

CHAPTER-IV

**QUALITY OF ACCOUNTS AND FINANCIAL
REPORTING PRACTICES**

Chapter IV

Quality of Accounts and Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance. 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 responsibilities, including strategic planning and decision-making. The compliance of GNCTD with various financial rules, procedures and directives has been discussed in this chapter.

Issues related to completeness of accounts

4.1 Funds transferred directly to State implementing agencies

The Union Government transfers large funds directly to State Implementing Agencies/Non-Governmental Organisations for implementation of various schemes and programmes.

As these funds are not routed through the GNCTD's Budget, these are not reflected in the accounts of GNCTD. As per the information shared by Finance Department, GNCTD, funds to the extent of ₹ 284.91 crore were transferred by the GoI directly to State Implementing Agencies within GNCTD, as depicted on the PFMS portal, during the year 2021-22.

Issues related to transparency

4.2 Delay in submission of Utilisation Certificates

Rule 238 of GFR, 2017 stipulates that for grants released during a year for specific purposes, Utilization Certificates (UCs) should be obtained by the Departmental officers from the grantees within 12 months of the closure of the financial year.

However, Audit noted that 1,428 UCs in respect of the grants of ₹ 7,730.31 crore released up to 31 March 2021, were not furnished by the grantees as of 31 March 2022.

Lack of submission of the UCs means that although expenditure is incurred but the grantees have not explained as to how the funds were spent. There is also no assurance that the intended objectives of providing these funds have been achieved. This assumes greater importance, if such UCs are pending against Grants-in-aid (GIA) meant for capital expenditure. Since lack of submission of UCs is fraught with the risk of misappropriation, it is imperative that GNCTD should monitor this aspect closely and hold the concerned departments accountable for submission of UCs in a timely manner. Year-wise break up of outstanding UCs is detailed below in **Table 4.1**.

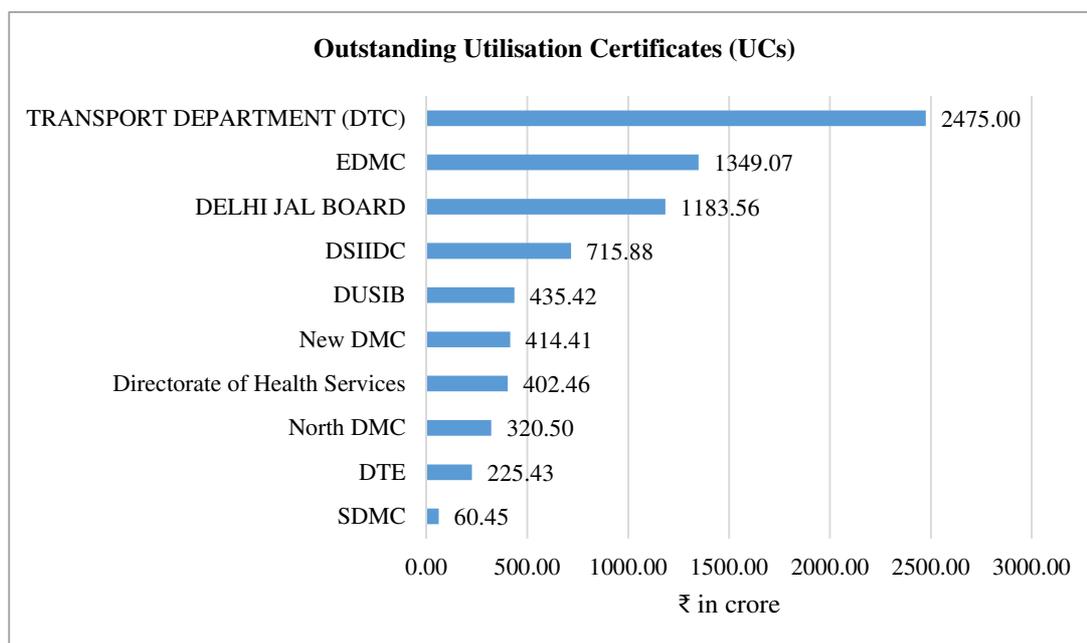
Table 4.1: Year-wise break up of outstanding Utilisation Certificates

| (₹ in crore) | | |
|--------------------|---------------------------|-----------------|
| Year | Number of UCs outstanding | Amount |
| 1993-94 to 2011-12 | 1049 | 221.02 |
| 2012-13 | 105 | 189.02 |
| 2013-14 | 31 | 0.86 |
| 2014-15 | 48 | 0.73 |
| 2015-16 | 28 | 178.44 |
| 2016-17 | 27 | 685.61 |
| 2017-18 | 36 | 161.60 |
| 2018-19 | 61 | 940.33 |
| 2019-20 | 08 | 336.95 |
| 2020-21 | 35 | 5015.75 |
| Total | 1,428 | 7,730.31 |

It can be seen that 1,049 UCs (73.46 per cent) involving ₹ 221.02 crore were outstanding prior to the year 2012-13, whereas 379 UCs (26.54 per cent) involving ₹ 7,509.29 crore were outstanding from 2012-13 to 2020-21.

The details of outstanding UCs in respect of 10 major Departments for grants paid up to 2021-22 are given in **Chart 4.1**:

Chart 4.1: Details of outstanding UCs of 10 major Departments for the grant paid up to 2020-21



Source: Principal Accounts Office, GNCTD

Transport Department (DTC), East Delhi Municipal Corporation (EDMC) and Delhi Jal Board (DJB) contributed ₹ 2,475 crore (32.02 per cent), ₹ 1,349.07 crore (17.45 per cent.) and ₹ 1,183.56 crore (15.31 per cent) of the arrears, respectively.

The Principal Accounts Office, GNCTD stated (September 2022) that delay in furnishing of Utilization Certificates have been referred to concerned departments with the request to provide the reasons/comments directly to Audit. It also stated that it had time and again requested the departments issuing grants to submit the UCs to the concerned PAOs and attributed the delay to administrative authorities. The reply of the concerned departments were awaited (December 2022).

It is recommended that Principal Accounts Office, GNCTD may, in conjunction with the Finance Department, conduct an inquiry on the reasons for outstanding UCs for the period upto 2012-13 under intimation to audit.

Discrepancy in year-wise summary of Utilization Certificate.

The number and amount of UCs due upto a particular year should remain same over the years. This position can, however, decline only if all the UCs for a particular year(s) have been furnished, whereupon it is removed from the summary of UCs. However, comparison of year-wise summary of Utilization certificates furnished by the Principal Accounts Office for the years 2020-21 and 2021-22, revealed that number and amount of UCs due to be received for the years 1993-94 to 2019-20 had decreased as given in **Table 4.2**. Further, in respect of the period 2003-04 to 2007-08 the number of UCs due had increased with no change in the amount while in respect of the years 2010-11, 2012-13 and 2013-14 both the number and amount of UCs due had increased whereas number of UCs due should remain same.

Table 4.2: Discrepancy in the data

(₹ in crore)

| No. and amount of UCs to be received up to the year 2019-20 (As per year wise summary of UC for the year 2020-21) | | No. and amount of UCs to be received up to the year 2019-20 (As per year wise summary of UC for the year 2021-22) | | Difference | |
|--|-----------|--|-----------|------------|----------|
| No. of UCs | Amount | No. of UCs | Amount | No. of UCs | Amount |
| 3,588 | 27,744.80 | 2,581 | 20,055.92 | 1,007 | 7,688.88 |

Principal Accounts Office, GNCTD stated (September 2022) that they had compiled the summary on the basis of report submitted by PAOs, who received the information from concerned Departments.

The reply is not satisfactory as the Principal Accounts Office, GNCTD may ensure that all the Pay and Accounts Offices adopt a uniform procedure to show quantum and amount of outstanding UCs that are consistent and in agreement with the figures shown in previous year’s summary.

To verify the facts and figures relating to outstanding UCs contained in Finance Accounts of GNCTD, five Institutions viz., Delhi Jal Board (DJB), Delhi State Industrial and Infrastructure Corporation (DSIIDC), Delhi Urban Shelter Improvement Board (DUSIB), East Delhi Municipal Corporation (EDMC) and Delhi Transport Corporation (DTC) were selected for detailed audit.

Department-wise major observations are discussed in the subsequent paras.

4.2.1 Delhi Jal Board

As per Annexure 'E' to the GNCTD Finance Accounts 2021-22, 10 Utilisation Certificates for an amount of ₹ 1,183.56 crore were pending (as of 31 March 2022) in respect of the grants received up to 31 March 2021.

Audit noted that:

- (i) DJB did not submit the certificate of actual utilization of the grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017 which includes unspent balances of grants received in previous years and interest earned thereon.

As per the position furnished by DJB (August 2022), 'Nil' UCs were pending and the unspent amount of ₹ 1,109.10 crore (as 31 March 2022) would be used in the subsequent year.

Thus the difference of UCs as per figures of Finance Accounts and DJB records remained unreconciled. Besides, it also shows that there is no coordination between Finance Department, GNCTD and DJB due to which 10 UCs have been shown as outstanding in the Finance Accounts while DJB is claiming that there are no pending UCs against the GIA issued.

- (ii) In terms of Rule 230(4) of the GFR, every order sanctioning a grant shall indicate whether it is recurring or non-recurring and specify clearly the object for which it is being given and the general and special conditions, if any, attached to the Grant.

Scrutiny of the sanctions revealed that DJB did not specify the nature of the grant as mandated under the above rule.

- (iii) Test check of the UCs revealed that expenditure incurred in respect of the following schemes was disproportionate to the grants sanctioned by the department, as detailed below in **Table 4.3**:

Table 4.3: Disproportionate expenditure vis-à-vis grants sanctioned

| Name of the scheme | GIA during the period 2015-16 to 2020-21 (₹ in crore) | Expenditure incurred till 31.03.2022 as reflected in the UCs (₹ in crore) | Unspent amount (in per cent) |
|---|--|--|---------------------------------|
| Water supply in Squatter Resettlement Colonies | 60.50 | 19.03 | 68.54 |
| Sewerage facility in squatter resettlement Colonies | 7.11 | 2.23 | 68.59 |
| Jan Jal Prabhandan Yojana | 4.85 | 1.11 | 77.08 |

As evidenced from the above table, huge unspent amounts (in per cent) indicated ineffective monitoring and control mechanism in Department of Urban Development while releasing grants.

Reply was awaited (December 2022).

4.2.2 Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)

As per Annexure 'E' to the GNCTD Finance Accounts 2021-22, one Utilisation Certificates for an amount of ₹ 715.88 crore was pending (as of March 2022) in respect of the grants received upto 31 March 2021.

Scrutiny of the records revealed the following:

- (i) In terms of Rule 230(4) of the GFR, every order sanctioning a Grant shall indicate whether it is recurring or non-recurring and specify clearly the object for which it is being given and the general and special conditions, if any, attached to the Grant. Scrutiny of the sanctions revealed that DSIIDC did not specify the nature of the grant as mandated under the above rule.
- (ii) DSIIDC did not keep the certificate of actual utilization of the Grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017. However, as per the position furnished by DSIIDC (August 2022), one UC for an amount of ₹ 853.30 crore was pending since April 2019. Thus, the amount of outstanding UCs as reflected in the Finance Accounts and that depicted in records of DSIIDC remained unreconciled.
- (iii) Scrutiny of the Utilization Certificates in respect of the scheme 'Construction of Houses for weaker sections (JNURRM)' revealed that DSIIDC had received grants of ₹ 1,122.09 crore during the period 2006-07 to 2013-14 in respect of which there was an unspent balance of ₹ 4.03 crore (March 2018). Department of Urban Development (DUD) had released another grant for ₹ 371.06 crore during 2018-19. Audit noted that no amount has been spent by DSIIDC with respect to the grant of ₹ 371.06 crore received (2018-19) due to pending approval of the Council of Ministers for the utilization of funds. (August 2022)

Thus, the funds are lying idle for a period of more than three years. The reasons behind the non-approval of Council of Ministers and future plan on the matter were sought from Department but the same are awaited (December 2022).

- (iv) In terms of Rule 230 (8) of GFR all interests or other earnings against grants-in-aid or advances (other than reimbursement) released to any grantee institution should be mandatorily remitted to the Consolidated Fund immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases.

Since the UCs were not being prepared in Form 12 A (which depicts the interest earned), it could not be ascertained in audit as to whether any interest was being earned by the grantee and if so, whether the same was being remitted back to the Consolidated Fund of GNCTD after the finalisation of accounts.

Reply was awaited (December 2022).

4.2.3 Delhi Urban Shelter Improvement Board (DUSIB)

As per Annexure 'E' to the GNCTD Finance Accounts 2021-22, 16 UCs for an amount of ₹ 435.42 crore were pending (as of March 2022) in respect of the grants received upto 31 March 2021.

Scrutiny of the records revealed the following:

- (i) DUSIB did not keep the certificate of actual utilization of the Grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017.
- (ii) As per the position furnished by DUSIB (August 2022), 'Nil' UCs were pending and the unspent amount of ₹ 323.12 crore would be used in the subsequent year. Thus the difference of UCs as per figures of Finance Accounts and DUSIB records remained unreconciled. Besides, it also shows that there is no coordination between Finance Department, GNCTD and DUSIB due to which 16 UCs have been shown outstanding in the Finance Accounts while DUSIB is claiming that there are no pending UCs against the GIA issued.
- (iii) In terms of Rule 230 (8) of GFR all interests or other earnings against grants in aid or advances (other than reimbursement) released to any grantee institution should be mandatorily remitted to the Consolidated Fund immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases. Since the UCs were not being prepared in Form 12 A (which depicts the interest earned), it could not be ascertained in audit as to whether any interest was being earned by the grantee and if so, whether the same was being remitted back to the Consolidated Fund of GNCTD after the finalisation of accounts.
- (iv) As per the abstract provided to audit showing the aggregate funds received and expenditure incurred (as per UCs) for the period 2011-12 to 2020-21, there is a difference between the closing balance (CB) of the grants-in-aid for a year and the opening balance (OB) of the subsequent year, as detailed below in **Table 4.4:-**

Table 4.4: Difference between the closing and opening balance of the grants-in-aid

(₹ in crore)

| Year | CB | Year | OB | Difference |
|---------|--------|---------|--------|------------|
| 2011-12 | 188.25 | 2012-13 | 190.75 | 2.50 |
| 2016-17 | 88.59 | 2017-18 | 82.40 | 6.19 |
| 2017-18 | 49.09 | 2018-19 | 49.14 | 0.05 |
| 2018-19 | 299.01 | 2019-20 | 298.96 | (-) 0.05 |
| 2019-20 | 322.96 | 2020-21 | 323.02 | 0.06 |

- (v) As per the UC for the year 2017-18, unspent balance of ₹ 12,21,917 in respect of Rajiv Awas Yojana was to be refunded in the next financial year, i.e. 2018-19. However, the same was not refunded till 2019-20. Further, in 2020-21 an expenditure of ₹ 18,018 was incurred and it was mentioned in the UC that the unspent balance of ₹ 12,03,899 will be carried forward to the next year, i.e., 2021-22. Thus, the instructions contained in the UC were not strictly observed. The copies of the sanctions mentioned in UC were not furnished to audit.

Reply was awaited (December 2022)

4.2.4 East Delhi Municipal Corporation (EDMC)

As per Annexure 'E' to the GNCTD Finance Accounts 2021-22, 12 Utilisation Certificates for an amount of ₹ 1,349.07 crore were pending (March 2022) in respect of the grants-in-aid received up to 31 March 2021.

Scrutiny of the records revealed the following:

- (i) EDMC did not keep the certificate of actual utilization of the Grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A, as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017.

As per the position furnished by EDMC (August 2022), 'Nil' UCs were pending and an excess amount of ₹ (-) 47.05 crore was incurred which was to be adjusted to the actual allocation from GNCTD by transfer entry. Thus the difference of UCs as per figures of Finance Accounts and EDMC records remained unreconciled. Besides, it also shows that there is no coordination between Finance Department, GNCTD and EDMC due to which 12 UCs have been shown outstanding in the Finance Accounts while EDMC is claiming that there are no pending UCs against the GIA issued.

- (ii) In terms of Rule 230 (8) of GFR all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases.

Since the UCs were not being prepared in Form 12 A (which depicts the interest earned), it could not be ascertained in audit as to whether any interest was being earned by the grantee and if so, whether the same was being remitted back to the Consolidated Fund of GNCTD after the finalisation of accounts.

- (iii) As per the abstract provided to audit, there is a difference between the closing balance (CB) of grants-in-aid in respect of a scheme for a year and the opening balance (OB) thereof for the subsequent year, as detailed below in **Table 4.5**.

Table 4.5: Difference between the closing and opening balance of the grants-in-aid

| (₹ in crore) | | | | | |
|--------------|------------------------------------|-------|---------|-------|------------|
| Year | Scheme | CB | Year | OB | Difference |
| 2016-17 | Primary Education | 28.24 | 2017-18 | 35.03 | 6.79 |
| 2016-17 | Additional facilities in JJ Colony | 5.23 | 2017-18 | 5.47 | 0.24 |

(iv) The unspent balance of the grants as indicated in the UC unspent Balance Statement (UBS) in respect of two schemes for a particular year did not agree with that indicated in the moratorium/permission, by which department was allowed to utilize the unspent balance, as detailed below in **Table 4.6:-**

Table 4.6: Differences in the depiction of unspent balances

| (₹ in crore) | | | | |
|--|---------|-----------------|---|------------|
| Scheme | Year | Unspent balance | | Difference |
| | | As per UC | As per permission | |
| Strengthening and Mechanization and Conservancy of Sanitation services | 2016-17 | 22.01 | 24.13 <i>(permission dated 18.08.2017)</i> | 2.12 |
| Primary Education | 2018-19 | 52.23 | 52.37 <i>(permission dated 18.08.2019)</i> | 0.14 |

As per sanction order dated 1.02.2016, a grant of ₹ 30 crore had been given towards 'Execution of various development works in Trans Yamuna area' during the year 2015-16. However, this scheme does not appear in the abstract provided by EDMC.

Reply was awaited (December 2022).

4.2.5 Delhi Transport Corporation (DTC)

As per Annexure 'E' to the GNCTD Finance Accounts 2021-22, two Utilisation Certificates for an amount of ₹ 2,475 crore were pending (as on March 2022) in respect of the grants received during the year 2020-21. But as per the position furnished by DTC (August 2022), total funds of ₹ 2,572.07 crore were available for utilization for the year 2020-21, as detailed below in **Table 4.7:-**

Table 4.7: Status of available funds

| (₹ in crore) | | | | | | |
|---|-------------------------|---|--|-----------------------|-------------------------------------|----------------------------------|
| Unspent balances of Grants received in previous years | Interest earned thereon | Interest deposited back to the Government | Grant received during the year 2020-21 | Total available funds | Expenditure during the year 2020-21 | Closing balance as on 31.03.2021 |
| 93.53 | 3.54 | 0.00 | 2,475.00 | 2,572.07 | 1,979.21 | 592.86 |

Thus, as per the reply of DTC, ₹ 592.86 crore remained unutilized as on 31.03.2021 out of total funds of ₹ 2,572.07 crore available during the year 2020-21. It was further stated that final Utilization Certificate for the utilized amount of ₹ 1,979.21 crore would be submitted to the Government after receipt of Audit report from C&AG. However, provisional UC had already been submitted to the Government for the year 2020-21.

As per the records/information made available to the Audit following was observed by Audit:

- (i) In terms of Rule 230 (8) of GFR all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund immediately after finalization of the accounts. Such advances should not be allowed to be adjusted against future releases. It was observed that interest amounting to ₹ 3.54 crore was accrued on the funds made available by GNCTD, which should have been remitted to Consolidated Fund of GNCTD, but the provisional UC submitted to the GNCTD suggests that the said amount of accrued interest was not remitted. The reason for non-remittance in violation of the aforesaid rule was not furnished to audit.
- (ii) In terms of Rule 230(7), when recurring grants-in-aid are sanctioned to the same Institution or Organization for the same purpose, the unspent balance of the previous grant should be taken into account in sanctioning the subsequent grant. However, scrutiny of the sanctions revealed that there was no indication therein about the availability of the unspent grant with the grantee institution.

Reply was awaited (December 2022)

4.3 Abstract Contingent bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers are not available at the time of drawal, are made on Abstract Contingent (AC) bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Countersigned Contingent (DCC) bills within a stipulated period of drawal of AC bills. DCC bills consist of abstract expenditure along with sub-vouchers for the amount drawn through AC bills. Drawing and Disbursing Officer are required to present Detailed Countersigned Contingent (DCC) bills duly countersigned by the Controlling Officer in all these cases within the prescribed period.

Rule 118 of the Receipts and Payments Rules stipulates that a certificate shall be attached to every AC bill to the effect that the DCC bills have been submitted to the Controlling Officer in respect of AC bills drawn during the

month previous to that in which the bill in question is presented for payment. Thus, money drawn on AC bills should be adjusted within a period of one month from the date of drawal by submission of DCC bill. On no account should an AC bill be adjusted without this certificate.

Year-wise progress in submission of DCC bills against the AC bills is detailed below in **Table 4.8:-**

Table-4.8: Year-wise progress in submission of DCC bills against the AC bills

(₹ in crore)

| Year | Opening balance | | Clearance during the F.Y. 2021-22 | | Closing balance as on 31 March 2022 | |
|----------------------|-----------------|--------------|-----------------------------------|---------------|-------------------------------------|---------------|
| | No. | Amount | No. | Amount | No. | Amount |
| Upto 2017-18 | 3,989 | 270.14 | 413 | 33.06 | 3,576 | 237.08 |
| 2018-19 | 281 | 136.14 | 62 | 117.05 | 219 | 19.10 |
| 2019-20 | 359 | 63.29 | 140 | 35.44 | 219 | 27.85 |
| 2020-21 | 307 | 265.53 | 171 | 251.53 | 136 | 13.99 |
| Upto 2020-21 | 4,936 | 735.1 | 786 | 437.08 | 4,150 | 298.02 |
| 2021-22 [#] | 1,976 | 223.79 | 1440 | 89.38 | 536 | 134.40 |
| Total | | | 2,226 | 526.46 | 4,686 | 432.42 |

represents total fresh bills drawn during the year 2021-22.

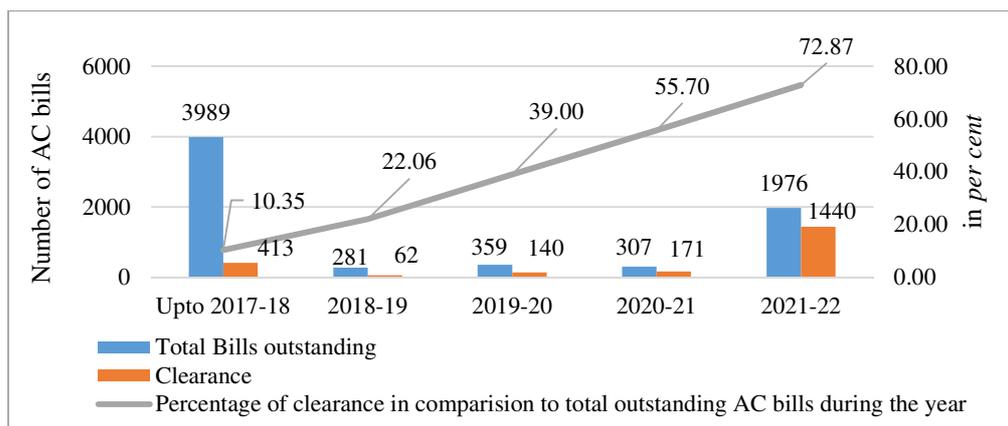
Source: Principal Accounts Office, GNCTD

64 Government Departments did not submit 536 DCC bills amounting to ₹ 134.40 crore before closing of the Accounts for the financial year 2021-22, and therefore, there was no assurance that the expenditure of ₹ 134.40 crore had actually been incurred during the financial year for the purpose for which it was authorized by the legislature. Moreover, it is evident from the above table that a total of 4,686 AC bills involving ₹432.42 crore were outstanding as of March 2022.

Against AC bills of ₹ 223.79 crore during 2021-22 an amount of ₹ 12.27 crore (5.48 per cent) pertained to March 2022.

Advances drawn and not accounted for increases the possibility of wastage/misappropriation/malfeasance, etc. Owing to non-submission of DCC bills by different Departments within prescribed time after drawal of AC Bills, it could not be ensured in audit that funds had been utilised for the purpose for which these were drawn. This, therefore, needs to be monitored closely. It is recommended that Principal Accounts Office, GNCTD may, in conjunction with the Finance Department, conduct an inquiry on the reasons for outstanding AC bills for the period upto 2017-18 under intimation to audit. The trend of clearance of AC bill is given in **Chart 4.2:**

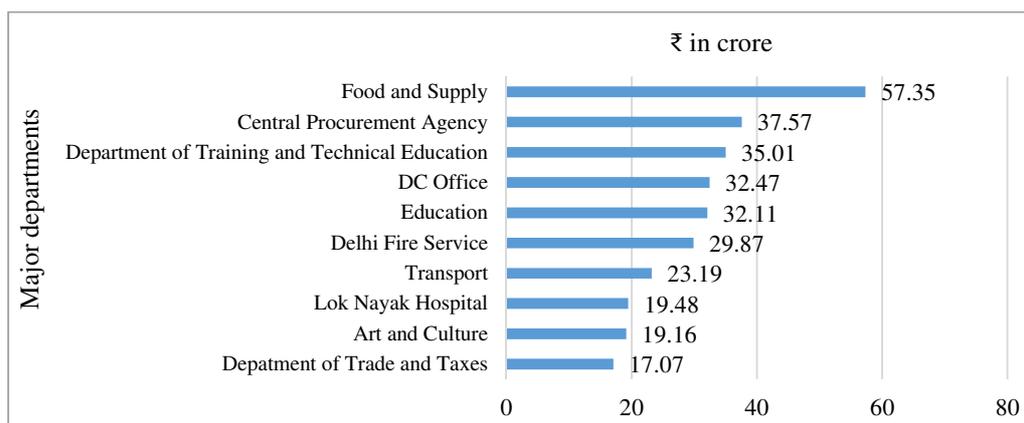
Chart 4.2: Trend of clearance of AC bills



It can also be seen from the above **Chart 4.2** that clearance of outstanding AC bills for the years 2017-18 to 2021-22 showed an increasing trend from 10.35 per cent to 72.87 per cent in 2021-22.

The details of pending DCC bills in respect of major departments are given in **Chart 4.3**:

Chart 4.3: Pending DCC bills in respect of major Departments



Source: Finance Accounts of GNCTD for the year 2021-22

From the above **Chart 4.3**, it can be seen that pending DCC bills in respect of ten major departments of GNCTD ranged from ₹ 17.07 crore to ₹ 57.35 crore.

AC bills drawn for creation of Capital assets

As per Rule 96 of Receipt and Payment Rules, 1983, the term ‘contingent charges’ or ‘contingencies’ means and includes all incidental and other expenses (including on stores) which are incurred for the management of an office as an office or for the working of technical establishment such as laboratory, workshop, industrial installation, store depot and the like but other than expenditure which has been specifically classified as falling under some other head of expenditure e.g. ‘works’, ‘tools and plants’.

During the year out of total 1,976 AC bills, 02 AC bills amounting to ₹ 7.00 crore were drawn for creation of capital assets pertaining to different

departments. Consequently, it could not be ensured that funds had been utilized for the purpose for which these funds had been drawn.

To verify the facts and figures relating to outstanding AC Bills contained in Finance Accounts of GNCTD, five Departments /Institutions viz., Lok Nayak Hospital (LNH), Delhi Fire Service (DFS), Directorate of Education (DTE), Department of Training and Technical Education (DTTE) and GB Pant Hospital were selected for detailed audit.

Department-wise major observations are discussed in the subsequent paras.

4.3.1 Lok Nayak Hospital (LNH)

a) Non-adjustment of outstanding AC bills amounting ₹ 19.48 Crore

Rule 118 of Receipts and Payments Rules, 1983 stipulates that a certificate shall be attached to every abstract contingent bill to the effect that the detailed bills have been submitted to the Controlling Officer in respect of AC Bills drawn during the month previous to that in which the bill in question is presented for payment. On no account may an abstract contingent bill be cashed without this certificate.

There were 93 outstanding abstract contingent Bills amounting to ₹19.48 crore, which were drawn during the period January 2003 to 31 March 2022. Due to non-submission of Detailed Countersigned Contingent (DCC) bills by different units of LNH, it could not be ensured in audit as to whether the funds had been utilized for the purpose for which these had been drawn.

b) Non-maintenance of Register of Contingent Expenditure in prescribed form

As per Rule 110 of Receipts and Payments Rules, 1983, a register of contingent expenditure shall be kept in Form GAR 27 by office and the initials of the head of the office, or of a gazetted officer to whom this duty has been delegated by the head of the office, shall be entered against the date of payment of each item.

Audit noted that LNH was not maintaining records relating to contingent expenditure in Form GAR 27 and was using a simple register for the same.

Reply was awaited. (December 2022)

4.3.2 Delhi Fire Service

a) Non-adjustment of outstanding AC bills amounting to ₹ 29.67 crore

25 AC bills for ₹29.67 crore were drawn during the period 2003-04 to 2021-22. In contravention of Rule 118 of Receipts and Payments Rules, 1983 only eight bills for ₹ 1.41 crore were settled till August 2022 and 17 bills for ₹ 29.53 crore were still lying unadjusted. Owing to non-submission of DCC

Bills by Delhi Fire Service, it could not be ensured that funds had been utilized for the purpose for which these had been drawn.

b) Delay in settlement of AC bills

Scrutiny of records revealed that the AC bills were settled (vide DCC bills) after delay ranging from 110 days to 3055 days from the date of their drawal in contravention of the Rule 118 of the Receipts and Payments Rules *ibid*, as detailed below in **Table 4.9**:

Table 4.9: Delay in settlement of AC bills

| Sl. No. | Advance bill No. & date | Amount Drawn (in ₹) | Settled vide DCC bill No. & date | Delay in settlement (in days) |
|---------|-------------------------|---------------------|----------------------------------|-------------------------------|
| 1. | 1812 dt.13.02.2014 | 24,547 | 951 dt.27.07.2022 | 3055 |
| 2. | 1711 dt.03.03.2015 | 20,000 | 953 dt.27.07.2022 | 2672 |
| 3. | 1399 dt.03.08.2017 | 10,000 | 952 dt.27.07.2022 | 1788 |
| 4. | 270 dt.15.06.2018 | 2,90,752 | 169 dt.17.05.2022 | 1401 |
| 5. | 271 dt.21.06.2018 | 5,45,826 | 720 dt.27.01.2022 | 1285 |
| 6. | 347 dt.17.08.2021 | 30,100 | 649 dt.05.01.2022 | 110 |
| 7. | 741 dt.21.12.2020 | 3,83,684 | 1146 dt.07.02.2022 | 382 |

c) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983, Delhi Fire Service was not maintaining records relating to contingent expenditure in Form GAR 27 and was using a simple register for the same.

Reply was awaited. (December 2022)

4.3.3 Directorate of Education (DoE)

a) Unreconciled difference between Finance Accounts and departmental records

While Annexure 'D' to GNCTD Finance Accounts for the year 2021-22 depicted pending outstanding AC Bills of ₹ 32.11 crore as on March 2022, the departmental records showed outstanding AC Bills of ₹ 5.17 crore.

Thus the difference of outstanding AC bills as per figures of Finance Accounts and DoE records remained unreconciled. Besides, it also shows that there is no coordination between related department of GNCTD due to which there is variation in the figures of Finance Accounts and DoE.

b) Delay in settlement of AC bills

Scrutiny of records of DoE revealed that AC bills were settled (vide DCC bills) after delay ranging from 25 to 4917 days from the date of their drawal in contravention of the Rule 118 of the Receipts and Payments Rules *ibid*, as detailed below in **Table 4.10**:-

Table 4.10: Delay in settlement of AC bills

| Sl. No. | Advance bill No. & date | Amount Drawn (in ₹) | Settled vide DCC bill No. & date | Delay in settlement (in days) |
|---------|-------------------------|---------------------|----------------------------------|-------------------------------|
| 1. | 2641/28.03.2008 | 9,10,00,000 | 824/14.10.2021 | 4917 |
| 2. | 364/02.07.2021 | 95,00,000 | 1276/01.12.2021 | 121 |
| 3. | 959/06.10.2021 | 95,00,000 | 1277/01.12.2021 | 25 |
| 4. | 726/03.09.2021 | 25,75,000 | 1337/13.12.2021 | 70 |
| 5. | 673/19.08.2021 | 50,000 | 1339/27.12.2021 | 99 |
| 6. | 1247/18.11.2021 | 75,000 | 306/03.06.2022 | 166 |
| 7. | 353/19.06.2019 | 1,35,520 | 634/06.08.2022 | 1113 |
| 8. | 1356/16.12.2021 | 14,70,310 | 635/06.08.2022 | 202 |
| 9. | 1206/13.12.2021 | 93,73,507 | 420/08.08.2022 | 207 |
| 10. | 679/26.08.2019 | 53,74,523 | 637/08.08.2022 | 1047 |
| 11. | 1553/14.01.2022 | 53,90,000 | 638/08.08.2022 | 175 |
| 12. | 1430/17.03.2021 | 14,00,000 | 644/08.08.2022 | 478 |
| 13. | 672/19.08.2021 | 20,53,200 | 1796/08.08.2022 | 323 |
| 14. | 1439/19.03.2021 | 22,00,000 | 38/06.08.2022 | 474 |

c) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983 no register of contingent expenditure in Form GAR 27 was being maintained by DoE relating to contingent expenditure.

Reply was awaited. (December 2022).

4.3.4 Department of Training and Technical Education (DTTE)

a) Unreconciled difference between Finance Accounts and departmental records

While Annexure 'D' to GNCTD Finance Accounts for the year 2021-22 depicted pending outstanding AC Bills of ₹ 35 crore as on 31.03.2022, the departmental records showed outstanding AC Bills of ₹ 31.04 crore. Thus, the difference of outstanding AC bills as per figures of Finance Accounts and departmental records remained unreconciled. Besides, it also shows that there is no coordination between related department of GNCTD due to which there is variation in the figures of Finance Accounts and DTTE.

b) Delay in settlement of AC bills

Scrutiny of records of DTTE revealed that AC bills were settled (vide DCC bills) after delay ranging from 26 to 411 days from the date of their drawal in contravention of Rule 118 of the Receipts and Payments Rules ibid, as detailed below in **Table 4.11:-**

Table 4.11: Delay in settlement of AC bills

| Sl. No. | Advance bill No. & date | Amount Drawn (in ₹) | Settled vide DCC bill No. & date | Delay in settlement (in days) |
|---------|-------------------------|---------------------|----------------------------------|-------------------------------|
| 1. | 34 dt.08.06.2020 | 30,000 | 120 dt 24.08.2021 | 411 |
| 2. | 276 dt.31.12.2020 | 12,000 | 158 dt 25.08.2021 | 206 |

| Sl. No. | Advance bill No. & date | Amount Drawn (in ₹) | Settled vide DCC bill No. & date | Delay in settlement (in days) |
|---------|-------------------------|---------------------|----------------------------------|-------------------------------|
| 3. | 73 dt.29.06.2021 | 50,000 | 334 dt 25.08.2021 | 26 |
| 4. | 199 dt.17.02.2022 | 15,00,000 | 25 dt.25.04.2022 | 36 |
| 5. | 200 dt.17.02.2022 | 1500000 | 26 dt.25.04.2022 | 36 |
| 6. | 201 dt.17.02.2022 | 1500000 | 27 dt.25.04.2022 | 36 |

c) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983, DTTE was not maintaining records relating to contingent expenditure in Form GAR 27.

d) AC bills drawn for the purpose of creation of capital assets amounting to ₹ 30.58 crore

As per Rule 96 of the Receipts and Payments Rules, 1983, the term “contingent charges” or “contingencies” means and includes all incidental and other expenses (including on stores) which are incurred for the management of an office as an office or for the working of technical establishment such as laboratory, workshop, industrial installation, store depot and the like but other than expenditure which has been specifically classified as falling under some head of expenditure i.e. ‘Work’ ‘tools and plant’.

Audit scrutiny of AC bill register and list of outstanding AC bills of DTTE revealed that the AC bills were drawn for the purpose of creation of capital assets in violation of the said rule, as detailed below in **Table 4.12:-**

Table 4.12: AC bills drawn for the purpose of creation of capital assets

| S. No. | AC Bill No. & Date | Purpose for which advance given | Agency whom to paid | Amount (in ₹) |
|--------|--------------------|---|---------------------|---------------|
| 1. | 226/30.11.2021 | Construction work of WCSC at Aryabhata | DTTDC | 2,32,74,881 |
| 2. | 227/30.11.2021 | Construction work of WCSC at BPIBS | DTTDC | 2,72,82,101 |
| 3. | 228/30.11.2021 | Construction work of WCSC at ITI Mayur Vihar | DTTDC | 2,21,13,191 |
| 4. | 229/30.11.2021 | Construction work of WCSC at MBIT | DTTDC | 2,02,84,880 |
| 5. | 230/30.11.2021 | Construction work of WCSC at NSUT | DTTDC | 2,68,90,256 |
| 6. | 231/30.11.2021 | Construction work of WCSC at ITI Jail Road | DTTDC | 1,74,08,606 |
| 7. | 232/30.11.2021 | Construction work of WCSC at GBPIT | DTTDC | 1,20,04,345 |
| 8. | 233/30.11.2021 | Construction work of WCSC at AIACTR | DTTDC | 2,28,37,340 |
| 9. | 234/30.11.2021 | Construction work of WCSC at DITE Wazirpur | DTTDC | 1,87,99,103 |
| 10. | 235/30.11.2021 | Construction work of WCSC at Jaffarpur Engg College | DTTDC | 3,69,48,840 |
| 11. | 236/30.11.2021 | Construction work of WCSC at ITI Jaffarpur | DTTDC | 2,86,68,000 |
| 12. | 237/30.11.2021 | Construction work of WCSC at ITI Dheerpur | DTTDC | 49,96,225 |

| S. No. | AC Bill No. & Date | Purpose for which advance given | Agency whom to paid | Amount (in ₹) |
|--------|--------------------|---|---------------------|---------------------|
| 13. | 238/30.11.2021 | Construction work of WCSC at ITI Narela | DTTDC | 2,16,18,909 |
| 14. | 239/30.11.2021 | Construction work of WCSC at ITI Narela | DTTDC | 2,26,10,018 |
| | Total | | | 30,57,36,895 |

Reply was awaited. (December 2022).

4.3.5 G. B. Pant Hospital

a) Non-adjustment of outstanding AC bills amounting to ₹ 16.88 crore

Audit noted one AC bill of ₹ 58,000/- was settled in 2021-22 and 78 bills for ₹16,87,63,345 were still lying unadjusted. Owing to non-submission of DCC bills by different departments of hospital, it could not be ensured that funds had been utilized for the purpose for which these had been drawn.

b) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983, G. B. Pant Hospital was not maintaining records relating to contingent expenditure in Form GAR 27 and was using a simple register for the same.

Reply was awaited (December 2022).

4.4 Personal Deposit Accounts

Rule 191 read with 191 (3) of the Receipt and Payment Rules, 1983 stipulates that Personal Deposit Accounts (PDAs) are generally authorized to be opened under the special order to the Ministry/ Department concerned in consultation with the Controller General of Accounts (CGA) in the following types of cases:

- In favour of an administrator appointed for the purpose of administering money tendered by or on behalf of ward and attached estates and estates under Government management. These PDAs do not lapse to Government as per Rule 192(1), even if outstanding for more than three completed years;
- In relation to Civil and Criminal Courts deposits, in favour of the Chief judicial authority concerned and these PDAs will not lapse as per Rule 192(2);
- Where, under certain regulatory activities of the Government, receipts are realized and credited to a Fund or Account under the provisions of an Act to be utilized towards expenditure there under and no outgo from the Consolidated Fund is involved. These PDAs will not lapse to Government until the provisions of the relevant Act are in force.

Every Personal deposit account so authorised to be opened will form part of the Government Account and be located in the Public Account portion thereof.

The details of PDAs in GNCTD as on 31 March 2022 are given in **Table 4.13:-**

Table 4.13: Details of PDAs as on 31 March 2022

| PDAs as on 01.04.2021 | | PDAs opened during the year 2021-22 | | PDAs closed during the year 2021-22 | | Closing Balance as on 31.03. 2022 | |
|-----------------------|------------------------|-------------------------------------|-------------------------|-------------------------------------|-------------------------|-----------------------------------|------------------------|
| Number | Amount (₹ in crore) | Number | Amount* (₹ in crore) | Number | Amount* (₹ in crore) | Number | Amount (₹ in crore) |
| 12 | 47.37 | Nil | 26.24 | nil | 17.52 | 12 | 56.09 |

* Includes the amount of receipts into and payments from the existing PD Accounts

Principal Accounts Office, GNCTD, is operating 12 PDAs with the prior approval of the CGA, Ministry of Finance, Government of India. The purpose of opening these PDAs was to deposit receipts of compensation received from the land requisitioning authorities (DDA, etc.), for payment to land owners for land acquisitions through land acquisitions collectors, security charges, fees of election petitions, civil deposits, criminal deposits and rent of litigants as per order of court, etc., and no outgo from Consolidated Fund is involved.

As on 31st March 2022, there was a total of ₹ 56.09 crore in these 12 non-lapsable PDAs.

Analysis of PD Accounts

To verify the facts and figures relating to PDAs contained in Annexure 'C' to the GNCTD Finance Accounts, three Departments /Institutions viz., Directorate of Training and Technical Education, Land and Building Department and District and Session Judge (DJ-5), South Court, Saket were selected for detailed audit.

Department-wise major observations are discussed in the subsequent paras.

4.4.1 Directorate of Training and Technical Education

Rules 191 and 192 of the Receipts and Payments Rules, 1983 stipulate *inter alia* that every Personal deposit Account so authorised to be opened, will form part of the Government Account and be located in the Public Account portion and that if a personal deposit account is not operated upon for a considerable period and there is reason to believe that the need for the deposit account has ceased, the same should be closed in consultation with the officer in whose favour the deposit account has been opened.

Audit noted that Directorate of Training and Technical Education was having a closing balance of ₹ 4.43 lakh as on 31 March 2022 in its PD Account, which was inoperative after 31 July 2017. The amount could not be returned to National Project Implementation Unit (NPIU) due to lockdown. On this being pointed out by audit last year, the Principal Accounts Office stated (December 2021) that Department of Training and Technical Education had obtained the approval of Competent Authority to refund the balance amount of ₹ 4.43 lakh

and that it will refund the unspent balance at the earliest to close the PD Account. However, the amount is still lying in the PD account.

DTTE stated (August 2022), that due to transfer of competent authority, account could not be closed and that the same will be closed within 15 days after updating of signature of new Director TTE (Competent Authority) in RBI.

4.4.2 Land and Building Department

Land and Building Department (LBD) of GNCTD has one Personal Deposit Account in favour of Housing Commissioner, Delhi Administration for the purpose of receiving and making payment in connection with scheme for large scale acquisition, development and disposal of land in Delhi. It receives money from agencies such as DDA, PWD, NDMC, DMRC, MCD, Rural Development, etc.

Audit noticed that ₹15.64 crore was disbursed from PD account during 2021-22 leaving an undisbursed closing balance of ₹ 52.28 crore on 31 March 2022. Out of undisbursed balance, ₹13.56 crore pertained to uncashed cheques and ₹ 5.62 crore was disbursed during in 2022-23.

Of closing balance of ₹ 38.72 crore (52.28-13.56) on 31 March 2022, ₹ 33.10 crore¹ is pending for disbursement for six years and more.

LBD stated (August 2022) that matter relating to return of undisbursed funds to the Department of Urban Development and Delhi Jal Board was under process and remaining undisbursed amount could not be disbursed due to non-receipt of clarification from the LACs/Agencies and pending court cases in the ADJ/High/Supreme Court etc. LBD further stated that sincere efforts were being made for seeking requisite information/clarification from the concerned LACs/Agencies.

Notwithstanding the aforesaid efforts made by LBD, it needs to expedite the process of return of undisbursed funds to the above said departments.

4.4.3 District and Session Judge (DJ-5), South Court, Saket

- a) District and Session Judge (DJ-5), South Court, Saket has one Personal Deposit Account opened (2012) for deposit and disbursement of rent. Audit noticed that ₹ 1.46 crore was lying undisbursed in their PD accounts.
- b) Rule 17.7.5 of Civil Accounts Manual 2007 stipulates that for every Personal Deposit Account, the Pay and Accounts Officer shall invariably conduct a monthly reconciliation of the receipts and payments out of the PD Account against the reported figures in the bank scrolls and the monthly statement of receipts and expenditure

¹ ₹ 16.39 crore pertained to advances received from Urban Development Department, Delhi Development Authority, Jamia Milia Islamia University and PWD for UP link road respectively.

submitted by the PD Account holder. The PD Account holder shall indicate the details of cheques issued by him but not encashed till the end of month. For this purpose, an "Abstract of the Register of Receipts and Payments" pertaining to the Personal Deposit Account shall be submitted by the PD Account holder to the concerned Pay and Accounts Office.

Audit noted that monthly reconciliation of receipts and payments was not carried out for the PD account of District & Session Judge (DJ-5) by the concerned Pay and Accounts office, which is in contravention to the aforesaid rule. Besides, cash book was also not maintained for the Personal Deposit Account by the administrator of the account.

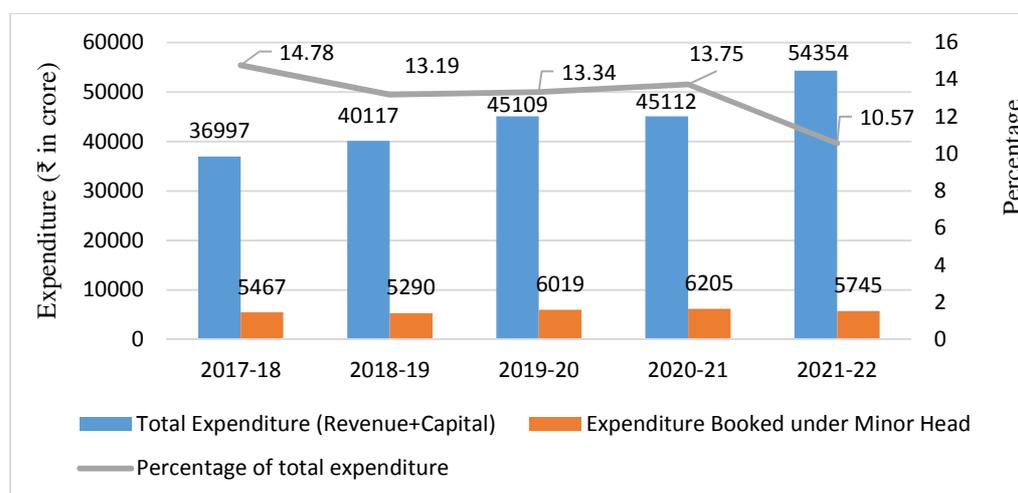
Saket Court, New Delhi stated (September 2022) that directions had been given to Nazir to henceforth reconcile the records in respect of PD accounts of District & Session Judge (DJ-5) on monthly basis. It added that the cash book in the form of registers were being separately maintained for cash deposit in Nazarat Branch and for disbursement of rent through cheque by Nazir of the court.

4.5 Indiscriminate use of Minor Head 800

As a crucial component of a transparent system of budgeting and accounting, the forms of accounts in which the receipts and expenditure of the Government are reported to the Legislature should constantly be reviewed and updated so that they truly reflect receipts and expenditure on all major activities of the Government in a transparent manner to meet the basic information needs of all important stakeholders. For the purpose, Minor head-‘800’ relating to ‘Other Receipts and Other Expenditure’ is intended to be operated only when the appropriate minor head has not been provided for in the accounts.

Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque.

Chart 4.4: Operation of Minor head ‘800--Other Expenditure’ during 2017--2022



Source: Principal Accounts Office, GNCTD

From the **Chart 4.4** above it can be seen that the percentage of expenditure booked under minor Head '800 – Other Expenditure' during the period 2017-18 to 2021-22 ranged from 10.57 *per cent* (2021-22) to 14.78 *per cent* (2017-18).

In the previous year 2020-21, ₹ 6,205 crore was recorded under minor head '800-Other Expenditure' in 46 Revenue and Capital Major Heads of accounts on the expenditure side, constituting 13.75 *per cent* of the total expenditure of ₹ 45,112 crore (Revenue and Capital). However, the booking under the said minor head dipped by 7.42 *per cent* during the current year and stood at ₹ 5,745 crore under 42 Revenue and Capital Major Heads of accounts on the expenditure side, constituting 10.57 *per cent* of the total expenditure of ₹ 54,354 crore (Revenue and Capital).

Office of Controller General of Accounts, Ministry of Finance, Department of Expenditure had issued guidelines in May 2016 stipulating inter alia that use of minor head '800-Other Expenditure' should be temporary, wherever so required urgently and for comparatively lower amounts (e.g 5-10 *per cent* of major head provision).

However, it was noticed by audit that in 10 cases listed in **Table 4.14(a)**, 50 *per cent* or more of the total expenditure under respective Major Head was classified under minor head '800-Other Expenditure', in contravention CGA's guidelines.

Table 4.14(a): Significant Expenditure booked under Minor Head –'800 Other Expenditure'

(₹ in crore)

| S. No. | Major Head | Expenditure booked under Minor Head 800 'other expenditure' | Total expenditure under the concerned Major Head | Percentage of expenditure in Minor Head-800 as compared to Total Expenditure |
|--------|--|---|--|--|
| 1. | 3435-Ecology and Environment | 28.48 | 50.39 | 56.52 |
| 2. | 4070-Capital outlay on other Administrative services | 45.55 | 45.55 | 100.00 |
| 3. | 4711-Capital Outlay on Flood Control Projects | 117.37 | 118.35 | 99.17 |
| 4. | 4801-Capital outlay on power projects | 6.27 | 6.27 | 100.00 |
| 5. | 2801-Power | 3266.97 | 3266.97 | 100.00 |
| 6. | 2702-Minor Irrigation | 19.25 | 23.01 | 83.66 |
| 7. | 2404-Dairy Development | 11.71 | 11.71 | 100.00 |
| 8. | 2250- Other Social Services | 10.43 | 10.43 | 100.00 |
| 9. | 2215-Water Supply and Sanitation | 601.25 | 1136.53 | 52.90 |
| 10. | 2211-Family Welfare | 66.79 | 78.67 | 84.90 |
| | Total | 4174.07 | 4747.88 | 87.91 |

Of the aforesaid major heads, the booking of expenditure under the minor head '800-Other expenditure' under the following major heads was persistent, as detailed below in **Table 4.14(b)**:-

Table 4.14(b): Persistent booking of expenditure under minor head '800-Other expenditure'

| Sl. No. | Major Head | Period of booking of expenditure under the minor head '800' | Range of percentage of expenditure being booked under minor head '800' | Department operating the major head | Details of expenditure booked under minor head '800' (as per DDG) |
|---------|--|---|--|-------------------------------------|--|
| 1. | 4070-Capital outlay on other Administrative services | 2021-22, 2020-21, 2019-20, 2017-18. | 100 (throughout) | Finance | Trade and Taxes-Motor Vehicle |
| 2. | 4711-Capital Outlay on Flood Control Projects | 2021-22, 2020-21, 2019-20, 2017-18. | 91- 100 | Irrigation and flood Control | Other drainage works-Major Works |
| 3. | 4801-Capital outlay on power projects | 2021-22, 2020-21. | 100 | Power | Major works relating to purchase of land, shifting of HT/LT transmission electricity lines etc. |
| 4. | 2801-Power | 2021-22, 2020-21, 2019-20, 2017-18. | 100 (throughout) | Power | Subsidy to consumers through DISCOMS, GIA to DERC & DTL, energy efficiency and conservation etc. |
| 5. | 2702-Minor Irrigation | 2021-22, 2020-21, 2017-18. | 78-84 | Irrigation and flood Control | Maintenance and repair of minor works |
| 6. | 2404-Dairy Development | 2021-22, 2020-21, 2019-20. | 100 (throughout) | Agricultural Marketing | Shifting of dairy colonies |
| 7. | 2211-Family Welfare | 2021-22, 2020-21, 2019-20, 2017-18. | 75-85 | Directorate of Family Welfare | GIA to State Health Society |

During the year 2021-22, receipts of ₹ 695.57 crore out of the total receipts of ₹ 49,312.99 crore were classified under the Minor head '800-Other receipts' which constituted 1.41 *per cent* of the total receipts. Significant receipts booked under Minor head '800-Other receipts' are detailed in **Table 4.15(a)**.

Table 4.15(a): Significant Receipts booked under Minor Head-‘800-Other Receipts’

(₹ in crore)

| Sl. No. | Major Head | Booking under MH 800 | Total Receipts | Percentage of Total Receipts |
|---------|---|----------------------|----------------|------------------------------|
| 1. | 0235-Social security & Welfare Rehabilitation | 0.07 | 0.08 | 87.5 |
| 2. | 0217-Urban Development | 15.36 | 15.36 | 100 |
| 3. | 0701-Medium Irrigation | 9.01 | 9.01 | 100 |
| 4. | 0801-Power | 51.87 | 51.87 | 100 |
| 5. | 0406-Forestry and Wild Life | 5.57 | 5.61 | 99.29 |
| 6. | 0059-Public works | 21.77 | 22.71 | 95.86 |
| 7. | 0210-Medical & Public Health | 78.47 | 97.33 | 80.62 |
| 8. | 0230-Labour and employment | 5.22 | 7.34 | 71.12 |
| 9. | 0070-Other Administrative Services | 94.74 | 134.09 | 70.65 |
| | Total | 282.08 | 343.4 | 82.15 |

Of the aforesaid major heads, the booking of receipts under the minor head ‘800-Other receipts under the following major heads was persistent, as detailed below in **Table 4.15(b):-**

Table 4.15(b): Persistent booking under the minor head 800-Other receipts’

| S. No. | Major Head | Period of booking of receipts under the minor head ‘800’ | Range of percentage of receipts being booked under minor head ‘800’ |
|--------|---|--|---|
| 1. | 0217-Urban Development | 2021-22, 2020-21, 2019-20, 2017-18 | 100 (throughout) |
| 2. | 0701-Medium Irrigation | 2021-22, 2020-21, 2019-20 | 100 (throughout) |
| 3. | 0801-Power | 2021-22, 2020-21, 2019-20, 2017-18 | 100 (throughout) |
| 4. | 0059-Public works | 2021-22, 2020-21, 2019-20, 2017-18 | 91-97 |
| 5. | 0210-Medical & Public Health | 2021-22, 2020-21, 2019-20, 2017-18 | 76-93 |
| 6. | 0230-Labour and employment | 2020-21, 2017-18 | 95-97 |
| 7. | 0235-Social security & Welfare Rehabilitation | 2021-22, 2020-21 | 88-100 |
| 8. | 0070-Other Administrative Services | 2020-21, 2019-20 | 83-85 |

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure. This issue was also pointed out in previous State Finance Audit Reports of GNCTD. However, no corrective action has been taken so far. The Government may carry out comprehensive review of all the items presently appearing under Minor Head 800 and explore the possibility of opening new heads of account for booking such receipts and expenditure or book them appropriately under the correct head of accounts to enhance transparency in financial reporting.

Further, GNCTD may, as an interim measure, insert footnotes in the Finance Accounts giving details of expenditure/receipts on significant initiatives merged under the Minor head ‘800-Other Receipts/Expenditure’.

Principal Accounts Office stated (September 2022) that matter had been referred to Finance Department and the reply was awaited (December 2022).

4.6 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The audit of 11 bodies/authorities has been entrusted to the CAG under Sections 19 and 20 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

The annual accounts of eight bodies/authorities due up to 2021-22 had not been received as of September 2022 in the office of the Principal Accountant General (Audit), Delhi. The details of these outstanding accounts are detailed in **Table 4.16**:

Table 4.16: Details of Outstanding Accounts as on 30 September 2022

| Sl. No. | Name of Body or Authority | Accounts pending since | No. of accounts in arrears as on 30.09.2022 |
|---------|---|------------------------|---|
| 1 | Delhi Urban Shelter Improvement Board (DUSIB) | 2010-11 | 12 |
| 2 | Delhi Jal Board (DJB) | 2018-19 | 4 |
| 3 | Delhi Kalyan Samiti | 2020-21 | 2 |
| 4 | Delhi Legal Services Authority | 2019-20 | 3 |
| 5 | Netaji Subhash University of Technology | 2020-21 | 2 |
| 6 | Ambedkar University | 2021-22 | 1 |
| 7 | Guru Gobind Singh Indraprastha University | 2021-22 | 1 |
| 8 | Delhi Technological University | 2021-22 | 1 |

From the above, it is observed that 26 annual accounts up to the year 2021-22 of eight bodies/authorities were pending as on 30 September 2022.

In the absence of timely finalisation of annual accounts, investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delays in finalisation of accounts increase the risk of fraud and leakage of public money.

The Government may consider evolving a system to expedite the process of compilation and submission of annual accounts by the bodies/authorities.

4.7 Other inaccuracies in the statements of Finance Accounts

i) Minus/adverse Balance of Loans and Advances.

Scrutiny of Finance Accounts for the year 2021-22 of GNCTD revealed that there were minus/adverse balances of Loans & Advances in Statement No.16 (Detailed statement of loan and Advances made by the Government) of GNCTD Finance Accounts 2021-22. The minus/adverse Balances are detailed below in **Table 4.17**:

Table 4.17: Minus/adverse balances

| Sl. No. | Major Head | Description | Minor Head | Balances as on 31.03.2022 |
|---------|------------|---------------------------|-----------------------------|---------------------------|
| 1 | 6401 | Loans for Crops Husbandry | 105-Manures and Fertilizers | (-)90.08 |

(₹ in lakh)

(₹ in lakh)

| Sl. No. | Major Head | Description | Minor Head | Balances as on 31.03.2022 |
|---------|------------|------------------------------|--|---------------------------|
| 2 | 7610 | Loans to Government Servants | 201-House Building Advances | (-)545.37 |
| 3 | 7610 | Loans to Government Servants | 202-Advances for Purchase of Motor Conveyances | (-)250.20 |
| 4 | 7610 | Loans to Government Servants | 203-Advances for Purchase of Other Conveyances | (-)25.92 |
| 5 | 7610 | Loans to Government Servants | 204-Advance for Purchase of Computer | (-)140.58 |

With respect to Major Head '6401-Loans for Crops Husbandry', the Principal Accounts Office, GNCTD stated (September 2022) that the amount of minus figure shown in the Finance Accounts pertained to the old period and that the concerned PAOs involved were being advised to trace out the misclassification and account for the same in the appropriate Head of Account. It added that with respect to Major Head '7610-Loans and Advances', the adverse balances were due to erroneous booking of interest amount into the principal amount and that the same would be reviewed with PAOs for giving appropriate treatment in the next financial year.

ii) Outstanding arrears of Loans & Advances

Scrutiny of Statement of Loans and Advances given by the GNCTD (Section 3 of Statement no.16-Repayments in arrears from various loanee entities) revealed that ₹ 1,46,388 crore were remaining as arrears as on 31 March 2022, as detailed below in **Table 4.18**:

Table 4.18: Outstanding arrears of Loans & Advances

(₹ in lakh)

| Name of Loanee | Amount of arrears as on 31 March 2022 | | | Earliest period to which arrears relate | Pendency (in years) |
|--|---------------------------------------|--------------|--------------|---|---------------------|
| | Principal | Interest | Total | | |
| Municipal Corporation of Delhi | 3,75,226.83 | 3,53,125.07 | 7,28,351.90 | 1950-51 | 71 years |
| Delhi Jal Board | 32,61,194.53 | 38,90,850.60 | 7,15,2045.13 | 1998-99 | 23 years |
| Delhi Urban Shelter Investment Board | 1,54,517.32 | 41,986.20 | 1,96,503.52 | 2011-12 | 10 years |
| Delhi Tourism & Transportation Development Corporation Ltd | 315.05 | 0.00 | 315.05 | 1977-78 | 44 years |
| Delhi S C Financial Development Corporation Delhi | 6,872.18 | 3,386.71 | 10,258.89 | 1987-88 | 34 years |
| Delhi State Civil Supplies Corporation LTD | 436.34 | 929.40 | 1,365.74 | 1998-99 | 23 years |
| Delhi Financial Corporation | 3,300.00 | 2,475.00 | 5,775 | 2015-16 | 06 years |

(₹ in lakh)

| Name of Loanee | Amount of arrears as on 31 March 2022 | | | Earliest period to which arrears relate | Pendency (in years) |
|---|---------------------------------------|---------------------|----------------------|---|---------------------|
| | Principal | Interest | Total | | |
| Cooperative institutions | 61.33 | 227.43 | 288.76 | 1962-63 | 59 years |
| Delhi Transco Ltd. | 0.00 | 1,769.12 | 1,769.12 | 2018-19 | 03 years |
| Delhi Power Company Ltd. | 2,99,375.10 | 2,58,779.47 | 5,58,154.57 | 2014-15 | 07 years |
| Pragati Power Corpn. Ltd. | 0.00 | 3,093.45 | 3,093.45 | 2014-15 | 07 years |
| Indraprastha Power Generation Company Ltd. | 0.00 | 51,490.91 | 51,490.91 | 2012-13 | 09 years |
| Delhi Development Authority | 225.00 | 1,125.90 | 1,350.90 | 1979-80 | 42 years |
| Delhi Transport Corporation | 11,46,328.46 | 47,80,042.83 | 59,26,371.29 | 1996-97 | 26 years |
| Delhi State Industrial & Infrastructure Development Corporation | 0.00 | 637.74 | 637.74 | 1973-74 | 48 years |
| Delhi Khadi & Village Industries Board | 215.29 | 565.44 | 780.73 | 2005-06 | 16 years |
| Industries | 8.39 | 276.03 | 284.42 | 1981-82 | 40 years |
| Grant Total | 52,48,075.82 | 93,90,761.30 | 146,38,837.12 | | |

Delhi Urban Shelter Improvement Board (DUSIB) replied (December 2022) that it was neither in a position to repay outstanding loan nor pay interest as GNCTD had started making provision of ways and means loan instead of grants-in-aid for salary and establishment expenses of DUSIB. The reply is not acceptable and GNCTD is advised to look into the financial condition of DUSIB. The replies of other concerned departments are awaited (December 2022).

iii) Cumulated amount of investments shown in Statement no.11 does not match with total investment shown in Statement no.12.

Scrutiny of Statement no. 11 and Statement no.12 of GNCTD Finance Accounts 2021-22 revealed that there is a difference of ₹ 275.44 crore in the cumulated amount of investments shown in both the statements, as detailed below in **Table 4.19**:

Table 4.19: Difference in the cumulated amount of investments

| Sl. No. | Investment shown under various minor heads in Statement no. 11 | Cumulated Amount (₹ in thousand) |
|---------|---|----------------------------------|
| 1 | 4216.80.201-Investment in Housing Boards. | 3,00,200 |
| 2 | 4217.01.190-Investment in Public Sector and other undertakings. | 70,000 |
| 3 | 4217.02.190-Investment in Public Sector and other undertakings | 35,07,500 |
| 4 | 4225.01.190-Investment in Public Sector and other undertakings | 2,34,887 |
| 5 | 4425.107-Investment in Cooperatives | 4,852 |
| 6 | 4425.108-Investment in Other Cooperatives | 1,557 |
| 7 | 4425.200-Other Investments | 4,531 |

| Sl. No. | Investment shown under various minor heads in Statement no. 11 | Cumulated Amount (₹ in thousand) |
|---|---|----------------------------------|
| 8 | 4801.05.190- Investment in Public Sector and other undertakings | 7,10,67,800 |
| 9 | 4853.60.190- Investment in Public Sector and other undertakings | 31,800 |
| 10 | 4885.01.190- Investment in Public Sector and other undertakings | 1,73,500 |
| 11 | 5055.00.190- Investment in Public Sector and other undertakings | 13,42,27,017 |
| 12 | 5452.80.190- Investment in Public Sector and other undertakings | 2,43,181 |
| Cumulative Amount of investments at the end of 2021-2022 shown in Statement No. 11 | | 20,98,66,825 |
| Amount shown in Statement No.12 and Annexure to Statement 12 | | 20,71,12,391 |
| Difference between the figure shown in Statement No.12 and cumulative figure of total investment as shown in Statement No. 11 | | 27,54,434 |

Principal Accounts Office, GNCTD had furnished (August 2022) only the details of investments in Statement-12. The reply does not address variation in the two statements.

Though the Principal Accounts Office, GNCTD has not given any assurance in this regard, it is advised to incorporate suitable prior period adjustments in the concerned minor heads in Statement -11 against the last column depicting 'Capital expenditure upto the end of a financial year' so that the two statements match.

iv) Other inconsistencies/inaccuracies in the Statements of Finance Accounts of GNCT of Delhi for the year 2021-22.

The following inconsistencies/inaccuracies were noticed in the various Statements of Finance Accounts of GNCTD for the year 2021-22

a) Statement no. 1 –Summary of transactions

The operation of major head '2016-Audit' is incorrect as the List of Major and Minor Heads of Account clearly provides that this major head will include expenditure of the Indian Audit and Accounts Department under the Comptroller and Auditor General of India. The expenditure on the internal audit organization of the various departments and charges relating to the audit of co-operative societies will be recorded under the concerned functional major heads.

The said discrepancy was brought to the notice of the Pr.AO during the certification of Finance Account for the year 2020-21 and was advised to open a new major head for recording the related expenditure.

The Finance Department, GNCTD stated (October 2022) that the operation of Major Head '2016-Audit' had been rectified in the Budget estimates 2022-23.

b) Statement no. 10-Detailed Account of Revenue Expenditure by Minor Heads and Capital Expenditure by Major Heads.

A clarification was sought as to whether Charges of ₹491.83 lakh booked for conducting election of parliament under the head 2015.00.105 had been reimbursed. The details of the head under which the same had been booked were also sought.

The Office of the Chief Electoral Officer, Delhi stated (September 2022) that the reimbursement of Government of India's Share Money is to be made by Ministry of Law and Justice, GoI after the conduct of audit and submission of the audit certificate by the concerned audit office.

c) Statement no.11-Detailed Account of capital expenditure during and to the end of the year 2021-22

A clarification was sought on amounts of charged expenditure of ₹ 28,299.31 lakh and voted expenditure of (-) ₹9,195.13 lakh booked under the minor head '4217.01.050 –Land' in Statement-11.

The Principal Accounts Office, GNCTD stated that expenditure of ₹ 282.99 crore was incurred during 1999-00 to 2006-07 on account of large scale acquisition and disposal of land in Delhi. However, the department did not furnish the reasons for booking the said amount as charged expenditure. Further, no clarification was intimated on minus expenditure to the audit (November 2022).

d) Statement no.12-Statement showing details of Investment of GNCTD in Government Companies and Co-operative Institutions upto the end of 31st March, 2022

An investment of ₹ 81,961.22 lakh had been shown under the head 5055.00.190 (Investment in Public Sector and other Undertakings), which is the only investment accounted for during the year 2021-22 in Statement-11. However, investment during the year 2021-22 as per statement 12 is ₹ 80,000 lakh. This indicated a difference of ₹ 1961.22 lakh in investment during the year being depicted in Statement no. 11 and 12.

Principal Accounts Office, GNCTD stated (September 2022) that the matter has been referred concerned Department for requisite information and their reply was awaited (November 2022).

4.8 Voucher Audit irregularities

For the audit of vouchers, five Pay and Accounts offices i.e. PAO VI, X, XII, XXIV and XXV were selected out of a total of 25 PAOs. No substantive observations were detected in 2 PAOs and the major audit observations in the remaining 3 PAOs are as under:

4.8.1 PAO-VI (Department of Urban Development etc.)

(i) Release of second installment without taking completion certificate of work under the Scheme (Mukhyamantri Sadak Punarnirman Yojna)

Department of Urban Development (DUD), GNCTD issued several sanctions order to PAO VI to make the payment to concerned executing agencies for works under the Financial Assistance to Local Bodies [Mukhyamantri Sadak

Punarnirman Yojna (MPSY)] Scheme, i.e. work of construction, repair and maintenance of roads/streets under any Urban Local Body (ULB), in group housing societies, housing buildings societies and in unauthorized regularized colonies in each Assembly Constituency for the year 2021-22 (during 7th Vidhan Sabha)

The conditions of sanction order inter alia provided that (i) the funds will be released in two installments, (ii) 1st installment of 50 *per cent* of estimated cost will be released at the time of sanction of project/ scheme and (iii) the balance amount will be released after the completion of work. The warranty of maintenance period of road/streets should be at least 5 years from the date of completion of work, for which ULB is responsible.

Scrutiny of records revealed that 13 bills for ₹ 251.62 lakh were presented by DUD, GNCTD for payment of Second/Final installment without enclosing the mandated completion certificate. Nevertheless, these bills were approved by the PAO VI in violation of conditions of sanction. It could, therefore, not be ascertained in audit as to whether the mandated project/work had actually been completed.

Pay and Accounts Office VI replied (February 2023) that all the completion certificates were being kept with Urban Development Department and after taking consideration of these certificates 2nd and last instalment were released. The reply is not acceptable as these certificates were supposed to be attached with the voucher on which the PAO was supposed to pass the bill.

(ii) Release of second installment without taking completion certificate of work under the Scheme MLALAD

Department of Urban Development (DUD), GNCTD issued several sanctions order to PAO VI to make the payment to concerned executing agencies i.e. East Delhi Municipal Corporation (EDMC), Delhi Jal Board (DJB), South Delhi Municipal Corporation (SDMC), North Delhi Municipal Corporation (NDMC), I&FC etc. for the work “Strengthening and Augmentation of Infrastructure i.e., Roads, Streets, Localities, Streets Lights etc. in each Assembly Constituency” under the MLALAD scheme for the year 2021-22 (during 7th Vidhan Sabha)

The conditions of sanction order inter alia provided that (i) 50 *per cent* of estimated amount shall be released as first instalment, (ii) balance fund will be released after the completion of the work under MLALAD Scheme and (iii) the executive agency shall ensure that the said work has been completed as per agreement/MLALAD scheme guidelines before making the payment to the contractor.

Scrutiny of records revealed that nine bills for ₹ 77.91 lakh were presented by DUD, GNCTD for payment of Second/Final instalment without enclosing the mandated completion certificate. Nevertheless, these bills were approved by the PAO VI, in violation of conditions of sanction. It could, therefore, not be

ascertained in audit as to whether the mandated project/work had actually been completed.

Pay and Accounts Office VI replied (February 2023) that all the completion certificates were being kept with Urban Development Department and after taking consideration of these certificates 2nd and last instalment were released. The reply is not acceptable as these certificates were supposed to be attached with the voucher on which the PAO was supposed to pass the bill.

4.8.2 PAO-XXIV (Directorate of Education)

(i) Booking of expenditure related to Professional Services in Office Expense Head

As per Delegation of Financial Powers Rules (DFPR), expenditure on Professional Services is to be accounted for under the object head '28-Professional Services'. Scrutiny of vouchers for the month of March, 2022 revealed that five vouchers for ₹ 36,513 involved expenditure towards 'professional charges for preparation of Form-16 and filing of e-return'. However, these expenses were incorrectly booked under the object head '13-Office Expenses', which were irregularly passed by the PAO subsequently.

Thus, the PAO needs to validate the vouchers submitted by DDOs as per the DFPR and to instruct DDOs to book the expenditure under the correct object head.

4.8.3 PAO-XXV (Directorate of Education)

(i) Misclassification of Head of Account

As per Delegation of Financial Powers Rules (DFPR), expenditure on Professional Services and office expenses are to be accounted for under the object head '28- Professional Services' and '13-Office expenses, respectively.

Scrutiny of vouchers for the month of March 2022 revealed that in 15 bills amounting to ₹ 1.93 lakh, expenditure was booked under wrong head of Accounts as detailed below:

- In nine cases, the expenditure towards payments of fees to advocate, filing of income tax returns etc., had been incorrectly booked under object head '13-Office Expenses' instead of object head '28-Professional Services. The PAO replied (August 2022) that as per Budget Allocation, no such head is available for filing of Returns and Court fee respectively. The reply is not tenable as there is a separate object head '28-Professional Services' as per the DFPR.
- In six cases, the expenditure towards payments for refreshments served in an office meeting, purchase of liquid soap dispenser, insecticides, Tea set, cleaning duster, liquid hand-wash, refill extinguishers etc., had been incorrectly booked under object head '27-Minor works' instead of object

head '13-Office Expenses'. The PAO attached a copy of the order of Directorate of Education's order dated 18.02.2022, which also provides for booking of expenditure on refreshment/lunch arrangements etc., under the object head '13-Office Expenses', thereby validating the audit observation.

4.9 Single Nodal Accounting

With a view to have more effective cash management and bring more efficiency in the public expenditure management, Department of Expenditure, Ministry of Finance, GoI, vide its Office Memorandum 23 March 2021 laid down the Procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released.

As per above OM, every State Government will designate a Single Nodal Agency (SNA) for implementing each CSS. The SNA will open a Single Nodal Account for each CSS at the State level in a scheduled commercial bank and funds for each CSS shall be moved through designated Single Nodal Agency's (SNA) dedicated bank account. Funds are to be released to the States strictly on the basis of balance funds of the CSS (Central and State Share) available in the State treasury and bank account of the SNA as per PFMS or scheme specific portals fully integrated with PFMS and in consonance with rule 232 (v) of the General Financial Rule, 2017. These directions were to be implemented with effect from 1 July 2021. GNCTD on-boarded 61 state-linked scheme to 40 centrally sponsored schemes (CSS) during the year 2021-22 for which funds were routed through SNA's account.

Besides, State Government was to register Single Nodal Agencies (SNAs) and all Implementing Agencies (IAs) on PFMS and were required to use unique PFMS IDs assigned to the SNAs/IAs for all payment. Bank accounts of SNAs, IAs, vendors and other organisation receiving funds were to be mapped in PFMS.

Examination of the reports of the PFMS Portal, Department of Finance, GNCTD for the year 2021-22, audit noted the following:

- i. In 13 CSS, GoI transferred ₹ 686.85 crore to the GNCTD against which it had released only ₹ 273.68 crore as Central Government share to SNA's account resulting in less transfer of ₹413.17 crore.
- ii. There were unspent balances of ₹ 2823.14 crore in 31 State linked schemes during 2021-22.
- iii. GNCTD released funds of ₹103.03 crore in excess of its proportionate state share in six CSS.
- iv. GNCTD released less funds of ₹161.61 crore in six centrally sponsored schemes with respect to its proportionate state share.

- v. There were adverse balances of ₹108.29 crore. in seven State linked schemes which showed that excess expenditure was incurred in these schemes
- vi. GNCTD released funds of ₹ 37.42 crore in two State linked schemes which were shown as ‘unclassified amount’ on the portal, due to which it could not be ascertained whether the funds released pertained to State’s share or GoI’s share.

Finance Department, GNCTD replied (February 2023) that it was only coordinating the implementation of CSS in various departments of GNCTD and that the implementing agencies were maintaining all relevant records pertaining to Single Nodal account.

The reply is not acceptable as Finance Department is the nodal department for ensuring financial discipline in GNCTD as also enunciated in Transaction of Business of the GNCTD Rules, 2003. Thus, Finance Department is advised to take cognizance of the above audit observations based on the exception reports generated through PFMS portal.

4.10 Non-operation of Delhi Electricity Regulatory Commission Fund

Section 103 of the Electricity Act, 2003 provides that State Government shall constitute a Fund to be called the State Electricity Regulatory Commission Fund (SERCF) and there shall be credited thereto any grants and loans made to the State Commission by the State Government, all fees received by the State Commission under the Act and all sums received by the Commission from such other sources as may be decided upon by the State Government.

Delhi Electricity Regulatory Commission (DERC) had requested (July 2003) GNCTD for creation of SERCF in accordance with Electricity Act, 2003. Audit noted that the GNCTD did not constitute fund despite a lapse of nearly two decades.

As a result, fees received (₹ 11.66 crore) as on 31 March 2022 by the Delhi Electricity Regulatory Commission (DERC) was kept outside the Government Accounts. Pertinently, in similar case, Central Electricity Commission Fund constituted (October 2007) by the Central Government under Section 99 of the Act was being operated under the Public Account of India.

4.11 Recommendations

- (i) The Government should ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes.
- (ii) The Government should carry out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules.

- (iii) The Government may carry out comprehensive review of all the items presently appearing under Minor Head 800 and explore the possibility of opening new heads of account for booking such receipts and expenditure or book them appropriately under the correct head of accounts to enhance transparency in financial reporting.