

Chapter IV: Quality of Accounts and Financial Reporting Practices

Introduction

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, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision making.

This chapter provides an overview and status of compliance of various significant financial rules, procedures and directives with regard to financial reporting of the State Government and its various subordinate offices during the current year.

4.1 Collection of Cess/Surcharge

Cess is levied by government for a specific purpose, and the proceeds, are required to be kept in a separate fund, with distinct accounting to ensure that the collection is incurred for the specific purpose.

4.1.1 Short transfer of Cess to Rajasthan State Road Development Fund

The GoR constituted Rajasthan State Road Development Fund (Fund) by enacting Rajasthan State Road Development Fund Act (Act) in 2004 for the development of State Roads and other projects of State Road Development. The Act provides for levying and collection of cess on sales of motor spirit (commonly known as petrol and high speed diesel oil). During 2020-21, the cess was levied at the rate of ₹ 1.50 and ₹ 1.75 per litre on petrol and high speed diesel respectively. Section 4 of the Act prescribed that the cess levied would be credited to the Consolidated Fund of the State¹ (CFS) and subsequently credited to the fund through appropriation. The fund was constituted as a non-interest bearing Reserve Fund in the Public Account and classified under the Head “8225-02-101 State Roads and Bridges Fund” in the accounts of the State Government.

Year-wise position of collection of cess and transfer to Fund for the last five years is given in table below:

Table 4.1: Position of collection of cess and transfer to the fund

(₹ in crore)

S. No.	Year	Opening Balance of un-transferred amount	Cess Collected during the year	Total (3+4)	Amount transferred to the fund	Closing Balance of Un-transferred Amount (5-6)
1	2	3	4	5	6	7
1	2016-17	714.33	1,311.78	2,026.11	0	2,026.11
2	2017-18	2,026.11	1,394.37	3,420.48	425.00	2,995.48
3	2018-19	2,995.48	1,409.62	4,405.10	260.34	4,144.76
4	2019-20	4,144.76	1,422.51	5,567.27	1,170.00	4,397.27
5	2020-21	4,397.27	1,176.62	5,573.89	1,011.46	4,562.43

1. Budget Head 0040-800 (Taxes on Sales, Trade etc.-Other Receipts)

It can be observed that an amount of ₹ 4,562.43 crore was pending transfer from CFS to the Fund as on 31st March 2021.

Further, during the year 2020-21, the Government collected ₹ 1,176.62 crore as Petrol and Diesel cess and transferred ₹ 1,011.46 crore to the Fund. Thus, the State Government short transferred ₹ 165.16 crore to the Fund during the financial year 2020-21 in violation of rules and deferred its liability to future years. This also resulted in understatement of the Revenue Deficit and Fiscal Deficit to that extent.

Reasons for short transfer of collected cess to the Fund and whether the expenditure from the fund was being incurred for the purposes as intended in the Act were not intimated by the Department to audit though called for (October 2021).

4.1.2 Short transfer of Cess to the Water Conservation Cess Fund

Pursuant to the budget speech (Revised) 2009-10, provisions were made in Rajasthan Finance Act, 2009 for levy of Water Conservation Cess (Cess) on the energy consumed at the rate of ten paise per unit for the purpose of Water Conservation in the state. The cess was intended to provide financial resources for construction of water harvesting structures for collecting the run-off, ground water recharge and educating and sensitizing people to inculcate the habit of conserving water in day to day life.

Accordingly, a provision was made in Rajasthan Electricity (Duty) Act, 1962 to collect cess with effect from 8 July 2009. The cess is collected in the Consolidated Fund of the State² (CFS). The Water Conservation Cess Fund (Fund) was constituted as a non-interest bearing Reserve Fund³ in the Public Account. The collected cess is transferred from the CFS to the Fund by debiting the Major Head 2040-797 (Taxes on Sales, Trade etc.).

Year-wise position of collection of cess and transfer to the Fund for the last five years is given in table below.

Table 4.2: Position of collection of cess and transfer to the fund

(₹ in crore)

S. No.	Year	Opening Balance of un-transferred amount	Cess collected during the year	Total	Amount transferred to the fund	Closing Balance of Un-transferred Amount
1	2016-17	908.42	289.56	1,197.98	170.92	1,027.06
2	2017-18	1,027.06	217.51	1,244.57	289.56	955.01
3	2018-19	955.01	182.67	1,137.68	217.51	920.17
4	2019-20	920.47	268.84	1,189.31	182.67	1,006.64
5	2020-21	1,006.64	196.37	1,203.01	268.84	934.17

It can be observed that an amount of ₹ 934.17 crore was pending transfer from CFS to the Fund as on 31st March 2021.

Further, an expenditure of ₹ 270.68 crore was incurred from the Fund during 2020-21 leaving unspent balance of ₹ 234.47 crore as on 31st March 2021.

The Department did not furnish reply regarding whether the expenditure from the fund was being incurred for the purposes as intended in the Act, though asked for (October 2021).

2. Budget Head 0043-800-04 (Taxes and Duties on Electricity-Other Receipts)

3. Classified under the Head '8229-200-11' in the accounts of the State Government

4.1.3 Short transfer of surcharge to Rajasthan Cow Protection and Promotion Fund

The State Government had proposed surcharge for conservation and propagation of cow and its progeny (Surcharge) w.e.f. 08.03.2016 under section 3(B) of Rajasthan Stamp Act, 1998. Further, Gopalan Department, Government of Rajasthan (GoR) had constituted 'Rajasthan Cow Protection and Promotion Fund' (fund) in November 2016 and issued 'Rajasthan Cow Protection and Promotion Fund' Rules, 2016 (Rules) for administration of this fund.

In addition, the State Government introduced surcharge on Value Added Tax levied under the Rajasthan Value Added Tax (Amendment) Act, 2018, proceeds of which were also to be utilized for the purpose of conservation and propagation of cow and its progeny.

As per the Rules, the surcharge levied and collected under the Rajasthan Stamp Act⁴ and Rajasthan Value Added Tax Act⁵ is required to be transferred to the fund⁶ by debiting the Major Head of Animal Husbandry⁷. The main objective of this fund was the protection and development of cows and to create permanent infrastructure for cow shelter, homes and *kanji houses* and one *per cent* of the fund was to be incurred for administrative expenses by Gopalan Department.

Year-wise position of collection and transfer of surcharge to the fund for the last five years is given in the table below.

Table 4.3: Position of collection of surcharge and transfer to fund

(₹ in crore)						
S. No.	Year	Opening Balance of Un-transferred Amount	Receipts of surcharge	Total (3+4)	Amount transferred to Fund	Closing Balance of Un-transferred Amount (5-6)
1	2	3	4	5	6	7
1	2016-17	13.16	138.45	151.61	103.84	47.77
2	2017-18	47.77	257.98	305.75	173.68	132.07
3	2018-19*	132.07	536.25	668.32	261.00	407.32
4	2019-20*	407.32	718.02	1,125.34	490.50	634.84
5	2020-21*	634.84	1,079.30	1,714.14	599.12	1,115.02

Source: Finance Accounts of the respective years.

* Receipt inclusive of surcharge on VAT also.

It can be observed that an amount of ₹ 1,115.02 crore was pending transfer from CFS to the fund as on 31st March 2021. Further, the un-transferred amount at the end of the year has been steadily increasing every year since 2016-17.

During the year 2020-21, the Government collected ₹ 1,079.30 crore as surcharge and transferred ₹ 599.12 crore to the fund. Thus, the State Government short transferred ₹ 480.18 crore to the fund during the financial year 2020-21 in violation of rules and deferred its liability to future years. This also resulted in understatement of the Revenue Deficit and Fiscal Deficit to that extent.

Position of the amount transferred to the fund from CFS and disbursement from the fund for the last five years is given in table below.

4. Under the head 0030-02-800 (Stamps and Registration Fee-Stamps non judicial-Other Receipts).
5. Under the head 0040-800 (Taxes on Sales, Trade etc.-Other Receipts).
6. Under the head 8229-104-02 and 8229-104-03.
7. Under the head 2403-797 (Animal Husbandry- Transfer to reserve funds).

Table 4.4: Position of collection of surcharge and transfer to fund

(₹ in crore)

S. No.	Year	Opening Balance of Fund	Receipts in Fund	Total amount of Fund (3+4)	Disbursed amount from the fund	Closing Balance of fund (5-6)
1	2	3	4	5	6	7
1	2016-17	-	103.84	103.84	92.22	11.62
2	2017-18	11.62	173.68	185.30	173.55	11.75
3	2018-19	11.75	261.00	272.75	240.57	32.18
4	2019-20	32.18	490.50	522.68	462.45	60.23
5	2020-21	60.23	599.12	659.35	574.01	85.34

Source: Information provided by the Department.

It is evident from the above table that during the year an amount of ₹ 574.01 crore was disbursed from the fund leaving an unspent balance of ₹ 85.34 crore as on 31st March 2021.

Further, it was observed that as per Finance Accounts 2020-21, unspent balance of the fund was ₹ 72.45 crore whereas as per the information provided by the Department, the unspent balance in the fund was ₹85.34 crore reflecting a variation of ₹ 12.88 crore with the Finance Accounts.

The Department did not furnish reply regarding whether the expenditure from the fund was being incurred for the purposes as intended in the Rules, though asked for (October 2021).

4.1.4 Short transfer of Cess amount to Rajasthan Building and Other Construction Workers Welfare Fund

In addition to above mentioned Reserve Funds, GoR has also created the Rajasthan Building and Other Construction Workers Welfare Fund which is being operated as Personal Deposit (PD) Account.

The Government of India (GoI) enacted legislations like Building and Other Construction Workers (Regulation of Employment and conditions of Services) Act, 1996 and the Building and Other Construction Workers' Welfare Cess Act, 1996 (Act) for formulating and implementing various welfare schemes for the construction workers. For augmenting resources of the Building and Other Construction Workers' Welfare Boards constituted by the state governments, Section 3 of the Act provided for levy of cess (Labour cess) at the rate not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by employers such as Central/State government departments, semi-government organizations, private organizations carrying the building or other construction work.

To implement the provisions of the Act, GoR framed Rajasthan Building and Other Construction Workers (Regulation of employment and conditions of service) Rules 2009 and constituted Rajasthan Building and Other Construction Workers Welfare Board (Board). The cess is collected in the CFS⁸. The Board operates the Rajasthan Building and Other Construction Workers' Welfare Fund (Fund). According to section 5(3) of the Building and Other Construction Workers' Welfare Cess Rules 1998 (Rules), the amount of cess collected is required to be transferred to the Fund within 30 days of its collection.

8. Under the Major Head 'Labour and Employment' (0230-800-06).

Year-wise position of collection of cess and its transfer to the Board for the last five years is given in below table:

Table 4.5: Position of collection of cess and amount transferred to Board
(₹ in crore)

S.No	Year	Opening balance of un-transferred amount	Cess collected during the year	Total (3+4)	Amount transferred to the Board	Closing Balance of un-transferred amount (5-6)
1	2	3	4	5	6	7
1	2016-17	322.45	342.69	665.14	322.70	342.44
2	2017-18	342.44	338.60	681.04	342.69	338.35
3	2018-19	338.35	382.59	720.94	338.60	382.34
4	2019-20	382.34	412.82	795.16	382.59	412.57
5	2020-21	412.57	367.55	780.12	412.82*	367.30

* Includes amount of ₹55.26 crore spent directly by the department without transferring to PD Account

It can be seen from the table that an amount of ₹367.30 crore was pending transfer from the CFS to the Fund as on 31st March 2021.

In this regard, the Public Accounts Committee (PAC) vide para 2.5 of the 85th report of 2015-16 on Audit Report 2011-12 also recommended that full compliance with the provisions of the rules may be ensured and amount collected may be timely transferred to the board. To ensure compliance of the PAC recommendations, the Secretary directed (August 2016) that with the approval of the Finance Department, cess collected may be reconciled monthly with the Accountant General Office and the collected cess may be deposited monthly in the PD accounts of the board. However, the department stated (September 2021) that the collected amount was being transferred annually to the board.

Further, scrutiny of the information provided by the department revealed that the above rule provisions and recommendation of the PAC were not being followed and the collected cess amount was being transferred to the board with abnormal delays. During the years 2019-20 to 2020-21, ₹ 412.82 crore and ₹ 367.55 crore respectively were transferred to the board with delays of three to 20 months from the date of receipt. Details of month wise receipt of cess collection for the last two years are given in the table below:

Table 4.6: Month wise receipt of cess collection for the last two years
(Amount in ₹)

Period	Amount received in Receipt Head	Due month for transfer to board (30 days after receipt)	Month of actual transfer	Delay (in Months)
Apr-19	43,65,03,575.5	May-19	Feb-21	20
May-19	37,64,30,489.2	Jun-19	Feb-21	19
Jun-19	30,26,84,994.1	Jul-19	Feb-21	18
Jul-19	28,96,42,317.9	Aug-19	Feb-21	17
Aug-19	41,61,12,896.3	Sep-19	Feb-21	16
Sep-19	34,42,12,757.9	Oct-19	Feb-21	15
Oct-19	40,18,24,419.0	Nov-19	Feb-21	14
Nov-19	35,14,39,788.7	Dec-19	Feb-21	13
Dec-19	19,97,25,160.6	Jan-20	Feb-21	12
Jan-20	29,27,85,545.4	Feb-20	Feb-21	11
Feb-20	31,62,81,830.5	Mar-20	Feb-21	10
Mar-20	39,98,84,566.4	Apr-20	Feb-21	9
Transfer Entry	6,57,574.0			

Period	Amount received in Receipt Head	Due month for transfer to board (30 days after receipt)	Month of actual transfer	Delay (in Months)
Total (2019-20)	4,12,81,85,915.5			
Apr-20	9,51,10,561	May-20	Aug-21	14
May-20	9,81,24,208	Jun-20	Aug-21	13
Jun-20	27,06,82,993	Jul-20	Aug-21	12
Jul-20	33,37,81,766	Aug-20	Aug-21	11
Aug-20	33,13,18,003	Sep-20	Aug-21	10
Sep-20	30,04,67,560	Oct-20	Aug-21	9
Oct-20	26,76,97,111	Nov-20	Aug-21	8
Nov-20	28,27,19,500	Dec-20	Aug-21	7
Dec-20	34,10,43,899	Jan-21	Aug-21	6
Jan-21	41,64,44,350	Feb-21	Aug-21	5
Feb-21	32,45,70,360	Mar-21	Aug-21	4
Mar-21	61,02,16,989	Apr-21	Aug-21	3
Transfer Entry	33,35,103			
Total (2020-21)	3,67,55,12,403			

Thus, the department failed to adhere to the rule provisions and the directions of the PAC, resulting in delayed transfer and utilisation of the fund by the Board for welfare of the construction workers.

Un-transferred amount of cess/surcharge to the reserve fund/deposit fund indicates that revenue/fiscal deficit of the State Government is understated to the extent of non-transferred amount and represents the outstanding liability of the State Government.

4.2 Loans of State Government not being credited to the Consolidated Fund

4.2.1 Off Budget Borrowings of State Government and increasing contingent liabilities

The State Governments can borrow money within the territory of India, upon security of the Consolidated Fund of the State and the limits on such borrowings are regulated under Article 293 (3) of the Constitution of India. In addition to such borrowings, the State Government also guarantees loans availed by Zila Parishads/ Companies/ Corporations from the market/financial institutions for implementation of various State Plan programmes, which are reflected outside the State Budget. The funds raised for these programmes were to be met out from the resources mobilized by these Companies/Corporations/Zila Parishads. However, in reality borrowings by these concerns are repaid by the Government and ultimately turn out to be the liabilities of the State Government. Accordingly, these may be termed as *off budget borrowings* as these borrowings are not included in the budget and remain outside legislative control. One such instance noticed in Rajasthan is discussed below:

The Finance Department, GoR informed (August 2021) that since 2011-12, the State Government had given guarantees with respect to loans of ₹ 3,948.66 crore obtained by Zila Parishads (ZPs) from Housing and Urban Development Corporation (HUDCO) for construction of dwelling units for Economically Weaker Section (EWS) families in rural areas under Chief Minister Below Poverty Line (CMBPL) Awas Yojana, out of

which the Zila Parishads had availed total guarantees of ₹ 3,624.48 crore⁹ till 2020-21. The State Government has been repaying the principal and interest against these loans. Audit scrutiny revealed that during 2020-21, ₹ 282.01 crore (₹ 147.54 crore on account of principal and ₹ 134.47 crore as interest) was transferred by GoR in PD accounts of 31 ZPs, for payment of principal and interest on loans raised by them from HUDCO for CMBPL Awas Yojana.

During 2020-21, GoR added guarantees of ₹ 50.41 crore to the opening outstanding balances of ₹ 1,901.54 crore and cleared guarantees of ₹ 147.54 crore leaving a balance of ₹ 1,804.41 crore outstanding at the end of 2020-21. Finance Department intimated (December 2021) that the State Government gives grants for repayment of the principal and interest of these loans in view of the poor financial situation of the Zila Parishads.

This indicates that State Government is resorting to off budget borrowings for meeting out its plan expenditure.

Table 4.7: Trend of off budget borrowings

(₹ in crore)				
S. No.	Year	Amount	GSDP	per cent of GSDP
1.	2018-19	2,137.42	9,21,789	0.23
2.	2019-20	2,901.54	9,98,999	0.29
3.	2020-21	1,804.41	9,57,912	0.19

As can be seen from the table, the outstanding off budget borrowings are 0.19 per cent of GSDP (₹ 9,57,912 crore) at the end of March 2021, lower than 0.29 per cent of GSDP (₹ 9,98,999 crore) at the end of March 2020. The off budget borrowing of ₹ 50.41 crore during the year, when taken into account, increases the fiscal deficit from ₹ 59,376 crore to ₹ 59,426 crore as depicted in Table 1.9.

Besides this amount, any other off budget borrowings which would impact Fiscal Deficit could not be ascertained as the State Government did not disclose the repayment liability. It is also pertinent to mention that GoR has not put in place a mechanism to identify all the off budget borrowings.

4.3 Deposit of Local Funds

Section 64 of the Rajasthan Panchayati Raj Act, 1994 provides that Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) would maintain ZP fund, PS fund and GP fund respectively (under Major Head 8448-Deposits of Local Funds-109-Panchayat Bodies Funds) which would include all money realised or realisable under the Act and all money otherwise received by the Panchayati Raj Institutions (PRIs), such as grants received from Central Finance Commission and State Government as part of the State Finance Commission award and their own revenue, which includes tax and non-tax receipts of the panchayats. Similarly, Section 79 of Rajasthan Municipal Act 2009 envisages that the Municipal Fund is to be held by the Municipality. All money realised or realisable under this act and all money otherwise received by the Municipality are kept in the Municipal Fund under the Major Head 8448- Deposits of Local Funds-102-Municipal Funds.

9. 2011-12: ₹ 945.37 crore, 2012-13: ₹ 840.19 crore, 2013-14: ₹ 958.51 crore, 2014-15: ₹ 600.64 crore, 2015-16: ₹ 160.52 crore, 2016-17: ₹ 61.34 crore, 2017-18: ₹ 6.34 crore, 2018-19: ₹ 1.16 crore, 2019-20: 'Nil' and 2020-21: ₹ 50.41 crore.

The position of Deposits of local funds in PRIs and Municipal fund as on 31st March 2021 for the last five years is given in the following Table 4.8.

Table 4.8: Deposits of Local Funds

(₹ in crore)

S. No.	Year	Zila Parishad Fund (8448-109-03)				Panchayat Samiti Fund (8448-109-02)				Total Closing Balance end of the year	Municipal Fund (8448-102)			
		Opening Balance	Receipt	Expenditure	Closing Balance	Opening Balance	Receipt	Expenditure	Closing Balance		Opening Balance	Receipt	Expenditure	Closing Balance
1.	2015-16	1,436.20	4,412.58	3,879.91	1,968.87	893.1	1,091.19	967.73	1,016.56	2,985.43	616.93	2,217.67	1,903.89	930.71
2.	2016-17	1,968.87	3,044.50	3,330.05	1,683.32	1,016.56	1,546.68	1,283.19	1,280.05	2,963.37	930.71	2,647.54	2,160.13	1,418.12
3.	2017-18	1,683.32	2,220.82	2,032.13	1,872.01	1,280.05	1,599.99	1,430.26	1,449.78	3,321.79	1,418.12	2,351.12	2,117.23	1,652.01
4.	2018-19	1,872.01	1,781.83	2,144.98	1,508.86	1,449.78	1,776.44	1,762.27	1,463.95	2,972.81	1,652.01	2,527.25	2,775.08	1,404.17
5.	2019-20	1,508.86	1,198.28	1,407.07	1,300.07	1,463.95	3,205.03	3,496.43	1,172.55	2,472.62	1,404.17	2,874.08	2,835.52	1,442.73
6.	2020-21	1,300.07	1,318.54	1,128.13	1,490.48	1,172.55	1,797.45	1,545.79	1,424.21	2,914.69	1,442.73	4,591.66	3,614.48	2,419.91

It was observed that during 2015-21, significant balances were lying in ZP fund, PS funds and Municipal Fund. The closing balance in these funds during 2020-21 were ₹ 1,490.48 crore, ₹ 1,424.21 crore and ₹ 2,419.91 crore respectively.

GPs also maintain accounts in nearest branch of scheduled bank. The status of un-utilised funds lying in these accounts of GPs could not be ascertained as these details were neither compiled at the level of PS or ZP nor provided in the Treasury Accounts.

Rural Development and Panchayati Raj Department intimated (February 2021) that in compliance of audit observations, directions are being issued again for compilation of details of un-utilised funds in GP accounts at the level of PS or ZP. Further, the Finance Department gave directions through budget circular (September 2020) to provide information of all PD Accounts in Pay Manager module of IFMS to be further checked/verified by the controlling officer and to close the inoperative or dormant Bank accounts. However, status of compliance of these orders has not been provided by the Department though asked for (October 2021).

4.4 Delay in submission of Utilisation Certificates

Rule 284 & 286 of General Financial and Accounts Rules (GF&ARs), 2012 prescribe that Utilisation Certificates (UCs) of grants provided for a specific purpose should be obtained by the departmental officers from the grantees and after verification should be forwarded to the Accountant General (Accounts and Entitlement) within one year from the date of their sanction unless specified otherwise. Similarly, UCs are required to be furnished by the State Government to Government of India with regards to the funds provided by the latter for implementation of various socio-economic development programmes where grants for specific purpose are provided.

During the year 2019-20, GoR released grants-in-aid of ₹ 41,024.82 crore¹⁰, of which ₹ 30,686.40 crore were released under object head 12 (Grant-in-aid non-salary) and ₹ 5,197.63 crore under the object head 93-Grant-in-aid for creation of Capital Assets.

Various departments did not submit 837 UCs aggregating ₹2,113.45 crore pertaining to the period 2010-11 to 2019-20 to the office of the A.G (A&E) as on June 2021 as mentioned in Table 4.9. Out of total outstanding UCs, 559 UCs

10. Except grant released for general purpose i.e. pay & establishment and expenses for the Scheme under State Fund or Central Assistance (₹ 5,132.98 crore), UCs are not required as per Rule 285 (4) of GF&AR. Further, an amount of ₹ 7.81 crore classified under Minor Head-191 (₹ 2.36 crore), Minor Head-192 (₹ 5.35 crore) and Minor Head-196 (₹ 0.10 crore).

amounting to ₹1,300.07 crore pertained to 'Grant-in-aid for creation of Capital Assets'. The age-wise pendency of total outstanding UCs is summarised in the Table below:

Table 4.9: Age-wise outstanding UCs

(₹ in crore)

S. No.	Year	Opening Balance		Addition during the year		Clearance during the year		Due for submission	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
1.	2017-18	62	2.34	308	51.32	175	47.69	195	5.98
2.	2018-19	195	5.98	808	970.43	233	35.80	770	940.61
3.	2019-20	770	940.61	1,364	2,392.01	1297	1219.17	837	2113.45

Source: Information compiled by office of the AG (A&E)

Table 4.10: Year-wise break up of outstanding UCs

(₹ in crore)

S. No.	Year	Number of UCs	Amount
1.	2010-11	5	0.03
2.	2011-12	5	0.04
3.	2012-13	7	0.11
4.	2013-14	8	0.06
5.	2014-15	3	0.01
6.	2017-18	111	2.90
7.	2018-19	87	331.62
8.	2019-20	611	1,778.68
	Total	837	2,113.45

Source: Information compiled by office of the AG (A&E)

As per the information provided by the office of the A.G (A&E), out of the pending 837 UCs till June 2021, 282 UCs have been received by August 2021 from various departments.

Almost 94.59 per cent of the amount of outstanding UCs pertained mainly to Family Welfare Department (98 UCs: ₹ 1,250.06 crore), Education Department (34 UCs: ₹ 172.43 crore), Medical Education Department (19 UCs: ₹ 156.62 crore), Local Bodies Department (47 UCs: ₹ 118.47 crore) and Panchayati Raj Department (140 UCs: ₹ 72.98 crore). The Department-wise break up of outstanding UCs is summarized below in Table 4.11 and represented in the Chart 4.1.

Table 4.11: Department-wise position of outstanding UCs

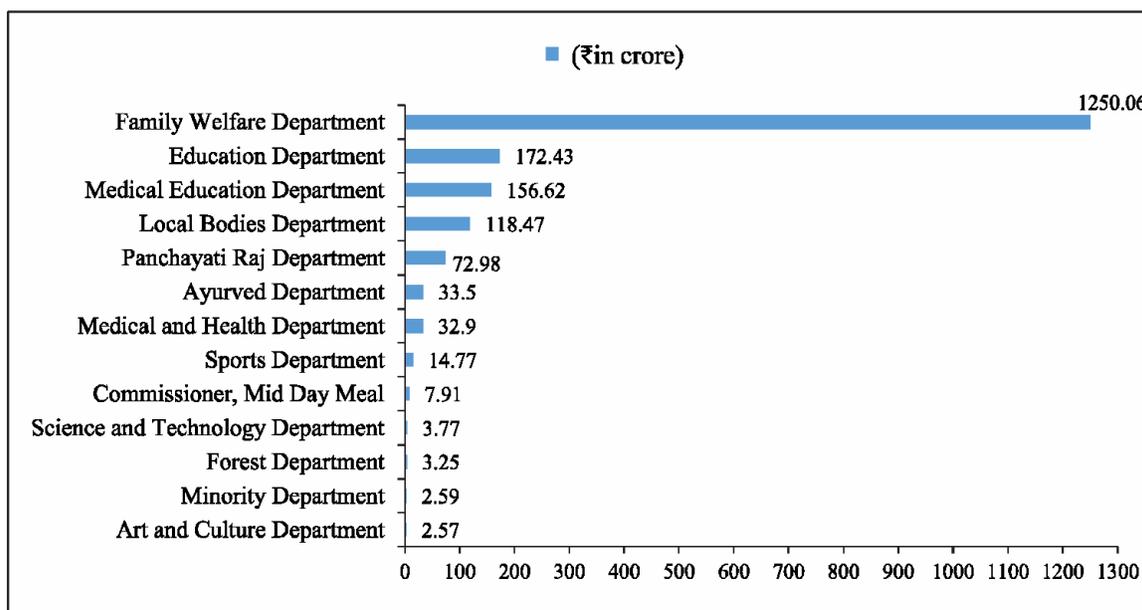
(₹ in crore)

S. No.	Name of the Department	No. of UCs	Amount
1.	Family Welfare	98	1,250.06
2.	Education	34	172.43
3.	Medical Education	19	156.62
4.	Local Bodies	47	118.47
5.	Panchayati Raj	140	72.98
6.	Ayurved	6	33.50
7.	Medical and Health	3	32.90
8.	Sports	7	14.77
9.	Commissioner, Mid Day Meal	4	7.91
10.	Science and Technology	156	3.77
11.	Forest	9	3.25
12.	Minority	2	2.59

S. No.	Name of the Department	No. of UCs	Amount
13.	Art and Culture	29	2.57
14.	Directorate of Specially Abled Person	1	0.01
	Total	555	1,871.83

Source: Information compiled by office of the AG (A&E)

Chart 4.1: Outstanding UCs



The College Education Department and Science & Technology Departments intimated (July 2021) that efforts are being made to obtain UCs of outstanding amount from subordinate offices.

The Forest Department intimated (July 2021) that due to delay in release of state share, the grant given (₹ 3.25 crore) for 2018-19 could not be spent. In the year 2019-20, an amount of ₹1.38 crore was spent and UC was sent to GoI. The Department further intimated that the remaining UCs would be sent after utilisation of the remaining amount.

The Directorate of Ayurved intimated (July 2021) that the sanctioned amount of ₹33.50 crore (₹ 33.13 crore in 2019-20 and ₹ 0.37 crore in 2018-19) was deposited in PD Account of department on 31.3.2020. It was then transferred to the executive agencies in the year 2020-21. The transferred funds are being spent by the executive agencies and the UCs would be sent accordingly.

According to the information provided by the Departments, in addition to above mentioned outstanding UCs, following departments/autonomous bodies received grants-in-aid amounting to ₹ 950.99 crore during the period 2011-12 to 2019-20 out of which ₹ 602.44 crore (63.35 per cent) was spent. However, UCs of ₹ 550.75 crore only were provided to the concerned administrative departments. The department/autonomous body-wise status of outstanding UCs is summarized below in Table 4.12.

Table 4.12: Details of outstanding UCs of Department/autonomous bodies

(₹ in crore)

S. No.	Name of the Department/Autonomous bodies	Year of Grant-in-Aid released	Grant-in-Aid released	Expenditure	UCs sent by the Department	Outstanding UCs (5-6)	Unutilised Grant in Aid (4-5)	Total outstanding UCs (7+8)
1	2	3	4	5	6	7	8	9
1.	Tribal Area Development	2014-15 to 2019-20	707.17	399.79	399.79	0	307.38	307.38
2.	Rajasthan University of Health Sciences	2019-20	47.66	35.03	0	35.03	12.63	47.66
3.	Rajasthan SCST Finance and Development Cooperative Co. Ltd.	2014-15 to 2019-20	192.78	165.16	150.07	15.09	27.62	42.71
4.	Rajasthan Board of Muslim Waqf	2011-12 to 2017-18	3.38	2.46	0.89	1.57	0.92	2.49
	Total		950.99	602.44	550.75	51.69	348.55	400.24

As can be seen from the table above, out of ₹ 950.99 crore Grant-in-aid released to these autonomous bodies/ departments during 2011-12 to 2019-20, ₹ 348.55 crore (36.65 per cent) was yet to be spent. Further, in addition to the outstanding UCs for ₹ 1,871.83 crore, UCs for ₹ 400.24 crore (unutilised fund of ₹ 348.55 crore and outstanding UCs of ₹ 51.69 crore) were also outstanding.

This information was not available with the office of the AG (A&E) as the departments did not provide the required information regarding sanctions and UCs to AG (A&E), in contravention of provision of GF&ARs *ibid*. The pendency also reflects inadequate financial reporting as huge amount of grants provided for implementation of the programmes have been parked with department/autonomous bodies.

UCs outstanding beyond the specified period not only weaken the financial accountability mechanism but also indicate failure of the departmental officers to comply with the rules and procedures to ensure timely utilisation of grant for the intended purpose. Finance Department intimated (December 2021) that directions have been issued to all concerned departments by Director, Inspection Department to expeditiously furnish UCs.

4.4.1 Recording of Grantee Institution as Others

Grants-in-aid (GIA) are payments in nature of assistance, donations or contributions made by one government body/institution/individual to another government body/institution/individual. In Rajasthan, the GIA by the State Government is divided in three object heads (i) 12- Grant-in-Aid (non-salary); (ii) 92-Grant-in-Aid (salary) and (iii) 93-Grant-in-Aid for creation of Capital Assets.

Regulation 88 of the Regulations on Audit and Accounts 2020 provides that Governments and Heads of the Departments which sanction grants and/or loans to the bodies or authorities shall furnish to the concerned Accountant General (Audit) office

by 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 per Finance Accounts 2020-21 of GoR, GIA constituted 20.5 *per cent* of the total expenditure of the state. During the year 2020-21, out of the total GIA of ₹ 39,744.98 crore, an amount of ₹ 12,431.88 crore (31.28 *per cent*) was disbursed to grantee institutions of type 'Others', where 'Others' means various Government Departments, as given in Table 4.13 below:

Table 4.13: Financial Assistance to Institutions

(₹ in crore)

S. No.	Financial Assistance to Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
1.	PRIs, ULBs, Public Sector Undertakings, Non-Government Originations, Autonomous Bodies, Cooperative Society and Institution and Statutory Bodies and Development Authorities	21,142.87	25,223.22	24,837.17	30,802.52	27,312.80
2.	Others	11,749.33	9,761.88	10,025.04	10,222.30	12,431.88
	Total grant	32,892.20	34,985.10	34,862.21	41,024.82	39,744.68
	Percentage of 'Others' to Total grant	35.72	27.90	28.76	24.92	31.28
3.	Total Expenditure of State	1,57,085	1,67,799	1,87,524	1,93,458	1,94,071
4.	Percentage of total grant to total expenditure of State	20.94	20.85	18.59	21.21	20.48

Source: Finance Accounts.

The above table indicates that the percentage of total grants to total expenditure ranged from 18.59 *per cent* to 21.21 *per cent* during the period 2016-17 to 2020-21 and grant given to 'Others' ranged between 24.92 *per cent* to 35.72 *per cent* of the total GIA during the period 2016-17 to 2020-21.

Therefore, GIA to Institutions of the type 'Others' constitutes a significant portion of the total grants and total expenditure of the State. Absence of proper recording of the grantee institute has a negative impact on the transparency of financial reporting/accounts.

4.5 Abstract Contingent bills

Irregularities in submission of Detailed Contingent Bills against Abstract Contingent Bills

Under rule 219 of GF&AR, the Controlling and Disbursing Officers are authorised to draw sum of money by preparing Abstract Contingent (AC) bills by debiting service heads. They are required to present Detailed Contingent (DC) bills (vouchers in support of final expenditure) to the Accountant General (A&E) through treasury. Rule 220(1) further provides for submission of DC bills not later than a period of three months¹¹ from the drawal of AC bills.

11. Except in case of purchase of machinery/equipments and other articles from abroad by opening of letter of credit, where the DC bills may be rendered to the competent authority within six months of the drawal of AC bills.

Audit observed that the State Government did not furnish DC bills in respect of 117 bills amounting to ₹ 31.37 crore, as on 30 June 2021 Year-wise details of outstanding DC bills are given in the following **Table 4.14**:

Table 4.14: Pending submission of DC bills

(₹ in crore)

S. No.	Year	Outstanding DC bills	Amount of DC bills
1.	Upto 2018-19	17	16.13
2.	2019-20	7	0.29
3.	2020-21	93	14.95
	Total	117	31.37

Source: Finance Accounts and information compiled by office of the AG (A&E).

As per the information provided by the office of the A.G (A&E), out of the pending 117 DC bills till June 2021, 69 DC bills have been received by August 2021 from various departments. Age-wise details of the balance 48 outstanding DC bills are given in the following **Table 4.15**:

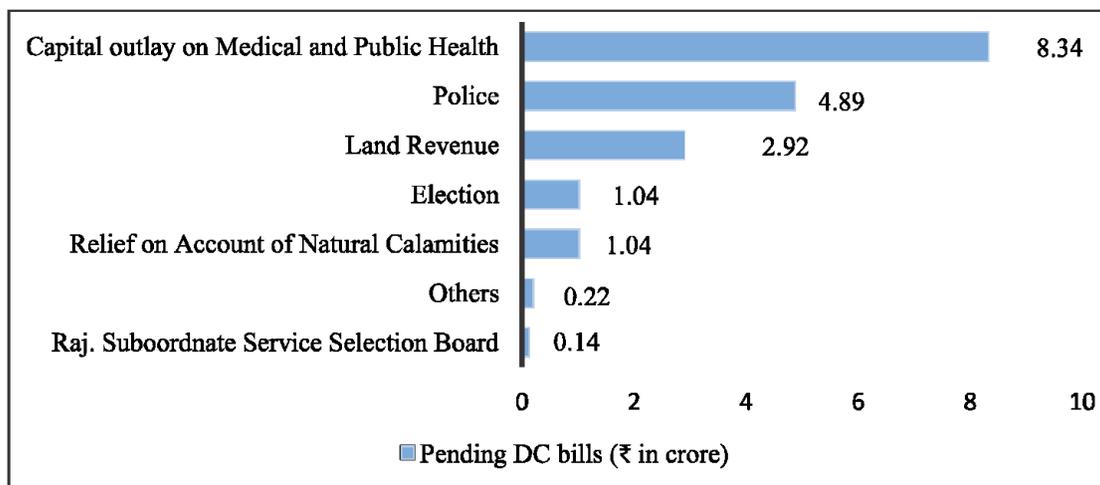
Table 4.15: Age-wise position of pending DC bills

(₹ in crore)

S. No.	Age	No. of pending DC bills	Amount
1.	Between 20 years to 30 years	5	0.01
2.	Between 11 years to 15 years	1	2.92
3.	Between 5 years to 10 years	1	1.04
4.	Between 1 years to 5 years	10	5.12
5.	Between 0 to 1 year	31	9.51
	Total	48	18.60

As is evident from the table, six bills amounting to ₹ 2.93 crore were pending for 11 to 30 years and 11 bills amounting to ₹ 6.16 crore were pending for one to 10 years.

Major Head wise details of pending AC bills as well as amount outstanding for the period upto August 2021 are presented in the following **Chart 4.2** and detailed in **Appendix 4.1**.

Chart 4.2: Department wise position of pending DC Bills**(i) Non-submission of DC bills**

The details of 12 AC bills drawn up to March 2020 which remained unadjusted despite lapse of period ranging from 1 to 30 years are given in the following **Table 4.16**.

Table 4.16: Non submission of DC bills**(₹ in crore)**

S. No.	Name of Office	Major Head	AC Bill No. & Date	Amount	Reasons for delay provided by Department
1.	Director, State Forensic Science Laboratory, Jaipur	2055	421/28.3.2018	66.50	Most of the instruments have been purchased. Remaining DC bills could not be produced due to reasons such as receipt of higher rates for some equipments, non-qualification of technical bid etc.
			285/13.3.2019	261.40	
			286/13.3.2019	161.97	
2.	Director, NCC, Jaipur	2204	77/21.12.2018	2.64	DC Bill has been submitted to Treasury.
			70/10.12.2019	10.00	No reasons were furnished by the department (December 2021).
			80/28.11.2019	0.29	
			59/25.5.2019	0.08	
3.	Secretary, Rajasthan Subordinate Service Selection Board, Durgapura, Jaipur	2051	299/6.10.2016	2.00	Direction has been given to fix the responsibility of the officers/ personnel responsible for not depositing the obsolete currency notes in the bank on time by Department of Personnel.
4.	Revenue Board, Ajmer	2029	183/5.03.2008	292.18	No reasons were furnished by the department (December 2021).
5.	Secretary, GAD (Gr.4) Secretariat Govt. of Raj., Jaipur	2052	473/24.01.2020	1.50	No reasons were furnished by the department (December 2021).
6.	Commissioner Relief and Disaster Management, Jaipur	2245	813/19.03.2013	103.50	Action for recovery is pending at the level of the Sub Divisional Officer, Rajgarh under PDR Act.
7.	CEO and Secretary State Election Commission, Rajasthan, Jaipur	2217	22/11.11.2019	6.00	Efforts are being made by the concerned CEO to get the outstanding DC bills.

Further, five remaining bills pending from 1 to 30 years related to Primary Education (Jalore and Bikaner), Adult Education, Rajsamand and Zila Parishad, Barmer are still pending due to non-availability of records of these bills in the department. State Government/Controlling officer/ Disbursing officer may coordinate with O/o AG (A&E) for taking remedial action in this regard.

Comparison with pendency of DC bills of previous years reveals that there has been improvement in this regard. However, certain bills related to embezzlement; demonetization; recovery of amount; and adjustment procedure in purchase of equipment are pending even after being pointed out in the Audit reports of previous years. Greater efforts are required on the part of the State Government for clearance of pendency.

The drawl of funds on AC bill is accounted against the functional Major Head in the consolidated fund of the state. Unless the accounts are settled within the time allotted through DC bills, the expenditure stands inflated to that extent. Non-submission of DC bills indicates lack of monitoring on the part of Departments as well as treasuries.

(ii) Delay in submission of DC Bills

Rule 8(2) of GF&AR, 2012 prescribes that funds shall be withdrawn only if required for immediate payment and the expenditure or payment is authorised by the competent authority.

During audit scrutiny, significant delays in furnishing DC bills during 2020-21 were noticed. Details are given in Table 4.17.

Table 4.17: Quantum of delay in submission of DC bills

(₹ in lakh)				
S. No.	Name of office	No. of DC bills submitted with delay (with AC bill no.)	Period of delay (in months)	Amount deposited through challan
1	Principal and Additional Principal SP Medical College, Bikaner	1 (1487)	33	0
2	Science and Technology	1 (1076)	20	0
3	NCC Directorate, Jaipur	3 (40,46, 20)	10 to 18	1.06
4	Rajasthan Subordinate Service Selection Board, Jaipur	8 (507, 122, 514, 510, 195, 215, 259, 452)	10 to 20	0.48
5	Revenue Board Ajmer	2 (991, 512)	12 and 13	22.98
6	Commissioner, Devsthan Vibhag, Udaipur	1 (346)	15	0.62
7	Ravindra Nath Tagore Medical College, Udaipur	1 (87)	8	0
8	Principal Chief Conservator of Forest, Jaipur	1 (205)	10	0
9	Commissioner, Industry Department, Jaipur	2 (46, 82)	7 and 9	0
10	State Election Commission Department, Jaipur	5 (112, 120, 201, 46, 18)	7 to 11	0.13
11	Public Works Department, (Building & Road),	1 (23)	7	0
13	Director General of Police, Jaipur	3(283, 353, 395)	11 to 76	1.73
14	Director, Elementary Education, Bikaner	2 (584, 490)	7 and 9	0
15	Director, State Forensic Science Laboratory, Jaipur	3 (368,347,348)	39 to 50	0
16	Principal Chief Conservator of Forest, Jaipur	1 (38)	15	0
17	Commissioner, Relief Department, Jaipur	1(2029)	14	0
	Total	36		27.00

As can be seen from the table above, there were delays ranging from 7 months to 76 months in submission of DC bills which indicates that funds aggregating ₹ 27 lakh were drawn without requirement for immediate payment.

(iii) During audit scrutiny, it was found that against ₹ 60.79 crore drawn through AC bills, 517 DC bills amounting to ₹ 59.44 crore were received during the year. In addition, an amount of ₹ 1.25 crore was deposited back to government through challan in 309 cases indicating that these funds were drawn through AC bills without requirement.

Further, it was noticed in numerous cases that significant amount was deposited back by challan while submitting DC bills. Details are given in the following Table 4.18.

Table 4.18: Details of AC bills with more than 25 per cent amount deposited back

(Amount in ₹)								
S. No.	AC Bill No/ Date	Voucher No	AC Amount	Head	DC Bill No/ Date	Amount Deposit	DC Amount	Percentage of amount deposited w.r.t AC bill amount
1.	33045/02-12-19	53879	40,000	3451-090-07-05	5/11-03-20	22,350	17,650	55.88
2.	20/25-06-19	19553	1,24,700	2204-102-01-02-29	1/25-03-21	60,065	64,635	48.17
3.	512/14-10-19	77528	52,00,000	2029-103-07-62	29/01-03-21	18,27,314	33,72,686	35.14
4.	151/29-11-19	40614	4,00,000	2515-800-01-02-57	1/14-05-20	1,50,605	2,49,395	37.65
5.	282/13-03-20	84709	60,000	2515-800-01-02-57	16/22-06-20	26,400	33,600	44.00
6.	222/29-11-19	86911	39,000	3425-01-800-05-57	65/03-07-20	28,372	10,628	72.75
7.	34/05-11-19	80133	3,10,635	2204-102-01-03-29	54/05-03-20	93,725	2,16,910	30.17
8.	106/24-10-19	61930	32,500	3425-01-800-05-57	24/23-05-20	14,133	18,367	43.49
9.	108/24-10-19	61931	22,400	3425-01-800-05-57	22/23-05-20	6,650	15,750	29.69
10.	132/04-03-20	120967	1,45,000	2851-102-06-30	3/09-11-20	1,13,824	31,176	78.50
11.	138/08-01-20	88045	1,77,257	2204-102-01-03-29	42/20-08-20	51,558	1,25,699	29.09
12.	73/03-01-20	131434	2,22,856	2204-102-01-02-29	55/23-09-20	1,04,459	1,18,397	46.87
13.	55/16-01-20	56354	13,349	2204-102-01-03-29	74/12-03-20	6,208	7,141	46.51
14.	209/09-09-20	34114	1,15,810	2051-103-01-08	397/29-12-20	39,460	76,350	34.07
15.	104/18-11-20	84980	33,048	2204-102-01-03-29	121/05-01-21	10,807	22,241	32.70
16.	107/27-01-21	106393	13,330	2204-102-01-02-29	110/10-02-21	3,617	9,713	27.13
17.	297/19-11-20	49471	95,710	2051-103-01-08	464/15-02-21	25,628	70,082	26.78
18.	121/19-11-20	56019	7,00,000	2515-800-01-02-57	190/08-02-21	3,92,300	3,07,700	56.04
19.	110/11-12-20	79505	1,27,282	2204-102-01-02-29	145/25-02-21	79,387	47,895	62.37
20.	68/22-02-21	119552	29,007	2204-102-01-02-29	80/25-03-21	15,248	13,759	52.57
21.	83/02-03-21	109850	4,90,000	2403-001-02-02-59	96/30-03-21	1,92,268	2,97,732	39.24
22.	105/22-02-21	70729	18,186	2204-102-01-02-29	119/18-03-21	9,709	8,477	53.39
23.	57/28-10-20	57575	61,899	2217-80-191-09-57	159/04-03-21	43,853	18,046	70.85
24.	58/30-10-20	57761	99,840	2217-80-191-09-57	160/04-03-21	78,672	21,168	78.80
25.	149/17-03-21	121626	1,49,268	2851-102-06-29	1/23-04-21	76,460	72,808	51.22

S. No.	AC Bill No/ Date	Voucher No	AC Amount	Head	DC Bill No/ Date	Amount Deposit	DC Amount	Percentage of amount deposited w.r.t AC bill amount
26.	189/04-02-21	66949	1,25,000	2014-105-21-01-29	13/09-04-21	81,965	43,035	65.57
27.	194/08-02-21	66640	75,000	2014-105-21-01-29	12/09-04-21	46,650	28,350	62.20
28.	33012/14-08-20	26250	30,000	2052-090-01-01-05	1/14-10-20	10,800	19,200	36.00
29.	77/12-10-20	32808	10,00,000	2515-800-01-02-57	103/26-10-20	7,03,532	2,96,468	70.35

Significant amount being deposited through challan indicates that funds were drawn through AC bills without proper assessment of actual requirement.

The irregular retention of funds through AC bills may enable the Departments to avoid lapse of budget provision and to bypass budgetary compulsion to spend the amount before the close of financial year. Therefore, the State Government may put a mechanism in place to regularly monitor the pendency of the DC bills against previously drawn AC bills.

4.6 Personal Deposit Accounts

Personal Deposit account is opened with the concerned Treasury under the Deposits head of the Public Account. Such accounts are maintained as a bank account in treasury.

Rule 260(1) of GF&AR provides that no money shall be received for deposits in the Government accounts unless they are such as by virtue of any statutory provisions or of any general or special orders of the government and are required or authorized to be held in the custody of the Government. There is no provision in Rajasthan Treasury rules for obtaining prior concurrence of AG (A&E) to open a PD account.

During 2020-21, an amount of ₹ 37,714.41 crore was transferred/credited to PD Accounts under the Major Head 8443-Civil Deposits – 106- Personal Deposits, out of which ₹ 26,691.69 crore was transferred by debiting the Consolidated Fund of State which comprised 13.75 *per cent* of total expenditure (₹ 1,94,071 crore). Out of ₹ 26,691.69 crore, a sum of ₹ 5,913.31 crore (22.15 *per cent*) was transferred in PD Account only in March 2021. As per State Budget Manual (SBM), the practice of withdrawing funds with a view to avoid lapse of budget grants and placing such moneys in deposits in the Public Account or the bank is forbidden. Therefore, transfer of significant amount to PD accounts during the month of March is in contravention of SBM provision.

The status of the (operative & inoperative) PD Accounts of the State Government as on 31st March 2021 is given in the **Table 4.19** below:

Table 4.19: Status of Operative and Inoperative PD Accounts

(₹ in crore)

S.No.	Particulars	No. of Accounts (as on 01 st April 2020)		Addition during the year		Closed during the year		No. of PD Accounts (as on 31 st March 2021)	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
1.	Operative PD Accounts	1,845	16,283.61	82*	37,714.62*	32**	39,616.92**	1,895	14,381.31
2.	Inoperative ¹² PD Accounts	55	5.46	32**	1.64**	54*	5.46*	33	1.64
	Total	1,900	16,289.07	114	37,716.26	86	39,622.38	1,928	14,382.95

* Includes 5 inoperative PD Accounts (₹ 0.21 crore) which were made operational during the year.

** Includes 32 PD accounts (₹ 1.64 crore) which became inoperative during the year and ₹39,615.28 crore disbursed from PD accounts during the year.

The unspent balances of ₹ 14,382.95 crore in 1,928 PD accounts include 22 PD Accounts¹³ (each having balances of ₹ 100 crore and above), in which sum of ₹ 8,610.34 crore i.e. 59.87 per cent of total unspent balance is lying. There was no transaction in 244 PD accounts during the year. Age-wise details of PD accounts and their balances are given in the Table 4.20 below:

Table 4.20: Age-wise details of PD accounts as on 31st March 2021

(₹ in crore)

S. No.	Age bracket	Number of PD accounts	Amount as on 31 st March 2021
1.	0-1 Year	77	51.73
2.	1-3 Year	269	1,151.83
3.	3-5 Year	216	4,120.5
4.	5-10 Year	487	2,653.64
5.	More than 10 Year	679	4,992.41
6.	Details not available	200	1,412.84
	Total	1,928	14,382.95

During detailed analysis of PD accounts, following irregularities were noticed:

4.6.1 District Mineral Foundation Trust (DMFT)

The State Government established DMFT (June 2016) to utilize the contribution in Pradhan Mantri Khanij Kshetra Kalyan Yojana and other welfare schemes of the State

12. Not operated for more than five years.

13. Rajasthan State Health Society, Jaipur (Sectt.) (₹1,191.58 crore); Indira Awas Yojana, Jaipur (Sectt.); (₹ 1,092.88 crore); MD Rajasthan Medical Service Corporation Ltd. (₹ 718.55 crore); Rajasthan Urban Infrastructure Finance Development Corporation (₹ 591.33 crore); Director Urban Poverty Eradication Programme (₹ 531.36 crore); State Level Nodal Agency (Rural Development Department) Jaipur (Sectt.) (₹522.47 crore); Director, Sarva Shiksha Abhiyan, Jaipur (Sectt.) (₹427.52 crore); Secretary Rajasthan Rural Road Development Agency Jaipur City (₹ 381.26 crore); Rajasthan Bhawan Nirman Karmkar Kalyan Mandal, Jaipur City (₹ 365.17 crore); Dy. Manager, Rajasthan Rajya Corporation Bank Jaipur City (₹ 352.08 crore); Rajasthan Medical Education Society Jaipur (₹ 324.22 crore); Commissioner, TAD, Udaipur (₹ 282.24 crore); MD, Rajasthan Secondary Education Council, Jaipur (Sectt.) (₹ 261.26 crore); Rajcomp Info services Ltd. Jaipur (Sectt.) (₹ 235.37 crore); DMFT, Chittorgarh (₹ 242.17 crore); DMFT, Udaipur (Rural) (₹ 234.52 crore); Jaipur smart city Ltd. Jaipur (₹ 148.40 crore); Krishak Kalyan Kosh (k-3)Jaipur (city) (₹ 170.00 crore); DMFT, Rajsamand (₹ 157.35 crore); Rajasthan Akshay Urja Vikas Nidhi, Jaipur (₹ 132.41 crore); Chairman, DMFT Fund, Ajmer (₹ 131.47 crore) and Kota Smart City Ltd. Kota (₹ 116.73 crore).

and Central Government towards implementing various developmental and welfare projects/programs in mining affected areas. The total balance in the DMFT fund was ₹ 1,405.13 crore, which was lying in 38 PD accounts of DMFT in Rajasthan as on 31st March 2021.

The Union Finance Minister announced (26 March 2020) ₹ 1.70 lakh crore relief package under *Pradhan Mantri Garib Kalyan Yojana* (PMKGY) to ameliorate the hardships faced by the poor due to economic disruptions caused by the spread of Covid 19 in the country. Under this package, the State Governments were given one-time relaxation to utilise the funds available under DMFT for supplementing and augmenting the facilities of medical testing, screening and other requirements in connection with preventing the spread of the pandemic as well as for testing the patients affected by Covid-19 subject to various instructions issued in this regard by Ministry of Home Affairs and Ministry of Health and Family Welfare. It was further directed (31 March 2020) by the State Government that expenditure related to Covid-19 shall not exceed thirty *per cent* of the balance funds available with DMFT. Information regarding utilization of funds for Covid-19 by the districts from the DMFT Fund is given in the **Table 4.21** below:

Table 4.21: District wise position of utilisation of DMFT funds for Covid-19*

(₹ in crore)					
S. No.	Name of District	Balances as on 31 st March 2020	30 <i>per cent</i> of balance as on March 2020	Expenditure	Percentage of expenditure
1.	Udaipur	238.73	71.62	-	0.0
2.	Jhunjhnu	22.04	6.61	0.84	12.7
3.	Bansawara	15.27	4.58	0.14	3.1
4.	Bundi	14.84	4.45	0.43	9.7
5.	Chittorgarh	220.09	66.03	0.25	0.4
6.	Bikaner	28.93	8.68	2.37	27.3
7.	Alwar	15.84	4.75	0.72	15.2
8.	Jaisalmer	37.04	11.11	-	0.0
9.	Jodhpur (Rural)	2.76	0.83	0.70	84.3
10.	Hanumangarh [#]	5.07	1.52	-	0.0
11.	Pali	157.07	47.12	2.48	5.25
12.	Bhilwara	876.08	262.82	3.41	1.30

* Upto August 2021

Administrative and Financial Sanction of ₹ 1.08 crore had been issued in the Month of April 2021 and June 2021.

It is evident from the table that the State Government could not take advantage of the one-time relaxation given by GoI to utilise the DMFT funds towards Covid-19 measures as, except for Jodhpur (Rural), expenditure ranged between zero to 27.3 *per cent*. Information regarding the remaining districts is awaited (December 2021).

4.6.2 Rajasthan State Road Development and Construction Ltd. (RSRDC)

An amount of ₹ 215.36 lakh was sanctioned¹⁴ in 2013 by the State Government for construction of new mortuary in SMS Medical College. This work was to be completed in one year. Out of the sanctioned amount, an amount of ₹ 100 lakh had been transferred¹⁵ to the PD account¹⁶ of RSRDC which was the executing agency for this work in September 2013.

14. Vide order No F-18(16)/MB/Gr.I/2012 dated 21.06.2013

15. Through budget head 4210-03-105-01-90-17

16. PD Account number 3798

According to the information provided by Medical Education Department (July 2021), neither the work has been completed nor the amount has been deposited back by RSRDC in the Government account even after lapse of nine years. As per Department's reply (July 2021), the work for construction of new mortuary has been given to Jaipur Development Authority.

Reply of RSRDC in this regard is awaited (December 2021). This indicates lapses in monitoring at the level of State Government leading to blocking of government funds.

4.6.3 Reconciliation of Personal Deposit Account

Under the Rule 264 (5) of GF&AR, administrators of PD accounts are required to reconcile the balances of these accounts with the treasury officers (where detailed accounts are maintained by treasuries). Rule 99 of Rajasthan Treasury Rules, 2012 states that the treasury/sub-treasury officers shall obtain a certificate from the administrator of every PD account regarding the balance at the end of each financial year.

During test check it was noticed that certificates had not been obtained by 8 treasuries¹⁷ regarding confirmation of PD Account balances at the end of March 2021. It was also noticed that there were differences in balance figures of treasuries and administrators in case of 5 PD accounts of 5 treasuries¹⁸ indicating lack of reconciliation as per rules. Non-reconciliation of balances in PD account periodically entails the risk of misuse of public funds, fraud and misappropriation. A system for reconciliation of balances of PD accounts by administrators of PD accounts or Treasury Officers with the O/o A.G. (A&E) may also be developed. Further, the information regarding scheme-wise balances in the PD accounts is not maintained by the State Government. The state may maintain scheme-wise ledger for all the PD accounts.

Finance Department stated (February 2021) that directions have been issued to all treasuries regarding reconciliation of balances with administrators of PD accounts and obtaining the certificates from them at the end of every financial year. Finance Department issued directions (December 2021) that PD account balances be reconciled with the O/o A.G. (A&E) by PD account administrators every year.

4.6.4 Adverse Balances in PD accounts

During scrutiny of balance of PD accounts it was noticed that three PD accounts had negative balances. Details are given in the **Table 4.22** below:

Table 4.22: Adverse Balances in PD Account

(Amount in ₹)				
S. No.	Name of Treasury	PD Account No.	Description of PD Account	Balance as on 31 st March 2021
1.	Dausa	3059	District Small Saving Officer, Dausa	(-) 8,06,673
2.	Dausa	3064	Sr. Dy. DEO Cum BEEO Sikray, Dausa	(-)1,01,64,509
3.	Jodhpur(City)	4144	XEN, PHED, District, Division-II, Jodhpur(City)	(-)23,35,858

Negative balances indicate payment in excess of the available balances/fund which reflects lack of reconciliation and adequate checks at the level of treasuries.

17. Alwar, Dausa, Jaipur (City), Jaipur (Rural), Jaipur (Sectt.), Sikar, Jhunjhunu and Sawai Madhopur.

18. Dausa (1), Jaipur (City) (1), Jaipur (Sectt) (1), Alwar (1) and Sikar (1).

Finance (Economic Affairs) Department intimated (March 2021) that direction has been issued (February 2021) to all treasuries for reconciliation of PD account with the Office of the Accountant General on quarterly basis and also to obtain a certificate in this regard.

4.6.5 Inoperative PD Accounts

Rule 98 of Rajasthan Treasury Rules 2012 provides that in the month of April every year the Treasury Officer would review the PD Accounts in operation and prepare a list of accounts which have remained inoperative continuously for preceding five financial years for sending it to the Finance (Ways & Means) Department.

Review of PD Accounts of various departments revealed that as of 31 March 2021, total 33 PD Accounts having balance of ₹ 1.64 crore remained inoperative for the last five years (2016-21). Out of this, 12 inoperative PD accounts have had *nil* balance for the last five years. Details of current status of these PD Accounts are mentioned in **Appendix 4.2**. According to the information provided (July 2021) by the concerned treasuries, four inoperative PD accounts have been closed.

Non-closure of PD Accounts despite remaining inoperative for five years is in contravention of the provisions of Rule 264(2) of GF&AR and Rule 98 of Rajasthan Treasuries Rules 2012 and indicates lack of monitoring at the level of treasuries.

4.7 Indiscriminate use of Minor Head-800

Booking of receipts or expenditure under the Minor Head-800-Other Receipts and 800-Other expenditure is considered opaque classification of receipts and expenditure, as these heads do not disclose the specific schemes/programmes etc. to which the amounts relate.

Appendix 'A' of SBM prescribes the estimating officers to take sufficient care to ensure that expenditure is classified under proper object Head and booking under the category of Other expenditure should be avoided as far as possible.

During 2020-21, the heads of accounts in which the amount booked under Minor Head 800 constituted 50 *per cent* or more of the total receipt/expenditure are given in **Table 4.23** below:

Table 4.23: Booking under Minor head 800-Other receipts/expenditure

S. No.	Particulars	Receipt			Expenditure	
		Amount (₹ in crore)	Head of Account			Amount (₹ in crore)
1.	100%	128.33	0035, 0056, 0211, 0217, 0220, 0801, 0851, 0852, 1452, 0235	4.55	2047, 5425	
2.	Between 75% and 99%	511.86	0230, 0401, 0425, 0435, 0515	25.36	3425, 4235	
3.	Between 50% and 74%	885.18	0029, 0058, 0700, 0406, 1475	2,943.15	2040, 2700, 2701, 2702, 3055, 4401, 4575, 4885, 5475	
	Total	1,525.37		2,973.06		

Audit scrutiny revealed that the State Government has operated this minor head extensively during the five-year period 2016-2021. Instances where substantial portion (50 per cent or more) of expenditure and receipts were classified under Minor Head 800 are indicated in *Appendix 4.3*.

The extent of operation of Minor Head 800-Other expenditure and 800- Other receipts, as a percentage of total expenditure of the respective heads during 2016-21 is given in **Chart 4.3** and **Chart 4.4** respectively.

Chart 4.3: Operation of Minor Head 800-Other expenditure during 2016-21

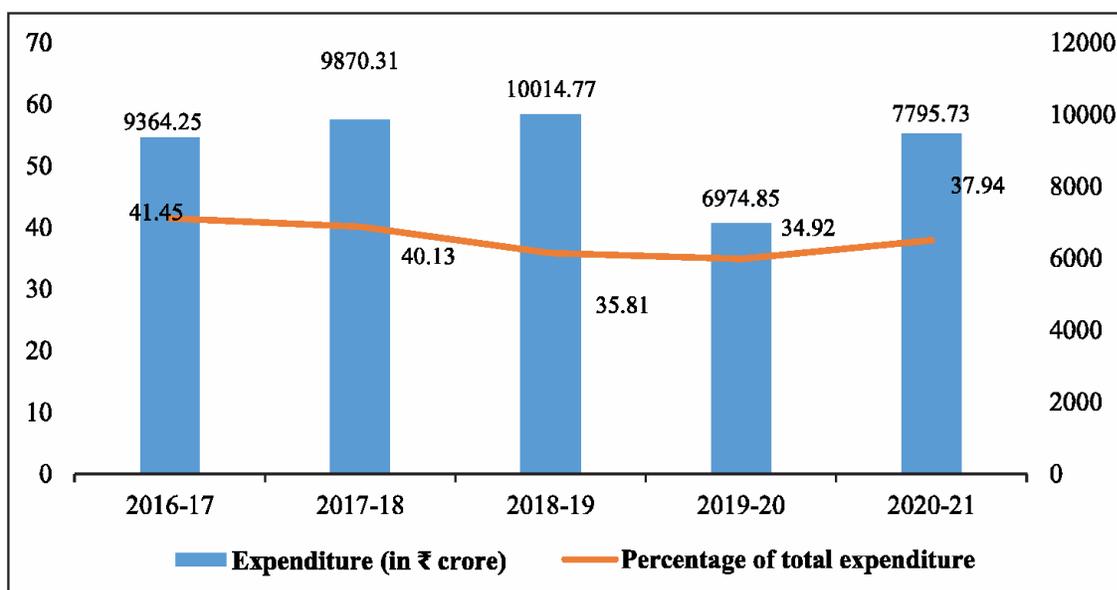
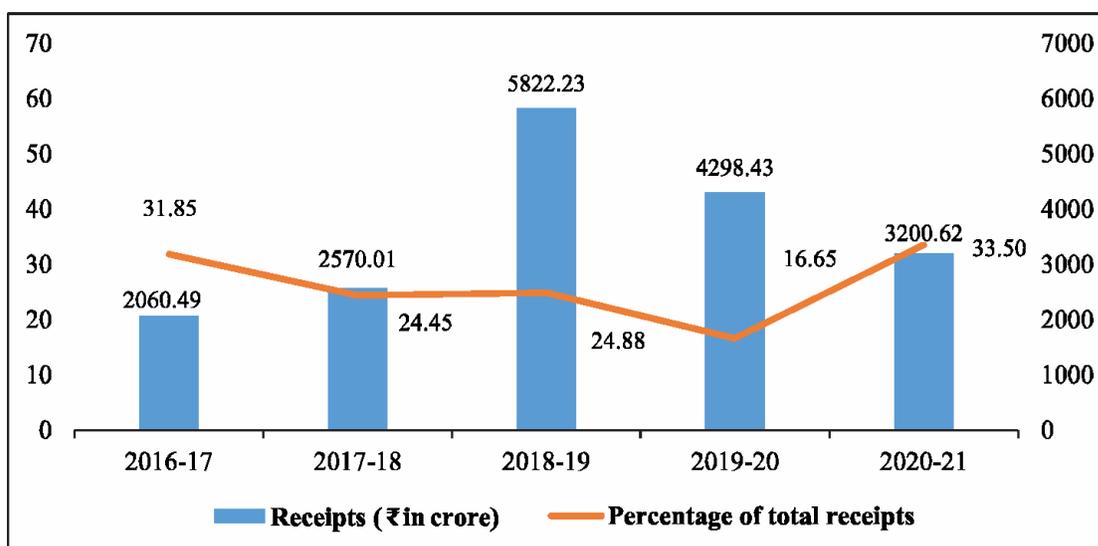


Chart 4.4: Operation of Minor Head 800-Other receipts during 2016-21



Booking of substantial amounts under omnibus Minor Head-800 under respective heads negatively impacts the transparency in financial reporting.

4.8 Outstanding balances under major Suspense and DDR heads

Suspense head is intended for temporary accommodation of transactions affecting the balances of the State, pending final adjustments on receipt of debits and credits. Transactions on behalf of Central Government are also accounted for under suspense heads.

Remittances embrace all adjusting heads, under which appear remittances of cash between treasuries and transfers between different accounting circles. The initial debits or credits to the heads in these divisions are cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle. The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The Outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works and Forest Divisions, etc. The ledger of suspense balances is required to be maintained sub/detailed head-wise by Pay and Accounts Officers (PAOs). Transactions and net balances in Minor Head 101- PAO Suspense, 102-Suspense Account (Civil) and 112- Tax Deducted at Source suspense under Major Head 8658-Suspense Account are detailed in Table 4.24 below.

Table 4.24: Balances under Suspense and Remittance Heads

		(₹ in crore)					
S. No.	Minor Head	2018-19		2019-20		2020-21	
	Major Head 8658 - Suspense						
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
1.	101 - PAO suspense	157.98	35.15	168.25	48.83	143.76	8.04
	Net	Dr. 122.83		Dr. 119.42		Dr. 135.72	
2.	102 - Suspense Account-Civil	0.83	3.15	0.38	76.18	6.69	111.49
	Net	Cr. 2.32		Cr. 75.80		Cr 104.80	
3.	106 - Telecommunication Accounts Office Suspense	-*	-	-*	-	-*	
	Net	Dr.-*		Dr.-*		Dr.-*	
4.	109 - Reserve Bank Suspense - Headquarters	-	-	_#	_@	-#	
	Net			Dr. _S		Dr -#	
5.	112 - Tax Deducted at Source (TDS) Suspense	-	48.14	-	42.98	-	136.75
	Net	Cr. 48.14		Cr. 42.98		Cr. 136.75	
6.	123 - A.I.S Officers' Group Insurance Scheme	-	0.16	-	0.17	-	0.17
	Net	Cr. 0.16		Cr. 0.17		Cr. 0.17	
7.	129- Material Purchase Settlement Suspense Account	-	(-)3.20	-	(-)3.27	-	(-) 3.50
	Net	Cr. (-) 3.20		Cr. (-) 3.27		Cr. (-) 3.50	
8.	139- GST-Tax Deducted at Source Suspense	-	-	-	33.62	-	52.70
	Net	-		Cr. 33.62		Cr. 52.70	
	Net Total	Dr. 75.41		Cr. 29.88		Cr. 155.20	
	Major Head 8782-Cash Remittances						
9.	102 - P.W. Remittances	32.95	33.28	27.98	30.57	26.47	28.78

S. No.	Minor Head	2018-19		2019-20		2020-21	
		Cr. 0.33		Cr. 2.59		Cr. 2.31	
10.	103 - Forest Remittances	1.75	0.14	0.05	0.13	0.05	0.13
	Net	Dr. 1.61		Dr. 0.08		Cr. 0.08	
11.	108 - Other Departmental Remittances	0.03	-	0.03	-	0.03	-
	Net	Dr. 0.03		Dr.0.03		Dr. 0.03	
12.	129 -Transfer within Indira Gandhi Nahar Project	77.41	76.67	77.41	76.67	77.41	76.67
	Net	Dr.0.74		Dr.0.74		Dr. 0.74	
	Net Total	Dr. 2.05		Cr. 1.79		Cr. 1.62	

* ₹588 only, # ₹4213 only @ ₹240 only \$ ₹3973 only

The position of gross figures under major suspense and remittance heads for the last three years shows that the aggregate net balance under the Major Head '8658-Suspense Accounts' in the Finance Accounts registered credit balance increase by ₹ 125.32 crore from 2019-20 to 2020-21.

- **Pay and Account Officer (PAO)-Suspense (MiH 101)**

This Minor Head is intended for the initial record of Inter-Governmental transactions arising in the books of a Central PAO, Separate Accounts Officers of Union Territories and Accountants General where the other party involved is a PAO. Separate sub-heads are opened under this minor head for each Accounts officer with whom transactions are to be settled. Outstanding debit balances under this head indicate payments which have been made by the PAO on behalf of others and are yet to be recovered and credit balances represent the amount yet to be paid.

The outstanding debit balance in this account at the end of March 2021 was ₹ 143.76 crore and the credit balance was ₹8.04 crore. The outstanding debit balance relates mainly to PAO, Central Pension Accounting Officer, Ministry of Finance, New Delhi (₹135.25 crore) and PAO (NH), Ministry of Road Transport and Highway Jaipur (₹ 7.95 crore) whereas the credit balance is mainly in respect of PAO (NH), Ministry of Mining (₹ 6.78 crore).

- **Suspense Account-Civil (MiH 102)**

This Minor head is operated by the Accountant General to provisionally accommodate the differences noticed in the transactions which cannot be taken to the final head of expenditure/receipt accounts for want of certain information/documents viz. challans, vouchers, etc. Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively.

Major credit balances outstanding at the end of March 2021 under this head were in respect of unsuccessful e-payments (₹ 105.07 crore), RISL fees (Civil deposit: ₹ 2.09 crore and Works deposit: ₹4.23 crore), CDA¹⁹ (Pension), Allahabad (₹ 0.02 crore) and CDA (SC²⁰), Pune (₹ 0.34 crore).

19. Controller of Defence Accounts.

20. Southern Command.

- **Tax Deducted at Source (TDS) suspense- (MiH 112)**

This minor head is intended to accommodate receipts on account of Income tax deducted at source. Receipts on account of TDS are credited to Major Head 8658-Suspense accounts under Minor Head 112-TDS suspense. These credits are to be cleared by the end of each financial year and credited to the Income Tax Department.

However, there was outstanding credit balance of ₹136.75 crore under this head as on 31st March 2021 which was yet to be credited to IT Department.

- **Adverse balance under DDR Heads**

Adverse balances are negative balances appearing under those heads of account where there should not be negative balances and vice versa.

As of 31 March 2021, there were 66 cases²¹ of adverse balances under Debt, Deposit and Remittances (DDR) heads under 12 Major Heads amounting to ₹ 2,294.60 crore. The adverse balances were mainly under Pension Funds of employees of Municipal Councils/Municipalities (₹ 2,288.87 crore). Adverse balances under these DDR heads need to be reconciled and adjusted on priority.

4.9 Reconciliation of departmental figures

Reconciliation and verification of figures is an important tool of Financial Management which prevents misclassification and incorrect booking of receipts and expenditure in the accounts. As per Rule 11 (3) of GF&AR, all Budget Controlling Officers are required to reconcile the receipt and expenditure figures of the State Government with the figures accounted by the Accountant General (A&E), Rajasthan.

During 2020-21, 100 *per cent* reconciliation of (i) total expenditure of ₹ 2,35,093.90 crore (net) by 434 Controlling Officers and (ii) total receipts of ₹ 2,24,659.49 crore (net) (including Miscellaneous Capital Receipts) by 182 Controlling Officers, was accomplished. In fact, throughout the last five years, the State Government has been able to accomplish 100 *per cent* reconciliation of expenditure and receipts.

4.10 Reconciliation of cash balances

The balance against 'Deposit with Reserve Bank' represents the balance according to the Government Account, which includes Inter-Government monetary settlements advised to the Reserve Bank of India upto 15 April 2021. There was a net difference of ₹2.07 crore (Cr.) between the figures as reflected in the State Government accounts [₹20.99 crore (Dr.)] and that intimated by the Reserve Bank of India [₹ 18.92 crore (Cr.)]. Out of this, ₹ 1.96 crore (Cr.) has been reconciled and cleared while ₹ 0.11 crore (Cr.) is pending reconciliation (June 2021).

21. Loan for Housing (One case: only ₹ 21,420); Loans for Crop Husbandry (One case: only ₹ 200); Loans for Co-operation (One case: ₹ 0.03 crore); Loans for other General Economic Services (One case: only ₹ 5,000); Loans to Government Servants (45 cases: ₹ 2.82 crore); State Provident Funds (one case: ₹ 0.01 crore); Insurance and Pension Funds (one case: ₹ 2,288.87 crore); Civil Deposits (one case: only ₹ 10); Deposits for Local Funds (three cases: ₹ 0.01 crore); Cash Remittance and adjustments between officers rendering accounts to the same officers (Three cases: ₹ 2.74 crore) and Inter State Suspense Account (Seven cases: ₹ 0.10 crore).

4.11 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. The Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS). The following Table 4.25 provides the position of compliance with these three Accounting Standards.

Table 4.25: Compliance with Accounting Standards

S. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	IGAS-1: <i>Guarantees given by the Government – Disclosure requirements</i>	This standard requires the government to disclose the maximum amount of guarantees (class and sector-wise) given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the beginning and end of the year, grantor commission and other material details.	Complied.	-
2.	IGAS-2: <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use. Grant in aid given in kind is required to be disclosed.	Partly complied as detailed information in respect of Grant-in-aid given in kind has not been furnished by the State Government.	Lack of disclosure of Grant-in-aid given in kind as required by the Accounting Standard.
3.	IGAS-3: <i>Loans and Advances made by Government</i>	It is related to recognition, measurement and valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices and to ensure adequate disclosure on Loans and Advances are made by the Government.	Partly complied. Information regarding write-off of irrecoverable loans and advances, entity-wise details of interest credited on loans and advances given by the State Government, reasons for disbursements of fresh loans and advances during the year and details of overdue principal & interest where detailed accounts are maintained by the State were not provided by the State Government.	Disclosure requirements of Loans and Advances not met by the State Government.

4.12 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The audit of accounts of 43 autonomous bodies/authorities²² in the state has been entrusted to the CAG under Section 19 (2) and 20 (1) of the CAG's (DPC) Act, 1971. As of September 2021, accounts of all the 43 autonomous bodies/authorities have been received up to 2019-20 except accounts of CAMPA for the years 2013-14 to 2019-20, District Legal Services Authority (DLSA), Pratapgarh for the year 2018-19 and 2019-20 and Building and Other Construction Workers Welfare Board (BOCW) for the year 2019-20.

4.13 Departmental Commercial Undertakings/Corporations/Companies

Section 96 of the Companies Act, 2013, requires every company to hold Annual General Meeting (AGM) of the shareholders once in every calendar year. Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the AGM for their consideration. According to Section 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its AGM. After such preparation, the Annual Report should be laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG.

In the absence of timely finalization of accounts, results of the investment of the Government remain outside the purview of State Legislature and escape scrutiny by audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Risk of fraud and mis-utilisation of public money cannot be ruled out.

As per latest finalised accounts of the State PSUs, the total paid up capital of 45 State PSUs was ₹ 52,112.06 crore which included State Government investment of ₹ 51,265.97 crore. The aggregated accumulated losses of State PSUs was ₹ 96,905.95 crore (*Appendix-4.4*). A higher quantum of accumulated losses than the capital investment shows that the overall capital of the State PSUs has entirely been eroded and culminated into negative net worth of ₹ 44,793.89 crore. Further, analysis of investment and accumulated losses (₹ 96,905.95 crore) disclosed that this erosion (₹ 61,810.93 crore) occurred in 13 out of 45 PSUs. PSUs of power sector were the main contributors to the erosion of investment.

The age wise analysis of arrear of accounts of State PSUs are given below in **Table 4.26**:

Table 4.26: Age wise arrear of Accounts

(₹ in crore)			
S. No	Accounts pending since	No. of PSUs	Government investment
1	2015-16	01	6.01
2	2016-17	00	0.00
3	2017-18	02	52.16

22. Rajasthan Khadi and Village Industries Board; Rajasthan State Human Rights Commission; Rajasthan Building and other Construction Workers Welfare Board (BOCW), Jaipur; Rajasthan Electricity Regulatory Commission; Rajasthan Real Estate Regulatory Authority (RERA); State Compensatory Afforestation Management and Planning Authority (CAMPA); Rajasthan State Legal Services Authority and 36 District Legal Services Authorities.

S. No	Accounts pending since	No. of PSUs	Government investment
4	2018-19	01	21.95
5	2019-20	02	86.50
	Total	06	160.62

It can be seen from the table that out of 45 State PSUs, accounts of six PSUs are pending from 2015-16 to 2019-20 as of 30 September 2021, in which Government has invested an aggregate sum of ₹ 160.62 crore.

4.14 Misappropriations, Losses, thefts, etc.

Rule 20 of GF&AR Part-I provides that any loss of public money, departmental revenue, receipts, stamps, stores or other property held by or on behalf of Government caused by misappropriation, fraudulent drawal/payment, loss, etc. or otherwise which is discovered in a treasury or any other office or department shall be reported immediately by the officer concerned to the next higher authority as well as to the Accountant General.

State Government reported 763 cases of misappropriation (302) and theft/loss (461) of the Government money across various departments amounting to ₹ 118.30 crore up to 31 March 2021 on which final action is pending till the end of June 2021. Details are given in the Table 4.27 below.

Table 4.27: Pending cases of misappropriation, losses, theft etc.

(₹ in crore)

S. No.	Department	Cases of misappropriation/ losses/theft of Government material		Reason for delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
				Awaiting departmental and criminal investigation		Departmental action initiated but not finalised (awaiting order for Recovery and Write off)		Criminal Proceedings finalised but recovery of the amount pending (Pending due to Judicial proceedings)	
				Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1.	Works Department	262	9.77	64	4.57	181	3.47	17	1.72
2.	Education Department	153	50.20	45	39.50	83	9.51	25	1.20
3.	Rural Development and Panchayati Raj Department	119	25.36	98	22.46	18	1.34	3	1.55
4.	Medical Department	69	7.22	39	4.81	8	0.98	22	1.44
5.	Revenue Department	55	12.62	37	4.69	11	7.62	7	0.30
6.	Department of Local Self Government Rajasthan	8	0.45	1	0.03	7	0.43	0	0.00
7.	Other Departments	97	12.68	31	2.13	54	9.36	12	1.19
	Total	763	118.30	315	78.19	362	32.71	86	7.40

The Department-wise break up of pending cases is given in *Appendix 4.5*. The profile of pending cases and the number of cases pending in each category of theft/loss and misappropriation are summarized in the **Table 4.28** below:

Table 4.28: Profile of Misappropriations, losses, defalcations etc.

S. No.	Nature of the pending cases		
	Nature of the cases	Number of cases	Amount involved (₹ in crore)
1.	Theft/Loss	461	20.21
2.	Embezzlement	302	98.09
	Total pending cases	763	118.30

Further analysis indicates the reasons due to which the cases were outstanding and could be classified in the various categories listed in the following Table 4.29.

Table 4.29: Reasons for outstanding cases of misappropriations, losses, defalcations etc.

S. No	Reasons for the delay/outstanding cases	Number of cases	Amount (₹ in crore)
1.	Awaiting departmental action	315	78.19
2.	Awaiting orders for recovery	326	32.04
3.	Awaiting orders for write-off	36	0.67
4.	Pending due to judicial proceedings	86	7.40
	Total	763	118.30

Analysis of the pending embezzlement cases reveals that the cases were related mainly to forgery in cash book, bungling in stocks kept in stores, payment/drawal by forged bills/cheques, government money not deposited in the bank etc. Theft/loss cases were related to theft of cash, stores/stock, vehicles and parts of vehicles, machinery and equipment, etc. Out of 763 cases, 362 cases²³ amounting to ₹ 32.71 crore were pending for want of orders for recovery/write-off and rest of the cases were pending for the want of departmental action and judicial proceeding.

4.15 Excess/short payment of pension

Failure of the treasury to exercise prescribed checks led to short/excess/irregular payment of pension/family pension

Appendix VI (Sl. No. 9) of Rajasthan Civil Services (Pension) Rules, 1996 stipulates that Treasury Officer (TO) will check the correctness of the payments made by the Banks with reference to the records maintained by him and thereafter incorporate the transaction in his accounts.

Test check (April 2020 to March 2021) of records of 11 Banks, Directorate of Pension & Pensioners' Welfare and 57 Treasuries/Sub-Treasuries in 09 Districts revealed that irregularities and excess payments of pension/ family pension were made in 146 cases amounting to ₹ 94.49 lakh in 09 Banks and 23 Treasuries/Sub-Treasuries as detailed in

23. 326 awaiting orders for recovery + 36 awaiting orders for write off.

Appendix 4.6. Further, it was also noticed that 10 banks made short payments of ₹ 28.59 lakh to 31 pensioners.

Cases of excess/short payment of pension/family pension to pensioners have also been mentioned in the earlier Audit Reports (Civil/G&SS/State Finance) during the years 2010-11 to 2019-20. The instruction/ direction (April 2014/ February 2017) of the department and recommendation of the Public Account committee (PAC) (February 2018) with regards to avoiding recurrence of such irregularities in payment of pension in future were not followed scrupulously, which resulted in recurrence of instances of excess/ short payment of pensions.

4.16 Follow up action on State Finances Audit Reports

SFAR 2018-19 was presented in State Legislature in August 2020. PAC has discussed and made recommendations on the SFAR up to the year 2016-17. PAC discussions on four paras related to eight departments (Rural development and Panchayati Raj, Mines, Secondary education, Forest, Higher education, Medical education, PHED and Women and child development) for the reports of the year 2016-17 and 2017-18 were conducted during the period April 2020 to March 2021. Seven paras related to the Reports for the years 2017-18 and 2018-19 are pending for discussion/Report writing. These paras pertain to Major project/policy initiatives and the status of action taken on Budget Speech 2018-19, Persistent savings, Delay in furnishing Utilisation Certificates, Personal Deposit Accounts, Gender Responsive Budgeting and Reserve Funds.

A review of the outstanding ATNs on paras revealed that nine ATNs on paras pertaining to SFAR 2018-19 are pending from the 13 departments as on 30th September 2021.

4.17 Conclusions

Positive Indicators	Negative Indicators
Decreasing number of AC bills.	Increasing number of outstanding UCs.
100 <i>per cent</i> reconciliation of expenditure and receipts.	Arrears in respect of annual accounts of Autonomous Bodies and Public Sector Undertakings.
	Booking of substantial amounts under omnibus Minor Head-800.
	Non-compilation of details regarding GP bank account balances at the PS or ZP level.
	Scheme-wise balances in PD accounts not maintained.

4.18 Recommendations

- i. Loans for which the repayment liability lies with the State Government should be disclosed as Government's liability in the annual accounts of the State Government.
- ii. The Government may ensure timely submission of Utilisation Certificates by the Departments in respect of the grants released for specific purposes.
- iii. The Finance Department may review all PD accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, scheme-wise ledger should be maintained for all the PD accounts.
- iv. The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.
- v. The Government may consider carrying out adjustment of Abstract Contingent bills within stipulated period and regularly monitor the pending Detailed Contingent Bills.

JAIPUR,
The 22 March, 2022



(ANADI MISRA)
Accountant General (Audit-I),
Rajasthan

Countersigned



NEW DELHI,
The 23 March, 2022

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India