

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 in any organisation. Reports on compliance and controls can assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

This Chapter provides an overview of the status of the State Government's compliance with various financial rules, procedures and directives as well as the timeliness and quality of reporting of the same during the year 2023-24.

4.1 Funds transferred directly to State implementing agencies

The Central Government transfers a sizeable quantum of funds directly to the State implementing agencies¹ for implementation of various schemes/programmes in the social and economic sectors. As the funds are not routed through the State budget/treasury, the Finance Accounts of the State do not capture these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them do not reflect the complete picture.

With effect from 01 April 2014, Government of India (GoI) decided to release all assistance for Centrally Sponsored Schemes (CSS)/Additional Central Assistance directly to the State Governments and not to the State implementing agencies. In Goa, however, Central funds of ₹ 3,420.38 crore were transferred directly to the State implementing agencies during 2023-24. The direct transfer of funds to the implementing agencies increased by 16.80 *per cent* as compared to 2022-23 (₹ 2,928.32 crore).

A major part (₹ 3,348.89 crore) of these funds was shown as 'Other Schemes for which funds are routed outside the State Budget' in the State Finance Accounts of 2023-24.

Of the balance funds transferred, the major schemes receiving direct transfers of Central funds were Jal Jeevan Mission(JJM)/ National Rural Drinking Water Mission (₹ 11.25 crore) and Consumer Welfare Fund (₹ 10.00 crore).

¹ State implementing agencies are organisations/institutions including non-governmental organisations and Central autonomous bodies authorised by the State Government to receive funds from the GoI for implementation of specific programmes in the State.

4.2 Delay in submission of Utilisation Certificates

Rule 238 of General Financial Rules, 2017 (GFR) prescribes that Utilisation Certificates (UCs) for grants provided for a specific purpose should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Directorate of Accounts within one year from the date of their sanction, unless specified otherwise.

At the end of 2023-24, 12,813 UCs aggregating ₹ 3,027.52 crore which were due for submission, were outstanding against the grants disbursed up to 2022-23. Department-wise break-up of outstanding UCs is given in **Appendix 4.1** while the age-wise pendency is summarised in **Table 4.1**.

Table 4.1: Age-wise status of outstanding UCs as of 31 March 2024

Sl. No.	Range of delay of outstanding UCs (in years)	UCs outstanding	
		No.	Amount (₹ in crore)
1.	1 to 3	3867	1663.07
2.	3 to 5	1615	275.42
3.	5 to 7	1165	403.41
4.	7 and above	6166	685.62
	Total	12813	3027.52

(Source: Compiled from information furnished by Directorate of Accounts)

Of the total outstanding UCs, 5,482 (43 per cent) amounting to ₹ 1,938.49 crore (64 per cent) were outstanding from one to five years while 7,331 (57 per cent) involving ₹ 1,089.03 crore (36 per cent) were pending for more than five years.

Table 4.2: Year-wise break-up of outstanding UCs as on 31 March 2024

(₹ in crore)

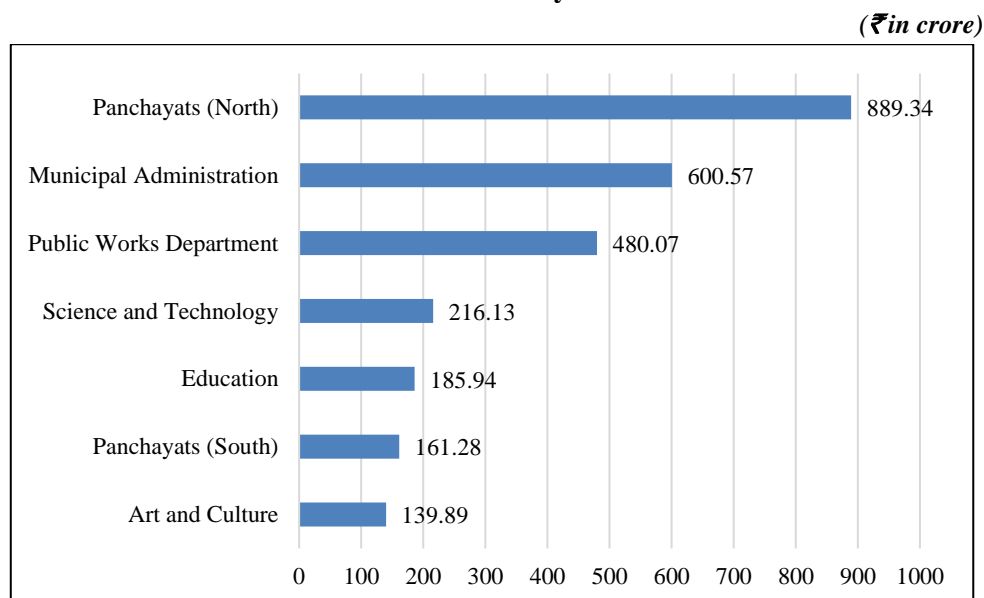
Year	No. of UCs	Amount
Up to 2013-14	5243	549.65
2014-15	521	79.53
2015-16	402	56.44
2016-17	478	108.84
2017-18	687	294.57
2018-19	859	121.36
2019-20	756	154.06
2020-21	695	379.29
2021-22	1458	655.35
2022-23	1714	628.43
Total	12813	3027.52

(Source: Compiled from information furnished by Directorate of Accounts)

Major cases of non-submission of UCs (in numbers) pertained to Directorate of Panchayats (North) (31 per cent), Directorate of Panchayats (South) (28 per cent) and Directorate of Education (nine per cent) (**Appendix 4.1**).

Departments having the highest UCs in respect of money value were Directorate of Panchayats (North) (₹ 889.34 crore), Municipal Administration (₹ 600.57 crore) and Public Works Department (₹ 480.07 crore) etc. **Chart 4.1** below shows details of outstanding UCs in terms of money value.

Chart 4.1: Departments with highest outstanding UCs in terms of money value



(Source: Compiled from information furnished by Directorate of Accounts)

As per Rule 234 of the General Financial Rules, 2017, a register of grants shall be maintained by the sanctioning authority in the format given in form GFR-21.

As Directorate of Panchayats (North) having major cases of non-submission of UCs was selected in the previous year (2022-23) for scrutiny, two other offices viz., Office of the Dy. Director, Panchayats (South), Margao and Director Admin, Office of the Principal Chief Engineer, PWD, Altinho were selected for checking of pending UCs.

Directorate of Panchayats (South)

Dy. Director Panchayats (South) had 3,552 pending UCs with an amount of ₹ 161.28 crore. Although the grant register was maintained, it was however, observed that Dy. Director Panchayats (South) had neither updated the records of grants sanctioned to Village Panchayats (VPs) in South Goa District nor the position of UCs received from the concerned VPs. Hence, records of Block Development Officer (BDO), Salcete (biggest taluka in South Goa District) was further checked by Audit.

BDO Salcete had 325 pending UCs with an amount of ₹ 18.37 crore. During scrutiny of records of release of grants and receipt of UCs in BDO office, Salcete, it was observed that there is no monitoring mechanism in the BDO

office to follow up on pending UCs, making it difficult to ensure timely submission of UCs by grantees. UCs were collected from the panchayats on requirement by Directorate of Panchayats.

Principal Chief Engineer PWD, Altinho

During Audit scrutiny it was found that the office of the Principal Chief Engineer (PCE), PWD, Altinho had no register of grants maintained to record disbursement of grants. Further, as per records obtained from the Directorate of Accounts (DoA), the PCE, PWD had 98 pending UCs against grants amounting to ₹ 480.07 crore disbursed till 2022-23. Since the PCE, PWD could not produce a progressive record of all pending UCs against grants disbursed, the information provided by DoA could not be verified.

UCs are the only mechanism for the departments to verify that the money has been utilised for the purpose for which it was given. In the absence of UCs, there is no assurance that money disbursed had been used for the intended purpose. Large number of the outstanding UCs, thus, indicated deficient monitoring and follow-up mechanism in the offices concerned.

During the Exit Conference (07/03/2025) the Finance Department stated that decision will be taken to deal with the settlement of the old outstanding UCs.

4.3 Abstract Contingent bills

Controlling and Disbursing officers of the departments are authorised to draw sums of money by preparing Abstract Contingent (AC) bills. They are required to present Detailed Contingent (DC) bills (*i.e.*, vouchers in support of final expenditure) to the Directorate of Accounts within three months from the date of drawal of funds on AC bills. If previous AC bills are outstanding for over three months, proposals for drawal of further AC bills would require sanction of Finance Department.

Details of submission of DC bills against AC bills drawn up to March 2024 are given in **Table 4.3**.

Table 4.3: Pendency in submission of DC bills against AC bills (30 June 2024)

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Up to 2022-23	12958	7242.40	12682	7170.12	276	72.28
2023-24	756	706.19	541	582.72	215	123.47
Total	13714	7948.59	13223	7752.84	491	195.75

(Source: Finance accounts of the State)

As may be seen from the table above, departments had drawn 756 AC bills for an amount of ₹ 706.19 crore in 2023-24 and submitted 541 DC bills for an amount of ₹ 582.72 crore. Thus, 215 DC bills amounting to ₹ 123.47

crore drawn during 2023-24 remained unadjusted as of 30/06/2024. There was no assurance that the expenditure of ₹ 123.47 crore had actually been incurred during the financial year for the purpose for which it was authorised by the Legislature.

In addition, DC bills against 276 AC bills amounting to ₹ 72.28 crore for the years up to 2022-23 were yet to be submitted by the departments concerned. Thus, at the end of June 2024, DC bills against 491 AC bills amounting to ₹ 195.75 crore drawn upto March 2024 were pending settlement.

Age analysis of unadjusted AC bills is shown in **Table 4.4**.

Table 4.4: Age-wise status of unadjusted AC bills as on 30 June 2024

Sl. No.	Range of delay of outstanding DC bills (in years)	Outstanding DC bills	
		No.	Amount (₹ in crore)
1.	1 to 3	333	153.52
2.	3 to 5	45	13.11
3.	5 to 7	18	8.61
4.	7 and above	95	20.51
	Total	491	195.75

(Source: Information furnished by Directorate of Accounts)

Year-wise details of outstanding unadjusted AC bills are shown in **Table 4.5**.

Table 4.5: Year-wise details of outstanding unadjusted AC bills (30 June 2024)
(₹ in crore)

Year	Unadjusted AC bills	Amount of Unadjusted AC bills
Up to 2013-14	58	3.72
2014-15	12	4.42
2015-16	8	0.13
2016-17	17	12.24
2017-18	9	1.71
2018-19	9	6.90
2019-20	22	10.18
2020-21	23	2.93
2021-22	60	18.72
2022-23	58	11.33
2023-24	215	123.47
Total	491	195.75

(Source: Information furnished by Directorate of Accounts)

Major defaulting departments/offices that did not submit DC bills against the AC bills drawn, were Directorate of Women and Child Development (17 AC bills - ₹ 94.66 crore), Collectorate, North Goa (172 AC bills - ₹ 45.77 crore) and Collectorate, South Goa (74 AC bills - ₹ 33.32 crore).

Directorate of Women and Child Development

As per circular no 12-1-97/Fin. (Exp) dated 25/07/2012, issued by the Finance Department, AC bills are to be settled by submission of DC bills within three months from the date of drawal. Furthermore, no department/office is permitted to have more than three AC bills pending settlement at any time. Any failure to comply with these provisions shall result in the non-admittance of fresh AC bills by the Directorate of Accounts (DoA) unless prior sanction is obtained from the Finance (Exp.) Department.

Directorate of Women and Child Development (WCD) had 17 pending AC bills (30/06/2024) drawn upto 31/03/2024 and the amount was the highest among all the departments/offices (₹ 94.66 crore) having AC bills pending for their settlement. Scrutiny of records relating to unadjusted AC bills maintained by the DoA revealed the following:

During audit, it was observed that (for the year ending March 2023) payments made under flagship scheme Griha Aadhar Scheme and Ladli Laxmi scheme were being processed through AC bills. As per rules, the department is allowed to draw AC bills primarily for contingent expenditure of a non-recurring nature and not for schemes like Griha Adhaar that have recurring monthly expenditure. The scheme related expenditure is provided in the State budget under the Department's demand head and processing of these payments through AC bills appears to be inconsistent with the extent provisions.

The Finance Department, Government of Goa, in November 2023, approved transfer of funds on monthly basis for timely disbursement of assistance to the beneficiaries. The WCD drew AC bills for these disbursements. The order had a reference of pending AC bills at the time of issuance. When cross-checked with the AC bill register in DoA, it was observed that the number of pending AC bills mentioned as one in the orders was incorrect as actual number of pending AC bills ranged from five to 13.

A pendency of more than three AC bills should have resulted in non-admittance of new AC bills, except with the prior sanction of Finance (Exp) Department. No such sanction order was produced to Audit.

As on the date of Audit (October 2024), 12 AC bills treated as settled as per WCD records, was shown pending in the records of DoA. Further, these bills as per records of WCD were settled with a delay ranging from 32 days to 114 days.

It was also found during audit that one AC bill amounting to ₹ 80,000 towards nationwide programme organized by Ministry of Social Justice and Empowerment, Government of India, was not entered in the AC/DC bill register by the WCD and consequently, remained pending for settlement in the records of DoA.

During the Exit Conference (07/03/2025) the Finance Department stated that efforts will be made to clear the outstanding AC Bills.

Recommendation 1: The State Government may consider enforcing proper monitoring and timely submission of UCs by all the concerned departments. Further, the departments must also ensure that AC bills are drawn exclusively for the specified purposes as per relevant rules and ensure timely submission of DC bills.

4.4 Personal Deposit Accounts

Personal Deposit Accounts (PDAs)/Personal Ledger Accounts (PLAs) are deposit accounts opened with the approval of the Finance Department (FD) and kept in treasuries in the name of the Administrators² of the accounts. Every PDA/PLA so authorised forms part of the Public Account.

As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, Administrators are entitled to credit receipts into and effect withdrawals directly from the treasury account for a specific purpose. The Administrators shall only be Government officers acting in their official or any other capacity.

Rule 180 of Receipts and Payments Rules, 1997 further stipulates that if a PDA is not operated 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 operated.

Year-wise position of PDA/PLA from 2021-22 to 2023-24 is given in **Table 4.6.**

Table 4.6: Year-wise details of PDA/PLA

(₹ in crore)

Year	Opening balance	Receipts (additions during the year)	Disbursements (closed/ withdrawn during the year)	Closing balance (31 March of the year)
2021-22	118.99	28.51	48.86	98.64
2022-23	98.64	23.05	18.70	102.99
2023-24	102.99	32.53	31.41	104.11

(Source: Information furnished by Directorate of Accounts)

As on 31/03/2024, a sum of ₹ 104.11 crore was held under 93 PDAs/PLAs by 26 departments. Additions during the year were ₹ 32.53 crore out of which, ₹ 23.68 crore was transferred from the Consolidated Fund of the State and the remaining ₹ 8.85 crore was credited through challans.

Out of a total of 93 Administrators of PDAs in the State, only 63 had reconciled and verified their balances with the treasury figures, while

² Personal Deposit Account holders

30 Administrators neither reconciled nor verified their balances with the treasury.

During the Exit Conference (07/03/2025) the Finance Department stated that some PD Accounts have been closed and appropriate action will be taken in respect of other cases.

Recommendation 2: Administrators of PD/PLA may ensure that the balances are reconciled periodically and receipts pertaining to PD/PLAs only are deposited therein.

4.5 Single Nodal Accounts

Ministry of Finance, Government of India vide letter No. 1 (13) PFMS/FCD/ 2020 dated 23/03/2021 had notified procedure for release of funds under Centrally Sponsored Schemes (CSS) and monitoring utilisation of the funds released through Single Nodal Agency (SNA). For each CSS, a SNA is set up with its own Bank Account in a scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

During 2023-24, the State Government received ₹ 366.00 crore being Central share and as on 31/03/2024, the Government transferred ₹ 338.76 crore being Central share and corresponding State share of ₹ 356.58 crore to the SNAs. The total transfer of ₹ 695.34 crore was made through fully vouched Contingent Bill. It was however, observed that the State Government did not transfer an amount of ₹ 0.39³ crore received by it on account of Central share towards CSS during 2023-24 along with commensurate State share to SNA of the respective CSS. As a result, due to non-transfer of the amount of share of CSS to the SNA, the revenue expenditure of the State was understated by ₹ 0.39 crore during 2023-24. The detailed vouchers and supporting documents of actual expenditure incurred by the SNA towards implementation of CSSs were not received by Directorate of Accounts from the SNAs.

As per PFMS SNA 01 Report, ₹ 349.07 crore was lying unspent in the bank accounts of SNAs as on 31/03/2024. The unspent balances in SNA accounts belonged majorly to CSS like Mission for Development of 100 Smart Cities (₹ 91.22 crore), Urban rejuvenation Mission 500 cities (₹ 72.77 crore), National River Conservation Plan (₹ 20.29 crore), Samagra Shiksha (₹ 11.02 crore), Post-Matric Scholarship Tribal (₹ 10.21 crore).

³ The SNA comes under Directorate of Women and Child Development. Overall, the Directorate received ₹ 6.67 crore from GoI and transferred ₹ 6.28 crore to SNA.

4.6 Bookings under Minor Head 800

The omnibus Minor Head 800 is intended to be operated when the appropriate minor head has not been provided in the accounts.

Audit scrutiny revealed that State Government has operated this minor head extensively during the five-year period (2019-24). The amounts booked under this minor head are shown in **Table 4.7**.

Table 4.7: Bookings under Minor Head 800-Other Receipts/Other Expenditure

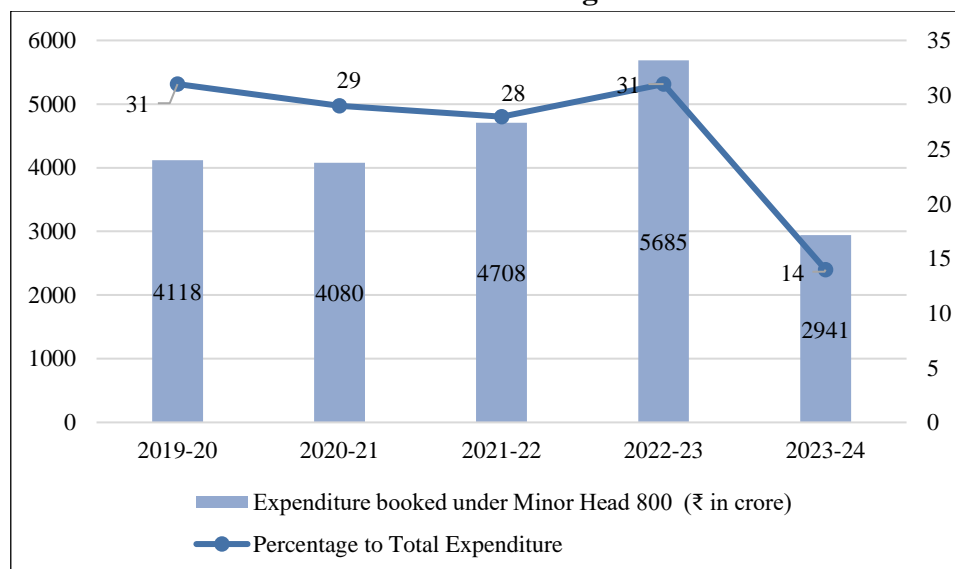
Year	Expenditure under Minor Head 800 (₹ in crore)	As percentage of total expenditure	Receipts under Minor Head 800 (₹ in crore)	As percentage of total receipts
2019-20	4117.84	30.97	386.46	3.42
2020-21	4079.61	28.96	384.91	3.69
2021-22	4708.07	27.85	502.85	3.52
2022-23	5684.74	31.05	858.07	4.96
2023-24	2940.91	14.40	1680.69	9.20

(Source: Finance Accounts of the State for the respective years)

Finance Accounts 2023-24 of Government of Goa disclosed that expenditure aggregating ₹ 2,940.91 crore, constituting 14 *per cent* of the total expenditure (₹ 20,423 crore) was classified under Minor Head '800-Other Expenditure' in 57 Major Heads under revenue and capital sections. Similarly, receipts aggregating ₹ 1,680.69 crore, constituting 9.20 *per cent* of the total revenue receipts (₹ 18,272 crore) was classified under Minor Head '800-Other Receipts' in 41 Major Heads.

Chart 4.2 shows the trends in booking of expenditure under Minor Head 800, during 2019-24.

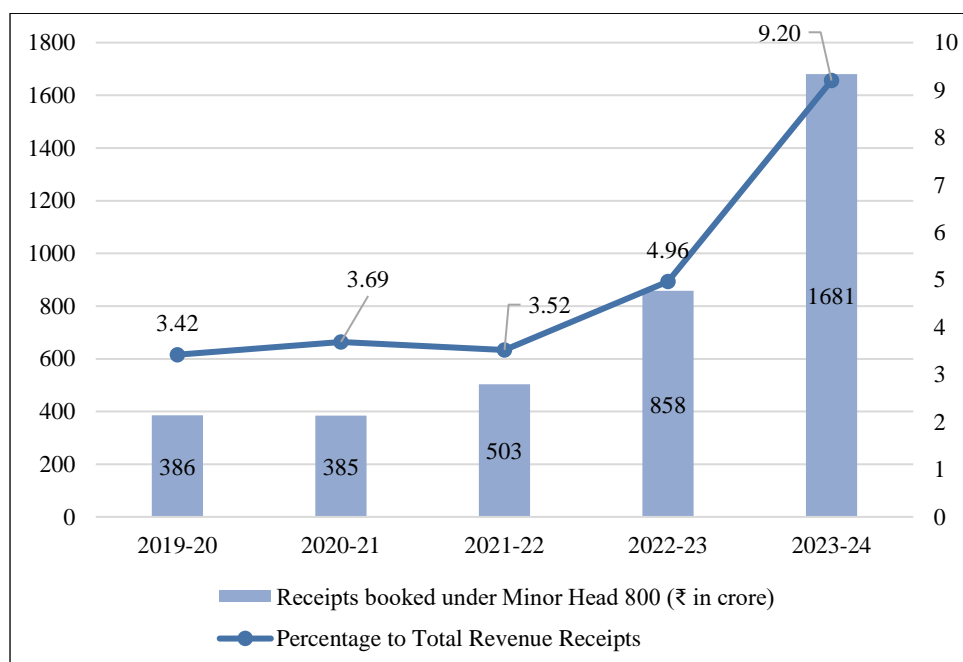
Chart 4.2: Trends in booking of expenditure under omnibus Minor Head 800 during 2019-24



(Source: Finance Accounts of the State for the respective years)

It may be seen from **Chart 4.2** that during 2023-24 booking of expenditure under omnibus Minor Head 800 decreased significantly by ₹ 2,744 crore (48 *per cent*) over the previous year 2022-23. Percentage of expenditure under Minor Head 800 to total expenditure registered a marginal decline during the years 2020-21 and 2021-22, the same registered an increase in 2022-23 to 31 *per cent*, and a sharp decrease in 2023-24 to 14 *per cent*.

Chart 4.3: Trends in booking of receipts under omnibus Minor Head 800 during 2019-24



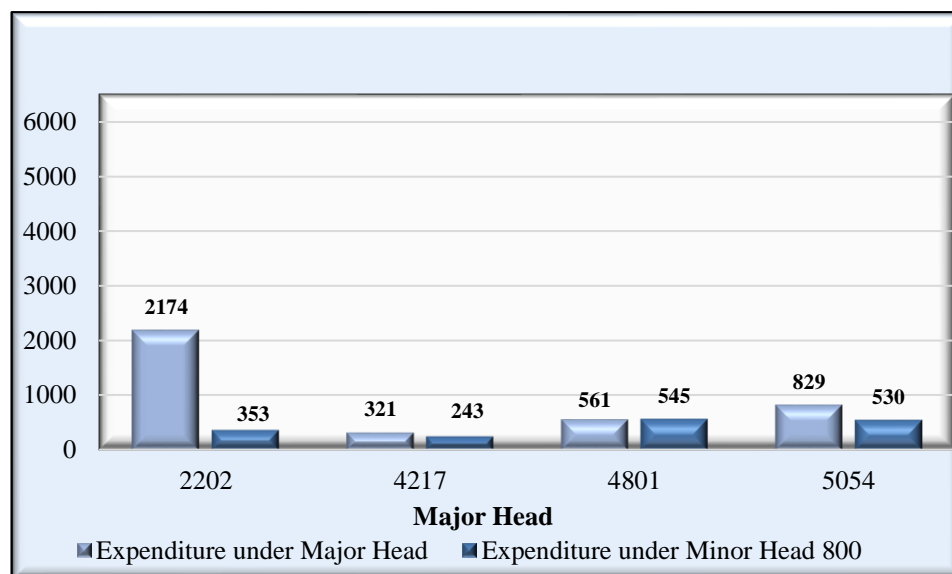
(Source: Finance Accounts of the State for the respective years)

It may be seen from **Chart 4.3** that during 2023-24 receipts booked under Minor Head 800 also increased significantly by ₹ 823 crore (96 *per cent*) compared to the previous year 2022-23. Further, share of receipts (booked under Minor Head 800) to total revenue receipts ranged between 3.42 *per cent* and 9.20 *per cent* during 2019-24.

During 2023-24, there were nine Major heads wherein an expenditure of more than ₹ 100 crore was booked under Minor Head 800. Out of nine, there were four cases where expenditure of more than ₹ 200 crore was booked under Minor Head 800 are shown in **Chart 4.4**.

Chart 4.4: Major heads where expenditure of more than ₹ 200 crore was booked under Minor Head 800 during 2023-24

(₹ in crore)



(Source: Finance Accounts of the State)

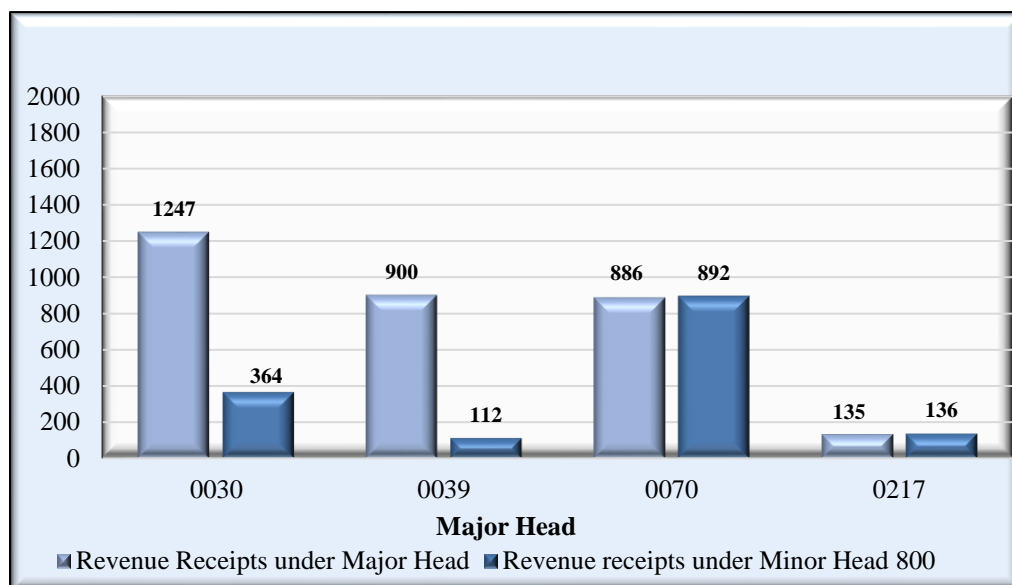
As may be seen from **Chart 4.4**, there were four Major Heads where an expenditure of ₹ 200 crore or more was booked under Minor Head 800. Except Major Head 2202, the remaining three Major Heads had more than 50 per cent of their total expenditure booked under Minor Head 800.

In the case of Major Head 4801 (Power) an expenditure of ₹ 545 crore (97 per cent) was booked under Minor Head 800. This expenditure was mostly incurred towards Infrastructure development through Electricity Duty (₹ 150 crore) and Underground Cabling (₹ 178 crore).

Four cases of receipt of more than ₹ 100 crore classified under Minor Head 800 are shown in **Chart 4.5**.

Chart 4.5: Major heads where receipt of more than ₹ 100 crore was booked under Minor Head 800 during 2023-24

(₹ in crore)



(Source: Finance Accounts of the State)

Out of these four major heads, two had more than 50 *per cent* of their total revenue receipt booked under Minor Head 800⁴. Further, out of these two major heads, two had more than 100 per cent revenue receipt booked under the minor head 800.

Persistent usage of omnibus Minor Head 800 - Other Expenditure/Receipts for accounting of large amounts affects the transparency in financial reporting, as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

Recommendation 3: State Government may review the reasons for significant increase of booking of receipts/expenditure under Omnibus Minor Head – 800 and take remedial action to avoid such occurrence in future.

4.7 Outstanding balances under Suspense, Debt, Deposit and Remittances (DDSR) Heads

Suspense Head is intended for temporary accommodation of transactions affecting the balances of the State, pending final adjustments.

Remittances embrace all adjusting heads, under which remittances of cash between treasuries, and transfers between different accounting circles are booked. The initial debits or credits to the heads in these divisions are

⁴ In respect of Major heads 0070 and 0217, booking of 'Receipts' under Minor head 800 below these Major heads, is more than the Receipts under both the Major heads due to refunds received under the head '900-Deduct Refunds' during 2023-24.

cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

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. 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.

Transactions and net balances under 8658-Suspense Accounts are detailed in **Table 4.8** below.

Table 4.8: Balances under Suspense and Remittance Heads

(₹ in crore)

Name of Minor Head	2021-22		2022-23		2023-24	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts office Suspense	504.34	494.73	508.40	494.81	505.34	497.28
Net	Dr. 9.61		Dr. 13.59		Dr. 8.06	
102 - Suspense Account (Civil)	45.17	45.67	45.65	47.05	46.13	47.93
Net	Cr. 0.50		Cr. 1.40		Cr. 1.80	
107 – Cash Settlement Suspense Account	550.50	289.02	611.37	289.03	719.27	289.03
Net	Dr. 261.48		Dr. 322.34		Dr. 430.24	
109 - Reserve Bank Suspense	(-)5.32	(-)1.26	(-)4.99	(-)1.30	(-)4.69	0.07
Net	Cr. 4.06		Cr. 3.69		Cr. 4.76	
110 - Reserve Bank Suspense – Central Accounts Office	4277.50	3473.62	4998.51	3017.09	5332.96	3352.77
Net	Dr. 803.88		Dr. 1981.42		Dr. 1980.19	
112 – Tax Deducted at Source	18.52	40.61	18.64	39.71	18.80	40.03
Net	Cr. 22.09		Cr. 21.07		Cr. 21.23	
129 – Material Purchase Settlement Suspense Account	...	34.76	...	34.76	...	34.76
Net	Cr. 34.76		Cr. 34.76		Cr. 34.76	
Total Net	Dr. 1013.56		Dr. 2256.43		Dr. 2355.94	

(Source: Finance Accounts of the State)

Gross figures under major suspense heads show that aggregate net balance under Major Head 8658 was ₹ 2,355.94 crore (Dr.) in 2023-24, which was not booked under the relevant heads of account, thus, rendering the net expenditure figures mentioned in the Finance Accounts non-transparent to that extent.

Account Officer (PAO)-Suspense – (Minor Head 101)

This head is intended for settlement of transactions between Director of Accounts and various Pay and Accounts Officers. Outstanding debit balance under this head would mean that payments were made by the Director of Accounts, which were yet to be recovered. Outstanding credit balance would mean that payments have been received by the Director of Accounts

on behalf of a Pay and Accounts Officer, which were yet to be paid. During 2023-24, net debit balance under this head decreased from ₹ 13.59 crore in 2022-23 to ₹ 8.06 crore.

Suspense Account-Civil – (Minor Head 102)

This minor head is operated by the Director of Accounts to provisionally accommodate the differences noticed in the transactions which cannot be taken to the final head of expenditure/receipt accounts for want of certain information/documents *viz.* challans, vouchers, *etc.* Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively. During the last three years (2021-24), the net credit balance under this head ranged between ₹ 0.50 crore and ₹ 1.80 crore.

Reserve Bank Suspense–Central Accounts Office–(Minor Head 110)

To facilitate the prompt transfer of actual credits for loans and grants payable to all State Governments and *vice-versa*, the Central Accounts Section of the Reserve Bank of India in Nagpur uses the Major Head '8658-Suspense Accounts,' utilising the minor head '110-Reserve Bank Suspense-Central Accounts Office' for such transfers.

A credit or debit balance under this head indicates that the PAO (Central Ministry) is yet to pass transfer entries after transactions between the Centre and State have taken place. The passing of transfer entries means affecting a minus credit or debit (as the case may be) that nullifies the balance in the suspense head.

At the end of March 2024, the net debit balance under this head was ₹ 1,980.19 crore. This was almost equal to the balance reported (₹ 1,981.42 crore) at the end of the previous year, 2022-23.

Tax Deducted at Source (TDS) Suspense – (Minor Head 112)

This minor head is intended to accommodate receipts on account of income tax deducted at source. Receipts on account of TDS are credited to Major Head 8658 - Suspense Accounts under Minor Head 112 - TDS Suspense. These credits are to be cleared by the end of each financial year and credited to the Income Tax Department. During the last three years (2021-24), the net credit balance under this head due for credit to Income Tax Department ranged between ₹ 21.07 crore and ₹ 22.09 crore.

4.8 Reconciliation of departmental figures

To exercise effective budgetary control over receipts/expenditure and to ensure accuracy in accounts, all controlling officers are required to reconcile every month, the receipts and expenditure recorded in their books with the figures accounted for by the Directorate of Accounts.

Non-reconciliation dilutes the assurance that all the receipts/expenditure have been taken to the correct Head of Account. Failure to exercise this check might result in misclassification and incorrect booking of receipts and expenditure in the accounts, raising concerns about accuracy of accounts. It is also a reflection of weak internal controls within the Government.

Timely reconciliation enables the controlling officers of departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The Public Accounts Committee in its 48th Report (1992) recommended punitive action against erring Budget Controlling Authorities (BCA).

During the year 2023-24, revenue receipts amounting to ₹ 5,771.53 crore (31.59 *per cent*) of total revenue receipts (₹ 18,271.64 crore) and expenditure amounting to ₹ 15,923.51 crore (94.51 *per cent*) of revenue expenditure (₹ 16,848.53) were reconciled by the State Government. Further, expenditure amounting to ₹ 2,248.12 crore (62.96 *per cent*) of capital expenditure (₹ 3,570.54) were reconciled by the State Government.

This is a significant decline compared to the previous year *i.e.* 2022-23, where receipts amounting to ₹ 19,053.12 crore and expenditure amounting to ₹ 19,561.61 crore were reconciled by the State Government.

The details of four major BCAs that had not reconciled their expenditure during 2023-24 are shown in **Table 4.9**.

Table 4.9: Major BCAs who did not reconcile their expenditure

(₹ in crore)

Sl. No.	BCAs who did not reconcile their expenditure	Amount not reconciled
1.	Public Works	2014.07
2.	Law	66.52
3.	Labour	34.83
4.	Planning, Statistics and Evaluation	26.00
	Total	2141.42

(Source: Information furnished by Directorate of Accounts)

Further, with respect to receipts, 24 out of 92 BCAs did not carry out reconciliation of the units under their control amounting to ₹ 7,989.84 crore.

Details of four major BCAs (out of 24) who did not reconcile their receipts amounting to ₹ 7,881.54 crore, are indicated in **Table 4.10**.

Table 4.10: Major BCAs who did not reconcile their receipts

(₹ in crore)

Sl. No.	BCAs who did not reconcile their receipts	Amount not reconciled
1	Commercial Taxes	6260.95
2	Home	803.84
3	Transport	507.63
4	PWD	309.12
	Total	7881.54

(Source: Information furnished by Directorate of Accounts)

The non-reconciliation of major portion of receipts/expenditure as above, is an area of concern. Thus, concerted efforts may be undertaken to achieve cent per cent reconciliation by the State Government to ensure accuracy of the accounts.

4.9 Compliance with Accounting Standards

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

Table 4.11 provides the status of compliance with these four Accounting Standards.

Table 4.11: Compliance with Accounting Standards

Sl. No.	Accounting Standard	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	IGAS-1: <i>Guarantees Given by the Government – Disclosure requirements</i>	This standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding guarantees, etc. at the end of the year.	Partially complied	Details of guarantees were not disclosed in the budget documents. Further, details of designated authority for tracking guarantees, automatic debit mechanism and structured payment arrangements, if any, were also not disclosed.
2.	IGAS-2: <i>Accounting and Classification</i>	As per IGAS-2, expenditure relating to GIA should be classified as revenue expenditure even if it	Partially complied	Detailed information in respect of GIA given in kind and GIA used to create capital

Sl. No.	Accounting Standard	Essence of IGAS	Compliance by State Government	Impact of deficiency
	<i>of Grants-in-Aid (GIA)</i>	involves creation of assets, except in cases specifically authorised by the President on the advice of the CAG.		assets were not disclosed.
3.	IGAS-3: <i>Loans and Advances made by Government</i>	It is related to recognition, measurement, valuation and reporting of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices. It also ensures adequate disclosure on loans and advances made by the Government.	Partially complied	Disclosures on repayment of loans in arrears, loans in perpetuity, interest payment in arrears, if any, were not made by the State Government. Non-payment of interest and loans may have an impact on the revenue and fiscal deficits.
4.	IGAS-4: Prior period adjustment Advances made by Government	It is related to disclosure of such information which pertains to cover entries requiring Prior Period Adjustments arising out of changes in government decision that may impact current balances and progressive amounts during the earlier years for which accounts have been closed.	Complied with	During the year, no prior period adjustment was done.

(Source: Finance Accounts of the State and respective IGAS)

4.10 Submission of accounts/separate audit reports of autonomous bodies

Several autonomous bodies have been set up by the State Government in the fields of education, irrigation, housing, law, *etc.* Of these, audit of accounts of 14 bodies have been entrusted to the CAG. These bodies are audited by the CAG for verification of their accounts, financial transactions, operational activities, internal management and financial control system and procedures.

Status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and their placement in the Legislature is given in the **Appendix 4.2**. Delay in submission of accounts to Audit

(beyond the specified target dates) and placement of SARs in the Legislature by the autonomous bodies is summarised in **Table 4.12**.

Table 4.12: Delays in submission of accounts and tabling of SARs
(Status as on October 2024)

Submission of accounts for audit		Presentation of Report in Legislature	
Delay (in months)	No. of autonomous bodies	Delay (in years)	Number of autonomous bodies
0-3	00	0-1	06
3-6	04	1-3	00
6-9	00	3-5	00
9-25	04	5 years and above	02
25 months and above	03	-	-

(Source: Compiled from records received from various autonomous bodies)

As may be seen from **Appendix 4.2**, there were 31 accounts pending submission by 11 autonomous bodies for various periods. Details are given in **Table 4.13** below.

Table 4.13: Arrears in submission of accounts by Autonomous Bodies
(Status as on October 2024)

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to October 2024
1.	Goa University	2023-24	01
2.	Goa Housing Board	2022-23	02
3.	Goa Tillari Irrigation Development Corporation	2012-13	03 ⁵
4.	Goa State Commission for Backward Classes	2022-23	02
5.	South Goa Zilla Panchayat	2022-23	02
6.	North Goa Zilla Panchayat	2009-10	15
7.	Goa Secondary and Higher Secondary Education Board	2023-24	01
8.	District Legal Services Authority, North Goa	2022-23	02
9.	Goa Sarva Shiksha Abhiyan Society	2019-20	01 ⁶
10.	Goa Real Estate Regulatory Authority	2023-24	01
11.	Goa State Legal Services Authority	2023-24	01
Total			31

(Source: Compiled by Office of the AG, Goa)

Submission of accounts by these 11 autonomous bodies was delayed by one to 172 months (upto October 2024) while presentation of two out of eight accounts in the State Legislature was delayed by more than five years.

⁵ No further entrustment for audit. Discontinued from 2015-16 onwards.

⁶ No further entrustment for audit. Discontinued from 2020-21 onwards.

Inordinate delay in submission of accounts and presentation of the reports to the State Legislature resulted in delayed scrutiny of the functioning of these bodies, where Government investments are made. Consequent remedial action, if any, required to be taken by the State Government was also delayed.

4.11 Departmental commercial undertakings/corporations/companies

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *proforma* accounts in the prescribed format annually, showing the working results of financial operations. The accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business.

In the absence of timely finalisation of such *proforma* accounts, the viability of these undertakings remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, required, for ensuring viability and improving the efficiency of these undertakings cannot be taken in time.

Heads of departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General for audit within a specified timeframe. As of September 2024, there was one such undertaking having arrears in preparation of their accounts. Department-wise position of arrears in preparation of *proforma* accounts and investments made by the Government in this undertaking is given in **Table 4.14**.

Table 4.14: Position of arrears as on 30 September 2024 in preparation of *proforma* Accounts

Department	No. of undertaking under the Department	Name of undertaking	Year up to which accounts finalised	Investment as per last accounts (₹ in crore)
Inland Water Transport	1	River Navigation Department	2005-06	108.29
Total				108.29

(Source: Information furnished by departments concerned)

As seen from the table above, the accounts of Inland Water Transport (IWT) were last submitted to audit for the year 2005-06 and all accounts since 2006-07 are in arrears. The issue of non-submission of accounts for audit by IWT has been brought to the notice of the State Government at regular intervals.

Annual accounts are essential for performance evaluation, financial monitoring and decision-making and compliance with applicable rules and regulations. Non-preparation of accounts and their audit has serious

consequences for accountability and the overall governance of the entity. However, the IWT was yet to commence the preparation of its annual accounts.

4.12 Misappropriations, losses and defalcations

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer.

State Government reported 33 cases of misappropriation, defalcation, *etc.* involving Government money of ₹ 4.90 crore up to October 2024, on which final action was pending. Department-wise/age-wise break-up of pending cases is given in **Appendix 4.3**.

As may be seen from **Appendix 4.3**, out of 33 cases, three cases pertained to River Navigation Department, Panaji. The amount in these three cases were ₹ 19.93 lakh. Further one case was observed in office of the Administrative Medical Officer, amounting to ₹ 300.54 lakh. Age profile of pending cases and number of pending misappropriation cases are summarised in **Table 4.15**.

Table 4.15: Age profile of pending misappropriation cases

Age profile and nature of pending cases			
Range in years	No. of cases	Amount involved (₹ in lakh)	Nature/characteristics of cases
0-5	07	320.47	Misappropriation of cash/stores
5-10	08	54.75	
10 years and above	18	115.22	
Total	33	490.44	

(Source: Information furnished by departments concerned)

Reasons for pendency of 33 cases have been classified under three categories as detailed in **Table 4.16**.

Table 4.16: Reasons for outstanding cases of misappropriation

Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in lakh)
Departmental action started but not completed	16	319.52
Pending in courts of law	12	148.67
Awaiting orders for recovery/write-off	5	22.25
Total	33	490.44

(Source: Information furnished by departments concerned)

4.13 Follow-up action on State Finances Audit Report

Fifteen Audit Reports on the State Finances of the Government of Goa have been presented to the State Legislature from 2008-09 to 2022-23, of which two reports pertaining to the financial years 2008-09 and 2009-10 have been discussed by the Public Accounts Committee (October 2024).

4.14 Conclusion


- During 2023-24, 14 *per cent* of the total expenditure of the State Government was classified under Minor Head 800 – Other Expenditure. Indiscriminate bookings under omnibus Minor Head 800 – Other Expenditure not only affected transparency in financial reporting but also prevented proper analysis of allocative priorities and quality of expenditure.
- Utilisation Certificates (UCs) aggregating ₹ 3,027.52 crore were outstanding against grants disbursed up to 2022-23. Similarly, Abstract Contingent (AC) bills amounting to ₹ 195.75 crore were pending due to non-submission of Detailed Contingent (DC) bills. Non-submission of UCs and DC bills by the departments for funds drawn for specific purposes violated the prescribed financial rules and State Government directives.
- Eleven autonomous bodies, which fell within the ambit of CAG's audit, had arrears of accounts ranging from one to 172 months.
- As on 31/03/2024, balances amounting to ₹ 349.07 crore were lying unutilised in various Single Nodal Accounts of the State Government.

Panaji
11 April 2025


(ETI SHUKLA)
Accountant General, Goa

Countersigned

New Delhi
15 April 2025


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