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# **Chapter-3**

## **FINANCIAL REPORTING**

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## CHAPTER 3

### Financial Reporting

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the year 2013-14.

#### 3.1 Delay in furnishing Utilisation Certificates

As per Rule 182 of the Madhya Pradesh Financial Code Vol. I, in case of an annual or a non-recurring conditional grant, the Departmental Officer on whose signature or counter-signature the grant-in-aid bill is drawn, shall furnish the Utilisation Certificates (UCs) to the Accountant General on or before 30 September of the year following that to which the grant is related.

The position of outstanding UCs against grants-in-aid sanctioned to various Departments up to 2013-14 is given in **Table 3.1**.

**Table 3.1: Year-wise position of outstanding Utilisation Certificates**

(₹ in crore)

Year	Opening balance		Utilisation Certificate due during the current year		Total		UCs received during the year		Outstanding Utilisation Certificate at the end of the year	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2011-12	36,150	18,127.79	4551	15,020.76	40,701	33,148.55	296	1,730.83	40,405	31,417.72
2012-13	40,405	31,417.72	687	3,708.83	41,092	35,126.55	2469	6,885.64	38,623	28,240.91
2013-14	38,623	28,240.91	428	926.94	39,051	29,167.85	2637	1,795.12	36,414	27,372.73*

(Source: Finance Accounts 2013-14)

\*Except where the sanction orders state otherwise, Utilisation Certificate in respect of grants disbursed during 2013-14 will be due on or before 30 September 2014

As seen from the above, 36,414 UCs for an aggregate amount of ₹ 27,372.73 crore were outstanding as on 31 March 2014 in respect of 36 Departments. Details are given in **Appendix 3.1**. Large pendency in submission of UCs was mainly in respect of Urban Administration (₹ 9,548 crore), Food, Civil Supplies (₹ 5,210 crore), Rural Development (₹ 4,937 crore), School Education (₹ 2,784 crore) and Energy (₹ 998 crore) Departments.

### 3.2 Delay in submission of Accounts/Separate Audit Reports (SARs) of Autonomous Bodies

The State Government has set up several Autonomous Bodies (ABs) in the fields of Agriculture, Housing, Labour Welfare, Urban Development, etc. The audit of accounts of six ABs 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 Reports (SAR) and their placement in the Legislature as on 30 June 2014 is given in **Table 3.2**.

**Table 3.2 : Status of rendering Accounts of the Autonomous Bodies**

Sl. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which SARs were issued	Placement of SAR in the Legislature	Delay in submission/non-submission of accounts (in months)
1	Madhya Pradesh (MP) Khadi and Village Industries Board, Bhopal	Up to 2013-14	2008-09	2008-09	2005-06	2009-10 (48) 2010-11 (36) 2011-12 (24) 2012-13 (12) 2013-14 (Nil)
2	MP Human Rights Commission, Bhopal	Up to 2013-14	2012-13	2011-12	2011-12	2012-13 (08)
3	MP Building and Other Construction Workers Welfare Board, Bhopal	Entrustment vide Act of Parliament	2010-11	2005-06	Information awaited	2006-07 (69) 2007-08 (57) 2008-09 (45) 2009-10 (55) 2010-11 (31) 2011-12 (24) 2012-13 (12) 2013-14 (Nil)
4	MP Electricity Regulatory Commission	Up to 2012-13	2012-13	2012-13	2012-13	-
5	MP State Legal Services Authority, Jabalpur	Entrustment vide Act of Parliament	Not rendered since inception (1997-98)	-	-	1997-98 (192)
6	MP Housing and Infrastructure Development Board, Bhopal	Up to 2013-14	2011-12	2011-12	Information awaited	2007-08 (50) 2008-09 (40) 2009-10 (34) 2010-11 (22) 2011-12 (12) 2012-13 (12) 2013-14 (Nil)

*Note-Period of delay taken from the due date of receipt of accounts i.e. 30 June of the ensuing Financial year till 30 June 2014.*

Out of six ABs, Madhya Pradesh State Legal Services Authority, Jabalpur did not submit their accounts since inception of the AB in 1997-98. Correspondence was made (September 2014) with the Member Secretary, MP State Legal Services Authority, Jabalpur for submission of the accounts. As seen from the **Table 3.2**, there were significant delays of up to 69 months in submission of accounts by three ABs (Serial No. 1, 3 and 6 above).

Inordinate delays in submission of accounts and presentation of the SARs to the State Legislature result in delays in scrutiny of the functioning of these bodies, where Government investments are made, beside delays in initiating necessary remedial action on financial irregularities in the ABs.

### 3.3 Reporting of Misappropriation, Losses, Defalcations etc.

Rule 22(1) of the Madhya Pradesh Financial Code Vol. I states that any loss of public money, caused by defalcation or otherwise, should be immediately reported to the Accountant General, even when such loss has been made good by the party responsible for it.

The State Government reported 2989 cases of misappropriation, losses, defalcations etc., involving ₹ 28.17 crore up to 31 March 2014 on which final action was pending as of June 2014. The amount included ₹ 1.32 crore (349 cases) for the year 2013-14. A large number of cases (2353) involving ₹ 14.47 crore and ₹ 4.83 crore were pending for recovery/regularization against the Forestry & Wild Life Department and General Education Department. Department-wise details of pending cases of misappropriation, losses, defalcations etc. at the end of 2013-14 and their age-wise analysis is given in **Appendix 3.2**. Department-wise and nature of irregularity-wise details of these cases are given in **Appendix 3.3**. The age-profile of the pending cases with nature of irregularities emerging from these Appendices are summarized in **Table 3.3**.

**Table 3.3: Profile of Misappropriation, Losses, Defalcations etc.**

Age-profile of the pending cases			Details of the pending cases		
Range in years	Number of cases	Amount involved (₹ in crore)	Nature of the case	Number of cases	Amount involved (₹ in crore)
0 – 5	544	11.30	Theft	186	2.01
5 – 10	385	7.26			
10 – 15	463	4.20	Misappropriation/ Loss of material	2803	26.16
15 – 20	380	2.21			
20 – 25	664	1.76			
25 & above	553	1.44			
<b>Total</b>	<b>2989</b>	<b>28.17</b>	<b>Total</b>	<b>2989</b>	<b>28.17</b>

Further analysis indicated that the cases were outstanding owing to reasons listed in **Table 3.4**.

**Table 3.4: Reasons for outstanding cases of Misappropriation, Losses, Defalcations etc.**

Reasons for the delay/outstanding cases		Number of cases	Amount (₹ in crore)
(i)	Awaiting departmental and criminal investigation	20	0.35
(ii)	Departmental action initiated but not finalised	07	0.53
(iii)	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	06	0.19
(iv)	Awaiting orders for recovery or write off	2839	23.03

Reasons for the delay/outstanding cases		Number of cases	Amount (₹ in crore)
(v)	Pending in the Courts of law	117	04.07
Total		2989	28.17

Thus, out of 2989 cases involving ₹ 28.17 crore, 2060 cases (69 per cent) involving ₹ 9.61 crore were pending for more than 10 years. In 2839 cases (95 per cent), orders for recovery or write off were awaited.

Further, 163 cases of losses involving an amount of ₹ 17.89 lakh were written off during the year 2013-14, as detailed in **Appendix 3.4**.

### 3.4 Pendency in submission of DCC bills

#### 3.4.1 Pendency in submission of Detailed Countersigned Contingent (DCC) bills against Abstract Contingent (AC) bills

As per Rule 313 of the Madhya Pradesh Treasury Code (MPTC) Part-1, every Drawing and Disbursing Officer (DDO) has to certify in each AC bill that DCC bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the concerned Controlling Officers (CO) for countersignature and transmission to the Accountant General (A&E). As per MPTC Subsidiary Rule 327, DDOs should submit monthly DCC bills along with necessary certificate to the CO within 5<sup>th</sup> of the following month. The CO is required to submit the passed DCC bills to AG, so that these may be received in AG's office till 25<sup>th</sup> of the same month. However, drawal of amounts by way of AC bills has been prohibited by the Finance Department instructions (September 1999) for all the Departments except for Sports and Youth Welfare Department (only for expenditure on NCC).

We observed that 599 DCC bills aggregating to ₹ 14.96 crore were pending at the end of March 2014. Of these, only 55 bills (₹ 52 lakh) related to National Cadet Corps (NCC). Year-wise pendency in submission of DCC bills are given in **Table 3.5**.

**Table 3.5: AC bills outstanding for want of DCC bills for the year ending March 2014**

(₹ in crore)										
Year	Opening balance		AC bills drawn during the year		Total		DC bills received during the year		Outstanding DC bills at the end of the year	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2011-12	1339	21.43	8**	0.05	1347	21.48	477	1.98	870	19.50
2012-13	870	19.50	300	1.66	1170	21.16	497	5.92	673	15.24
2013-14	673	15.24	255	1.64	928	16.88	329	1.92	599†	14.96

(Source: Finance Accounts 2013-14)

\*\* 8 bills drawn during 2011-12 † include 5 AC bills amounting to ₹0.96 lakh drawn in March 2014, for which DC bills were not received as of April 2014.

Details of department-wise pending DCC bills at the end of 2013-14 are in **Table 3.6**.

Table 3.6: Pending DCC bills for the year up to 2013-14

Sl. No.	Name of Departments/Controlling Officers	Number of AC bills	Amount (₹ in crore)
1	General Administration Department, State Protocol Officer, Mantralaya, Bhopal	19	7.59
2	Director, Farmers Welfare and Agriculture Development, Bhopal	07	0.07
3	Director (Soil Conservation), Farmers Welfare and Agriculture Development, Bhopal	481	6.41
4	Commissioner, Tribal Welfare and Backward class Department, Bhopal	37	0.37
5	Sport and Youth welfare Department, Deputy Director, (NCC) State, Bhopal	55	0.52
<b>Total</b>		<b>599</b>	<b>14.96</b>

Thus, nearly 91 *per cent* of outstanding AC bills relates to the purposes other than for expenditure on NCC.

### 3.5 Reconciliation of Departmental receipts and expenditure

According to Para 24.9.3 of the Madhya Pradesh Budget Manual (MPBM), Budget Controlling Officers (BCOs) are responsible for reconciliation of accounts maintained by them with those appearing in the Accountant General (A&E)'s books and for identifying and correcting misclassifications. Even though non-reconciliation of departmental figures is pointed out regularly in our Audit Reports, lapses on the part of Controlling Officers (COs) in this regard continued to persist during 2013-14.

We observed that against the total expenditure of ₹ 85,762.16 crore during 2013-14, reconciliation was carried out by 104 out of 117 Controlling Officers for ₹ 35,216.12 crore (41 *per cent*). Controlling Officers of 13 Departments did not reconcile expenditure amounting to ₹ 50,546.04 crore (59 *per cent*) as on 31 March 2014.

Further, all BCOs are required to reconcile the receipts of the Government with the figures accounted for by the Principal Accountant General (A&E). Such reconciliation had been completed only for ₹ 23,158.46 crore (31 *per cent*) against the total non-debt receipt of ₹ 75,880.88 crore of the Government during the year 2013-14. Non-reconciliation of expenditure and receipts by the controlling officers indicated deficient financial management.

### 3.6 Non-adjustment of temporary advances

Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent expenditure either on the authority of standing orders or specific sanctions of the State Government. According to the Finance Department's instructions (October 2001), temporary advances taken by Government employees for tours or contingent expenditure should be adjusted within three months from the date of drawal of advance or by the end of the financial year whichever is earlier, failing which interest as per the interest

rate on fixed deposits of State Bank of India should be charged from the erring employee/officer.

Information furnished by various Departments (to the extent available) revealed that as on 31 March 2014, 1834 cases aggregating ₹ 6.63 crore were pending for adjustment by 18 Departments<sup>1</sup> in their records. Reasons for non-adjustment of temporary advances have not been intimated by the concerned Departments. Age-wise analysis of advances pending is given in **Table 3.7**.

**Table 3.7: Age-wise analysis of cases of advances pending as of March 2014**

Sl. No.	Pendency	No. of cases	Amount (₹ in crore)
1	More than 10 years	952	0.37
2	More than five years upto 10 years	291	0.28
3	More than one year but less than five years	258	0.94
4	Less than one year	333	5.04
	<b>Total</b>	<b>1834</b>	<b>6.63</b>

(Source: Data Furnished by the Departments)

It would be seen from the above that 52 *per cent* of the cases (952 nos.) are more than 10 years old and thus, possibility of their recovery appears to be remote. Non-recovery of advances indicated absence of effective internal controls in the concerned Departments.

### **3.7 Booking under Minor Heads ‘800-Other Receipts’ and ‘800-Other Expenditure’**

Since most of the government activities are well defined in the list of Major and Minor Heads of Accounts of Union and States, issued by the Controller General of Accounts, and also provided in para 8.3.5(vi) of MP Budget Manual, the Budget Controlling Officers are to ensure that operation of the minor head ‘800-Other Receipts/ Expenditure’ should be minimised.

Scrutiny of Finance Accounts 2013-14 disclosed that expenditure of ₹ 9,532.67 crore, consisting 12 *per cent* of total expenditure (revenue and capital) recorded under the major heads, was classified under the minor head ‘800-Other Expenditure’.

We also observed that under 18 major heads of accounts (revenue and capital), an amount of ₹ 6,075.78 crore, which constituted 75 *per cent* of total expenditure of ₹ 8,074.00 crore under these major heads, were classified under the minor head of accounts ‘800-Other Expenditure’. Such expenditure ranged between 53 *per cent* and 100 *per cent* of total expenditure under the respective major heads, as shown in **Appendix 3.5**.

<sup>1</sup> (1) Housing and Environment: ₹ 0.04 lakh, (2) Fisheries: ₹ 0.09 lakh, (3) Election Commission: ₹ 304.35 lakh, (4) Police: ₹ 3.98 lakh, (5) Education: ₹ 14.08 lakh, (6) Tourism: ₹ 11.31 lakh, (7) Horticulture: ₹ 274.43 lakh, (8) Culture: ₹ 4.68 lakh, (9) Archaeology Archives and museum: ₹ 31.21 lakh, (10) Scheduled Tribe Welfare: ₹ 1.88 lakh, (11) Industries: ₹ 0.36 lakh, (12) Narmada Valley Development: ₹ 2.91 lakh, (13) Backward Classes Minorities Welfare: ₹ 2.67 lakh, (14) Water Resources Department: ₹ 7.78 lakh, (15) Land Acquisition and Rehabilitation: ₹ 0.03 lakh, (16) Social Justice and Disability Welfare: ₹ 0.26 lakh, (17) Public Works Department: ₹ 1.37 lakh, (18) Excise: ₹ 1.24 lakh

Similarly, revenue receipts of ₹ 15,411.85 crore, constituting 20 *per cent* of the total revenue receipts (₹ 75,749.24 crore) recorded under the respective major head, were classified under the minor head '800-Other Receipts'. Under 26 major head of accounts (revenue receipts) ₹ 10,191.49 crore (83 *per cent*) out of total receipts under these major heads amounting to ₹ 12,236.45 crore were classified under '800-Other Receipts', Receipts under the minor head ranged between 51 and 100 *per cent* of total revenue receipts under the respective major heads. Details are given in **Appendix 3.6**.

Large amounts booked under the minor head '800-Other Receipts' and '800-Other Expenditure' affects the transparency in financial reporting as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

### **3.8 Non-submission of the details of grants or loans paid to bodies and authorities**

In order to identify institutions/organizations, which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971 (C&AG'S DPC Act), the Government/Heads of the Departments are required to furnish to Audit every year the detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that Governments and heads of departments which sanction grants and /or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

As of September 2014, none of the Departments of the Government of Madhya Pradesh furnished such details to the Audit office for the year 2013-14. The matter was taken up with the Finance Department in September 2014 and with the Chief Secretary of the Government in October 2014; their replies are still awaited (October 2014).

### **3.9 Maintenance of Personal Deposit Accounts**

The Personal Deposit (PD) Accounts are Deposit Accounts kept in Treasuries in the name of the Administrators of the Accounts. The moneys are placed under 8443-Civil deposits 106 Personal Deposit. These accounts can be opened with the approval of the Finance Department. AG's consent is not required as per the existing rules. In terms of provisions made for maintenance of PD Accounts in Subsidiary Rules 543 and 584 to 590 of Madhya Pradesh Treasury Code (MPTC) Part-1, the PD Accounts which are opened by debit to



the Consolidated Fund of the State should be closed at the end of the financial year by minus debit to relevant service heads. As per Finance Department instructions of February 2010, if it is necessary to open a PD Account in the next year, the same may be opened in the usual manner. The PD Accounts which remained inoperative for continuous three years, should be closed by the Treasury Officer by giving notice to the Administrator of the PD Account and action for transfer of balance amount as Revenue deposit credit to Government Account should be initiated. Periodical reconciliation of PD Accounts with treasury accounts is the responsibility of the Administrator concerned. Subsidiary Rule 558 also stipulates that plus minus memorandum indicating the details of opening balance, receipts, disbursements and closing balance of the PD Accounts, are required to be submitted to AG every month.

### Overall position of PD Accounts

The transactions relating to PD accounts of Government and Semi-Government institutions which are opened by debit to the consolidated fund of the State for the period 2011-14 are detailed in **Table 3.8**.

**Table 3.8: Status of balance under the PD accounts**

Year	PD Accounts balance as on 1 April		Balance of PD Accounts opened during the year		PD Accounts closed during the year		PD Accounts balance as on 31 March	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2011-12	765	2,003.45	128	3.93	07	0.08	886	2,007.30
2012-13	886	2,007.30	27	80.96	09	25.24	904	2,063.02
2013-14	904	2,063.02	19	94.75	43	18.70	880*	1,784.77#

(Source: Notes to Accounts in Finance Accounts)

\*Government: 877, Semi Government: 3, of these 414 PD Accounts as of March 2014 were inoperative  
# As per actual balance shown in Finance Accounts. The difference of ₹ 354.30 crore was due to non-depiction of receipts and disbursements under old PD Accounts in the above table.

The closing balance in PD accounts indicated that the administrators did not close the PD accounts by minus debit to the relevant service head at the close of financial year, as required under the rules. Since the amounts transferred to PD Accounts are shown as final expenditure from the Consolidated Fund of the State, non-closing of the PD accounts at the close of the year resulted in overstatement of expenditure under Consolidated Fund during the year.

Records relating to the Administrators (May to August 2014) of seven PD accounts were test checked in audit who had balances under PD Accounts, aggregating to ₹ 93.45 crore<sup>2</sup> as on 31 March 2014. The following observations were made:

<sup>2</sup> (1) Commissioner, Food, Civil Supplies and Consumer Protection Department, Bhopal: ₹ 50.85 crore, (2) Land Acquisition Officer (LAO) Onkareshwar/Maheshwar Project, Badwah, District Khargone: ₹ 18.03 crore, (3) LAO and Rehabilitation Officer, Sardar Sarovar Project, Manawar, District Dhar: ₹ 5.04 crore, (4) LAO and Sub Divisional Officer (SDO) (Revenue), Badwah, District Khargone: ₹ 12.25 crore, (5) LAO and SDO (Revenue), Barod District Agar (Malwa): ₹ 1.25 crore, (6) Deputy Director, Farmer Welfare and Agriculture, Sagar: ₹ 1.04 crore, (7) Commissioner, Directorate of Silk Satpura Bhawan, Bhopal: ₹ 4.99 crore

- There were differences of PD Account balances, aggregating to ₹ 3.37 crore, between the treasury figures and the cash book figures of the departments, mainly due to non-reconciliation of such transactions with the treasury by four Administrators, as shown in **Table 3.9**. The plus-minus memorandum and each month's accounts were also not submitted by the Treasury Officers to the Accountant General.

**Table 3.9: Discrepancies in Closing Balances between Treasury and Cash Book**

(₹ in crore)

Sl. No.	Name of PD accounts	Closing balance as on 31 March 2014		
		Treasury	Cash Book	Discrepancy
1	Land Acquisition Officer (LAO) and Rehabilitation Officer, Sardar Sarovar Project, Manawar, District Dhar	5.07	5.04	0.03
2	Land Acquisition Officer (LAO), Onkareshwar/Maheshwar Project, Badwah, District Khargone	20.77	18.03	2.74
3	Land Acquisition Officer (LAO) and Sub Divisional Officer (SDO) (Revenue), Badwah, District Khargone	12.92	12.25	0.67
4	Land Acquisition Officer (LAO) and SDO (Revenue) Barod District Agar (Malwa)	1.18	1.25	(-) 0.07
	<b>Total</b>	<b>39.94</b>	<b>36.57</b>	<b>3.37</b>

(Source: Data furnished by the Departments)

- Two out of seven Administrators did not obtain approval of the Finance Department for continuation of the PD Account at the end of each financial year. The details are given in **Table 3.10**.

**Table 3.10: Personal Deposit Accounts continued without permission**

Sl. No.	Name of PD accounts	During the Financial year
1	Land Acquisition Officer (LAO), Onkareshwar/Maheshwar Project, Badwah, District Khargone	2011-12 to 2014-15
2	Deputy Director, Farmer Welfare and Agriculture, Sagar	2012-13 and 2013-14

(Source: Data Furnished by the Departments)

- We observed that there was a closing balance of ₹ 4.99 crore as on 31 March 2014 in the PD Account No.38, in respect of Commissioner, Directorate of Silk Satpura Bhawan, Bhopal, which included ₹ 2.28 crore transferred during 2006-07. This indicated that the PD Account was neither closed at the end of each financial year, nor the amount remaining unspent for more than three years was deposited in Revenue head.
- Commissioner, Food, Civil Supplies and Consumer Protection Department, Bhopal had a closing balance of ₹ 50.85 crore as on 31 March 2014 in the PD Account No.41, opened for keeping the seed money of Consumers Welfare Fund. We observed that an amount of ₹ 0.32 crore was found deposited in Treasury on 06 January 2014 by three District authorities<sup>3</sup>. But the amount was not found entered in PD account register of the Commissioner, indicating that reconciliation of PD Account balance was not done by the Commissioner. Further, transactions

<sup>3</sup> Ratlam (₹ 0.24 crore); Dewas (₹ 0.03 crore); Hoshangabad (₹ 0.05 crore).

relating to other purpose/scheme i.e. Food Coupon scheme (₹ 25.74 crore) and 13<sup>th</sup> Finance Commission (₹ 24.71 crore) were found deposited in the above PD account.

Regarding transactions relating to other purpose/scheme in PD account, Directorate stated that in future only such funds will be kept for which scheme/purpose PD account has been opened. Fact remains that separate PD account was not opened for each purpose/scheme as required under the provisions of MPTC.

The above matter was referred to Government (September 2014); their reply had not been received (October 2014).

### **3.10 Conclusion and Recommendations**

#### ***Submission of Utilisation Certificate***

- Large number of Utilisation Certificates (36,414) in respect of grants given for by State Government amounting to ₹ 27,372.73 crore were awaited from the grantee institutions, indicating lack of proper monitoring by the concerned Departments of utilisation of grants.

*Departments should ensure timely submission of Utilisation Certificates by the grantee institutions in respect of the grants released to them.*

#### ***Submission of Accounts by Autonomous Bodies***

- There were significant delays (up to 69 months) in submission of accounts by six Autonomous Bodies to the Accountant General, resulting in delays in scrutiny of functioning of the Autonomous Bodies.

*Government should ensure timely submission of accounts by Autonomous Bodies to the Accountant General.*

#### ***Reporting of misappropriations and losses***

- Government's compliance towards disposal of 2989 cases of losses, misappropriation etc. amounting to ₹ 28.17 crore was pending.

*Departmental enquiries in all cases of misappropriations, losses etc. should be expedited to bring the defaulters to book.*

#### ***Submission of DCC bills against AC bills***

- Detailed Countersigned Contingent (DCC) bills against ₹ 14.96 crore drawn on Abstract Contingent (AC) bills were awaited as of March 2014.

*A monitoring mechanism should be in place for timely adjustment of outstanding Abstract Contingency Bills.*

#### ***Reconciliation of departmental expenditure***

- Controlling Officers of 13 Departments did not reconcile expenditure amounting to ₹ 50,546.04 crore as on 31 March 2014.

*The Departments should ensure timely reconciliation of figures of expenditure with those appearing in AG (A&E)'s books.*

***Maintenance of Personal Deposit Accounts***

- Personal Deposit (PD) Accounts were continued even after close of the financial year without approval of Finance Department, in violation of the provisions of Madhya Pradesh Treasury Code. There was significant amount of closing balance aggregating to ₹ 1,784.77 crore in the PD Accounts as of ended March 2014.

*The Departments should ensure closing of PD Accounts at the end of the financial year and the balance should be transferred to the Consolidated Fund of the State.*

During exit conference held in November 2014, the Secretary, Finance Department stated that action would be taken on the recommendations made by Audit.

Gwalior  
The

(SAURABH K. MALLICK)  
Accountant General  
(General and Social Sector Audit)  
Madhya Pradesh

Countersigned

New Delhi  
The

(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India