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

for the year ended March 2012

**Government of Tamil Nadu** 

## TABLE OF CONTENTS

	Paragraph	Page			
Preface		V			
Executive Summary		vii			
CHAPTER-I – FINANCES OF THE STATE GOVERNMENT					
Introduction	1.1	1			
Resources of the State	1.2	4			
Revenue Receipts	1.3	7			
Application of Resources	1.4	9			
Quality of Expenditure	1.5	15			
Financial Analysis of Government Expenditure and Investments	1.6	18			
Assets and Liabilities	1.7	21			
Debt Sustainability	1.8	25			
Fiscal Imbalances	1.9	27			
Conclusion and Recommendations	1.10	30			
CHAPTER-II – FINANCIAL MANAGEMENT AND BUD	GETARY CO	NTROL			
Introduction	2.1	33			
Summary of Appropriation Accounts	2.2	33			
Financial Accountability and Budget Management	2.3	35			
Review of a selected Grant	2.4	41			
Advances from Contingency Fund	2.5	42			
Conclusion	2.6	43			
Recommendations	2.7	43			
CHAPTER-III – FINANCIAL REPORTING					
Delay in furnishing of Utilisation Certificates	3.1	45			
Non-submission/delay in submission of Accounts	3.2	46			
Non-adjustment of Temporary Advances	3.3	46			
Operation of the Personal Deposit Accounts	3.4	47			
Misappropriations, losses, defalcations, etc.	3.5	48			
State Funds kept in Bank Accounts	3.6	49			
Deficiencies noticed in the Pay and Accounts Offices and Treasury Offices	3.7	49			
Large scale booking under Minor Head "800"	3.8	51			
Conclusion	3.9	51			
Recommendations	3.10	52			

	Appendices	Reference to Paragraph	Page
1.1	State Profile		53
1.2 Part A	Structure and Form of Government Accounts	1.1	54
Part B	Layout of Finance Accounts	1.1	54
1.3 Part A	Methodology adopted for the assessment of fiscal position	1.1	56
Part B	The Tamil Nadu Fiscal Responsibility Act, 2003	1.1	57
1.4	Time series data on State Government finances	1.1, 1.3, 1.5.2 and 1.7.2	58
1.5 Part A	Abstract of Receipts and Disbursements for the year 2011-12	1.1.1 and 1.7.1	60
Part B	Summarised financial position of the Government of Tamil Nadu as on 31 March 2012	1.1.1, 1.7.1 and 1.7.5	62
2.1	Statement showing cases where savings exceeded ₹ 10 crore in each case and also by 20 per cent or more of the total provision	2.3.1	63
2.2	Excess over provision relating to previous years requiring regularisation	2.3.4	64
2.3	Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary	2.3.6	65
2.4	Excessive/insufficient re-appropriation of funds	2.3.7	67
2.5	Cases of surrender of entire provision	2.3.9	72
2.6	Cases of surrender in excess of actual savings (₹ 50 lakh or more)	2.3.10	75
2.7	Cases where savings of ₹ 1 crore and above not surrendered	2.3.11	77
2.8	Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2012	2.3.11	79
2.9	Rush of Expenditure	2.3.12	81
2.10	Statement showing cases where advances from the Contingency Fund were sanctioned but not drawn (2011-12)	2.5	87
2.11	Details of sanctions from the contingency fund where expenditure incurred was less than 50 per cent of the sanction	2.5	90
3.1	Utilisation certificates outstanding as on 30 September 2012	3.1	91

	Appendices	Reference to Paragraph	Page
3.2	Statement showing names of bodies and authorities, the accounts of which had not been received	3.2	92
3.3	Department/category-wise details of loss to Government due to theft, misappropriation, shortage etc.	3.5	101
3.4	State Funds kept in Bank Accounts	3.6	102
3.5	Operation of Minor Head '800 – Other Expenditure' (50 per cent and above)	3.8	104
3.6	Operation of Minor Head '800 – Other Receipts' (50 per cent and above)	3.8	105
	Glossary of terms and abbreviations used in the Report	-	106