

Immediate Release



PRESS BRIEF



**STATE FINANCES AUDIT REPORT
OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA
FOR THE YEAR ENDED
31 MARCH 2019
GOVERNMENT OF MADHYA
PRADESH
REPORT NO. 3 OF THE YEAR 2020**

Press Brief



Immediate Release

C&AG's State Finances Audit Report for the year ended 31 March 2019, Government of Madhya Pradesh

The State Finances Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2019, Government of Madhya Pradesh was tabled on the State Vidhan Sabha on 04-03-2021.

This Report is based on the audit of Finance and Appropriation Accounts of Government of Madhya Pradesh for the year ended 31 March 2019 and makes an assessment of Madhya Pradesh Government's compliance with various reporting requirements and financial rules.

The Audit Report on State Finances highlighted the following points:

Resource mobilisation

The State Government registered an increase of 10.39 *per cent* in its Revenue Receipts during 2018-19 compared to the previous year, although it could not achieve the extent targeted in the Budget for the year. Apart from an increase of 13.55 *per cent* in its Own Tax receipts, owing primarily to GST receipts, there was a significant increase of 31.32 *per cent* in the Non-Tax Revenue during the year 2018-19.

Details are in Paragraph 1.4.1 (page no. 4) of the Audit Report

Fiscal situation of the State

State has achieved all the targets of revenue surplus, fiscal deficit and ratio of outstanding debt to GSDP prescribed in the budget estimates (BE) 2018-19, FRBM and recommendation of XIV FC.

Details are in Paragraph 1.5.2 (page no. 6-7) of the Audit Report

National Pension System

Out of the total collected contribution of ₹1,153.70 crore (employees contribution and Government contribution) towards National Pension System (NPS) during the year 2018-19, the State Government transferred only ₹1,040.60 crore to NSDL. Test check in Audit revealed instances of non-deduction of NPS from the salaries and arrears in 11 offices of Police and Education Departments.

Details are in Paragraph 1.10.4.4 (page no. 23-24) of the Audit Report

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Guarantee Redemption Fund

The State Government constituted the Guarantee Redemption Fund (GRF) in 2005-06 in view of the recommendation of XII Finance Commission. As per the scheme, GoMP was required to contribute to the fund ₹51.92 crore (₹25.96 crore realised as guarantee fees during 2017-18 and equal share by GoMP) during 2018-19, but no amount was contributed by GoMP. This has resulted in overstatement of revenue surplus and understatement of fiscal deficit by ₹51.92 crore.

Details are in Paragraph 1.12.2.2 (page no. 31) of the Audit Report

Savings

Failure of the Finance Department to monitor departmental expenditure by controlling offices resulted in savings amounting to ₹50,472.50 crore (21.18 per cent) remaining unutilised during 2018-19.

Details are in Paragraph 2.2.1 (page no. 37-38) of the Audit Report

Excess expenditure requiring regularisation

State Government did not regularise the excess expenditure amounting to ₹639.70 crore covering 10 grants and eight appropriations pertaining to the period 2011-17. During 2018-19, excess expenditure of ₹1,028.62 was incurred under one grant and one appropriation.

Details are in Paragraphs 2.3.1 (page no. 38-39) and 2.3.1.1 (page no. 39-40) of the Audit Report

Surrender orders not accepted by Principal Accountant General (A&E)-I

The Principal Accountant General (A&E)-I did not accept 25 sanctions for surrender of funds amounting to ₹2,871.57 crore as these were not in accordance with the instruction issued by the State Government.

Details are in Paragraph 2.3.8.1 (page no. 45) of the Audit Report

Misclassification of expenditure

During 2018-19, ₹541.28 crore expenditure out of grants-in-aid, and other expenditure amounting to ₹742.37 crore (total ₹1,283.65 crore) were booked under capital section by the State Government, whereas it should have been booked as revenue expenditure. Grant-in-aid of ₹207.94 crore for construction of capital assets' was booked under capital section, which as per IGAS-2, should be debited to a revenue heads of account.

Details are in Paragraph 2.3.9 (page no. 46) of the Audit Report

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Personal Deposit (PD) accounts and Unauthorised retention of Government money in bank accounts

GoMP had a closing balance of ₹3,938.48 crore in respect of 731 PD accounts as on 31 March 2019.

Collector, Narshinghpur, Satna and Ashok Nagar kept an amount of ₹13.78 crore pertaining to land acquisition in 10 bank accounts. The money had been received for payment of compensation against acquisition of land and should have been kept under Personal Deposit (PD) account.

Details are in Paragraphs 3.2 and 3.2.2 (page no. 53-55) of the Audit Report

Building and Other Construction Workers (BOCW) Welfare Cess and Non-compliance with Income Tax Act

The Madhya Pradesh Building and Other Construction Workers Welfare Board (Board) parked an amount of ₹1,777.75 crore in bank accounts. Further, the Board could utilise only 15 per cent of the available funds and cater to the welfare of only 30 per cent of the registered workers under various schemes.

Due to non-filing of the Income Tax Return from financial years 2012-19, the Board has failed to claim refund of income tax of ₹5.10 crore.

Details are in Paragraphs 3.3.1, 3.3.2 (page no. 55-57) and 3.3.5 (page no. 58) of the Audit Report

Opaqueness in Government Accounts- Operation of Minor Head 800

GoMP departments routinely operated minor head 800 which is to be operated only in rare cases. During 2018-19, ₹34,831.64 crore under receipts and ₹30,676.59 crore under expenditure was booked under minor heads 800 resulting in opaqueness of transactions.

Details are in Paragraph 3.4 (page no. 59-60) of the Audit Report

Non-submission of Utilisation Certificates

Utilisation Certificates (20,278) had not been submitted by various Departments for an aggregate amount of ₹14,470.62 crore drawn for specific developmental programmes/projects, which was violative of prescribed financial rules and directives and point to inadequate internal controls, while reflecting poorly on the monitoring mechanism of the State Government.

Details are in Paragraph 3.6 (page no. 61-62) of the Audit Report

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