



**Report of the  
Comptroller and Auditor General of India  
on  
State Finances  
for the year ended March 2013**



**Government of Andhra Pradesh**

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

**State Finances**

**for the year ended March 2013**

**Government of Andhra Pradesh**

# Table of Contents

|   | Reference to |      |
|---|--------------|------|
|   | Paragraph    | Page |
| <i>Preface</i>  |              | v    |
| <i>Executive summary</i>                                      |              | vii  |
| <b>Chapter – 1 Finances of the State Government</b>           |              |      |
| Profile of Andhra Pradesh                                     |              | 1    |
| Introduction  | 1.1          | 2    |
| Summary of Current Year’s Fiscal Transactions                 | 1.2          | 2    |
| Budget Estimates and Actuals                                  | 1.3          | 3    |
| Fiscal Reform Path  | 1.4          | 4    |
| Resources of the State  | 1.5          | 4    |
| Revenue Receipts  | 1.6          | 6    |
| Capital Receipts  | 1.7          | 11   |
| Public Account Receipts                                       | 1.8          | 12   |
| Application of Resources                                      | 1.9          | 12   |
| Quality of Expenditure  | 1.10         | 19   |
| Financial analysis of Government expenditure and investments  | 1.11         | 21   |
| Assets and Liabilities  | 1.12         | 26   |
| Debt Sustainability   | 1.13         | 29   |
| Fiscal Imbalances   | 1.14         | 29   |
| Conclusion  | 1.15         | 33   |
| Recommendations   | 1.16         | 33   |
| <b>Chapter – 2 Financial Management and Budgetary Control</b> |              |      |
| Introduction  | 2.1          | 35   |
| Budget Preparation Process                                    | 2.2          | 35   |
| Financial Accountability and Budget Management                | 2.3          | 35   |
| Summary of Appropriation Accounts                             | 2.4          | 36   |
| Advances from Contingency Fund                                | 2.5          | 44   |
| Major Policy Initiatives                                      | 2.6          | 44   |
| Review of Selected Grants                                     | 2.7          | 49   |

|   | Reference to |      |
|---|--------------|------|
|   | Paragraph    | Page |
| Errors in Budgeting Process                                     | 2.8          | 54   |
| Conclusion  | 2.9          | 55   |
| Recommendations   | 2.10         | 56   |
| <b>Chapter – 3 Financial Reporting</b>                          |              |      |
| Introduction  | 3.1          | 57   |
| Utilisation Certificates  | 3.2          | 57   |
| Submission of accounts/Audit Reports of Autonomous bodies       | 3.3          | 57   |
| Un-reconciled expenditure and receipts                          | 3.4          | 58   |
| Personal Deposit Accounts                                       | 3.5          | 59   |
| Pendency of Detailed Contingent bills                           | 3.6          | 61   |
| Operation of Omnibus Minor Head -800                            | 3.7          | 63   |
| Implementation of Indian Government Accounting Standards (IGAS) | 3.8          | 63   |
| Debt, Deposit and Remittance Heads                              | 3.9          | 64   |
| Outstanding balances under Suspense Account (Major Head 8658)   | 3.10         | 66   |
| Non-receipt of supporting documents                             | 3.11         | 68   |
| Conclusion  | 3.12         | 69   |
| Recommendations   | 3.13         | 69   |

## Appendices

|        |  | Reference to       |      |
|--------|--|--------------------|------|
|        |  | Paragraph          | Page |
| 1.1    | State Profile of Andhra Pradesh  |                    | 71   |
| 1.2    | Structure of Government Accounts and layout of Finance Accounts  | 1.1                | 72   |
| 1.3    | Abstract of Receipts and Disbursements in 2012-13  | 1.2                | 73   |
| 1.4    | Actuals vis-à-vis Budget Estimates 2012-13   | 1.3                | 76   |
| 1.5    | Fiscal Responsibility and Budget Management Act, 2005  | 1.4                | 77   |
| 1.6    | Time Series Data on State Government Finances  | 1.6 &<br>1.12.2    | 78   |
| 1.7    | Funds transferred directly to State implementing agencies  | 1.6.4              | 81   |
| 1.8    | List of Incomplete Irrigation Projects   | 1.11.2             | 82   |
| 1.9    | Summarised Financial Position of the Government of Andhra Pradesh as on 31 March 2013  | 1.12.1 &<br>1.12.4 | 84   |
| 2.1    | Statement of Grants/Appropriations where saving was more than ₹ 100 crore each and more than 20 <i>per cent</i> of the total provision | 2.4.1              | 86   |
| 2.2    | Excess over provision of previous years requiring regularisation   | 2.4.5              | 87   |
| 2.3    | Cases where Supplementary provision proved unnecessary by  | 2.4.6              | 88   |
| (a)    | ₹one crore or more in each case  |                    |      |
| (b)    | Cases where supplementary provision proved excessive by ₹ one crore or more in each case   | 2.4.6              | 89   |
| (c)    | Cases where supplementary provision proved insufficient by more than ₹ one crore in each case  | 2.4.6              | 90   |
| 2.4    | Re-appropriation of funds (more than ₹ 10 crore in each case)  | 2.4.7              | 90   |
| 2.5    | Substantial surrenders made during the year  | 2.4.9              | 92   |
| 2.6    | Surrenders in excess of actual saving/excess (₹ 50 lakh or more in each case)  | 2.4.11             | 94   |
| 2.7    | Statement of grants/appropriations in which saving occurred but no part of which was surrendered                                       | 2.4.12             | 95   |
| 2.8    | Details of saving of ₹ five crore and above not surrendered  | 2.4.12             | 96   |
| 2.9    | Cases of surrender of funds in excess of ₹ 10 crore on 30 March 2013   | 2.4.12             | 97   |
| 3.1    | Outstanding Utilisation certificates as of 31 March 2013   | 3.2                | 99   |
| 3.1(a) | Year-wise position of outstanding UCs as of 31 March 2013  | 3.2                | 99   |
| 3.2    | Statement showing submission of accounts and status of audit of Autonomous Bodies  | 3.3                | 100  |
| 3.3    | Statement of Bodies and Authorities whose accounts have not been received  | 3.3                | 102  |
| 3.4    | Un-reconciled expenditure (₹ 500 crore and above cases only)   | 3.4                | 104  |

|     |   | Reference to |      |
|-----|---|--------------|------|
|     |   | Paragraph    | Page |
| 3.5 | Statement showing Department-wise details of pending DC bills at the end of 2012-13 | 3.6          | 105  |
| 3.6 | Non-receipt of cheques in support of payments                                       | 3.9.2.1      | 105  |
| 4.1 | Glossary of terms   | --           | 106  |
| 4.2 | Acronyms and abbreviations  | --           | 108  |