REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

ON STATE FINANCES

FOR THE YEAR ENDED 31 MARCH 2011

GOVERNMENT OF UTTARAKHAND REPORT No. 1 of the year 2012

Table of Contents

| | Reference to | | | |
|--|--------------|------|--|--|
| | Paragraph | Page | | |
| Preface | | iii | | |
| Executive summary | | V | | |
| CHAPTER-I | | | | |
| FINANCES OF THE STATE GOVERNMENT | | | | |
| Summary of Current Year's Fiscal Transactions | 1.1 | 1 | | |
| Resources of the State | 1.2 | 4 | | |
| Revenue Receipts | 1.3 | 8 | | |
| Application of Resources | 1.4 | 12 | | |
| Quality of Expenditure | 1.5 | 18 | | |
| Analysis of Government Expenditure and Investments | 1.6 | 21 | | |
| Assets and Liabilities | 1.7 | 25 | | |
| Debt Sustainability | 1.8 | 27 | | |
| Fiscal Imbalances | 1.9 | 28 | | |
| Conclusion | 1.10 | 31 | | |
| CHAPTER-II | | | | |
| FINANCIAL MANAGEMENT AND BUDGETARY CONTROL | | | | |
| Introduction | 2.1 | 35 | | |
| Summary of Appropriation Accounts | 2.2 | 35 | | |
| Financial Accountability and Budget Management | 2.3 | 36 | | |
| Non-reconciliation of Departmental figures | 2.4 | 43 | | |
| Advances from Contingency Fund | 2.5 | 44 | | |
| Errors in Budgeting Process | 2.6 | 46 | | |
| Outcome of Review of Selected Grant | 2.7 | 47 | | |
| Conclusion | 2.8 | 48 | | |
| CHAPTER-III | | | | |
| FINANCIAL REPORTING | | | | |
| Delay in furnishing Utilisation Certificates | 3.1 | 51 | | |
| Delay in submission of Accounts in respect of Departmental Commercial Undertakings | 3.2 | 51 | | |
| Misappropriations, losses, defalcations, etc. | 3.3 | 52 | | |
| Conclusion | 3.4 | 53 | | |

| APPENDICES | | |
|---------------|---|------|
| | | Page |
| Appendix-1 | State profile (Uttarakhand) | 55 |
| Appendix-1.1 | Part A: Structure and Form of Government Accounts | 56 |
| | Part B: Layout of Finance Accounts | 57 |
| Appendix-1.2 | Part A:Methodology adopted for the Assessment of Fiscal Position | 58 |
| | Part B:Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 | 60 |
| Appendix-1.3 | Time series data on the State Government Finances | 63 |
| Appendix-1.4 | Part A: Abstract of Receipts and Disbursements for the year 2010-11 | 66 |
| | Part B: Summarised financial position of the Government of Uttarakhand as on 31 March 2011 | 69 |
| Appendix-1.5 | Statement showing the funds transferred to the state implementing Agencies under Programmes/Schemes outside the State budget during 2010-11 | 71 |
| Appendix-1.6 | Summarised Financial Statement of Departmentally Managed Commercial/Quasi-commercial undertakings | 73 |
| Appendix-2.1 | Statement of various grants/appropriations where saving was more than ₹ 1 crore or more than 20 <i>per cent</i> of the total provision | 74 |
| Appendix-2.2 | Statement of various grants/appropriations where excess expenditure was more than ₹ 1 crore each or more than 20 <i>per cent</i> of the total provision | 76 |
| Appendix-2.3 | Cases where supplementary provision (₹10 lakh or more in each case) proved unnecessary | 77 |
| Appendix-2.4 | Statement of various grants/appropriations where supplementary provision proved insufficient by more than ₹ 1 crore each | 78 |
| Appendix-2.5 | Excess/Unnecessary/Insufficient re-appropriation of funds resulting in saving/excess of ₹ 10 lakh and above | 79 |
| Appendix-2.6 | Substantial surrenders made during the year 2010-11 | 82 |
| Appendix-2.7 | Surrenders in excess of actual savings (₹ 50 lakh or more) | 84 |
| Appendix-2.8 | Statement of various grants/appropriations in which savings of ₹ 10 crore and above occurred but no part of which had been surrendered | 85 |
| Appendix-2.9 | Details of saving of ₹ 1 crore and above not surrendered | 86 |
| Appendix-2.10 | Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2011 | 87 |
| Appendix-2.11 | Rush of expenditure | 88 |
| Appendix-2.12 | Pending DC Bills for the years up to 2010-11 | 90 |
| Appendix 3.1 | Statement of Finalization of Accounts and the Government Investment in departmentally managed Commercial and Quasi-Commercial Undertakings | 91 |
| Appendix-3.2 | Department wise/duration wise break-up of the cases of misappropriation, defalcation etc. (cases where final action was pending at the end of March 2011) | 92 |
| Appendix-3.3 | Department/category wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material | 93 |
| Appendix-4.1 | Glossary of terms | 94 |