

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

4.1 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 of the quality of accounts and compliance of the State Government in its financial reporting practices, with prescribed financial rules, procedures and directives with regard to completeness, transparency, measurement and disclosure.

4.2 Submission of Utilisation Certificates (UCs)

Rule 182 of Chhattisgarh Financial Code stipulates that where Grants-in-Aid (GIA) is annual or a non-recurring grant, has been given for one year only, the departmental officer on whose signature or counter signature the grant-in-aid bill was drawn, shall on or before September 30, of the year following that to which the grant related, furnish Utilisation Certificates (UCs) to the Accountant General.

275 UCs for Grants-in-Aid of ₹2,167.29 crore released up to March 2023 and due as per extant provision from September 2023, were submitted by March 2024. Further, UCs for Grants-in-Aid released during the year 2023-24 were not due in this year. Hence, status of outstanding UCs as of 31 March 2024 is nil.

4.3 Pending DC Bills

As per Rule 327 of the Chhattisgarh Financial Rules, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money for limited purposes by preparing Abstract Contingent (AC) bills without vouchers. Subsequently, Detailed Countersigned Contingent (DC) bills (vouchers in support of final expenditure) are required to be furnished to the Accountant General (A&E) not later than 25th of the following month in which such amounts are drawn.

As of December 2024, three Departments of the Government of Chhattisgarh had not submitted DC bills against 220 AC Bills of ₹3.44 crore drawn in the previous years. Year-wise details of pendency of DC bills for the years up to 2023-24 are given in **Table 4.1**.

Table 4.1: Pendency in submission of DC bills against AC bills

(₹ in crore)

Sl. No.	Year	Opening Balance		Addition		Clearance		Closing Balance	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Up to 2021-22	04	0.04	265	2,573.81	246	2,573.51	23	0.34
2	2022-23	23	0.34	531	3,492.42	476	3,490.12	78	2.65
3	2023-24	78	2.65	411	6,298.31	269	6,297.52	220	3.44

Source: Data compiled by O/o the PAG (A&E), Chhattisgarh

Out of 220 DC bills of ₹3.44 crore pending for submission as of December 2024, four DC bills (₹0.04 crore)¹, 19 DC bills (₹0.30 crore)², 55 DC bills (₹2.31 crore)³ and 142 DC bills (₹0.79 crore)⁴ pertained to the years 2020-21, 2021-22, 2022-23 and 2023-24 respectively.

Out of 220 DC bills, one DC bill of ₹0.10 crore, one DC bill of ₹2.00 crore and 218 DC bills of ₹1.34 crore are pending in respect of General Administration Department, Man Power Planning Department and Revenue Department respectively as given in *Appendix 4.1*.

Non-submission of DC bills within the prescribed time limit not only breaches financial discipline but also increases the possibility of wastage/misappropriation /malfeasance etc. and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as final.

4.4 Timeliness and Quality of Accounts

The accounts of the State Government are finally compiled by the Principal Accountant General (A&E) from the initially compiled accounts rendered by 34 District Treasuries, 55 Forest Divisions, 63 Rural Engineering Services and 157 Other Divisions⁵.

During the financial year 2023-24, there were delays in the rendition of monthly accounts ranging from one to nine days by 19 District Treasuries, one to 11 days by 29 Public Works Divisions, one to 14 days by 22 Water Resources Divisions, one to 12 days by 20 Public Health Engineering Divisions, one to 12 days by 53 Rural Engineering Services Divisions and one to three days by two Forest Divisions.

The State Government needs to monitor closely and ensure the rendition of accounts by all the account rendering authorities to the Accountant General (A&E) timely to manage its own budget more effectively.

¹ Revenue Department

² General Administration (₹10 lakh) and Revenue Department (₹ 20.15 lakh)

³ Manpower Department (₹2 crore) and Revenue Department (₹30.55 lakh)

⁴ Revenue Department

⁵ 58 Building and Road Works Divisions, 62 Irrigation Divisions (Water Resources Department), 37 Public Health Engineering Divisions.

4.5 Outstanding balances under Suspense and DDR Heads

Suspense heads are operated in Government accounts to reflect transactions that cannot be booked initially to their final Head of Account for some reason or the other. These are finally cleared by minus debit or minus credit when the amount is taken to its final Head of Account. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are adjusting Heads of Account, and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

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 Minor Head-wise positions of balances under major suspense and remittance heads for the last three years are given in **Table 4.2**.

Table 4.2: Balances under Suspense and Remittance Heads

(₹ in crore)

Major Head Suspense Minor Head	8658-	2021-22		2022-23		2023-24	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101-PAO suspense		68.32	14.46	67.19	36.13	77.11	20.21
Net		Dr. 53.86		Dr. 31.06		Dr. 56.90	
102-Suspense Account-Civil		0.64	0.17	0.00	5.93	0.00	7.98
Net		Dr. 0.47		Cr. 5.93		Cr. 7.98	
109-Reserve Bank Suspense -Headquarters		-1.02	-0.18	-1.13	-0.08	-1.83	-0.16
Net		Cr. 0.84		Cr. 1.05		Cr. 1.67	
110-Reserve Bank Suspense -CAO		8.35	0.01	4.44	0.00	2.90	0.00
Net		Dr. 8.34		Dr. 4.44		Dr. 2.90	
112-Tax Deducted at Source		0.00	84.53	0.00	140.14	0.00	94.74
Net		Cr. 84.53		Cr. 140.14		Cr. 94.74	
113-Provident Fund Suspense		20.03	0.00	12.86	0.00	1.88	0.00
Net		Dr. 20.03		Dr. 12.86		Dr. 1.88	
123-All India Service Officer's Insurance Scheme		0.00	0.31	0.00	0.46	0.00	0.28
Net		Cr. 0.31		Cr. 0.46		Cr. 0.28	
129-Material Purchase Settlement Account		0.00	81.67	0.00	81.67	0.00	81.67
Net		Cr. 81.67		Cr. 81.67		Cr. 81.67	
Major Head 8782-Cash Remittances							
102-P.W. Remittances		86.37	15.88	53.75	14.83	62.76	9.12
Net		Dr. 70.49		Dr. 38.92		Dr. 53.64	
103-Forest Remittances		39.86	6.45	44.53	5.24	45.81	5.59
Net		Dr. 33.41		Dr. 39.29		Dr. 40.22	

Source: Finance Accounts of respective years

If the amounts under these suspense heads remain unadjusted, the balances under these heads get accumulated resulting in an understatement of Government's receipts and payments. Further, the non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

4.6 Personal Deposit (PD) Accounts

Under specific circumstances, the Government may authorise the opening of PD accounts for operation by designated Administrators. As per rule 543 of Chhattisgarh Treasury Code Vol. I, Personal Deposit Accounts which are created by debit to the Consolidated Fund, the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund.

Table 4.3 provides the status of funds lying in PD Accounts on the last day of the financial year during the last five-year period.

Table 4.3: Details of Personal Deposit Accounts during 2019-24

(₹ in crore)

Sl. No.	Year	Opening Balance as on 1 April		Accounts opened during the year/ Amount received		Accounts Closed during the year/ Amount Disbursed		Closing Balance as on 31 March	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
1	2019-20	231	1,891.10	Nil	272.05	08	577.89	223	1,585.26
2	2020-21	223	1,585.26	03	502.34	18	526.65	208	1,560.95
3	2021-22	208	1,560.95	02	287.56	71	444.13	139	1,404.38
4	2022-23	139	1,404.38	02	250.56	10	290.74	131	1,364.20
5	2023-24	131	1,364.20	02	149.09	03	160.39	130	1,352.90

Source: Data compiled by O/o the PAG (A&E), Chhattisgarh in respective years

As can be seen from **Table 4.3**, during 2019-20 to 2023-24, a total of nine PD accounts were opened and 110 accounts were closed. As of 31 March 2024, 130 PD accounts were in existence and the closing balance in these accounts was ₹1,352.90 crore.

In the last three years, seven PD Accounts remained in-operative as of 31 March 2024, out of which two PD Accounts were closed in August/September 2024.

Non-transfer of unspent balances lying in PD Accounts to the Consolidated Fund of the State entails the risk of stagnant financial situation, missing out potential gains, and decrease in purchasing power over time, minimal growth of funds etc. Hence a regular assessment of financial strategy needs to be carried out to mitigate these risks.

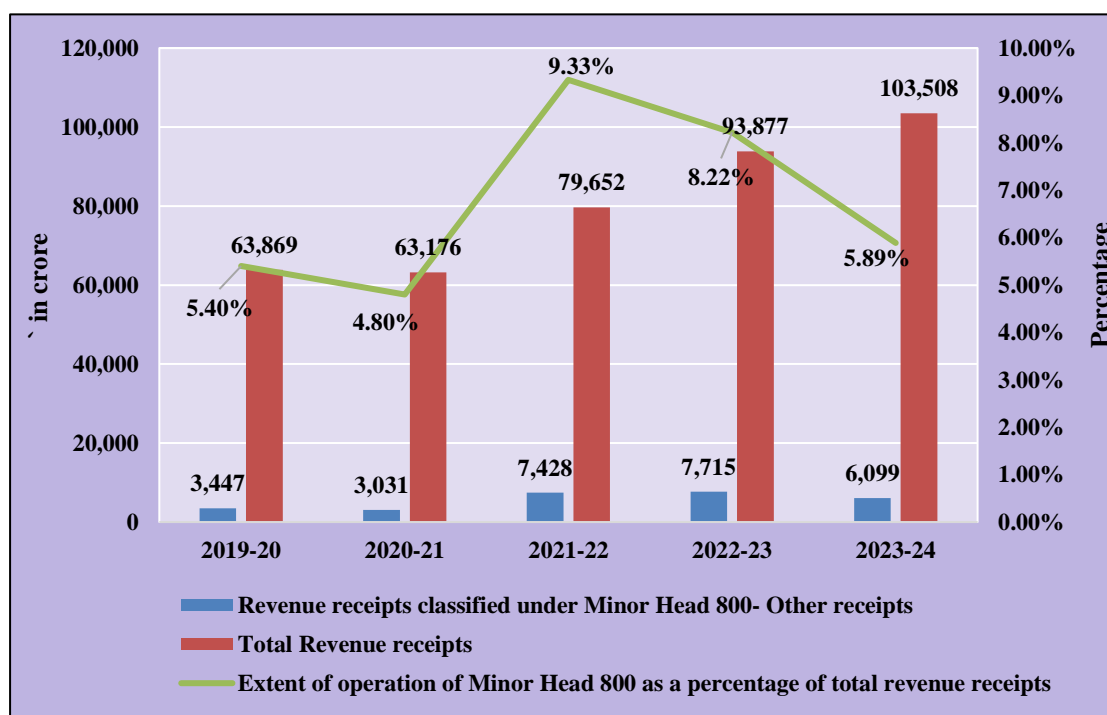
4.7 Booking under Minor Head 800

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 in the accounts. Routine operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque and it does not disclose the schemes/programmes, etc. to which it relates.

Receipts of ₹6,099.05 crore (constituting 5.89 *per cent* of the total revenue receipts of ₹1,03,508.20 crore of the State during 2023-24), recorded under 43 revenue receipts Major Heads, were classified under the Minor Head '800-Other Receipts'.

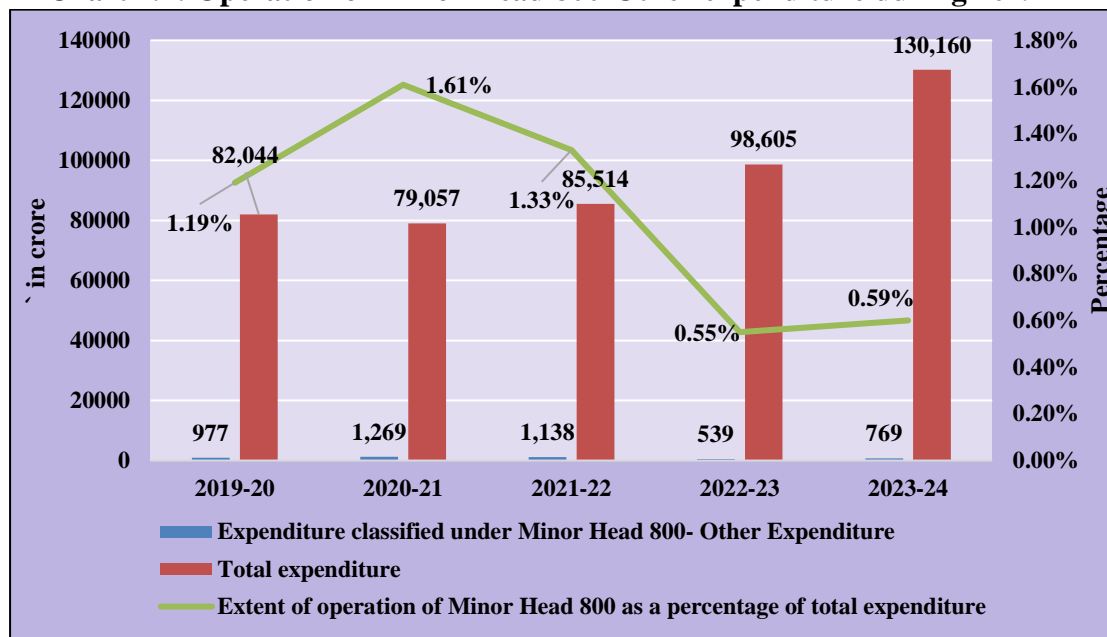
Similarly, an expenditure of ₹768.52 crore (constituting 0.59 *per cent* of total revenue and capital expenditure of ₹1,30,159.89 crore of the State during 2023-24), recorded under 26 Revenue and Capital expenditure Major Heads, was classified under the Minor Head '800-Other Expenditure'. The extent of operation of Minor Head 800 for receipts and expenditure, as a percentage of Total Receipts and Expenditure during 2019-24, is given in **Charts 4.1** and **4.2**.

Chart 4.1: Operation of Minor Head 800-Other Receipts during 2019-24



Source: Finance Accounts of the respective years

Chart 4.2: Operation of Minor Head 800-Other expenditure during 2019-24



Source: Finance Accounts of the respective years

There has been a decrease on receipts side from 8.22 *per cent* in 2022-23 to 5.89 *per cent* of total receipts during 2023-24. On the expenditure side, it increased marginally from 0.55 *per cent* in 2022-23 to 0.59 *per cent* of total expenditure during 2023-24.

4.7.1 Booking of Revenue Receipts under Minor Head - 800 - other receipts

(i) Booking of Royalty and rent receipts under Minor Head 800

As per the List of Major and Minor Heads of Account of Union and States, the royalties realised from mines should be classified under Major Head 0853 Non-Ferrous Mining and Metallurgical Industries-Minor Head 102/107- Mineral Concession fees, rents and royalties.

During test check of challans in respect of Major and Minor Head 0853-800, it was noticed that as against total revenue receipts of ₹1,986.74 crore under Major Head 0853-800 during 2023-24, receipts of royalties and rents of ₹1.62 crore was booked under Minor Head- 800-other receipts instead of Minor Head 102/107-Mineral Concession fees, rents and royalties for major and minor minerals as prescribed in the List of Major and Minor Heads of Account.

Rule 56(2) of Chhattisgarh Minor Minerals Rules, 1996 read with Chhattisgarh Minerals Resources Department's order (October 2012) states that 33 *per cent* of total royalty revenue shall be disbursed to the Panchayat and Rural Development Department and remaining 67 *per cent* of total royalty revenue shall be disbursed to the concerned individual *Panchayat* and *Janpad Panchayat*.

Considering the above stated provisions, due to misclassifications of Minor Head 102/107 (Major/Minor Mineral Concession fees rents and royalties) under Major

Head 0853 (Non-Ferrous Mining and Metallurgical Industries) to 800 (Other receipts), revenue loss to the *Gram Panchayat* and *Janpad Panchayat* cannot be ruled out.

4.8 Reconciliation of Departmental Figures by BCOs

Rule 6.7.1 of MP Budget Manual Vol-I (as adopted by Chhattisgarh) stipulate that receipts and expenditure recorded in the books of accounts of Controlling Officers (COs) be reconciled by them every month during the financial year with those recorded in the books of the Accountant General (Accounts and Entitlements). This is to enable the COs to exercise effective control over expenditure and manage their budgetary allocation efficiently and ensure accuracy of their accounts.

While 99.38 *per cent* of the receipts and 97.31 *per cent* of the disbursements were reconciled during 2023-24, these figures were 86.14 *per cent* for receipts and 86.70 *per cent* in respect of disbursements for the year 2022-23.

The details relating to the number of COs and the extent of reconciliation during the last three years are given in **Table 4.4**

Table 4.4: Status of Reconciliation of Receipts and Expenditure figures

(₹ in crore)

Year	Total No. of Controlling Officers	Fully Reconciled	Partially Reconciled	Not reconciled at all	Total Consolidated-Receipts/Expenditure	Reconciled Receipts/Expenditure	Percentage of Reconciliation
Receipts							
2021-22	40	03	31	06	94,843.22	59,684.84	62.93%
2022-23	54	52	00	02	104,638.72	90,146.07	86.14%
2023-24	54	50	00	04	1,57,588.54	1,56,605.72	99.38%
Expenditure							
2021-22	94	42	48	04	94,683.34	80,859.21	85.40%
2022-23	94	87	00	07	108,291.91	93,899.30	86.70%
2023-24	95	88	00	07	1,54,584.81	1,50,428.97	97.31%

Source: Data compiled by O/o the PAG (A&E), Raipur

Reconciliation and verification of figures is an important tool of financial management. Reconciliation and verification has significantly improved during financial year 2023-24 compared to previous years.

4.9 Reconciliation of Cash Balances

As of 31 March 2024, there was a difference of ₹29.63 crore (Net debit), between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India. This difference was reconciled and difference was due to inclusion of ekuber transaction of ₹29.61 crore relating to March 2023 in April 2023 by RBI and erroneous reporting of ₹0.02 crore by the accredited Banks to the Central Accounts

Section, Reserve Bank of India, Nagpur which is responsible for maintaining the cash balance of the State Government. After the closure of July 2024, the above difference has been cleared.

4.10 Compliance with Indian Government Accounting Standards

Government Accounting Standards Advisory Board (GASAB) set up by the Comptroller and Auditor General of India in the year 2002 has been formulating Standards for Government accounting and financial reporting, to enhance accountability mechanisms. As at end of March 2024, four Indian Government Accounting Standards (IGAS) have been notified. The details of three Standards and the extent of compliance in respect of these by the Government of Chhattisgarh in its financial statements for the year 2023-24 are given in **Table 4.5** as no transaction under prior period adjustment has been disclosed by the State Government.

Table 4.5: Compliance with Indian Government Accounting Standards

Sl. No.	IGAS	Essence of IGAS	Status	Impact of non-compliance
1	IGAS 1- <i>Guarantees given by government-Disclosure requirements</i>	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Out of 25 institutions for which Government gave guarantee, 11 institutions did not disclose information in prescribed format of IGAS-1.	Due to non-compliance with IGAS-1, amount of guarantee given during the year along with additions during the year, discharged, invoked and outstanding as of March 2024, for the institutions could not be ascertained.
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.	The State Government has disbursed GIA amounting to ₹1,446.59 crore during year 2023-24 and booked the same as Capital Expenditure instead of Revenue Expenditure.	Non-compliance to IGAS-2 resulted in misclassification of revenue expenditure as capital and understatement of Revenue Deficit by ₹1,446.59 crore.
3	IGAS 3- <i>Loans & Advances made by Government</i>	This Standard relates to recognition, measurement, 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.	Not fully complied as 48 Budget Controlling Officers had not provided the information relating to loans and advances made by the Government in prescribed format of IGAS-3.	Non-compliance to IGAS-3 leads to opaqueness in accounting practices.

4.11 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The State Government has set up several Autonomous Bodies (ABs), out of which audit of 29 Autonomous Bodies has been entrusted to the Comptroller & Auditor General of India and entrustment of one Autonomous Body (Chhattisgarh Housing Board) is yet to be received. The status of pending accounts of Autonomous Bodies as of March 2024 is detailed in *Appendix 4.2*.

4.12 Cases of losses and defalcation, etc.

Rules 22 and 23 of the CG Financial Code Vol.-I, provide that each and every case of loss, misappropriation and defalcation of public fund will have to be reported to the Accountant General. Further, Rule 24 of the Code provides that any serious loss of immovable property such as buildings, roads and bridges caused by fire, flood, storm, earthquake or any other natural calamity should be reported to the Accountant General. This is followed by detailed investigation by the departments and report thereof citing reasons for such losses and measures/action taken to prevent recurrence.

As of 31 March 2024, a total of 2,181 cases amounting to ₹125.24 crore pending in various departments of the State Government, were awaiting conclusive investigation and settlement. The department-wise and category-wise break-up of pending cases is given in *Appendix 4.3*. Year-wise analysis of cases is shown in *Appendix 4.4*. The age-profile of the pending cases and the number of cases pending in each category viz. theft and loss are summarized in **Table 4.6**.

Table 4.6: Profile of losses and defalcation, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved	Nature of the case	Number of cases	Amount involved
0 – 5	216	2.42			
6 – 10	242	39.23	Theft	119	0.53
11 – 15	497	64.04	Loss of property/material	1,998	119.03
16 – 20	322	8.56			
21 – 25	214	4.61	Defalcation	64	5.68
Above 25	690	6.38			
Total	2,181	125.24	Total pending cases	2,181	125.24

Source: Cases reported by the departments of the State Government

Out of 2,181 cases, the Forest Department and School Education Department had 562 and 38 cases respectively which were pending for more than 25 years. First Information Reports were lodged in 330 cases out of 2,181 cases.

4.13 Off Budget Borrowing

The State PSUs/Corporations/Other bodies may take loans to implement various schemes/programmes of the Government. The State Government may also takeover loans/liabilities of PSUs or other entities. The repayment of such loans may be the responsibility of the State Government from its budgetary resources. Such borrowings will impact the revenue deficit and fiscal deficit of the State Government. Creating such liabilities without disclosing them in the budget raises questions both on transparency and inter-generational equity. Such off-budget borrowings are not taken into the disclosure Statements in the budget documents, nor do these have Legislative approval. Such instances of off-budget borrowings have been discussed below:

- a) In 2017-18 and 2018-19, the Government of Chhattisgarh issued guarantees to Chhattisgarh Housing Board (CHB) for availing loans of ₹ 800 crore and ₹195.00 crore from Canara Bank for construction of 6,424 residential buildings for Government Officials and Allahabad Bank (merged with Indian Bank) for purchasing 728 flats respectively. Against the total guaranteed amount, CHB availed loan of ₹800 crore and ₹195 crore respectively up to 31 March 2024. The State Government has repaid principal of ₹228.54 crore and interest of ₹382.37 crore through budget on the above loans.
- b) Similarly, Government also issued guarantees to Chhattisgarh Police Housing Corporation Limited (CPHCL) for availing loans of ₹800 crore from two financial institutions i.e. Allahabad Bank (merged with Indian Bank) (₹400 crore) and Canara Bank (₹400 crore) for construction of 10,000 residential houses for Police Officials in June/July 2017 (Valid up to 2027). CPHCL has availed total loan of ₹644.54 crore up to March 2024 against the maximum guaranteed amount of ₹800 crore. The State Government has repaid principal of ₹69.37 crore and interest of ₹286.04 crore through budget on the above loans.
- c) Further, Government issued guarantee to State Urban Development Agency (SUDA) for availing loans of ₹3,357 crore from financial institutions for payment of State share in “Pradhan Mantri Awaas Yojana” (PMAY-Urban) in February 2018 (Valid up to December 2024). Out of which, SUDA availed loan of ₹1,618 crore up to 31 March 2024. The State Government has repaid principal of ₹130.32 crore and interest of ₹ 349.65 crore on above loan from the Budget.
- d) Government of Chhattisgarh issued guarantee to avail loan of ₹5,225 crore (₹1,225 crore for construction of 12 roads and ₹4,000 crore for construction of 741 Roads and Bridges) from Banks or Financial institutions to Chhattisgarh Road and Infrastructure Development Corporation Limited (CGRIDCL) in December 2020. Out of which, CGRIDCL has availed loan of ₹2,377.05 crore

up to 2023-24. The State Government has repaid principal ₹55 crore and interest of ₹233.67 crore through budget on the above loans.

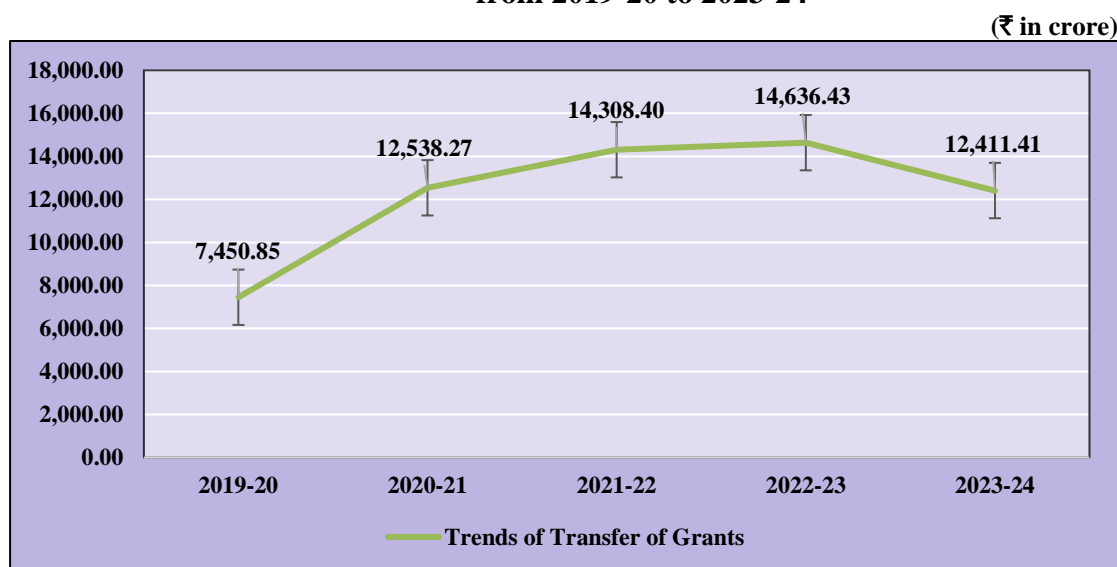
- e) Chhattisgarh Government issued guarantees of ₹3,427.28 crore (valid up to 2034-35) to Chhattisgarh Rural Housing Corporation (2017-18 to 2019-20) for availing loans from the banks/financial institutions in order to implement *Pradhan Mantri Awaas Yojna-Grameen* in Chhattisgarh. Against the above Guarantee the Corporation has availed the total loans of ₹1,792.44 crore (₹1,000 crore from Canara Bank and ₹792.44 crore from NABARD). The State Government has repaid principal of ₹593.50 crore and interest of ₹249.22 crore up to 31 March 2024 through budget on the above loans.
- f) Chhattisgarh Government has assured to repay the liabilities (Principal along with interest thereon) of Chhattisgarh Power Generation Company (CSPGCL) (₹1,000 crore) and Chhattisgarh Power Transmission Company (CSPTCL) (₹500 crore) as of 31 March 2022 in the succeeding years by making provision in the annual budget. Accordingly, the State Government has repaid principal of ₹479.65 crore and interest of ₹265.06 crore of CSPGCL and principal of ₹77.70 crore and interest of ₹38.85 crore of CSPTCL up to 31 March 2024 through budget.

It is evident from the above instances that use of borrowed funds raised outside the budget through other entities for financing the expenditure of the State Government not only led to understatement of revenue/capital expenditure and revenue/fiscal deficit but also ensured that borrowings remain outside the computation of debt in the accounts of the State Government. The burden of current expenditure would get shifted to future generations to the extent of service of debt through budget/budgetary support in subsequent years. The State Government has a net off budget liability of ₹7,292.94 crore (5.43 *per cent* of total budgeted liabilities) in addition to the total budgeted liabilities of ₹1,34,179.36 crore outstanding as of 31 March 2024. Thus, the total liability of the State stood at ₹1,41,472.30 crore. However, the State government disclosed off-budget liabilities of ₹4,121.33 crore up to March 2023 in the budget documents (FRBM Disclosure) of 2023-24. However, it has not disclosed its Off Budget Liabilities as of March 2024 in its budget document for the year 2024-25.

4.14 Funds transferred directly to State implementing agencies

During the year 2023-24, an amount of ₹12,411.41 crore was transferred by Union Government directly to the implementing agencies in Chhattisgarh as per Public Financial Management System Portal of Controller General of Accounts (CGA). The trend of transfer of such amounts from 2019-20 to 2023-24 is shown in **Chart 4.3**.

Chart 4.3: Trend of transfer of Grants directly to state implementing agencies from 2019-20 to 2023-24



Source: Data compiled by O/o the PAG (A&E), Chhattisgarh

As compared to the previous year the direct transfer of funds to the implementing agencies has decreased during this year by ₹2,225.02 crore (15.20 per cent).

4.15 Follow-up on Audit Reports

State Finances Audit Report is being presented to the State Legislature from 2008-09 onwards. However, the Public Accounts Committee (PAC) of Chhattisgarh State Legislative Assembly is yet to take up these reports for discussion (December 2024).

4.16 Conclusion

As of December 2024, 220 DC bills worth ₹3.44 crore were pending for submission. Non-submission of DC bills by Departments for funds drawn for specific developmental programmes/ projects and non-submission of accounts by public sector entities were violation of prescribed financial rules and directives. This points to inadequate internal controls and deficient monitoring mechanism of the State Government and increases the risk/possibility of wastage/misappropriation/ malfeasance etc.


As of 31 March 2024, 130 PD Accounts were in existence with a closing balance of ₹1,352.90 crore. Non-transfer of unspent balances lying in PD Accounts to the Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

The State Government has a net off-budget liabilities of ₹7,292.94 crore in addition to total budgeted liabilities of ₹1,34,179.36 crore outstanding as of March 2024. Government of Chhattisgarh has not disclosed in its budget, its entire liabilities with regard to the loans obtained by various public sector entities at its behest for implementation of various socio-economic developmental programmes for which the State Government had given the guarantee to repay the principal and interest.

4.17 Recommendations


- i. The Finance Department needs to make special efforts to settle old outstanding AC bills keeping in view that submission of DC bills from 2020-21 onwards are still pending. At the same time, the DDOs should be asked to ensure that the DC bills are submitted within prescribed time, in order to avoid accumulation of unadjusted AC bills.
- ii. The Finance Department should review all Personal Deposit (PD) accounts and ensure that the amounts transferred to PD accounts by debiting the service heads but unnecessarily lying in these PD accounts are immediately transferred to the Consolidated Fund as per the extant rules.
- iii. The State Government should disclose all its liabilities, including off budget borrowings transparently while presenting its budget, to enable proper appreciation of its financial position.

Raipur
The: 11 APR 2025


(MOHD. FAIZAN NAYYAR)
Accountant General (Audit)
Chhattisgarh

Countersigned

New Delhi
The: 16 APR 2025


(K. SANJAY MURTHY)
Comptroller and Auditor General of India