

Chapter 4 Quality of Accounts and Financial Reporting Practices

4.1 Introduction

A sound internal financial reporting system and compliance with rules and procedures contribute significantly to good governance. These also ensure relevant, reliable and timely financial reporting and thereby assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and appropriate decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

4.2 Funds outside Consolidated Fund of the State

Article 266 (1), subject to the provisions of Article 267 of the Constitution of India, provides that all revenues received by the Government of a State, all loans raised by that Government by issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled "the Consolidated Fund of the State". Article 266 (2) provides that all other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State, as the case may be.

4.2.1 Building and other Construction Workers Welfare Cess

Government of India enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 aimed at providing safety, health and welfare measures for the benefit of building and other construction workers. GoI also enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess at the rate of one *per cent* of the cost of construction, as stipulated under the BOCW Act, with the aim of improving the working conditions of workers and to provide financial aid to them. GoI also framed the relevant Rules under the above Acts. The Act, inter alia, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by all State Governments to exercise the powers conferred under the Act.

Accordingly, the Andhra Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 1999 have been framed under the Act and AP Building & Other Construction Workers Welfare Board (Board) was constituted on 30 April 2007. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits.

Since the Board is an autonomous Body, total cess details are not depicted in Government Accounts. However, Labour Cess collected from the bills of Government Works executed by the Irrigation and Public Works departments is remitted by respective Pay and Accounts Officers (Works) to the Public Deposit Head of Account of the Labour Board.

The Labour Cess was depicted under 8342-00-120-00-09-000 (Deposits of Andhra Pradesh Building & Other Construction Workers Welfare Board). A new head of account, viz., 8443-00-116-01-09-001 (Deposits of Building and other Construction Workers Welfare Board) was opened in Public Account to account for the amount collected towards Labour Cess during 2019-20. An amount of ₹13.96 crore is still available under old head of account as of March 2021. Further, the labour cess was also being collected directly into the bank account maintained by the Labour board.

The details of labour cess collected during the period 2016-21 are given in **Table 4.1**.

Table 4.1: Amount of Labour cess collected during 2016-21

(₹ in crore)			
Year	Amount of cess collected by the State Government (As per Finance Accounts)	Amount of Cess collected directly by the Board	Total Amount of Cess collected
2016-17	0.00	256.80	256.80
2017-18	30.65	229.04	259.69
2018-19	155.28	162.43	317.71
2019-20	62.49	280.50	342.99
2020-21	72.98	221.84	294.82
Total	321.40	1,150.61	1,472.01

The details of expenditure incurred by the Board on various welfare activities for the construction workers during the five-year period 2016-17 to 2020-21 are given in **Table 4.2**.

Table 4.2: Expenditure incurred by APBOCWW Board during 2016-21

(₹ in crore)					
Year	Welfare Activities ³⁴	Administrative Expenses	Publicity	Loans and Advances	Total
2016-17	110.54	5.15	12.54	249.36	377.59
2017-18	78.89	5.33	14.92	260.20	359.34
2018-19	70.04	6.47	52.40	209.63	338.54
2019-20	20.53	3.71	0.08	208.30	232.62
2020-21	0.63	6.46	0.48	804.84	812.41
Total	280.63	27.12	80.42	1,732.33	2,120.50

During the period 2016-21, an amount of ₹ 1,472.01 crore was collected as Labour Cess by the APBOCWW Board and it spent ₹ 2,120.50 crore on various welfare schemes, Publicity and Loans & Advances etc. as detailed above.

Further, as per the figures in the Government accounts, the Cess collected during the year 2020-21 under two different heads of accounts and the balances to the end of 31 March 2021 is given in **Table 4.3**.

³⁴ Marriage Gift, Maternity gift, Fatal Accident relief, Disability relief, Natural Death relief, Hospitalisation relief, Funeral Expenses, Relief to unregistered workers, Vocational training to workers, Atal Pension yojana, Scholarships to children of BOC workers etc.

Table 4.3: Deposit Accounts operated for APBOCWW

(₹ in crore)				
Head of Account	Opening Balance	Receipts	Payments	Closing Balance
8342-00-120-00-09-000	288.72	(-)274.75	0.00	13.97
8443-00-116-01-09-001	10.87	347.74	0.53	358.08
Total				372.05

State Government did not transfer any amount to the Board during the year. The un-transferred balance of ₹ 372.05 crore represents the liability of the State Government.

4.2.2 State Compensatory Afforestation Fund

The Compensatory Afforestation Fund Act, 2016 and Compensatory Afforestation Fund Rules, 2018 provide for the establishment of a State level authority called "State Compensatory Afforestation Fund Management and Planning Authority". The Authority is to administer the amount received and utilise the monies for undertaking compensatory afforestation activities.

Accounting Arrangements:

The money received from the user agencies towards compensatory afforestation activities are to be credited in "State Compensatory Afforestation Deposits" under interest bearing section in Public Account to Major Head 8336-103 (Civil Deposits). 90 *per cent* of the money collected is to be transferred to the "State Compensatory Afforestation Fund (SCAF)" under Major Head 8121-129 and the balance 10 *per cent* is to be credited into the National Fund i.e. National Compensatory Afforestation Deposits under MH 8336-102. The applicable rate of interest on balances available under 'State Compensatory Afforestation Deposits' and 'State Compensatory Afforestation Fund' will be as per the rate declared by the Central Government on a year-to-year basis. The expenditure on various activities as envisaged in the Act is to be met from Major Head 2406.

Status of State Compensatory Afforestation Fund:

The Government of Andhra Pradesh established State Compensatory Afforestation Fund under Major Head 8121-General and other Reserve Funds – Minor Head 129 State Compensatory Afforestation Fund under Public Account of Andhra Pradesh in terms of Compensatory Afforestation Act, 2016. During the year 2020-21, the State Government has not received any deposits for credit to the CAMPA fund and hence no amount has been transferred to the National Fund. The State Government has not credited any amount towards interest on the outstanding balance of ₹ 1,650.35 crore during the year 2020-21.

4.3 Pending liabilities during the financial year

Appendix IX of the Finance Accounts depicts the commitments of the Government and list of incomplete capital works, which, *inter-alia*, include pending payments to the end of March 2021 to the extent of information furnished by the Departments concerned. As per this information, an amount of ₹ 871.31 crore was pending payment from the State Government as of March 2021. Details are as follows:

Table 4.4: Pending payments as of March 2021

Sl. No.	Particulars	No. of Works / Projects	Amount pending payment (₹ in crore)
1	Roads	16	614.67
2	Bridges	01	0.14
3	Buildings	01	5.15
4	Others	40	251.35
Total		58	871.31

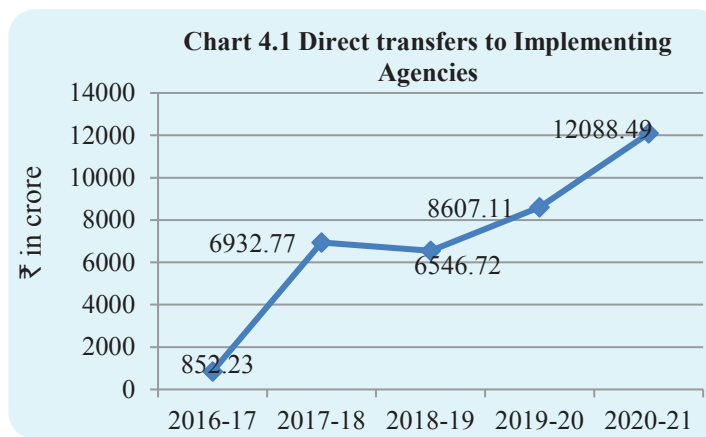
Source: Finance Accounts

4.4 Funds transferred directly to State Implementing Agencies

Government of India transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organizations for implementation of various schemes and programmes. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts. As these funds are not routed through the State budget/ State Treasury system, Finance Accounts do not capture the flow of these funds or the related expenditure.

During the year 2020-21, GoI transferred ₹ 12,088.49 crore directly to State Implementing Agencies/Non-Governmental organisations concerning various Central Schemes/programmes, without routing these funds through the State budget.

The details of direct transfer of funds to implementing agencies during the period 2016-21 are given in *chart 4.1*.



The substantial increase in funds released to implementing agencies directly by GoI from the year 2017-18 onwards was mainly due to “Food Subsidy” scheme implemented by State Civil Supplies Corporation, which received more than 50 per cent of the released funds.

Source: Finance Accounts 2020-21

The agencies that have received funds more than ₹ 100 crore directly from GoI for implementing various developmental schemes and the quantum of such funds during 2020-21 are shown in **Table 4.5**.

Table 4.5: Agencies that received funds directly from GoI during 2020-21 (above ₹ 100 crore)

				(₹ in crore)
Sl. No.	Schemes of Government of India	Implementing Agencies		GoI releases during 2020-21
1	Food Subsidy	State Civil Supply corporation	limited, Andhra Pradesh	8,424.72
2	Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	Department of Real Time Governance, Andhra Pradesh		2,861.87
3	Assistance to State Agencies for \Intra state Movement of Food grains and FPS dealers margin under NFSA	State Civil Supply Corporation	Limited, Andhra Pradesh	271.76

Source: Finance Accounts 2020-21

4.5 Abstract Contingent bills

Financial Rules³⁵ permit drawal of advances on Abstract Contingent bills (AC bills) for the purpose of meeting contingent expenditure for specified purposes. Treasury rules³⁶ and Government orders³⁷ stipulate that all advances drawn on AC bills should be adjusted by submitting the Detailed Countersigned Contingent bills (DCC Bills) with supporting vouchers within 90 days.

The position of pending DCC bills pertaining to the State as of end of March 2021 is shown in **Table 4.6**.

Table 4.6: Pendency in submission of DC Bills

Year	AC bills drawn		DCC bills submitted		DCC bills pending	
	Number	Amount	Number	Amount	Number	Amount
Up to 2018-19	1,17,984	7,301.04	1,17,262	6,478.31	722	822.73
2019-20	917	237.76	528	87.66	389	150.10
2020-21	1,102	610.36	523	144.62	579	465.74
Total	1,20,003	8,149.16	1,18,313	6,710.59	1,690	1,438.57

Source: Information furnished by O/o PAG (A&E).

The Departments had drawn 1,102 Abstract Contingent (AC) bills for an amount of ₹ 610.36 crore in the financial year 2020-21 and submitted 523 DCC bills for an amount of ₹ 144.62 crore. Thus, 579 DC bills amounting to ₹ 465.74 crore were not submitted (as on August 2021).

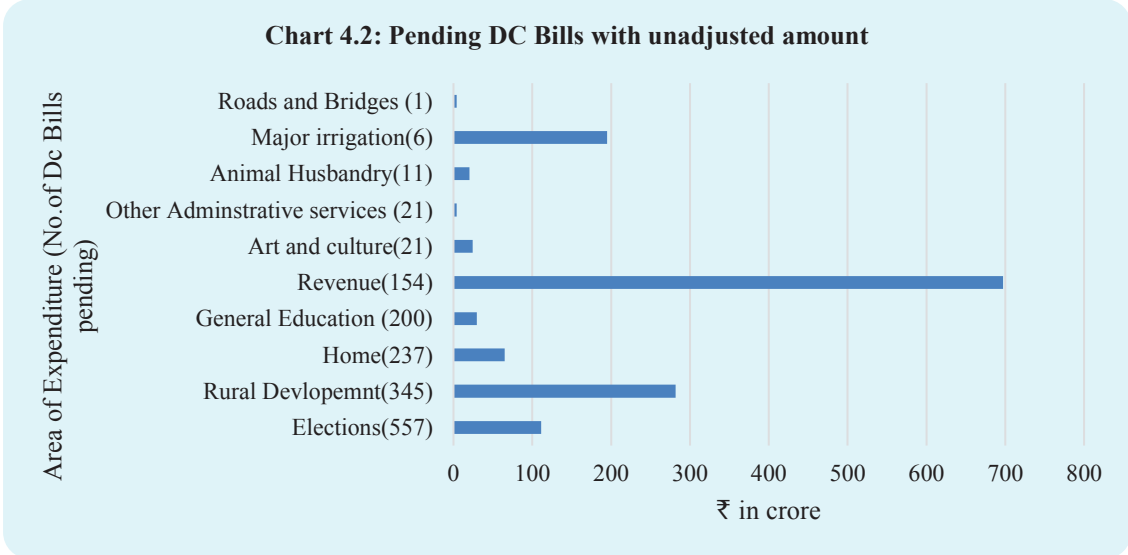
Department-wise status of pending DCC bills as of end of June 2021 is given in **Chart 4.2**.

³⁵ Article 102,108 and Appendix 8 of AP Financial code

³⁶ SR18 (d) below TR 16

³⁷ GO No.391, dt.22-03-2002 and 507, dt.10-04-2002

Chart 4.2: Pending DC Bills with unadjusted amount



Source: Finance Accounts of respective years

Advances drawn and not accounted for increase the possibility of wastage/ misappropriation/malfeasance etc.

4.6 Utilisation Certificates

Government gives grants to various bodies for specific purposes. Financial rules³⁸ stipulate that where Grants-in-Aid are given for specific purposes, departmental officers concerned should obtain Utilisation Certificates (UCs) from grantees, which after verification, should be forwarded to the Principal Accountant General (A&E), to ensure that the funds have been utilised for intended purposes. Non-submission/delay in submission of UCs weakens the control on utilization of funds and provides scope for mis-utilisation / misappropriation / diversion of funds.

State Government has not provided the Utilisation Certificates to Principal Accountant General (A&E) in respect of the grants received from GoI nor the grants given by it to various entities or pass-through grants from GoI to various entities within the State as shown in **Tables 4.7** and **4.8**. Further, there was no mechanism in the State Government to watch the flow of pass-through grants provided by the GoI.

4.6.1 Grants-in-Aid received by the State Government from GoI

The details of Grants-in-Aid (GIA) received by the State Government from GoI during the period 2016-21 are given in **Table 4.7**.

Table 4.7: Details of Grants received by the State

Year	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Grants received by the State	23,346	22,761	19,457	21,876	31,872
%age of GIA to Revenue Receipts of the State	23.59	21.66	16.97	19.70	27.21

Source: Finance Accounts of respective years

³⁸ Article 211-A of Andhra Pradesh Financial Code

4.6.2 Grants-in-Aid given by the State Government

The details of Grants-in-Aid given by the State Government during the period 2016-21 are given in **Table 4.8**.

Table 4.8: Details of Grants given by the State

Year	₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Grants given by the State	53,979	53,091	60,795	59,915	73,667
%age of GIA to Revenue Expenditure of the State	46.45	43.80	47.25	43.58	48.25

Source: Finance Accounts of respective years

In the absence of UCs, it could not be ascertained whether the grantees had utilised the grants for the purposes for which those were given. Non-explanation by the Departmental authorities as to how the Grants-in-Aid were spent over the years is a matter of concern, as it involves public funds provided to them for implementation of specific programmes/schemes and there is no assurance that the intended objectives of providing these funds have been achieved. In the absence of accountability for expenditure relating to funds provided as far back as five years, the possibility of fraud and/or misappropriation of these funds cannot be ruled out.

Despite drawing attention of the State Government to this issue year after year in the Audit Reports of the CAG, there has been no improvement.

4.7 Personal Deposit Accounts

4.7.1 Personal Deposit Account framework

Personal Deposits (PD) are established in two ways:

- Under statutory provisions of the Government or created under any law or rule having the force of law by transferring funds from the Consolidated Fund of the State for discharging liabilities of the Government arising out of special enactments.
- Personal Deposit Accounts may also be opened in favour of specified Government Officers, by transferring funds from the Consolidated Fund of the State for discharging the liabilities of the State Government in respect of execution of various projects, schemes *etc.*

4.7.2 Operation of PD Accounts

As per the AP Financial Code, the purpose of PD Accounts is to enable the Drawing Officers to incur expenditure pertaining to a scheme for which funds are placed at their disposal by transfer from the Consolidated Fund of the State. As per Article 271 (iii) (4)³⁹ of the AP Financial Code, Personal Deposit Accounts shall be closed at the end of the financial year by minus debit of the balance to the relevant service head in the

³⁹ Memo. No. 1596/Accts./5y-4, Dt. 31-12-1959

Consolidated Fund of the State⁴⁰. The account may be opened again in the following year, if necessary, in the usual manner⁴¹.

State Government issued Orders⁴² in 2019 regarding the mechanism for opening and operation of PD accounts. These orders specified that PD accounts are virtual bank accounts that were conceptualised by the Government to facilitate smooth operations at the field level for scheme implementation. Funds were given under the PD Accounts for specific purposes by debiting the service heads in the Consolidated Fund of the State and crediting the Personal Deposits under Major Head 8443-106-Personal Deposits. Unspent balances in the PD accounts, if any, at the end of the financial year should be lapsed by minus debiting the relevant service heads and debiting the PD accounts. As per these orders, Government (Cash and Debt Management section of Finance Department) sanctions the opening of a PD Account and copy the same to Principal Accountant General (A&E).

4.7.3 Status of PD Accounts.

4.7.3.1 Status of PD Accounts as per Finance Accounts

The details of PD accounts operated during 2020-21 as per Finance Accounts are given in **Table 4.9**.

Table 4.9: Details of PD Accounts during 2020-21

(₹ in crore)			
Opening Balance as on 01 April 2020	Total amount transferred to PD accounts during 2020-21	Total withdrawals from PD Accounts during 2020-21	Closing Balance as on 31 March 2021
7,277.11	1,16,822.68	98,303.04	25,796.75

Source: Finance Accounts 2020-21; Note: Administrator wise details are not available in Finance Accounts

4.7.3.2 Status of PD Accounts as provided by DTA (CFMS)

The details of PD accounts operated during 2020-21 as per the information provided by Director, Treasury and Accounts (DTA) are given in **Table 4.10**.

Table 4.10: Details of PD Accounts operated during 2020-21 as per DTA (CFMS)

Opening Balance as on 01 April 2020		New PD Accounts opened during 2020-21	Total amount transferred to PD accounts during 2020-21	No. of PD Accounts closed during 2020-21	Total withdrawals from PD Accounts during 2020-21	Closing Balance as on 31 March 2021	
Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
1,491	25,476.79	1,393	96,924.28	08	99,298.61	2,876	23,102.46

Source: Data provided by Directorate of Treasury and Account (DTA).

⁴⁰ except, where personal deposits are created by Law or rules having the force of law for discharging the liabilities arising out of special enactments

⁴¹ Personal Deposit Accounts in connection with the working of schemes of commercial and quasi-commercial nature and schemes whose transactions spread over more than one financial year, need not be closed at the end of the financial year. Such Deposit Accounts should be closed when the need for them ceases

⁴² G.O.Ms.No.99 of Finance Department, dated 14 August 2019

4.7.3.3 Variations between Comprehensive Financial Management System (CFMS) and records of Accountant General (A&E).

The variations in respect of balances of PD Accounts reflected in CFMS and records of O/o PAG (A&E) are given in **Table 4.11**.

Table 4.11: Variations between CFMS and A&E

		(₹ in crore)			
		OB	Receipts	Expenditure	CB
2019-20	CFMS	425.07	93,122.40	68,070.72	25,476.75
	VLC	545.39	38,599.99	31,868.27	7,277.12
2020-21	CFMS	25,476.79	96,924.28	99,298.61	23,102.46
	VLC	7,277.12	1,16,822.68	98,303.05	25,796.75

It can be seen from the above table that there are huge variations in respect of all components viz. Opening balances, Receipts, Withdrawals and Closing balances.

State Government and Office of PAG (A&E) need to make combined efforts to reconcile the difference in balances.

4.7.3.4 Differences in balances in CFMS and legacy data.

Examination of balances available in CFMS database as on 1st April 2018 with the pre-CFMS database available with Director of Treasury & Accounts (DTA) Andhra Pradesh to the end of 31 March 2018 revealed the following:

- As per the data provided by the DTA, total available Personal deposits were 34,877 to the end of 31 March 2018. However, the number of PD Accounts available in CFMS as on 1st April 2018 are 34,514.
- The balances as shown in the DTA database matched with CFMS database only in the case of 12,840 accounts. The reconciliation of the remaining deposit accounts with DTA data base *i.e.*, 22,037 (34,877- 12,840) was pending.
- Further, a comparison of closing balances (March 2018) as per the database maintained by DTA in PD Account portal and opening balances (April 2018) in CFMS showed huge differences in 16 test checked cases as below.

Table 4.12: Differences in balances in CFMS and legacy data

		(in ₹)		
DDO	HOA	Closing Balance as on 31/03/2018 as per DTA	Opening Balance as on 01/04/2018 as per CFMS	Difference
01011603004	8443001030001000000VN	1,14,604	-2,24,874	-3,39,478
02010202001	8443001030001000000VN	3,39,310	1,14,604	-2,24,706
03120105009	8443001030001000000VN	9,27,85,553	3,39,310	-9,24,46,243
03121307001	8443001030001000000VN	7,200	9,27,85,553	9,27,78,353
03122303006	8443001030001000000VN	13,89,610	7,200	-13,82,410
07060402003	8443001030001000000VN	0	13,89,610	13,89,610
07071503001	8443001030001000000VN	12,65,150	28,300	-12,36,850
07111503001	8443001030001000000VN	97,130	12,65,150	11,68,020
07111503002	8443001030001000000VN	66,992	97,130	30,138
07111804001	8443001030001000000VN	1,53,380	66,992	-86,388
07112202158	8443001030001000000VN	1,47,27,823	1,53,380	-1,45,74,443

07112202159	8443001030001000000VN	59,380	1,47,27,823	1,46,68,443
07112202160	8443001030001000000VN	44,34,300	59,380	-43,74,920
07112210002	8443001030001000000VN	57,044	44,34,300	43,77,256
07112602001	8443001030001000000VN	-2,20,874	57,044	2,77,918
27031603001	8443001160008000000VN	0	1,77,91,934	1,77,91,934

4.7.4 Transfer of funds from Consolidated Fund to Personal Deposit Accounts

An amount of ₹ 70,015.28 crore (40.39 per cent of total expenditure) was transferred to Personal Deposit Accounts from Consolidated Fund of the State during 2020-21. Out of this amount, ₹ 67,223.44 crore was transferred from Revenue Heads and ₹ 2,791.84 crore was transferred from Capital Heads of Consolidated Fund of the State.

4.7.4.1 Lapsing of Deposits

An amount of ₹ 22,382.88 crore (12.91 per cent of total expenditure) was lapsed to the Government Account from Deposit Accounts as on 31 March 2021. Further, as seen from **Table 4.9** an amount was ₹ 25,796.75 crore was lying unspent in PD Accounts which was not lapsed to Consolidated Fund of the State. The non-lapsing of unspent balances from Deposit Accounts resulted in overstatement of expenditure and deficit of the State to that extent.

Transferring of funds from Consolidated Fund of the State to Personal Deposit Accounts, without incurring actual expenditure, resulted in inflation of reported expenditure and deficit of the State. Further, the drawals in the subsequent years from the PD Accounts would not require Legislative approval and thus would escape Legislative scrutiny through the Appropriation Account mechanism.

State Government stated that, special efforts will be taken during budget exercise to avoid transfer of funds to PD Accounts, to the extent possible.

4.7.4.2 Lapsing of CASP funds

During the year 2020-21, State Government has transferred ₹ 12,848.42 crore to Personal Deposit Accounts from Consolidated Fund for implementation of Central Assisted State Plan Schemes (CASP). Out of that, an amount of ₹ 3,779.01 crore was lapsed back to Consolidated Fund as reduction of expenditure without spending for implementation of schemes. The list of schemes for which funds were lapsed is detailed in **Appendix 4.1**.

The lapsing of funds given by Government of India towards implementation of CASP schemes without spending affects the implementation of schemes..

State Government in its reply stated that, the lapsed funds will be revalidated in the next financial year for utilisation.

While we have seen that the State Government has been revalidating lapsed funds, transferring of funds to PD Accounts and allowing these to lapse eventually at the end of the year without utilisation will affect the implementation of schemes.

4.7.5 Depositing the borrowings of the PSUs/Corporations into Public Accounts of the State

During the period 2015-16 to 2020-21, six PSUs/Corporations have deposited ₹ 30,153 crore of their borrowings in their respective PD Account thus making these borrowings available for managing ways and means position of the State and financing the fiscal deficit thus limiting the utilisation of borrowings for intended purpose. The details of major deposits are given below:

4.7.5.1 AP State Civil Supplies Corporation

APSCSC during the period 2017-21 had borrowed an amount of ₹ 30,181.60 crore for procurement of paddy under Minimum Support Price and distribution of essential commodities under Public Distribution System. Out of this total amount, the corporation had transferred an amount of ₹ 10,001.44 crore to the State Government from its PD Account for the maintenance of Ways and Means of the State Government on the orders of the Finance Department.

Out of the total amount, the State Government had repaid ₹ 9,251.44 crore to the end of the year March 2021 leaving a balance of ₹ 750 crore with the Government.

4.7.5.2 AP State Development Corporation (APSDC)

During the year 2020-21, the APSDC has borrowed an amount of ₹ 17,472 crore from consortium of Banks for the implementation of various state schemes. This borrowed amount was deposited into the PD Accounts of the Corporation. Out of these borrowings, the State Government had lapsed ₹ 222 crore from the PD Account to the Consolidated Fund of the State.

This lapsing of borrowings of the corporation into Government account created an unauthorized receipt (receipt which was not in the notice of State legislature) and understated the expenditure and deficit of the State.

4.7.5.3 AP Power Development Corporation Limited

During the year 2019-20, AP Power Development Corporation had raised an amount of ₹ 400 crore from Power Finance Corporation for setting up of thermal power project and deposited the same in its PD Account as per the orders of the State Government. The said amount was lying unutilised as on 31 March 2021.

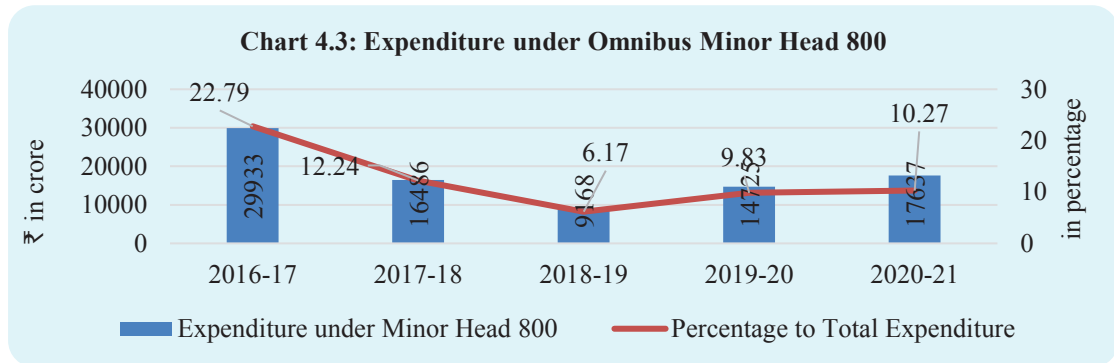
Thus, it is evident that, the State Government is creating burden on State PSUs/Corporations by utilising their borrowings for ways and means of the State.

Diversion of funds and utilising of borrowings of corporations by depositing these borrowings in the PD Account, shows that the PD Account were being operated mainly for meeting the ways and means of the State and diversion of funds for other than intended purposes by parking the funds in PD Accounts. This was against the provisions of AP Financial Code which stipulated that PD accounts were created for placing the funds at the disposal of PD administrators for implementing the schemes/activities of the State.

4.8 Use of Omnibus Minor Head 800

The omnibus Minor Head 800 relating to Other Receipts/ Other Expenditure is to be operated only in cases where the appropriate Minor Head has not been provided under a Major Head in the accounts. If such instances occur on a regular basis, it is the responsibility of the State Government to discuss with the Accountant General (A&E) and obtain approval to open appropriate Minor Heads. Booking of receipts and expenditure under Minor Head 800 affects transparency and renders the accounts opaque.

During 2020-21, the State Government booked an expenditure of ₹ 17,637.68 crore under Minor Head 800 under 44 Major Heads of Revenue and Capital sections, constituting 10.27 per cent of total expenditure. The extent of operation of Minor Head 800 Other Expenditure, as a percentage of Total Expenditure during 2016-21 is given in **Chart 4.3**.



Source: Finance Accounts of respective years

The usage of Minor Head 800 – other expenditure during 2016-21 shows a mixed trend ranging from 22.79 per cent during 2016-17 to 6.17 per cent during 2018-19. Instances (90 per cent and above) of substantial proportion of the expenditure within a given Major Head, classified under the Minor Head 800 – ‘Other Expenditure’, are given in **Table 4.13**.

Table 4.13: Significant expenditure booked under Minor Head 800 – Other Expenditure during 2020-21

Major Head	Expenditure under Minor Head 800	Total Expenditure under Major Head	Percentage of MH 800 to total expenditure under Major Head
4875 – Capital Outlay on Other Industries	435.62	434.66 ⁴³	100.22
4435 - Capital Outlay on other Agricultural Programmes	12.50	12.50	100.00
6217 – Loans for Urban Development	1.42	1.42	100.00
2711 – Flood Control and Drainage	0.19	0.19	100.00
2875 - Other Industries	135.57	139.57	97.13

Source: Finance Accounts 2020-21

⁴³ Due to Deduct Recoveries of Overpayments the expenditure under Minor Head 800 was more than expenditure shown under Major Head.

In case of Receipts, the operation of Minor Head 800 was lower compared to expenditure, and it is 0.83 *per cent* of total receipts during 2020-21. During the year, the State Government classified receipts of ₹ 980.66 crore, pertaining to 42 Major Heads, under Minor Head '800 - Other Receipts'. Cases (100 *per cent*) where receipts were classified under Minor Head 800 – 'Other Receipts', are given in **Table 4.14**.

Table 4.14: Significant receipts booked under Minor Head 800 – Other receipts during 2020-21

(₹ in lakh)			
Major Head	Receipts under Minor Head 800	Receipts under Major Head	Percentage of Total Receipts
0211-Family Welfare	144.42	144.42	100
0217-Urban Development	75.38	75.38	100
0235-Social Security and Welfare	29.14	29.14	100
0506-Land Reforms	47.32	47.32	100
1051-Ports and Light Houses	1,307.34	1,307.34	100
1452-Tourism	0.88	0.88	100
1456-Civil Supplies	460.02	460.02	100

Source: Finance Accounts of respective years

State Government replied that the usage of the Minor head 800 is constantly discouraged and cases brought out by AG will be rectified in the ensuing budgets.

4.9 Suspense and Remittance Balances

Suspense heads are operated in Government accounts to reflect transactions that cannot be booked initially to their final Head of Account for some reason or the other. These are finally cleared by minus debit or minus credit when the amount is taken to its final Head of Account. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are in the nature of adjustments in Heads of Account and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. The position of balances under major suspense and remittance heads for the last three years is given in **Table 4.15**.

Table 4.15: Balances under Suspense and Remittance Heads

(₹ in crore)						
Minor Head	2018-19		2019-20		2020-21	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	65.72	6.60	91.64	4.66	103.18	23.85
Net	Dr. 59.12		Dr. 86.98		Dr. 79.33	
102 - Suspense Account-Civil	244.23	145.62	101.95	257.72	436.71	1,862.94
Net	Dr. 98.62		Cr. 155.57		Cr. 1,426.23	
107 - Cash Settlement Suspense Account	0	0.45	0	0.45	0	0.45
Net	Cr. 0.45		Cr. 0.45		Cr. 0.45	

Minor Head	2018-19		2019-20		2020-21	
109 - Reserve Bank Suspense - Headquarters	14.64	7.92	13.71	7.92	14.20	8.50
Net	Dr. 6.71		Dr. 5.78		Dr. 5.70	
110 - Reserve Bank Suspense - CAO	252.37	82.73	216.97	83.03	148.54	71.18
Net	Dr. 169.64		Dr. 133.93		Dr. 77.36	
112 - Tax Deducted at Source (TDS) Suspense	886.67	1,114.99	886.67	1,907.21	886.67	2,044.16
Net	Cr. 228.32		Cr. 1,020.54		Cr. 1,157.50	
123 - A.I.S Officers' Group Insurance Scheme	0	0.45	0	0.48	0	0.48
Net	Cr. 0.45		Cr. 0.48		Cr. 0.48	
Major Head 8782-Cash Remittances						
102 - P.W. Remittances	973.25	294.20	973.10	284.34	76,007.40	75,318.10
Net	Dr. 679.05		Dr. 688.76		Dr. 689.30	
103 - Forest Remittances	438.96	617.55	439.12	617.44	439.12	617.42
Net	Cr. 178.59		Cr. 178.32		Cr. 178.27	

Source: Finance Accounts of respective years

4.9.1 PAO Suspense

This Minor Head is intended for the initial record of inter-Governmental transactions arising in the books of a Central PAO, Separate Accounts Officers of Union Territories and by Accountant General where the other party involved is a PAO. Separate sub-heads are opened under this Minor Head for each Accounts Officer with whom transactions are to be settled. This Minor Head is operated for settlement of amounts received by the State from the Central Ministries/other Union Territories through Reserve Bank of India. Outstanding debit balances under this head indicate that payments have been made by the PAO on behalf of others which are yet to be recovered and credit balances represent the amounts yet to be paid.

As on 31 March 2021, there was a debit balance of ₹ 103.18 crore under this head of account. PAO Central Pensions, M/o Finance (₹ 44.82 crore), Regional PAO, M/o Shipping and Transport (₹ 53.66 crore) are the major entities from where State Government has to receive the funds.

4.9.2 Suspense Account (Civil)

This Minor Head is operated by the Accountant General to accommodate provisionally the differences noticed in the transactions which cannot be taken to the final head of expenditure/receipt accounts for want of certain information/documents viz., challans, vouchers etc. Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively. Outstanding debit balance under this head implies 'payment made' but could not be debited to the final head of expenditure for want of certain particulars and outstanding credit balance represents the 'receipts' which could not be credited to final receipt head of account for want of details.

Major debit balance outstanding under this head was in respect of Tungabhadra Project-

Remittances in Treasuries in other Accounting Systems, (₹ 157.49 crore). Major Credit balance was shown towards unclassified receipts of ₹ 108.78 crore.

4.9.3 Reserve Bank Suspense – CAO

Whenever transfer of substantial balances between Central and State Governments takes place on account of sanction of loan, Grants-in-aid etc., this Minor Head is operated to record the transactions before taking them to their final Head of Account. In case of sanction of loan to the State Government, on receipt of sanction from the PAO of the Ministry concerned, the Accountant General gives credit to MH 6004 – Loans and Advances from the Central Government by debiting MH 8658 Suspense Account 110 RBS (CAO) and awaits adjustment memo from CAS, RBI, Nagpur. After receiving the adjustment memo from CAS, RBI, Nagpur the Suspense Account (Minor Head 110 – RBS (CAO) is cleared by minus debit to MH 8675-RBD-Minor Head 106 of the State. A credit balance under this Minor Head would mean that repayment of loan has not been taken to its final head and a debit balance means loan received from GoI was not booked under the concerned loan head (MH 6004).

As on 31 March 2021, there was a debit balance of ₹ 77.36 crore under this suspense head, awaiting adjustment under Major Head 6004.

4.9.4 Tax deducted at Source (TDS) suspense

This Minor Head is intended to accommodate receipts on account of Income tax deducted at source *viz.*, interest payments on State Government securities, salary bills of State Government employees and pension bills etc., by State Treasury officers/State Pay and Accounts Officers/ other Departmental officers who render compiled accounts of State Government as well as from interest payments on State Government securities made at Public Debt offices of the RBI in the books of the Accountant General to enable them to settle transactions with Zonal Accounts Officers concerned of Central Board of Direct Taxes by means of Cheques/Bank Drafts.

As on 31 March 2021, the State Government had a credit balance of ₹ 1,157.50 crore under ‘8658-112 – TDS Suspense’, which indicates that, the tax recovered by the State Government is yet to be passed to Central Government.

4.9.5 Remittance Heads

The departmental officers in the Public Works Departments and Forest Departments in the State Government are empowered to handle the receipts and disbursements in the divisions. For that purpose, they are operating the head ‘8782-Cash Remittances’. The net debit balances under this head indicates more deposits of the money in the treasury/bank by the Public Work divisions whereas the net credit balance under this head indicates the un-encashed cheques or items of adjustments to be carried out by the divisions with other Accounts officers.

As on 31 March 2021, there was a debit balance of ₹ 689.30 crore under Public Works divisions and a credit balance of ₹ 178.27 crore under Forest Remittances.

4.9.6 Inoperative Reserve Funds

'Reserve Funds' are created for specific purposes by the Government out of their funds with subdivisions – one for the Funds bearing interest and the other for the Funds not bearing interest.

A test-check on these Funds showed that as of 31 March 2021, an amount of ₹ 10.39 crore under Reserve Fund bearing interest and ₹ 15.25 crore under Reserve Fund not bearing interest, were lying inoperative. Details are shown in the *Appendix 4.2*.

4.10 Compliance to Indian Government Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. In accordance with this provision, the President of India has so far notified three Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by Government of Andhra Pradesh in 2020-21 and deficiencies therein are detailed in **Table 4.16**:

Table 4.16: Compliance to Accounting Standards

Accounting Standard	Essence of IGAS	Compliance by State Government	Deficiencies noticed in compliance
IGAS 1: Guarantees given by the Government – Disclosure requirements	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Not complied (Statement Nos. 9 and 20 of Finance Accounts)	Though sector-wise details were disclosed, class-wise details were not incorporated. The government has disclosed the maximum amount of guarantees given during the year, detailed information like number of guarantees invoked were not furnished. The Statements are incomplete to that extent. (Refer to Paragraph 2.8 for further audit findings on Guarantees)
IGAS 2: Accounting and Classification of Grants-in- Aid	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use.	Not complied (Statement No. 10 of Finance Accounts)	State Government made budgetary provision and classified GIA amounting to ₹ 2.38 crore under Capital Major Heads of Account, instead of under the Revenue Section. It did not also furnish any information regarding GIA paid in kind during the year. (Refer to Table 1.9 of Paragraph 1.8.4 for further audit findings on impact of

Accounting Standard	Essence of IGAS	Compliance by State Government	Deficiencies noticed in compliance
			classifying Grants in Aid under Capital Section) Non-compliance led to understatement of Revenue Deficit and overstatement of capital expenditure.
IGAS 3: Loans and Advances made by Governments	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices.	Not complied (Statement No. 18 of Finance Accounts)	While the State government complied with the format prescribed by the Standard, the information in this regard is incomplete, since the details of overdue Principal and interest was not furnished. Confirmation of balances of individual Loanee was not furnished. (<i>Refer to Paragraph 2.5.4.2</i> for further audit findings on Loans and Advances)

Source: Indian Government Accounting Standards and Finance Accounts

Non-Compliance with the Accounting Standards would impact the objective of financial statements to present a true and fair view of the financial position and cash flows apart from hindering fiscal transparency.

4.11 Submission of Annual Accounts by Autonomous Bodies

Certification of accounts of Autonomous Bodies (ABs) set up by the State Government is conducted under Section 19 or 20 of “Comptroller and Auditor General of India (Duties, Powers and Conditions of Service Act) 1971” (CAG’s DPC Act).

There were 36 ABs coming under the audit purview as per Section 19 or 20 of the CAG’s DPC Act, which were required to submit their Annual Accounts to CAG before 30 June every year. There was a delay in submission of accounts by such entities to Audit ranging from one to eight years as of September 2021. Details of the periods up to which accounts were due and rendered are given in *Appendix 4.3*. Age-wise details are shown in **Table 4.17**.

Table 4.17: Age-wise arrears of Annual Accounts

Sl.No	Delay in Number of Years	No. of Bodies / Authorities
1	0-1	02
2	2-3	11
3	4-5	12
4	6-7	09
5	8 or more	02
	Total	36

Further, in order to identify the institutions⁴⁴ which attract audit under Sections 14 and 15 of the CAG's (DPC) Act 1971, Rule 88 of the Regulations on Audit and Accounts (2020) mandates the Government/Heads of Department to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose of such assistance and the total expenditure of the institutions. However, the same was not being furnished by the State Government/HoDs.

Annual accounts of 248 such authorities/bodies (1,738 Accounts) were not submitted to Audit as of September 2021. Details of the periods up to which accounts were due and rendered, based on the previous accounts received, are given in *Appendix 4.4*.

4.12 Submission of Annual Accounts of Public sector Undertakings (PSUs)

According to Section 395 of the Companies Act, 2013, every State Government shall cause an annual report on the working and affairs of the Government Company to be prepared within three months of its Annual General Meeting and as soon as may be after such preparation, lay before the House or both Houses of the State Legislature together with a copy of the audit report and comments upon or supplement by the Comptroller and Auditor General of India to the Audit Report.

Annual accounts of 77 PSUs (237 Accounts) were not submitted to Audit as of November 2021. Details of the periods up to which accounts were due and rendered, are given in *Appendix 4.5*.

Out of the 16 companies, which submitted their Annual Accounts up to 2020-21, eight companies⁴⁵ were not reflected in statement of Investments of Finance Accounts 2020-21. As per Annual Financial Statements furnished by the remaining eight companies, the State Government has invested an amount of ₹ 3,091.12 crore and received an amount of ₹ 399.42 crore as loan. However, as per Finance Accounts, the investments in these Companies were ₹ 4,672.86 crore and the outstanding loans of these companies are ₹ 3,545.92 crore including un-apportioned investments and loans prior to bifurcation (*Appendix 4.6*) There is a difference of ₹ 1,581.74 crore and ₹ 3,146.50 crore in respect of investments and loans respectively between the information as per Finance Accounts and Annual Financial Statements of these Companies. Thus, there is a need for reconciliation of investments as per Government Accounts and as per the Annual Financial Statements of Government Companies and Statutory Corporations.

Delay in submission of Accounts is being brought to the notice of the State Government periodically through Audit Reports. In the absence of annual accounts and their audit, proper utilisation of the grants and loans disbursed to those Bodies/ Authorities and their accounting cannot be vouched. Apart from reflecting on the inadequate monitoring by the State Government, absence of accounts indicates lack of accountability from

⁴⁴Educational Institutions, Government Organisations, Autonomous bodies, etc.,

⁴⁵ (i) AP Heavy machinery and Engineering Limited (ii) Eastern Power Distribution Company of Andhra Pradesh Limited (iii) AP Township and Infrastructure Development Corporation (iv) AP Metro rail Corporation Limited (v) Central Power Distribution Company of Andhra Pradesh (vi) Southern Power Distribution Company of Andhra Pradesh (vii) Godavari Gas private limited and (viii) AP Gas Distribution Corporation Limited

these bodies/authorities for the funds released by Government of Andhra Pradesh.

State Government has replied that all the autonomous bodies, Development authorities and PSUs will be advised to submit the accounts at the earliest to Accountant General.

4.13 Deposits of Local Funds

Andhra Pradesh Panchayat Act, 1994 provides that Zilla Praja Parishad (ZPP), Mandal Praja Parishad (MPP) and Gram/Village Panchayat (GP) would maintain ZPP, MPP and GP funds respectively (under the classification 8448 – Deposits of Local Funds – 109 – Panchayat Bodies Funds) which would include all the money realised or realisable under the Act and all money otherwise received by the PRIs, such as grants received from Central Finance Commission and State Government as part of the State Finance Commission award and its own revenue, which includes tax and non-tax receipts of a Panchayat.

Andhra Pradesh Municipalities Act, 1965 envisages that the Municipal Fund is to be held by the Municipality. All the money realised or realisable under the Act and all money otherwise received by the Municipalities are kept in the Municipal Fund under the Major Head 8448- Deposits of Local Funds – 102-Municipal Funds. The details of balances, receipts and payments under these funds are given in **Table 4.18**.

Table 4.18: Deposits of Local Funds

Year		Sl.No		2016-17	2017-18	2018-19	2019-20	2020-21
Gram Panchayat/ Village Panchayat Fund (8448-109-01)	1		OB	1,646.46	2,104.93	1,825.39	1,540.04	2,888.32
	2		Receipts	2,166.62	2,185.08	1,764.20	2,717.07	4,255.93
	3		Payments	1,708.16	2,061.19	2,049.55	1,363.78	4,494.21
	4		CB	2,104.93	2,228.82	1,540.04	2,888.32	2,650.05
Mandal Praja Parishad Funds (8448-109-02)	5		OB	290.32	261.92	297.18	326.32	230.92
	6		Receipts	219.02	789.06	1,036.60	372.01	468.69
	7		Payments	247.42	674.23	1,007.47	467.40	126.49
	8		CB	261.92	376.75	326.32	230.92	573.12
Zilla Praja Parishad Funds (8448-109-03)	9		OB	780.07	886.67	786.09	437.69	504.95
	10		Receipts	525.11	475.16	194.63	261.53	579.87
	11		Payments	418.52	313.74	543.03	194.27	274.53
	12		CB	886.67	1,048.09	437.69	504.95	810.30
Total PRI Funds	13 (4+8+12)			3,253.51	3,653.65	2,304.05	3,624.25	4,033.47
Municipal Funds (8448-102)	14		OB	1,875.87	3,670.50	3,434.47	2,806.92	4,210.06
	15		Receipts	4,181.94	4,236.34	4,431.57	4,021.78	3,052.20
	16		Payments	2,387.31	4,276.79	5,059.12	2,618.64	2,500.28
	17		CB	3,670.50	3,630.05	2,806.92	4,210.06	4,761.98

Source: Finance Accounts of respective years; Note: Differences in CB of 2017-18 and OB of 2018-19 was due to apportionment of balances between Andhra Pradesh and Telangana

As is evident from the above table, huge funds were lying unspent under Municipal Funds. During the year 2020-21, the closing balance of ₹ 4,761.98 crore under Municipal Funds includes ₹ 1,138.11 crore of XV FC grants and ₹ 987.50 crore of unspent amount of Central Sponsored Schemes.

4.14 Timeliness and Quality of Accounts

Accountant General (A&E) receives the compiled accounts of the State from 13 District Treasuries, 19 Public Works Pay and Accounts Offices (PAOs) (out of which 16 PAOs also render Forest Accounts), other PAO, 3 Tungabhadra Divisions and Advices of the Reserve Bank of India. There was no exclusion of primary accounts during 2020-21.

Non-Submission of Utilisation Certificates, pendency in Detailed Contingent Bills, Discrepancies in Personal Deposit Accounts and Non-adherence to Indian Government Accounting Standards by the State Government affected the completeness, transparency and disclosure of Accounts.

4.15 Underutilisation of GoI share in respect of centrally sponsored schemes

During 2020-21, Government of India released ₹ 12,514.03 crore towards implementation of 61 Centrally Sponsored Schemes as detailed in *Appendix 4.7*. The State Government has expended 39.46 *per cent* (₹ 2,071.98 crore) in respect of 26 CS schemes against the GOI release of ₹ 5,250.41 as detailed in *Appendix 4.8*. The expenditure on these schemes was less than the contribution of GoI, which suggests that these schemes were not implemented as envisaged.

State Government stated that, due to release of funds at the fag end of the year by GoI, the funds remained unutilised at the end of the year.

The reply of the State Government is not justified as 69 *per cent* of GoI releases were made to the State Government by December 2020.

4.16 Underutilisation of funds - Scheduled Castes and Scheduled Tribes

As per Government Instructions⁴⁶, all the Departments should earmark at least a minimum of 17.08 *per cent* and 6.6 *per cent* of total outlay in the Budget exclusively for the development of Scheduled Castes and Scheduled tribes respectively by designing schemes that would directly benefit the SCs/STs individually or as a community to improve the economic and social condition of the targeted groups.

Budget allocation and expenditure for the SCs and STs during the year 2020-21 are given in **Table 4.19**.

⁴⁶ G.O.Ms.No.9 Planning (XXII) department, dated 23-02-2013

Table 4.19: Budget vis-à-vis expenditure for SCs/STs

	Total budget (Original+Supplementary)	Total Provision allocated for SCs and STs	Total provision reappropriated- (Per cent in brackets)	% of original allocation	% of final allocation (after reappropriation)
For SCs	2,55,516.84	8,412.71	(-) 2,189.48 (26.03%)	3.29%	2.43%
For STs		3,223.24	(-) 942.49 (29.24%)	1.26%	0.89%

As seen above, during 2020-21 State Government allocated ₹ 8,412.71 crore and ₹ 3,223.24 crore for welfare of SCs and STs respectively. Of these, ₹ 2,189.48 crore (26.03 per cent) and ₹ 942.49 crore (29.24 per cent) were reappropriated from earmarked funds provided for the benefit of SCs and STs respectively, indicating diversion of funds and thereby underutilisation.

4.17 Follow up action on Audit Reports

As per the instructions issued by Finance and Planning Department in November 1993, administrative Departments are required to submit Explanatory Notes within three months of presentation of Audit Reports to Legislature, without waiting for any notice or call from Public Accounts Committee, duly indicating action taken or proposed to be taken.

As on 31 March 2021, Finance Department has not furnished the Explanatory Notes (ENs) for the State Finances Audit Reports for the years 2016-17 and 2017-18. Recommendations of Public Accounts Committee (PAC) on Audit Reports on State Finances for the years 2014-15 and 2015-16 were placed before State Legislature on 06 February 2019.

4.18 Conclusion

Operation of PD Accounts lacked clarity and transparency as huge amounts were shown to have been transferred to these accounts during the year but were not actually made available to the departmental officials for incurring expenditure. About one third of budgeted funds were shown as closing balance in PD Accounts while the State had huge Revenue Deficit. The data in CFMS related to balances did not match the pre-CFMS legacy data. Further, there was a big gap in the number of PD Accounts and the amount lying in these as per CFMS and Finance Accounts which requires reconciliation. Transferring of funds from Consolidated Fund of the State to Personal Deposit Accounts without incurring actual expenditure, resulted in inflation of expenditure and lack of legislative scrutiny. It is imperative to curtail the usage of Personal Deposit Accounts to maintain the sanctity of budgetary process.

Non-submission of accounts by Autonomous Bodies, Development Bodies/Authorities and PSUs was in violation of prescribed financial rules and directives. These point to inadequate internal controls and deficient monitoring mechanism of the State Government Departments.

Underutilisation of Grants-in-Aid provided by the Government of India for implementation of Centrally Sponsored schemes defeats the envisaged objectives of implementation of the schemes and could affect release of further grants from the GoI.

4.19 Recommendations

1. *State Government should review all PD accounts to ensure that the funds lying unutilised in these accounts are immediately remitted to the Consolidated Fund of the State.*
2. *State Government needs to institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures with regard to submission of Utilisation Certificates and Detailed Countersigned Contingent bills.*
3. *State Government should consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in a time bound manner, to assess their financial position.*
4. *Internal control mechanism needs to be strengthened and the Government needs to formulate an action plan expeditiously to ensure that the Controlling Officers reconcile their figures of receipts and expenditure with those of the Principal Accountant General (A&E) at prescribed intervals, to provide transparency and accuracy in accounting of Government transactions.*
5. *State Government should discourage the use of omnibus Minor Head 800 and in consultation with the Principal Accountant General (A&E), conduct a comprehensive review of all items presently appearing under this Head and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account.*