

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 Utilization Certificates

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

Table 3.1: Age-wise arrears of Utilization Certificates (₹ in crore)

	Grants pertaining to the year	Number of UCs awaited	Amount involved
1	Up to 2013-14	188541	53088
2	2014-15	4657	4891
3	2015-16 ¹	18719	27233
	Total	211917	85212

Source: Finance Accounts

Out of 211917 UCs involving ₹ 85212 crore mentioned above, 188541 UCs against grants of ₹ 53088 crore remained outstanding for more than two years as of March 2016.

Such huge pendency in submission of UCs indicates lack of monitoring of utilization of grants released to the grantees by the departments, running the risk of misutilization of the grants.

Utilization Certificates under West Bengal Panchayat Act

Rules framed under the West Bengal Panchayat Act, 1973 stipulate that UCs should be furnished by the grantee to the authority sanctioning the funds within six months from the date of receipt of grant or before applying for further grant for the same purpose, whichever is earlier. Test check by Audit showed that 14 Panchayati Raj Institutions² (PRIs) sub-allotted grants amounting to ₹ 269 crore during 2010-15 to their lower tiers, GPs, SSK, BMOH and other Government departments. Against the same, the grantees failed to submit UCs amounting to ₹ 55 crore (20 per cent) as of March 2016, as detailed in **Appendix 3.1**. In the absence of the UCs, proper utilization of the grants could not be verified.

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)

¹Only the cases where due dates for submission of UCs have been over

²10 Zilla Parishads (ZPs) and four Panchayat Samitis (PSS)

Act, 1971, the Government/Heads of Departments are required to furnish to Audit every year detailed information on the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The audit of these institutions is conducted by the Examiner of Local Accounts (ELA), West Bengal under the Principal Accountant General (General and Social Sector Audit), West Bengal, who has been appointed as the statutory Auditor of Local Bodies.

As of September 2016, 650 annual accounts of 148 autonomous bodies/authorities due up to 2015-16, had not been received by the ELA, West Bengal. The details of these accounts are given in *Appendix 3.2* and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise arrears of Annual Accounts due from Autonomous Bodies/Authorities

Delay in Number of Years	No. of the Bodies/ Authorities
0 to 1	25
Above 1 to 3	47
Above 3 to 5	22
Above 5 to 7	22
Above 7 to 9	31
Above 9	01
Total	148

Source: Records of the Institutions

Due to delay in preparation of accounts, utilization of funds for the intended purposes could not be verified. As these institutions were mostly run on Government grants, it was the responsibility of the Government to ensure that these bodies prepare accounts on time. The deficiency has been regularly pointed out in the Audit Reports of the preceding years.

Audit scrutiny of the accounts of 26 local bodies (excluding PRIs) conducted during 2015-16 showed that grants aggregating ₹ 133 crore, meant for development and miscellaneous purposes, were lying unspent as of March 2015 (*i.e.*, month up to which accounts have been prepared) with 21 ULBs, two Universities, one Local Library Authority, one Fish Farmers' Development Agency and one Board of Wakfs as detailed in *Appendix 3.3*. The concerned bodies did not furnish any satisfactory reason for non-utilization and non-refund of unspent amounts of Government grants.

It was observed that out of total available grants of ₹ 6979 crore for the year 2014-15, ₹ 1554 crore (22 *per cent*) remained unutilized with 14 Zilla Parishads, one Mahakuma Parishad and 67 Panchayat Samitis as of March 2015 (*vide Appendix 3.4*).

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 C&AG under Sections 19 and 20 (1) of the C&AG's DPC Act 1971, with regard to verification of their transactions, operational activities and accounts, conducting regulatory

compliance audit of all transactions, review of internal management and financial control, review of systems and procedures, etc. The status of entrustment of audit, rendering of accounts to Audit, issuance of Separate Audit Reports (SARs) and their placement in the Legislature in respect of 32 bodies, on which SARs are to be placed before the Legislature, are indicated in **Appendix 3.5**. Delays in submission of accounts to Audit and placement of Separate Audit Reports in the Legislature after entrustment of audit to the C&AG by the Autonomous Bodies are 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
0 – 1	12	0 - 1	5
1 – 6	-	1 - 2	1
6 – 12	-	2 - 3	5
12 – 18	11	3 - 4	1
18 – 24	-	4 - 5	5
24 & above	20	5 & above	6
Total	43		23

Source: Records of the autonomous bodies

Out of 50 autonomous bodies, only two (West Bengal Commission for Backward Classes and Digha Shankarpur Development Authority), (**Appendices 3.5 and 3.6**) had submitted accounts for the year 2015-16, while only 12 have submitted accounts up to 2014-15. Moreover, eight District Legal Services Authorities have not submitted accounts since inception in 1998-99. The State Government did not lay the Reports in respect of 23 Bodies/ Authorities before the State Legislature, as detailed in **Appendix 3.5**.

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 submission of accounts, the investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay may also render the system susceptible to the risk of fraud and leakage of public money.

The Heads of Departments in the Government need 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 2016, out of 15 such undertakings five³ had not prepared their accounts since their inception between 1951 and 1983, four⁴ had finalized their accounts up to 2014-15 while accounts of the remaining six units were in arrears ranging from three to twenty three years. Failure of the Heads of Departments and the managements of undertakings in timely preparation of *pro forma* accounts had been repeatedly commented upon in the previous Audit Reports of the State. Principal Accountant General had also been periodically reminding the Principal Secretary (Finance) and the Secretaries of the concerned departments in this matter.

The department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government therein are given in **Appendix 3.7**. As per the latest accounts received from 14 undertakings, ₹ 3027 crore was invested by the State Government in these units. Eleven undertakings had incurred continuous losses aggregating to ₹ 2453 crore, while the remaining three, viz. Central Engineering Organisation, Howrah, Kanchrapara Area Development Authority and Public Distribution System of Food Grains⁵ reflected accumulated profit of ₹ 841 crore.

3.5 Non-reconciliation of departmental figures

3.5.1 Un-reconciled receipts / expenditure

To enable Controlling Officers (COs) 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 WBFR) stipulate that expenditure recorded in their books be reconciled every month during the financial year with the books of the Accountant General (A&E). The Public Accounts Committee also recommended (December 2011) that both the Administrative Departments and Finance Department should follow the stipulations of the WBFR.

However, the issue continues to be a matter of concern as out of 67 departments, 15 departments (22.39 *per cent*) did not reconcile their figures for the year 2015-16, whereas eight departments (11.94 *per cent*) partly reconciled their figures. As a result, ₹ 138038 crore (87.94 *per cent* of total receipts) and ₹ 81580 crore (53.57 *per cent* of total expenditure) only were reconciled by the Departments.

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

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

Administrative departments issue sanction orders with the concurrence of Finance Department, authorising different DDOs to draw advances on Abstract Contingent (AC) bills. In terms of WBTR 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

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

⁴ Greater Kolkata Milk Supply Scheme, Burdwan Milk Supply Scheme, Durgapur Milk Supply Scheme and Krishnanagar Milk Supply Scheme

⁵ Subsidy received from Government was shown as profit in its account

respective AC bill, unless otherwise permitted by the Administrative Department with the concurrence of the Finance Department. Further, 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 (A&E).

However, in contravention of the said provisions of WBTR, ₹ 3075 crore⁶ drawn through 11950 AC bills up to 2015-16 remained unadjusted as of March 2016. The issue was regularly mentioned in the previous Audit Reports as well as in the Inspection Reports issued to the heads of the offices. In spite of this, the outstanding amount increased to ₹ 3075 crore as of March 2016 from ₹ 1587 crore at the end of 2014-15.

The position of drawal of AC bills and submission of adjustment thereagainst is as under:

Table 3.4: Position of drawal and adjustment of AC bills (₹ 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
2011-12	11314	815	3928	403	3373	169	11869	1049
2012-13	11869	1049	3481	306	4488	555	10862	800
2013-14	10862	800	4163	484	5125	374	9900	910
2014-15	9900	910	4408	1102	3181	425	11127	1587
2015-16	11127	1587	5122	2047	4299	559	11950	3075

Source: Finance Accounts

Against 11127 bills outstanding as on 31 March 2015, only 1977 DC (Detailed Contingent) bills (18 per cent) were submitted during 2015-16. Out of 11950 outstanding bills, 9150 bills involving ₹ 1265 crore were outstanding for more than one year. Non-adjustment of AC bills for years together indicates dilution of the basic tenets of financial and accounting controls. Moreover, such long pendency of DC bills is fraught with the risk of misuse / misappropriation of Government funds.

Audit reviewed the procedure of adjustment of AC bills of two departments viz. Disaster Management and Home covering a period 2011-16 and observed the following irregularities in drawal of AC bills as well as in submission of DC bills.

Delay in adjustment of AC bills was a persistent as well as pervasive phenomenon as shown in **Appendix 3.8**. It was observed (31 July 2016) that in Home Department, out of 222 AC bills involving ₹ 189 crore drawn by four test checked DDOs, ₹ 60.01 crore pertaining to 78 AC bills had remained unadjusted. Further, 19 AC bills involving ₹ 34.61 crore drawn prior to 2011-12 by two DDOs⁷ of this Department were yet to be adjusted. Similarly, out of 24 AC bills involving ₹ 93 crore by two test checked DDOs of Disaster Management Department, ₹ 8.56 crore pertaining to 12 AC bills remained pending. The Department stated that non-receipt of detailed vouchers and unspent balance of AC bills were the reasons behind the pendency of AC bills.

⁶ Pendency upto 2013-14: ₹ 554 crore; 2014-15: ₹ 711 crore; 2015-16: ₹ 1810 crore

⁷ Administrative Officer, Kolkata Police: 9 (2005-06: 1, 2007-08: 3, 2008-09: 4 and 2010-11: 1) of ₹ 24.78 crore and Joint Director (Accounts): 10 (2009-10: 2 and 2010-11: 8) of ₹ 9.83 crore

West Bengal Treasury Rules, 2005 provide that no money shall be drawn from the treasury in anticipation of demands or to prevent the lapse of budget grants. However, contravening the provisions of WBTR, two departments had withdrawn ₹ 6.57 crore (Home - ₹ 6.08 crore and Disaster Management - ₹ 0.49 crore) at the end of the financial year during 2013-16.

Further scrutiny of above balances showed the following:

- For procurement of arms, ₹ 1.25 crore was drawn in advance (in three AC bills) by Kolkata Police during the last weeks of March 2014-15 and 2015-16 in anticipation that procurement would be completed before the validity period of cheques. Against those bills, two cheques involving ₹ 1.15 crore were cancelled (July 2016) due to annulment of supply orders and remaining one (₹ 0.10 crore) had lapsed (June 2014) due to non-receipt of materials. Ultimately, all AC bills remained unadjusted till August 2016.
- For supply, installation, commissioning and maintenance of 100 CCTV Cameras, ₹ 2.55 crore was drawn (31 March 2016) in advance by the Deputy Commissioner of Police, Traffic (Home Department). On the same day, work order was issued to a private party.⁸ Subsequently, payment was made to the company (27 June 2016) to avoid lapse of the cheque on receipt of bank guarantee (23 June 2016) as requested (20 June 2016) to the company, though in the tender document, there was no provision for advance payment.
- ₹ 0.50 crore was drawn in advance (March 2014) by the Directorate of Security (Home Department) and paid to M/s Hindustan Motors before supply of vehicles. The Company failed to supply the vehicles valued at ₹ 0.11 crore as it was referred to BIFR⁹, but did not refund the amount. As such, the bill remained unadjusted till August 2016.
- ₹ 0.49¹⁰ crore was drawn in advance (in January 2014 and March 2016) by the Directorate of Disaster Management Department for payment to beneficiaries. Till July 2016, the entire fund has been lying idle in the bank account (four to 33 months).
- Two DDOs¹¹ under Home Department refunded the entire balance of five AC bills (₹ 0.04 crore), after holding the balance for 45 to 804 days, in violation of the provisions of WBTR.
- In connection with Panchayat Elections 2013 and Assembly Election 2016, two AC bills (₹ 2.00 crore in July 2013 and ₹ 5.76 crore in March 2016) were drawn in advance for hiring State Transport Corporation buses. Both the AC bills were adjusted merely by enclosing money receipts of WBTIDCL,¹² instead of detailed vouchers as per norms.

3.5.3 Personal Deposit Accounts

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

⁸ M/s Panorama Electronics Pvt. Ltd.

⁹ Board for Industrial & Financial Reconstruction

¹⁰ ₹ 0.04 crore (two bills) during 2013-14 and ₹ 0.45 crore (two bills) during 2014-15

¹¹ DG&IG, WBP Directorate (₹ 1.74 lakh) and AO, Kolkata Police (₹ 2 lakh)

¹² West Bengal Transport Infrastructure Development Corporation Limited

In terms of Rule 6.09 of WBTR, PD Account or Personal Ledger Account (PLA) is created by debit to the Consolidated Fund of the State and transferring money therefrom for discharging the liabilities of the Government arising out of special enactments. Such accounts are to be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund of the State. As per WBTR, if a PD Account is not operated for two consecutive years and if there is a reason to believe that the need for such accounts has ceased, the same shall be closed. Four types of PD Accounts viz., those maintained by Land Acquisition Collectors, Rent Controllers, Jailors and DMs are, however, of permanent nature.

In contravention of the second condition of the rule mentioned above, 27 PD accounts having aggregate balance of ₹ 357 crore, though remaining in operative for more than two years, were yet to be closed at the end of 2015-16.

In West Bengal, the closing balance under 8443-106-PD Accounts at the end of 2015-16 stood at ₹ 4769 crore with an increase of ₹ 1048 crore (28 per cent) over that of previous year. The balances as well as receipts and disbursements for the last three years are shown below:

Table 3.5: Amounts received and disbursed in PD accounts during the last three years

	Opening balance	Receipt	Disbursement	Closing balance
₹ in crore				
2013-14	3070	2661	2296	3435
2014-15	3435	2876	2590	3721
2015-16	3721	4660	3612	4769

Source: Finance Accounts

There were 150 PD accounts in operation in the State as of March 2016. During the year, two PD accounts were opened and two were closed. Amounts transferred to PD Accounts (PDA) by debit to Consolidated Fund during the last five years steadily increased and total transfer during 2015-16 stood at ₹ 1717 crore against ₹ 553 crore during 2011-12. Out of the amounts transferred in 2015-16, ₹ 333 crore (19 per cent) was transferred during March 2016, indicating rush of transfer of funds to that account at the fag-end of the year. This may be viewed in the light of the fact that these amounts have been booked as final expenditure under different service heads and hence, expenditures subsequently incurred from the PD accounts, would not be subject to the usual Treasury checks leaving scope for misuse.

Test-check of PD Accounts maintained by 13 DDOs¹³ showed an aggregate balance of ₹ 808 crore as of March 2016. Following deficiencies were observed on scrutiny of this balance.

- **Discrepancies between treasury pass books and PL cash books**

There were discrepancies in PDA Cash Books and corresponding Treasury Pass Books of eight DDOs due to non-reconciliation as required under WBTR. It was observed that PDA cash book balances were understated by ₹ 28.44 crore in respect

¹³DMs of South 24 Pgs: ₹131.71 cr., North 24 Pgs: ₹91.09 cr., Malda: ₹36.56 cr., Hooghly: ₹47.21 cr., Murshidabad: ₹144.21 cr., Nadia: ₹29.61 cr., Jalpaiguri: ₹52.38 cr., Dakshin Dinajpur: ₹58.83 cr., Birbhum: ₹54.81 cr., Darjeeling: ₹52.59 cr., Coochbehar: ₹49.48 cr., Burdwan: ₹59.79 cr. and Joint Director Accounts, WB Police Directorate: ₹0.12 cr.

of five DDOs and overstated by ₹ 5.45 crore in respect three DDOs as detailed in **Appendix 3.9**.

- **Unauthorized transfer to PLA**
 - Flouting the instruction of the MoRD¹⁴, GoI (December 2014), DM, Birbhum transferred the unspent MGNREGA¹⁵ fund (₹ 3.67 crore as on 31 March 2015) to PLA, instead of the mandated SEGF¹⁶ account. As of March 2016, a balance of ₹ 2.30 crore remained in PLA. Transferring unspent central fund to PLA and incurring expenditure therefrom compromised the financial norms.
 - To prevent the lapse of allotment, contravening the proviso under WBTR and WBFR, unspent contingency fund for *Kanyashree Prakalpa* (₹ 0.90 crore) and *Compensation scheme for affected persons of Saradha Scam- 2013* (₹ 0.11 crore) were transferred to PLA by two DDOs¹⁷ and four DDOs¹⁸, respectively, at the end of 2015-16.
- **Unauthorized retention of fund**
 - In violation of the BEUP¹⁹ guidelines, five DDOs retained (as of March 2016) un-recommended funds of ₹ 21.10 crore in their respective PLAs in spite of dissolution of the Assembly (details in **Appendix 3.10**).
 - Four DDOs²⁰ held a balance of ₹ 5.64 crore, requiring surrender of fund in view of Finance Department's order (July 2015) to execute the scheme 'Distribution of bicycles amongst the girl students of recognized and aided Madrasah with effect from August 2015' through WBSOSTD&FC²¹ instead of MAMED.
 - Three DDOs²² had unauthorizedly held ₹ 1.57 crore, received (between February and August 2014) twice in connection with construction of boundary walls for graveyard.
- **Parking of fund in PLAs**
 - District Land and Land Reform Officers of five districts failed to utilize ₹ 9.26 crore (received between January 2007 and April 2013) under COBBP²³ scheme and parked the fund in DMs' PLAs due to various reasons as detailed in **Appendix 3.11**.
 - BADP funds aggregating ₹ 3.54 crore, earmarked for skill development and capacity building in the border blocks were lying unutilized and

¹⁴ Ministry of Rural Development

¹⁵ Mahatma Gandhi National Rural Employment Guarantee Act

¹⁶ State Employment Guarantee Fund

¹⁷ DMs of Jalpaiguri: (₹74 lakh), Coochbehar: (₹16 lakh)

¹⁸ DMs of Birbhum: (₹4.86 lakh), Coochbehar: (₹3.50 lakh), Jalpaiguri: (₹1.79 lakh), North 24 Parganas: (₹1.26 lakh)

¹⁹ Bidhayak Elaka Unnayan Prakalpa

²⁰ DMs of South 24 Parganas: ₹ 1.94 cr.; Burdwan: ₹ 0.44 cr.; Murshidabad: ₹ 2.95 cr.; Darjeeling: ₹ 0.31 cr.

²¹ West Bengal Scheduled Caste and Schedule Tribe Development and Finance Corporation

²² DMs of Burdwan : ₹ 0.45 cr.; Malda : ₹ 0.58 cr.; Murshidabad: ₹ 0.54 cr.

²³ Chash-o-Basobasher Bhumi-dan Prakalpo; this scheme since renamed as NGNB (Nija Griha Nija Bhumi) w.e.f. October 2011.

parked in PLAs of three DDOs²⁴ since March 2014 ignoring the direction of the GoI.

In reply, DMs of North 24 Parganas and Malda stated that no agency, duly entrusted by the Home Department, had turned up for the training programme, while DM, Murshidabad stated that training completion certificate was wanting from the Technical Education and Training Department.

- DM, Darjeeling, due to non-availability of land in three blocks for construction of 11 Anganwadi centres, had an unspent balance of ₹ 0.55 crore in his PLA since September 2013.

Retention of funds in PDAs not only led to expenditure booked under the service heads being inflated without actual outgo, but also resulted in dilution of treasury control over actual expenditure.

3.5.4 Bookings under Minor Head 800: Other Receipts and 800: Other Expenditure

With increasing range and diversification of Government activities and programmes, the 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, is used to book transactions in the Accounts.

During 2015-16, ₹ 9486 crore under 80 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 7.23 *per cent* of the total expenditure of ₹ 131247 crore recorded under the respective Major Heads. Expenditure on major schemes such as procurement and distribution of Bi-cycles to Scheduled Castes/Scheduled Tribes/Other Backward Classes/Minority and General Category Students, Assistance to Farmers in case of Natural Calamities, National Health Mission including NRHM (Central Share) and Special assistance to WBSEDCL for energizing power driven pump sets installed for agricultural purpose, etc. were booked under “800-Other Expenditure”. Similarly, ₹ 18563 crore under 54 Major Heads of Account, constituting 16.92 *per cent* of total recorded receipts of ₹ 109732 crore under the respective Major Heads, was classified under “800-Other Receipts” in the accounts. Receipts under major schemes such as MGNREGA, IAY, PMGSY, MDM and Provident Fund for Employees of non-Govt. grants-in-aid to (sponsored) Secondary Schools, etc. booked under “800-Other Receipts” were not depicted distinctly.

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

3.5.5 Analysis of balances of Suspense and Remittance

Accounts of the Government are kept on cash basis. Certain transactions of receipts and payments, which cannot immediately be taken to a final head of receipt or expenditure owing to the lack of information as to their nature or any other reasons, may be held temporarily under Suspense heads. Suspense heads are intermediary/ adjusting in nature and accumulation of balances under the heads

²⁴DMs of Murshidabad: ₹1.52 cr., North 24 Parganas: ₹1.24 cr., Malda: ₹0.78 cr.

distorts financial reporting. 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 Accounts increased to ₹ 615 crore in 2015-16 from ₹ 404 crore in 2014-15. However, under 8782-Cash Remittances and Adjustments, etc., there was a decrease in credit balance from ₹ 1294 crore during the previous year to debit balance of ₹ 469 crore in the current year.

Further, significant balances under Suspense and Remittance heads as of March 2016, which may impact the cash balances, are shown in the **Table 3.6** below:

Table 3.6: Suspense and Remittance Balances that impact the cash balance

A Suspense Balance

(₹ in crore)

Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2016		Impact of outstanding on cash balance
		Dr.	Cr.	
	8658 - Suspense Account -			
1	101-PAO Suspense Ministry of Transport and Highways	127.38	8.14	Cash balance will increase on settlement
	101-PAO Suspense Ministry of External Affairs	3.78	0.41	
	101- PAO Suspense Central Pension Accounting Office (IAS officers pension)	22.63	1.84	
	101- PAO Suspense Ministry of Finance (Central Freedom Fighter Pension)	1.17	-	
	101- PAO Suspense Other Central Ministry	1.38	(-) 8.69	
2	102-Suspense Account (Civil) Account with Defence	205.18	198.20	
	102-Suspense Account (Civil) Eastern Railway	4.14	4.15	
	102-Suspense Account (Civil) Other Railway Accounts	2.16	1.74	
3	123-A.I.S. Officer Group Insurance Scheme	3.44	2.71	
4	102-Suspense Account (Civil) Account with Railway SER	15.79	16.95	
	102-Suspense Account (Civil) Uncredited amount under e-Payment	262.39	277.96	
5	109-Reserve Bank Suspense-Headquarters	(-) 3.07	(-) 2.84	
6	129-Material purchase settlement Suspense Account	0.02	67.46	

B Remittance Balances

(₹ in crore)

Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2016		Impact of outstanding on cash balance
		Dr.	Cr.	
	8782 - Cash Remittances and adjustments between officers rendering account to the same Accounts Officer			
1	102-PW Remittances I-Remittances into Treasuries	14156.28	14145.20	Cash balance will increase on clearance
2	103-Forest Remittances I-Remittances into Treasuries	2158.31	1810.44	
3	102-PW Remittances II- PW Cheques	52205.99	52321.26	Cash balance will decrease on clearance
4	103-Forest Remittances II- Forest Cheques	3969.19	4291.85	

Source: Finance Accounts

The Suspense minor head “Reserve Bank Suspense, Central Accounts Office (8658-00-110-CAORB Suspense)” is operated in the books of the State Government regarding transactions in respect of Grants, Loans and Advances from Central Government as well as other transactions accounted through RBI, Central Accounts Section, Nagpur (RBI). Under this Suspense Head, the debit balance stood at ₹ 556 crore and the credit balance at ₹ 63 crore, and the net balance was ₹ 493 crore (Debit) as on 31 March 2016.

3.6 Conclusion

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

Accumulation of unadjusted AC bills and the continued parking of developmental funds in PD Accounts were also major areas of concern, as substantial amounts were drawn from the treasury or transferred from the Consolidated Fund of the State without proper treasury checks. Some departments were slow in reconciling the expenditure/ receipt figures with those recorded in the books of the Accountant General (A&E).

Kolkata
The 23 JAN 2017


(MADHUMITA BASU)
Principal Accountant General
(General and Social Sector Audit)
West Bengal

Countersigned

New Delhi
The 25 JAN 2017


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India