

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

ON

STATE FINANCES

FOR THE YEAR ENDED 31 MARCH 2014

GOVERNMENT OF JAMMU AND KASHMIR

TABLE OF CONTENTS			
Sl.No.	Contents	Paragraph	Page
1.	Preface		v
2.	Executive Summary		vii-ix
CHAPTER-I : FINANCES OF THE STATE GOVERNMENT			
3.	Profile of the State	1.1	1
4.	Summary of Fiscal Transactions in 2013-14	1.2	2
5.	Resources of the State	1.3	6
6.	Revenue receipts	1.4	8
7.	Capital receipts	1.5	16
8.	Public Accounts receipts	1.6	16
9.	Application of resources	1.7	17
10.	Quality of Expenditure	1.8	22
11.	Financial Analysis of Government Capital expenditure and investments	1.9	25
12.	Assets and Liabilities	1.10	27
13.	Debt Management	1.11	31
14.	Fiscal Imbalances	1.12	34
15.	Government obligations under the FRBM Act, 2006	1.13	37
16.	Conclusion	1.14	39
17.	Recommendations	1.15	40
CHAPTER-II : FINANCIAL MANAGEMENT AND BUDGETARY CONTROL			
18.	Introduction	2.1	41
19.	Summary of Appropriation Accounts	2.2	41
20.	Financial Accountability and Budget Management	2.3	42
21.	Non-reconciliation of Departmental figures	2.4	46
22.	Errors in budgeting process	2.5	47

23.	Outcome of inspection of Treasuries	2.6	49
24.	Review of Grant (Forest Department)	2.7	49
25.	Conclusion	2.8	52
26.	Recommendations	2.9	53
CHAPTER-III : FINANCIAL REPORTING			
27.	Pendancy in submission of detailed countersigned contingent (DC) bills against abstract contingent(AC) bills	3.1	55
28.	Delay in furnishing of Utilisation Certificates	3.2	55
29.	Non-submission/ delay in submission of Annual accounts by Autonomous Bodies	3.3	56
30.	Departmentally Managed Commercial Undertakings	3.4	57
31.	Bookings under Minor Head 800-'Other Receipts' and 'Other Expenditure'	3.5	58
32.	Inoperative personal deposit (PD) accounts	3.6	58
33.	Conclusion	3.7	58
34.	Recommendations	3.8	59
Appendices			
35.	Part A : Structure and Form of Government Accounts	1.1	61
	Part B : Layout of Finance Accounts		
36.	Methodology Adopted for the Assessment of Fiscal Position	1.2	62
37.	Time Series Data on the State Government Finances	1.3	64
38.	Abstract of Receipts and Disbursements for the year 2013-14	1.4	67
	Summarised financial position of the Government of Jammu and Kashmir as on 31 March 2014		70
39.	Statement showing the funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2013-14	1.5	72
40.	Status of Grants-in-Aid released under the award of the 13th Finance Commission	1.6	76
41.	The Jammu and Kashmir Fiscal Responsibility and Budget Management (FRBM) Act, 2006	1.7	78

42.	Implementation of FRBM Act and Rules	1.8	80
43.	Statement of various grants/ appropriations where saving was more than ₹ one crore each or more than 20 <i>per cent</i> of the total provision	2.1	83
44.	Details of savings of ₹ one crore and above not surrendered	2.2	86
45.	Statement of various grants/ appropriations where excess expenditure was more than ₹ one crore each or more than 20 <i>per cent</i> of the total provisions	2.3	88
46.	Statement showing expenditure incurred without budget provision in 68 Major Heads of Accounts during 2013-14	2.4	89
47.	Year-wise details of excess expenditure for the years 1980-81 to 2012-13 pending with Finance Department for regularisation	2.5	92
48.	Cases of unnecessary Supplementary grant/ appropriation	2.6	93
49.	Statement of various grants/ appropriation where supplementary provision provided was insufficient by more than ₹ one crore each	2.7	94
50.	Statement showing cases where significant savings were not surrendered in Grant No. 21	2.8	95
51.	Statement showing cases where incurred without budget provisions in Grant no. 21	2.9	96
52.	Major head-wise outstanding Detailed Contingent (DC) bills from 1995-2014	3.1	97
53.	Statement showing details of annual accounts awaited relating to audit under Section 14 of CAG DPC Act, 1971	3.2	101
54.	Glossary of Terms	4.1	102