REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA on STATE FINANCES

for the year ended 31 March 2014

Government of Kerala

Table of Contents				
	Reference to			
	Paragraph	Page		
Preface	-	V		
Executive Summary	-	vii		
Chapter I				
Finances of the State Governs	nent			
Profile of Kerala	-	1		
Introduction	1.1	1		
Resources of the State	1.2	6		
Revenue Receipts	1.3	11		
Capital Receipts	1.4	16		
Public Accounts Receipts	1.5	17		
Application of Resources	1.6	18		
Quality of Expenditure	1.7	25		
Financial Analysis of Government Expenditure and Investments	1.8	29		
Assets and Liabilities	1.9	33		
Debt Sustainability	1.10	39		
Fiscal Imbalances	1.11	41		
Conclusion	1.12	45		
Recommendations	1.13	47		
Chapter II				
Financial Management and Budgeta	ry Control			
Introduction	2.1	49		
Summary of Appropriation Accounts	2.2	50		
Financial Accountability and Budget Management	2.3	51		
Non-reconciliation of departmental figures	2.4	59		
Review of Grant number XXII-Urban Development	2.5	60		
Inspection of treasuries	2.6	65		
Analysis of Budgetary Assumptions	2.7	66		
Conclusion	2.8	70		
Recommendations	2.9	71		

Table of Contents		
	Reference to	
	Paragraph	Page
Chapter III		
Financial Reporting		
Delay in furnishing utilisation certificates	3.1	73
Non-submission/delay in submission of Accounts	3.2	74
Delay in submission of accounts/Audit Reports of Autonomous Bodies	3.3	74
Departmentally managed Commercial Undertakings	3.4	74
Misappropriations, losses, defalcations, etc.	3.5	75
Parking of funds in Public Account	3.6	76
Conclusion	3.7	80
Recommendations	3.8	81

APPENDICES				
No.	Description	Page		
1.1	State Profile	83		
1.2 Part A	Structure and form of Government Accounts	84		
Part B	Layout of Finance Accounts	84		
1.3 Part A	Methodology adopted for assessment of fiscal position	85		
Part B	The Kerala Fiscal Responsibility Act	86		
1.4 Part A	Abstract of receipts and disbursements for the year 2013-14	88		
Part B	Summarised financial position of the Government of Kerala as on 31 March 2014	91		
1.5	Time series data on the State Government finances	93		
1.6	Gross collection in respect of major taxes and duties <i>vis-à-vis</i> budget estimates and the expenditure incurred on their collection	96		
2.1	Details showing savings in Grants/Appropriations during the year	97		
2.2	Details of Grant-wise Plan/Non-plan savings during the year	101		
2.3	Sub-heads (under Grants having more than ₹100 crore savings) in which substantial savings was occurred	102		
2.4	Statement of persistent savings for the last three years (Savings of ₹ five crore and above in each case)	104		
2.5	Excess over provision of previous years requiring regularization	109		
2.6	Cases where supplementary provision (₹one crore or more in each case) proved unnecessary	111		
2.7	Cases of excessive supplementary Grants/Appropriations (Savings of ₹ one crore and above)	113		
2.8	Unnecessary/Excessive/Insufficient re-appropriation of funds	114		
2.9	Heads in which entire budget provision (₹ one crore and above) was surrendered during the year	117		
2.10	Surrender (₹one crore or more in each case) in excess of actual savings	121		
2.11	Details of saving of ₹ one crore and above not surrendered	122		
2.12	Cases of surrender of funds in excess of ₹10 crore on 31 March 2014	124		
2.13	Pendency in submission of Detailed Contingent bills against Abstract Contingent (AC) bills drawn from 2011-12 to 2013-14	127		
2.14	List of controlling officers where amounts exceeding ₹50 crore in each case remained unreconciled during 2013-14	129		
3.1	Statement showing names of bodies and authorities, accounts of which had not been received as of March 2014	130		

APPENDICES				
No.	Description	Page		
3.2	Statement showing performance of Autonomous Bodies	131		
3.3	Statement of finalization of <i>pro forma</i> accounts and Government investment in departmentally managed commercial and quasi-commercial undertakings	133		
3.4	Department /duration-wise break-up of cases of misappropriation, defalcation, etc.	134		
3.5	Department /category-wise details in respect of cases of loss to Government due to theft, misappropriation and loss of Government material	135		
3.6	Details of amount parked in TSB accounts for more than one year	136		
3.7	Parking of funds in bank accounts of implementing agencies	137		