

**Report of the
Comptroller and Auditor General of India
on
State Finances**

for the year 2011-12

Government of Punjab
Report No.1 of the year 2012

TABLE OF CONTENTS		
Contents	Paragraph	Page
Preface		v
Executive summary		vii
CHAPTER 1: FINANCES OF THE STATE GOVERNMENT		
Introduction	1.1	1
Summary of the current year's fiscal transactions	1.2	2
Resources of the State	1.3	8
Revenue receipts	1.4	10
Application of resources	1.5	13
Quality of expenditure	1.6	21
Analysis of Government expenditure and investments	1.7	24
Assets and liabilities	1.8	30
Debt sustainability	1.9	33
Fiscal imbalances	1.10	35
Conclusion	1.11	39
Recommendations	1.12	40
CHAPTER 2: FINANCIAL MANAGEMENT AND BUDGETARY CONTROL		
Summary of the Appropriation Accounts	2.1	41
Financial accountability and budget management	2.2	42
Preparation of unrealistic budget estimates	2.3	51

Outcome of review of selected grants	2.4	52
Conclusion	2.5	54
Recommendations	2.6	54
CHAPTER 3: FINANCIAL REPORTING		
Utilization certificates	3.1	55
Delay in submission of Accounts/Audit Reports of autonomous bodies	3.2	56
Departmental commercial undertakings	3.3	57
Misappropriations, losses, thefts etc.	3.4	57
Opaqueness in Government Accounts	3.5	58
Conclusion	3.6	59
Recommendations	3.7	59

APPENDICES		
Profile of Punjab	1.1	61
Structure of the Government Accounts and layout of the Finance Accounts	1.2	62
Punjab Fiscal Responsibility and Budget Management (FRBM) Act 2003 (amended upto March 2011)	1.3	63
Abstract of receipts and disbursements for the year 2011-12 and summarised financial position of the Government of Punjab as on 31 March 2012	1.4	64
Fiscal consolidation roadmap for the State for the financial years 2010-11 to 2014-15 as per recommendations of the Thirteenth Finance Commission	1.5	68
Budget estimates vis-à-vis actuals of various fiscal parameters and receipt and expenditure heads for the year 2011-12	1.6	70
Statement showing the details of revenue receipts credited to funds outside the consolidated fund of the State and expenditure therefrom	1.7	71
Time Series Data on State Government finances	1.8	72
List of working Government Companies/ Corporations having negative net worth	1.9	74
Arrear in finalization of Accounts of working PSUs	1.10	75
Statement of grants/appropriations where savings occurred	2.1	76
Statement showing expenditure incurred without budget provision	2.2	78
Statement showing cases where supplementary provisions (₹ one crore or more in each case) proved unnecessary	2.3	80
List of re-appropriation orders which were not accepted by the Pr. Accountant General (A&E), Punjab	2.4	81
Statement showing unnecessary re-appropriation of funds	2.5	83
Statement of grants in which savings exceeding ₹ 10 crore were not surrendered	2.6	87

Details of grants/appropriations in which even after partial surrender there were savings of ₹ 10 crore and above in each case	2.7	88
Statement showing wrong classification of grant-in-aid	2.8	89
Detail of the items of revenue expenditure provided under head of account 4055-Capital outlay on Police under Grant No. 12 (Home Affairs and Justice) of non-plan schemes for the year 2011-12	2.9	90
Statement showing savings in the Grant No. 11–Health and Family Welfare	2.10	91
Statement showing excess expenditure over budget provision under Grant No. 11–Health and Family Welfare	2.11	96
Statement showing withdrawal of whole provision through re-appropriation under Grant No. 24–Science, Technology and Environment	2.12	97
Statement showing delay in submission of budget estimates to Finance Department	2.13	98
Outstanding utilisation certificates as on 31 March 2012	3.1	99
Status of the Accounts and the Separate Audit Reports of the autonomous bodies as on 31 March 2012	3.2	100
Statement showing age-wise profile of cases of misappropriation, loss, theft etc.	3.3	101
Statement of the expenditure and receipts booked under Minor Head-800- Other Expenditure/Receipts	3.4	102
Glossary of terms used in the Report	4.1	103