
41.	Statement showing the funds transferred to the State Implementing Agencies under Programmes/ Schemes outside the State Budget during 2011-12	Appendix 1.6	77
42.	Statement showing Economic Profile of the State in brief	Appendix 1.7	80
43.	Statement of various grants/ appropriations where saving was more than ₹ one crore each or more than 20 <i>per cent</i> of the total provision	Appendix 2.1	81
44.	Details of savings of ₹ one crore and above not surrendered	Appendix 2.2	83
45.	Statement of various grants/ appropriations where excess expenditure was more than ₹ one crore each or more than 20 <i>per cent</i> of the total provisions	Appendix 2.3	85
46.	Statement showing expenditure incurred without budget provision during 2011-12	Appendix 2.4	86
47.	Year-wise details of excess expenditure for the years 1980-81 to 2010-11 pending with Finance Department for regularization	Appendix 2.5	89
48.	Cases of unnecessary supplementary grant/ appropriation	Appendix 2.6	90
49.	Cases of excessive supplementary grant/ appropriation	Appendix 2.7	91
50.	Statement of various grants/ appropriation where supplementary provision provided was insufficient by more than ₹ one crore each	Appendix 2.8	92
51.	Department-wise outstanding Detailed Contingent (DC) bills from 1995-2011	Appendix 2.9	93
	L		

52.	Statement showing significant excess expenditure under certain Heads of accounts in Grant No. 12	Appendix 2.10	94
53.	Statement showing booking of expenditure under certain Heads of accounts without budget provisions in Grant No. 12	Appendix 2.11	96
54.	Statement showing cases where significant savings were not surrendered in Grant No. 12	Appendix 2.12	97
55.	Statement showing details of Annual accounts awaited relating to audit under Section 14 of the CAG's (DPC) Act, 1971	Appendix 3.1	100