

A sound internal financial reporting 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 compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This Chapter provides an overview and status of the State Government's compliance/ non-compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

The Bombay Financial Rules, 1959 provide that for the grants provided for specific purposes, utilisation certificates (UCs) should be obtained by the departmental officers from the grantee institutions and after verification, the UCs should be forwarded to the Principal Accountant General (Accounts and Entitlements), Maharashtra, within 12 months from the dates of their sanction. The department-wise position of outstanding UCs is given in **Appendix 3.1**. The year-wise position of total outstanding UCs in the State as on 31 March 2012 is given in **Table 3.1**.

Table 3.1: Year-wise position of outstanding UCs as of 31 March 2012

| Year | Number of UCs awaited | Amount involved (₹ in crore) |
|--------------|-----------------------|------------------------------|
| Upto 2009-10 | 135550 | 45996.56 |
| 2010-11 | 27127 | 16567.32 |
| 2011-12 | 33041 | 25676.51 |
| Total | 195718 | 88240.39⁵⁷ |

(Source: Finance Accounts).

Non-submission of UCs in time may result in mis-utilisation of the grants. The major departments with large pendency were School Education and Sports, Urban Development, Higher and Technical Education, Rural Development and Water Conservation, Planning, Co-operation, Marketing and Textiles and Social Justice and Special Assistance. The large pendency in submission of UCs indicates lack of monitoring of utilisation of grants and loans by the departments.

3.2 Non-submission/delay in submission of Accounts by Grantee institutions

In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/heads of departments are required to furnish to Audit every year, detailed information about the financial assistance given to

⁵⁷ Differs from Notes to Accounts figures due to updation of figures by the Pay and Accounts Office.

various institutions, the purpose of assistance granted and the total expenditure of the institutions. The details of such assistance released to the institutions during the year were awaited from Government departments (September 2012).

According to the accounts received for the year 2011-12, 365 institutions attracted audit by the Comptroller and Auditor General of India during 2011-12. Of these, 83 institutions were audited during 2011-12.

Table 3.2 shows age-wise arrears of annual accounts due up to 2011-12 in respect of 11,237 annual accounts as of June 2012.

Table 3.2: Age-wise arrears of Annual Accounts due from Institutions

| Delay in number of years | Number of accounts |
|--------------------------|--------------------|
| 0-1 | 2,615 |
| 1-3 | 2,248 |
| 3-5 | 2,146 |
| 5-7 | 865 |
| 7-9 | 620 |
| 9 and above | 2,743 |
| Total | 11,237 |

Due to non-submission of information regarding grants and loans paid to various institutions and non-furnishing of accounts by them, the risk of misutilisation of the funds cannot be ruled out.

3.3 Delay in submission of Accounts/Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the fields of Environment, Housing, Industries, Irrigation, Urban Development and Water Supply and Sanitation. The audit of accounts of 16 bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature by the autonomous bodies are indicated in **Appendix 3.2**.

Delays in submission of annual accounts ranging between one and 21 months were noticed in the case of 16 autonomous bodies. The accounts of the Vidarbha Irrigation Development Corporation (VIDC), Nagpur for the year 2009-10 and Maharashtra State Commission for Women (MSCW), Mumbai for the year 2008-09 were furnished to audit only in February 2012 and December 2010 respectively, with delay ranging from 18 to 19 months. The accounts of Maharashtra Pollution Control Board (MPCB), Mumbai for the year 2008-09 and 2009-10 were furnished to audit only in March 2011 and March 2012 respectively, with delay ranging from 18 to 21 months. Further, the accounts of Maharashtra State Legal Services Authority (MSLSA), Mumbai for the year 2008-09 were still to be presented in the Legislature. The delays were mainly due to delays in approval of the accounts by the respective Governing Bodies. Accounts of one body from 2009-10 onwards and eight bodies from 2010-11 onwards are yet to be received.

The inordinate delays 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. Further, it also delays the taking of necessary remedial action.

3.4 Delay in finalisation of Proforma Accounts by Departmentally managed Commercial Undertakings

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 so that the Government can assess their performance. The finalised accounts of the departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business.

Heads of Government departments have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General (Audit), III, Maharashtra, Mumbai, for audit within a specified time frame. As of March 2012, there were 49 such undertakings, out of which 42 had prepared accounts up to 2010-11. In respect of five⁵⁸ undertakings, there was large pendency in finalisation of *proforma* accounts ranging from 12 to 25 years as these were sick units and not operational and had stopped preparing accounts. In respect of two⁵⁹ Milk Schemes, the pendency in finalisation of *proforma* accounts ranged from one to four years. Milk Transport Scheme, Worli has been finally closed from 2007-08 onwards. The department-wise position of arrears in preparation of *proforma* accounts and investment made by the Government are given in **Appendix 3.3**.

3.5 Misappropriations, losses, defalcations, etc.

The Bombay Financial Rules, 1959 provide that misappropriation, fraudulent drawal/payment or otherwise discovered in a treasury or any other office/department should be reported immediately by the office concerned to the next higher authority as well as to the Principal Accountant General (Audit), I, Maharashtra, Mumbai and Accountant General (Audit), II, Nagpur.

The State Government reported 234 cases of misappropriation, defalcation, etc., involving ₹ 42.03 crore up to March 2012 on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.4**. The nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category as emerged from these appendices are summarised in **Table 3.3**.

⁵⁸ Allapali and Pendigundam Forest ranges of Forest Divisions including Saw mills and Timber Depot; Land Development by Bulldozer Scheme, Amravati; Aurangabad; Nagpur and Pune.

⁵⁹ Government Milk Scheme, Nadura and Milk Transport Scheme, Worli.

Table 3.3: Profile of misappropriations, losses, defalcations, etc.

| Age-Profile of the pending cases | | | Nature of the pending cases | | |
|----------------------------------|-----------------|-----------------------------|---|-----------------|-----------------------------|
| Range in Years | Number of cases | Amount involved (₹ in lakh) | Nature / characteristic of the cases | Number of cases | Amount involved (₹ in lakh) |
| 0-5 | 18 | 1,682.18 | Theft | 22 | 30.25 |
| 5 - 10 | 26 | 1,378.40 | | | |
| 10 - 15 | 23 | 288.92 | □ isappropriation □□oss of material | 212 | 4,172.61 |
| 15 - 20 | 44 | 687.02 | | | |
| 20 - 25 | 46 | 127.83 | Total | 234 | 4,202.86 |
| 25 & above | 77 | 38.51 | Cases of losses written off during the year | 0 | 0 |
| Total | 234 | 4,202.86 | Total pending cases | 234 | 4,202.86 |

The reasons for which the cases were outstanding have been broadly categorised in **Table 3.4**.

Table 3.4: Reasons for the delay/pendency of cases

| Reasons for the delay / outstanding pending cases | Number of Cases | Amount (₹ in lakh) |
|--|-----------------|--------------------|
| Departmental and criminal investigation awaited | 47 | 425.51 |
| Departmental action initiated but not finalised | 40 | 2,603.01 |
| Criminal proceedings finalised but execution of recovery of the amount was pending | 23 | 10.36 |
| Orders for recovery or write-off awaited | 36 | 734.68 |
| Pending in the courts of law | 88 | 429.30 |
| Total | 234 | 4,202.86 |

It is seen from the above, that out of 234 cases involving ₹ 42.03 crore, 190 cases (81 *per cent*) involving ₹ 11.42 crore (27 *per cent*) were pending for more than 10 years. Further, while 40 cases involving ₹ 26.03 crore were pending for final departmental action, 36 cases involving ₹ 7.35 crore were pending for recovery or write-off orders.

3.6 Transfer of funds to Personal Deposit Accounts

As per Rule 494 and 495(b) of the Maharashtra Treasury Rules, 1968, (MTR) the Government is authorized to open Personal Deposit (PD) Accounts in order to deposit money by transferring funds from the Consolidated Fund for specific purposes. Generally, administrators⁶⁰ are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Government accounts (Consolidated Fund). However, as on 31 March 2012, 6,650 PD Accounts showed a total balance of ₹ 6,533.47 crore, which was not transferred back to the Consolidated Fund as can be seen from **Table 3.5**.

⁶⁰ Personal Deposit/Personal Ledger Account holders.

Table 3.5: Status of the PD Accounts as on 31 March 2012

| Sr.No | Particulars | Nos. | Amount involved (₹ in crore) |
|-------|---|-------|---------------------------------|
| 1. | PD Accounts existing at the beginning of the year 2011-12 | 6,731 | 6,626.45 |
| 2. | PD Accounts opened during the year 2011-12 | 214 | 104.15 |
| 3. | PD Accounts closed at the end of the year 2011-12 | 295 | 1.81 |
| 4. | PD Accounts existing at the close of the year 2011-12 | 6,650 | 6,533.47 |

(Source: Finance Accounts).

Apart from the opening of new PD Accounts (credit - ₹ 104.15 crore) and closing of non-operative PD Accounts (debit - ₹ 1.81 crore), receipts (including receipts from sources other than Consolidated Fund of the State) of ₹ 15,327.91 crore and payments of ₹ 15,523.23 crore, had also taken place in PD Accounts during 2011-12. Out of ₹ 15,432.06 crore transferred to PD Accounts (Major Head 8443-106- Personal Deposits) during the year, ₹ 1,740.67 crore (11 *per cent*) were transferred in March 2012 alone.

The aggregate amount of the unspent balances in the accounts of the administrators was not readily ascertainable as such funds also included receipts from sources other than the Consolidated Fund of the State.

Out of 6,650 PD Accounts existing at the close of 2011-12, 2,237 PD Accounts were reconciled by departmental officers with the Treasury offices/Accounting offices. Only 34 *per cent* of the PD Accounts were reconciled during the year 2011-12 showing that the internal control of the State was weak in respect of management of PD Accounts.

3.6.1 Non-reconciliation of Personal Deposit Accounts

As per Para 589 of Maharashtra Treasury Manual, Treasury Officers are required to obtain certificates of balances at the end of each year from the administrators of PD Accounts. After obtaining such certificates, differences, if any, are required to be reconciled with the treasury figures and certificates are to be forwarded to the Offices of the Principal Accountant General (Accounts and Entitlements) I, Maharashtra, Mumbai, Accountant General (Accounts and Entitlements) II, Maharashtra, Nagpur and the Pay and Accounts Office, Mumbai for confirmation of the balances.

However, differences were noticed between the balances of administrators and those of treasuries in 243 cases, between the balances of treasuries and sub-treasuries in 361 cases and between the balances of sub-treasuries and administrators in 291 cases.

Besides, annual certificates of balances as on 31 March 2011 had not been submitted by 513 administrators out of 3268 administrators.

3.6.2 Retention of Government funds in Personal Deposit Accounts

As per Article 266 and 284 of the Constitution, revenue receipt of the Government shall form part of the Consolidated Fund. In terms of Rule 488 of MTR, revenue receipt of the Government cannot be credited to Deposit head when receipt head of account is known. Rule 50 of Accounting Rules for Treasuries, 1992 is in consonance with the above provisions.

Scrutiny of PD Accounts of some of the administrators revealed that an amount of ₹ 21.55 lakh received on account of the revenue receipts⁶¹ was credited to the PD Accounts of the administrators⁶² concerned.

It is in violation of above Rules as the same should have been credited to revenue receipt head (i.e. 0210-Medical and Public Health or 0202-Education, 0230-Labour and Employment, 0425-Co-operative, 0070- Other Administrative Services, etc.) instead of deposit head.

3.6.3 Credit of Government receipt of Rural Hospital in saving bank account

As per Rule 8 of MTR, all moneys received on account of the revenue shall without undue delay be paid in full to relevant Major Head under Government account and shall be included in the Treasury accounts. Moneys received as aforesaid shall not be used to meet departmental expenditure.

Scrutiny of challans (July 2011) for the year 2010-11 revealed that total amount of ₹ 93.77 lakh on account of Government revenue (*viz.*, X-ray fees, OPD fees, Lab fees, etc.) were deposited to saving bank account in the State Bank of India, Central Bank of India, Bank of Baroda and Indian Overseas Bank by the Civil Surgeon General Hospital, Ahmednagar and Medical Superintendent, Rural Hospitals in Ahmednagar District instead of crediting under the head 0210 – Medical and Public Health which was in violation of above Rule.

3.6.4 Non-closure of Personal Deposit Accounts

As per Rule 495(b) of MTR, when the PD Account is credited 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. The balance thus lapsing should be reported by the Treasury Officer to the Accountant General (Accounts and Establishments), immediately after 31st March in the manner laid down in the Account Code Volume II.

(a) As per information received from 11⁶³ treasuries out of 19 treasuries, an amount of ₹ 357.86 crore in respect of 316 units/departments was outstanding in PD account at the end of March 2012.

The maximum number of outstanding cases (involving 303 units/departments amounting to ₹ 356.56 crore) was noticed in Aurangabad, Gadchiroli, Chandrapur and Latur treasuries.

Further, year wise scrutiny of outstanding PD account in respect of Latur treasury revealed that in 34 cases an amount of ₹ 51.64 crore was outstanding since 1983 to 2011.

⁶¹ OPD/IPD fees and training fees of nurses, Sonography fees, Centre Registration Fees, sale of admission forms, Hostel Room Rent, Hostel Gymkhana fees, Rent for Hall, ground, Enquiry fees, Arbitration fees etc.

⁶² Administrative Officer, Civil Surgeon, General Hospital, Medical Superintendent, Rural Hospital and other Headmaster, Technical High School, Principal, Government Polytechnic, Judge, Co-operative Court, Thane, etc.

⁶³ Aurangabad, Chandrapur, Gadchiroli, Latur, Amravati, Akola, Nagpur, Buldhana, Wardha, Osmanabad and Jalna.

The Department attributed the cause for non-closure of account to non-withdrawal of money by farmers, amounts not claimed by claimants/litigants, students deposit amount and undelivered license amount *etc.*

The reply of the department is not acceptable as the very objective of opening and closing of PD account as per Rule 495 of MTR was violated.

(b) A Personal Ledger Account (PLA) was authorised in the name of Commissioner of Fisheries, Maharashtra State, Mumbai to account the funds sanctioned for the Marathawada Development Package to be implemented during the years 2008-09 and 2009-10.

It was noticed that above rule was not followed by the Commissionerate and there was a balance of ₹ 1.75 crore in the PLA as on April 2012 which was unauthorisedly retained without closure of PLA.

No explanation was furnished by the Commissioner of Fisheries though sought for (September 2012).

3.7 Functioning of Treasuries

The major irregularities noticed during inspection of 33 district treasuries including all sub-treasuries in Maharashtra and the Pay and Accounts Office, Mumbai by the Principal Accountant General (Accounts and Entitlements), I, Maharashtra, Mumbai and the Accountant General (Accounts and Entitlements), II, Maharashtra, Nagpur during 2011-12 are brought out in the following paragraphs:

3.7.1 verpayment of pension

Overpayment of pensionary benefits of ₹ 3.25 crore was made during 2011-12 on account of incorrect calculation of dearness relief, non-adjustment of provisional Death-cum-Retirement Gratuity, non-reduction of pension due to payment of commuted value of pension, non-reduction of family pension from the specific dates mentioned in the pension payment orders *etc.* Of this, ₹ 32.84 lakh has been recovered upto July 2012. Thus, a balance of ₹ 2.92 crore was still outstanding.

3.7.2 Non-closure of inoperative Personal Deposit Accounts

As per Rule 495 of the MTR and Para 585 (2) of the Maharashtra Treasury Manual, PD Accounts of the various designated administrators which are not operated for more than three continuous accounting years are to be closed and the balances in such PD accounts are to be credited to Government accounts. It was, however, noticed that in 84 cases, PD Accounts which were not operated for more than three years had not been closed and a total balance of ₹ 31.13 lakh lying in such PD Accounts, was not credited to the Government account.

3.8 Opaqueness in Government Accounts

There is a global trend towards greater openness in Government finances. This is based on a belief that transparent budgetary and accounting practices can ensure that funds raised by the Government for public purposes will be spent as promised by the Government, while maximizing the benefits derived from spending. One crucial component of a transparent system of accounting is that the forms of accounts in which the receipts and expenditure of the Government are reported to the legislature, are constantly reviewed and

updated so that they truly reflect receipts and expenditure in respect of all major activities of the Government in a transparent manner.

During 2011-12, ₹ 1,076.43 crore under 51 revenue receipt major heads and ₹ 11,833.28 crore under 98 revenue and capital outlay expenditure major heads of accounts (representing functions of the Government) were classified under the Minor Head '800- Other Receipts/Expenditure' in the accounts. These constitute more than 0.89 percent of the total revenue receipts and 9.57 per cent of total revenue and capital outlay expenditure recorded during 2011-12. Receipt heads such as 'Receipts from Maharashtra State Electricity Development Corporation', 'Receipts realised by the Settlement Commissioner and Director of Land Records', 'Unclaimed Loans written off Revenue', etc. with substantial revenue receipts and expenditure heads such as 'Subsidy to the Distribution/Transmission Licencee for reduction in Agriculture and Powerloom Tariff', 'Sarva Shiksha Abhiyan Scheme', 'Financial Assistance to Rashtriya Krishi Vikas Yojana', 'Gaothan Feeder Separation Scheme and Infrastructure Development', 'World Bank assisted Maharashtra Water Sector Improvement Project', 'Grant-in-aid to Municipal Councils/Corporations etc. for Improvement of Road – Normal Road Grants', 'Gharkul Yojana for Scheduled Castes and Nav Boudh People (Urban-SCP)', etc., with substantial revenue and capital outlay expenditure were classified as 'Other Expenditure'.

Scrutiny of Finance Accounts further revealed that a total of ₹ 8,390.15 crore under nine Major Heads of accounts was classified under Minor Head '800- Other expenditure' in the accounts constituting more than 50 per cent of the total expenditure recorded under the respective Major Heads as shown in Table 3.6.

Table 3.6 : Minor Head '800- Other expenditure' constituting more than 50 per cent of the total expenditure recorded under the respective Major Heads

| Sr. No. | Major Head | Total Expenditure under the Major Head (₹ in crore) | Expenditure under Minor Head 800- Other Expenditure (₹ in crore) | Percentage of 'Other Expenditure' to 'Total Expenditure' |
|---------|--|---|--|--|
| 1 | 2039 – State Excise | 137.49 | 70.01 | 50.92 |
| 2 | 2701 – Major and Medium Irrigation | 1,927.68 | 1,089.19 | 56.50 |
| 3 | 2801 – Power | 5,420.21 | 5,324.49 | 98.23 |
| 4 | 3001 – Indian Railways – Policy Formulation, Direction, Research and Other Miscellaneous Organisations | 42.57 | 42.50 | 99.84 |
| 5 | 3055 – Road Transport | 4.25 | 4.25 | 100 |
| 6 | 4070 – Capital outlay on other Administrative Services | 268.40 | 268.40 | 100 |
| 7 | 4236 – Capital outlay on Nutrition | 65.86 | 65.86 | 100 |
| 8 | 4551 – Capital Outlay on Hill areas | 72.96 | 72.96 | 100 |
| 9 | 4801 - Capital Outlay on Power Projects | 1,861.98 | 1,452.49 | 78.01 |
| | Total | 9,801.40 | 8,390.15 | |

(Source: Finance Accounts).

This indicates a high degree of opaqueness in the accounts. Large amounts booked under the minor head '800' affects the transparency and correctness in financial accounting.

3.9 Reconciliation of Receipts and Expenditure

All Controlling Officers are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the offices of the Principal Accountant General (Accounts and Entitlements), I, Maharashtra, Mumbai and Accountant General (Accounts and Entitlements), II, Nagpur and the Pay & Accounts Office, Mumbai. Such reconciliation had been completed for a value of ₹ 1,08,081.62 crore (69.72 per cent) of expenditure against the total expenditure of the Government, amounting to ₹ 1,55,028.98 crore and for ₹ 33,395.35 crore (22.76 per cent) of receipts against the total receipts of the Government amounting to ₹ 1,46,748.77 crore (August 2012).

3.10 Pendency in submission of Detailed Contingent bills against Abstract Contingent bills

As per the MTR, Drawing and Disbursing Officers (DDOs) are required to submit Detailed Contingent (DC) bills (vouchers in support of final expenditure) against Abstract Contingent (AC) bills drawn, within 30 days to the offices of the Principal Accountant General (Accounts and Entitlements) I, Maharashtra, Mumbai, the Accountant General (Accounts and Entitlements) II, Maharashtra, Nagpur and the Pay and Accounts Office, Mumbai.

As on 31 March 2012, 20,624 DC bills amounting to ₹ 1,076.39 crore were not received in the offices of the Principal Accountant General (Accounts and Entitlements) I, Maharashtra, Mumbai, Accountant General (Accounts and Entitlements) II, Maharashtra, Nagpur and the Pay and Accounts, Mumbai. Year-wise details and the department-wise position are given in **Table 3.7** and **Appendix 3.6** respectively.

Table 3.7 : Pendency in submission of DC bills against AC bills

| Year | AC Bills drawn | | DC Bills received | | Outstanding DC Bills | |
|--------------|-----------------|-----------------|-------------------|-----------------|----------------------|-----------------|
| | Number | Amount | Number | Amount | Number | Amount |
| Upto 2009-10 | 96,845 | 2,994.62 | 78,927 | 2,447.11 | 17,918 | 547.51 |
| 2010-11 | 3,218 | 396.55 | 2,541 | 83.46 | 677 | 313.09 |
| 2011-12 | 3,500 | 256.42 | 1,471 | 40.63 | 2,029 | 215.79 |
| Total | 1,03,563 | 3,647.59 | 82,939 | 2,571.20 | 20,624 | 1,076.39 |

(Source: Finance Accounts).

3.10.1 Irregular drawal of Abstract Contingent Bills

In accordance with provisions contained in Rule 302 of MTR, bills for countersigned contingencies can only be drawn on AC Bill in form MTR 29. The countersigned contingencies are listed in Statement-II of Appendix I of

Maharashtra Contingent Expenditure Rules, 1965. Treasury Officers should pass AC bills presented by the DDOs with respect to the items listed in the above Appendix. However, it was noticed that the Treasury Officers had passed the AC bills amounting to ₹ 32.62 lakh, for Office Expenses (which is not listed in Statement-II of Appendix I) prepared and presented for payment by the 11⁶⁴ DDOs, resulting in irregular drawal of AC Bills.

3.11 Conclusion

Non-submission of utilisation certificates for ₹ 88,240 crore indicated lack of proper monitoring by the departments of utilisation of grants and loans. Non-submission of the annual accounts for audit by the grantee institutions was fraught with the risk of misutilisation of funds. Due to delays in finalisation of accounts by autonomous bodies/commercial undertakings, the Government's investments in these organisations could not be scrutinised by audit. The large number of the outstanding cases of misappropriations, losses, *etc.* and non-recovery of amounts indicated lack of efforts by the departments to make good the losses and fix responsibility.

Expenditure and receipts to the tune of ₹ 46,947.36 crore and ₹ 1,13,353.42 crore respectively were not reconciled with the figures of Offices of the Principal Accountant General (Accounts and Entitlements) I, Mumbai, Accountant General (Accounts and Entitlements) II, Maharashtra, Nagpur and the Pay and Accounts office, Maharashtra, Mumbai.

The Controlling Officers did not submit Detailed Contingent bills in respect of ₹ 1,076 crore drawn on Abstract Contingent bills upto 31 March 2012. Significant amounts of expenditure and receipts under Central and State schemes, booked under the Minor head '800-Other expenditure' and '800-Other receipts' were not distinctly depicted in the State Finance Accounts of 2011-12, affecting the openness in financial reporting.

3.12 Recommendations

- The departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes to the grantee institutions.
- The annual accounts in respect of the autonomous bodies should be submitted in time to the Principal Accountant General (Audit) I, Maharashtra, Mumbai and Accountant General (Audit) II, Maharashtra, Nagpur.
- Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.

⁶⁴ Sub Divisional Engineer, Koyna Project, Pune; Regional Transport Office, Pune; Deputy District Election Officer, Pune; Head Clerk to Collector in Raigad, Jalgaon, Sindhudurg; Head Clerk to Commissioner, Konkan Bhavan, Navi Mumbai; Sub Divisional Officer, Ratnagiri; and Tahsildar in Lanja, Guhagar and Ratnagiri.

- A rigorous monitoring mechanism should be put in place in the departments to adjust the advances drawn on Abstract Contingent bills within the stipulated period, as required under the extant rules.

Mumbai,
The 7 February, 2013



(MALA SINHA)
Principal Accountant General (Audit)-I,
Maharashtra

Countersigned

New Delhi,
The 11 February, 2013



(VINOD RAI)
Comptroller and Auditor General of India