

Chapter-4
Financial Management and
Accounting Framework

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Funds are allocated to the district through the State budget for various developmental activities. In addition, funds are directly released to the District Rural Development Agency (DRDA) and implementing agencies for various socio-economic developmental programmes by the State Government and Government of India (GOI). The DRDA, Chief Planning and Development Officer (CPDO) and the District Development and Panchayat Officer (DDPO) release the funds to blocks and other executing agencies based on the approved allocation for the individual schemes.

4.1 Gaps in fund flow and expenditure incurred

The position of funds received and expenditure incurred there against in respect of certain significant schemes/activities for the period 2007-12 in the district is tabulated below:

Table 1: Funds provided and expenditure under certain significant schemes/activities

(₹ in crore)

Name of scheme	Funds provided	Expenditure incurred	Unspent amount
Sarva Shiksha Abhiyan	150.03	143.45	6.58
National Rural Health Mission	21.92	20.97	0.95
District Rural Development Agency			
Mahatma Gandhi National Rural Employment Guarantee Scheme	4.87	4.86	0.01
Indira Awas Yojna	12.32	12.10	0.22
Total Sanitation Campaign	2.93	2.08	0.85
Pradhanmantri Gram Sadak Yojna	31.83	29.09	2.74
Member of Parliament Local Area Development Scheme	3.64	3.21	0.43
Sawarn Jayanti Gram Swarozgar Yojna	3.87	3.87	Nil
Chief Planning and Development Officer			
District Plan	35.19	17.64	17.55
Central Finance Commission	31.40	21.77	9.63
Total	298.00	259.04	38.96

Source: Departmental figures

Audit analysis revealed that against the provision of ₹ 298 crore, ₹ 259.04 crore was spent leaving ₹ 38.96 crore unspent with the implementing agencies.

Audit scrutiny of records of the ADC-cum-CEO, DRDA and the test-checked blocks and GPs revealed that the funds were shown as expended as soon as these were released to the next level i.e. the DRDA, showed utilisation of funds as soon as these were released to the blocks and the blocks, in turn, showed utilisation on release to GPs, without ensuring the actual utilisation of funds.

While admitting the audit findings, the DRDA stated during the exit conference that funds could not be utilised as the same were received at the fag end of financial year.

Recommendation

The Government/District Administration may consider:

- *putting in place a proper accounting system whereby expenditure are recorded only when they are actually spent under various developmental schemes.*