

TABLE OF CONTENTS

Particulars	Paragraphs	Page(s)
Preface		v
Executive Summary		vii-xii
Chapter I: Overview of State Finances		
Profile of the State	1.1	1
Gross State Domestic Product	1.1.1	1
Basis and Approach to State Finances Audit Report	1.2	3
Report Structure	1.3	4
Overview of the Government Account Structure and Budgetary Processes	1.4	4
Summarised position of the State Finances	1.4.1	7
Assets and liabilities of the State Government	1.4.2	8
Fiscal Balance: Achievement of deficit and total debt targets	1.5	9
Deficits and Total Debt after examination in audit	1.6	13
Post audit - Deficits	1.6.1	13
Total outstanding liabilities	1.6.2	14
Conclusion	1.7	14
Recommendations	1.8	15
Chapter II: Finances of the State		
Major changes in Key fiscal aggregates in 2021-22	2.1	17
Sources and Application of Funds	2.2	17
Resources of the State	2.3	18
Receipts of the State	2.3.1	19
State's Revenue Receipts	2.3.2	19
Trends and growth of Revenue Receipts	2.3.2.1	19
State's Own Resources	2.3.2.2	21
Transfers from the Centre	2.3.2.3	23
Capital receipts	2.3.3	27
State's performance in mobilisation of resources	2.3.4	28
Application of resources	2.4	29
Growth and composition of expenditure	2.4.1	29
Revenue Expenditure	2.4.2	31
Major changes in Revenue Expenditure	2.4.2.1	33
Committed Expenditure	2.4.2.2	36
Undischarged liabilities in National Pension System	2.4.2.3	37

Particulars	Paragraphs	Page(s)
Subsidies	2.4.2.4	38
Financial assistance by the State Government to Local Bodies and Other Institutions	2.4.2.5	39
Capital Expenditure	2.4.3	41
Major changes in Capital Expenditure (Capital Outlay)	2.4.3.1	42
Quality of capital expenditure	2.4.3.2	43
Expenditure priorities	2.4.4	50
Public Account	2.5	51
Net Public Account Balances	2.5.1	51
Reserve Funds (RF)	2.5.2	53
Consolidated Sinking Fund	2.5.2.1	53
General and Other Reserve Funds	2.5.2.2	53
Road Development Fund	2.5.2.3	55
Guarantee Redemption Fund	2.5.2.4	56
Debt management	2.6	57
Debt profile: Components	2.6.1	58
Debt profile: Maturity and Repayment	2.6.2	63
Debt Sustainability Analysis (DSA)	2.7	64
Utilisation of borrowed funds	2.7.1	67
Status of Guarantees – Contingent Liabilities	2.7.2	68
Management of Cash Balances	2.7.3	69
Conclusion	2.8	72
Recommendations	2.9	74
Chapter III: Budgetary Management		
Budget Process	3.1	75
Summary of total provisions, actual disbursements and savings during financial year	3.1.1	77
Charged and voted disbursements	3.1.2	77
Appropriation Accounts	3.2	77
Comments on integrity of budgetary and accounting process	3.3	78
Expenditure incurred without authority of law	3.3.1	78
Transfers not mandated by the Appropriation Act/Detailed Demands for Grants (into Public Account/ Bank Accounts)	3.3.2	79

Particulars	Paragraphs	Page(s)
Misclassification of capital expenditure as revenue expenditure and charged & voted expenditure and vice versa	3.3.3	81
Unnecessary or excessive supplementary grants	3.3.4	81
Unnecessary Re-appropriation	3.3.5	83
Unspent amount and surrendered appropriations and/or large savings/ surrenders	3.3.6	83
Persistent Savings in Grants/Appropriations	3.3.6.1	85
Savings not surrendered before close of financial year 2021-22	3.3.6.2	86
Budget utilisation during 2017-18 to 2021-22	3.3.6.3	86
Excess expenditure and its regularisation	3.3.7	87
Excess expenditure relating to the year 2021-22	3.3.7.1	87
Regularisation of excess expenditure of previous financial years	3.3.7.2	87
Grant-in-aid for creation of capital assets	3.3.8	89
Comments on effectiveness of budgetary and accounting process	3.4	90
Budget projection and gap between expectation and actual	3.4.1	90
Supplementary budget and opportunity cost	3.4.2	92
Major policy pronouncements in budget and their actual funding for ensuring implementation	3.4.3	93
Trend of expenditure against receipts	3.4.4	93
Review of selected grants	3.4.5	96
Withdrawal of entire provision by re-appropriation	3.5	103
Good Practices	3.6	103
Conclusion	3.7	103
Recommendations	3.8	104
Chapter IV: Quality of Accounts and Financial Reporting Practices		
Funds outside Consolidated Fund or Public Account of the State	4.1	105
Non-inclusion of clear cut liabilities incurred during the financial year	4.2	105
Non discharge of liability in respect of interest towards interest bearing Reserve Funds	4.3	106

Particulars	Paragraphs	Page(s)
Funds transferred directly to State implementing agencies	4.4	106
Deposit of Local Funds	4.5	107
Delay in submission of Utilisation Certificates	4.6	108
Abstract Contingent (AC) Bills	4.7	109
Personal Deposit Accounts	4.8	111
Unspent Balances lying in the Bank Account of DDOs	4.9	112
Indiscriminate use of Minor Head '800'	4.10	113
Outstanding balance under major Suspense and DDR heads	4.11	115
Reconciliation of Departmental figures	4.12	116
Reconciliation of Cash Balances	4.13	117
Compliance with Accounting Standards	4.14	117
Submission of Accounts/Separate Audit Reports of Autonomous Bodies	4.15	118
Timeliness and Quality of Accounts	4.16	119
Major types of Cess levied by the State Government	4.17	120
Follow up action on State Finances Audit Report	4.18	121
Conclusion	4.19	122
Recommendations	4.20	122
Appendices	125 – 183	