

# **Chapter-I**

## **Introduction**



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### 1.1 Budget profile

There are 66 departments and 74 autonomous bodies functioning under the Government of National Capital Territory of Delhi (GNCTD). The position of budget estimates and actuals there against of the GNCTD during 2011-16 is given in **Table 1.1** below:

**Table 1.1: Budget and expenditure of the GNCTD during 2011-16**

(₹ in crore)

Particulars	2011-12		2012-13		2013-14		2014-15		2015-16	
	Budget estimates	Actuals	Budget estimates	Actuals	Budget estimates	Actuals	Budget estimates	Actuals	Budget estimates	Actuals
<b>Revenue expenditure</b>										
General services	1,589.55	4,347.23	3,128.74	5,738.57	5,792.69	5,597.48	6,763.15	5,983.40	7,055.66	6,427.12
Social services	11,567.05	10,717.11	12,616.68	11,737.43	13,134.81	12,314.54	14,800.52	13,306.11	16,193.02	14,817.83
Economic services	2,253.06	2,172.22	2,611.64	2,350.82	3,783.08	3,650.00	3,573.12	3,318.99	4,302.65	4,138.71
Grants-in-aid and contributions	736.23	728.29	833.77	832.53	804.50	804.50	900.99	900.99	958.89	958.89
<b>Total (1)</b>	<b>16,145.89</b>	<b>17,964.85</b>	<b>19,190.83</b>	<b>20,659.35</b>	<b>23,515.08</b>	<b>22,366.52</b>	<b>26,037.78</b>	<b>23,509.49</b>	<b>28,510.22</b>	<b>26,342.55</b>
<b>Capital expenditure</b>										
Capital outlay	4,209.53	4,004.27	4,835.80	4,176.63	4,889.22	4,707.42	4,937.41	4,403.94	5,308.25	4,723.47
Loans and advances disbursed	3,404.58	3,345.42	4,082.37	3,734.83	5,694.00	5,652.37	2,138.06	1,679.94	2,711.35	2,684.32
Repayment of Public Debt	1,090.00	1,087.88	1,288.00	1,287.99	1,325.29	1,325.29	1,676.75	1,346.73	1,435.18	1,435.17
Contingency Fund	0	0	0	0	0	0	0	0	0	10.00
Public Accounts disbursements	0	0	0	0	0	0	0	0	0	0
Closing cash balance	0	4,636.28	0	1,985.75	0	880.65	0	1,517.07	0	3,654.94
<b>Total (2)</b>	<b>8,704.11</b>	<b>13,073.85</b>	<b>10,206.17</b>	<b>11,185.20</b>	<b>11,908.51</b>	<b>12,565.73</b>	<b>8,752.22</b>	<b>8,947.68</b>	<b>9,454.78</b>	<b>12,507.90</b>
<b>Grand Total (1+2)</b>	<b>24,850.00</b>	<b>31,038.70</b>	<b>29,397.00</b>	<b>31,844.55</b>	<b>35,423.59</b>	<b>34,932.25</b>	<b>34,790.00</b>	<b>32,457.17</b>	<b>37,965.00</b>	<b>38,850.45</b>

*Source: Annual Financial Statements and Finance Accounts of the GNCTD.*

### 1.2 Application of resources of the GNCTD

The total expenditure<sup>1</sup> of the GNCTD increased by 33.36 per cent from ₹ 25,314.54 crore to ₹ 33,760.34 crore during 2011-16 while the revenue expenditure increased by 46.63 per cent from ₹ 17,964.85 crore in 2011-12 to ₹ 26,342.55 crore in

<sup>1</sup>excluding repayment of public debt and cash balances

2015-16. Non-Plan revenue expenditure increased by 55.88 per cent from ₹ 11,524.00 crore to ₹ 17,963.23 crore and capital expenditure increased from ₹ 4,004.27 crore to ₹ 4,723.47 crore during the period 2011-16.

As a constituent of total expenditure, revenue expenditure increased from 70.97 per cent in 2011-12 to 78.03 per cent in 2015-16 while capital expenditure decreased from 15.82 per cent to 13.99 per cent. During the period 2011-16, total expenditure increased at an annual average rate of 6.85 per cent whereas revenue receipts grew at an annual average rate of 7.43 per cent.

### 1.3 Persistent savings

There were persistent savings of more than ₹ 1.00 crore during the last five years in four cases as given in **Table 1.2** below:

**Table 1.2: List of grants with persistent savings during 2011-16**

(₹ in crore)

Sl. No	Grant number and name	Amount of saving				
		2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue (Voted)</b>						
1.	<b>Grant No. 3: Administration of Justice:</b> 2014 B.1(2)(1)-Judicial Magistrate's Courts	8.69	5.00	6.04	8.05	15.29
2.	<b>Grant No.7: Medical and Public Health:</b> 2211 K 1 (3) (1)-Urban Family Welfare Centre (CSS)	7.45	1.93	3.50	9.21	8.71
3.	<b>Grant No. 11: Urban Development and Public Works Departments:</b> 2217 A.8(2)(1)(26)- Grant-in-aid for municipal reforms	300.93	189.87	325.16	157.12	377.16
<b>Capital (Voted)</b>						
4.	<b>Grant No. 8: Social Welfare:</b> 5055 DD.1(3)(1)- Introduction of Electronic Trolley Buses- Alternative mode of Transport	240.75	8.39	97.21	3.00	11.00

Source: Appropriation Accounts

The persistent savings under these heads were attributable to receipt of less claims/bills, purchase of less store items, non-receipt of funds from Government of India (GoI), non/less release of grant to Municipal Corporations of Delhi, delayed receipt of approval/concurrence of competent authority, non-implementation of schemes and inability of the Public Works Department (PWD) to utilise allotted funds.

#### 1.4 Grants-in-aid from Government of India (GoI)

The grants-in-aid received from GoI during the years 2011-12 to 2015-16 have been given in **Table 1.3** below:

**Table 1.3: Year-wise details of Grants-in-aid from GoI**

(₹ in crore)					
Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Plan Grants	978.85	333.57	326.91	327.95	2,905.02
Grants for State Plan Schemes	814.76	919.73	717.81	1,467.35	486.72
Grants for Centrally Sponsored Schemes	167.03	249.22	358.14	552.84	866.55
<b>Total</b>	<b>1,960.64</b>	<b>1,502.52</b>	<b>1,402.86</b>	<b>2,348.14</b>	<b>4,258.29</b>
Percentage of increase (+)/ decrease (-) over the previous year	(-) 55.00	(-) 23.37	(-) 6.63	(+) 67.38	(+) 81.35
Revenue Receipts	22,393.17	25,560.97	27,980.69	29,584.59	34,998.85
Percentage of Revenue Receipts	8.76	5.88	5.01	7.94	12.17

Grants-in-aid from GoI showed a decreasing trend during 2011-14. Thereafter, it increased significantly to ₹ 2,348.14 crore during 2014-15 and almost doubled with an increase of 81.35 *per cent* during the year 2015-16. Its percentage to revenue receipts ranged between 5.01 and 12.17 *per cent*.

#### 1.5 Planning and conduct of audit

The audit process commences with risk assessment of various departments, autonomous bodies and schemes/projects and includes assessing the criticality/complexity of activities, the level of delegated financial powers, internal controls, concerns of stakeholders and previous audit findings. Based on this risk assessment, the frequency and extent of audit is decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Reports containing the audit findings are issued to the head of the office with request to furnish replies within four weeks. Whenever replies are received, audit findings are either settled/or further action for compliance is advised. Important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India which are submitted to the Lieutenant Governor of Delhi under Section 48 of the Government of National Capital Territory of Delhi Act, 1991.

During 2015-16, compliance audit of 185 Drawing and Disbursing Officers (DDOs) of the GNCTD and 13 autonomous bodies was conducted by the office of the Accountant General (Audit), Delhi. In addition, four performance audits were also conducted.

## **1.6 Response of the Government to Audit Report**

In previous years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments which had negative impact on the success of programmes and functioning of the departments. The focus was on offering suitable recommendations to improve service delivery to the intended beneficiaries.

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Accountant General (Audit) Delhi to the Principal Secretaries/Secretaries of the department concerned drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report. Four performance audits and 17 paragraphs, proposed to be included in the Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2016, were sent to the Principal Secretaries/Secretaries of the respective departments. Of these, replies in respect of one performance audit (Implementation of the Food Safety and Standards Act, 2006 in Delhi) and 16 audit paragraphs were not received (December 2016).

## **1.7 Recoveries at the instance of Audit**

Audit findings, involving recoveries that came to notice in the course of test audit of accounts of the departments of the GNCTD, are referred to various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to Audit.

During the year 2015-16, against recovery of ₹ 11.62 crore pointed out in 156 cases, the DDOs concerned had effected recovery of only ₹ 2.11 crore (including recovery of previous years) in 62 cases.

## **1.8 Lack of response of Government to Audit**

Based on the results of test audit, 7,742 audit observations contained in 1,650 Inspection Reports remained outstanding as on 31 March 2016 as shown in **Table 1.4**.

**Table 1.4: Details of Outstanding IRs and audit observations**

(₹ in crore)

Name of sector	As on March 2014			As on March 2015			As on March 2016		
	IRs	Paras	Amount	IRs	Paras	Amount	IRs	Paras	Amount
Social Sector	774	3,129	219.56	843	3,551	99.19	876	3,647	99.84
General Sector	616	3,000	256.34	537	3,041	448.04	594	3,455	455.30
Economic Sector (Non PSUs)	158	550	4,682.75	163	593	6,821.38	180	640	5,494.71
<b>Total</b>	<b>1,548</b>	<b>6,679</b>	<b>5,158.65</b>	<b>1,543</b>	<b>7,185</b>	<b>7,368.61</b>	<b>1,650</b>	<b>7,742</b>	<b>6,049.85</b>

The significant increase in number of outstanding audit observations indicates the need for Government to take effective action to address the issues raised by Audit to improve financial management and accountability.

## **1.9 Follow-up on Audit Reports**

### **1.9.1 Non-submission of Action Taken Notes and discussion of paragraphs in Public Accounts Committee (PAC)**

To ensure accountability of the Executive to the issues dealt with in various Audit Reports, the administrative departments are to initiate *suo motu* Action Taken Notes (ATNs) on all audit paragraphs and performance audits featuring in the Audit Reports irrespective of whether these are taken up for discussion by the Public Accounts Committee (PAC) or not. These ATNs are to be submitted to the PAC, duly vetted by the Accountant General (Audit) Delhi, within a period of four months from the date of presentation of the Audit Reports in the Legislature.

Out of 38 performance audits and 118 audit paragraphs featuring in the civil chapters of Audit Reports from 2005-06 to 2014-15, *suo motu* ATNs in respect of 10 performance audits and 44 audit paragraphs have not been received. Seven performance audits and 37 audit paragraphs have been discussed by the PAC/Committee on Government Undertakings (COGU) up to 30 November 2016.

### **1.10 Year-wise details of performance audits and audit paragraphs that appeared in Audit Report**

The year-wise details of performance audits and audit paragraphs that appeared in the Audit Reports for the last three years along with their money value are given in **Table 1.5**.

**Table-1.5: Details of performance audits and audit paragraphs appearing in Audit Reports during 2012-15**

Year	Performance Audits		Audit Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Audit Paragraphs
2012-13	5	94.77	10	226.57	4	5
2013-14	5	43.40	15	146.26	3	0
2014-15	4	240.04	16	1711.58	1	3

Fourteen performance audits and 41 audit paragraphs were issued to the GNCTD. However, replies in respect of only eight performance audits and eight audit paragraphs were received from the Government/departments.

Four performance audits involving money value of ₹ 54.24 crore and 12 audit paragraphs involving ₹ 282.63 crore have been included in this Report. Replies, wherever received, have been incorporated at appropriate places.