

Contents

		Page
Preface		v
Executive Summary		vii
Chapter 1		
OVERVIEW		
1.1	Profile of the State	1
1.2	Basis and Approach to State Finances Audit Report	4
1.3	Report Structure	5
1.4	Overview of Government Account Structure and Budgetary Processes	6
1.5	Fiscal Balance: Achievement of deficit and total debt targets	11
1.6	Deficit and Total Debt after examination in Audit	17
Chapter 2		
FINANCES OF THE STATE		
2.1	Major changes in key fiscal aggregates during 2020-21 compared to 2019-20	19
2.2	Sources and Application of Funds	19
2.3	Resources of the State	21
2.4	Application of Resources	36
2.5	Contingency Fund	63
2.6	Public Account	63
2.7	Debt Management	69
2.8	Debt Sustainability Analysis	75
2.9	Conclusion	82
2.10	Recommendations	82
Chapter 3		
BUDGETARY MANAGEMENT		
3.1	Budget Process	83
3.2	Appropriation Accounts	87
3.3	Comments on integrity of budgetary and accounting process	88
3.4	Comments on Transparency of Budgetary and Accounting Process	96

		Page
3.5	Comments on Effectiveness of Budgetary and Accounting Process	97
3.6	Review of Selected Grants	104
3.7	Recommendations	117
Chapter 4		
Quality of Accounts and Financial Reporting Practices		
4.1	Non-discharge of Interest Liability towards Interest-bearing Deposits	119
4.2	Funds Transferred Directly to State Implementing Agencies	119
4.3	Deposits of Local Funds	121
4.4	Delay in Submission of Utilisation Certificates	122
4.5	Abstract Contingent Bills	124
4.6	Personal Deposit Accounts	126
4.7	Indiscriminate use of Minor Head 800	126
4.8	Outstanding Balances under Major Suspense and Debt, Deposit and Remittances Heads	129
4.9	Non-Reconciliation of Departmental Figures	132
4.10	Reconciliation of Cash Balances	134
4.11	Compliance with Indian Government Accounting Standards	134
4.12	Submission of Accounts/Separate Audit Reports of Autonomous Bodies	135
4.13	Departmental Commercial Undertakings/Corporations /Companies	136
4.14	Non-submission of details of loans and grants given to Bodies and Authorities	140
4.15	Timeliness and Quality of Accounts	140
4.16	Misappropriations, losses and defalcations	141
4.17	Follow-up action on State Finances Audit Report	142
4.18	Conclusion	142
4.19	Recommendations	143
Appendices		
Appendix 1.1	State Profile	145
Appendix 2.1	Time series data on the State Government finances	146
Appendix 3.1	Glossary of important Budget related terms	150
Appendix 3.2	Unnecessary Re-appropriation	153

		Page
Appendix 3.3	Statement showing Grants/Appropriations with Savings of ₹ 50 crore and above	155
Appendix 3.4	Excess expenditure of previous years requiring regularisation	157
Appendix 3.5	Limits set by the State PAC in October 1994	158
Appendix 3.6	Sub-Heads with variations beyond PAC specified limits and status of explanation	159
Appendix 3.7	Budget and Opportunity cost	162
Appendix 3.8	Sub-Heads where 100 <i>per cent</i> expenditure (₹ 10 crore and above) was incurred in March 2021	164
Appendix 3.9	Statement showing details of Departments registering more than 25 <i>per cent</i> expenditure in March 2021	165
Appendix 3.10	Details of parking of funds with Gujarat State Financial Services (GSFS)	166
Appendix 4.1	Department-wise break-up of outstanding UCs for GIA paid up to 2019-20	167
Appendix 4.2	Department-wise details of pending DC bills as on 31 March 2021	168
Appendix 4.3	Year-wise details of pending DC bills as on 31 March 2021	169
Appendix 4.4	Statement showing pendency of Accounts and delay in placement of Separate Audit Reports (SARs) in State Legislature as on 30 June 2021	170
Appendix 4.5	Statement showing arrears of financial statements and investment made by State Government during the year in SPSUs whose financial statements were in arrears as on 30 September 2021	177
Appendix 4.6	Statement Showing details of pendency in finalisation of Accounts by various Bodies and Authorities	181
Appendix 4.7	Department-wise/category-wise details of losses due to theft, misappropriation/loss of Government material and fire/accidents as on 30 June 2021	189

