

Chapter IV: Quality of Accounts and Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance in any organisation. Reports on compliance and controls can assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

This Chapter provides an overview of the status of the State Government's compliance with various financial rules, procedures and directives as well as the timeliness and quality of reporting of the same during the year 2022-23.

4.1 Funds transferred directly to State implementing agencies

The Central Government transfers a sizeable quantum of funds directly to the State implementing agencies¹ for implementation of various schemes/programmes in the social and economic sectors. As the funds are not routed through the State budget/treasury, the Finance Accounts of the State do not capture these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them do not reflect the complete picture.

With effect from 01 April 2014, Government of India (GoI) decided to release all assistance for Centrally Sponsored Schemes (CSS)/Additional Central Assistance directly to the State Governments and not to the State implementing agencies. In Goa, however, Central funds of ₹ 2,928.32 crore were transferred directly to the State implementing agencies during 2022-23. The direct transfer of funds to the implementing agencies has increased by 50.05 *per cent* as compared to 2021-22 (₹ 1,951.61 crore).

A major part (₹ 2,837.93 crore) of these funds was shown as 'Other Schemes for which funds are routed outside the State Budget' in the State Finance Accounts of 2022-23.

Of the balance funds transferred, the major schemes receiving direct transfers of Central funds were National Highway Authority of India (₹ 17.56 crore) and MPLAD Scheme (South Goa) (₹ 17.00 crore).

4.2 Delay in submission of Utilisation Certificates

Rule 238 of General Financial Rules, 2017 (GFR) prescribes that Utilisation Certificates (UCs) for grants provided for a specific purpose should be obtained by the departmental officers from the grantees and after verification, these

¹ State implementing agencies are organisations/institutions including non-governmental organisations and Central autonomous bodies authorised by the State Government to receive funds from the GoI for implementation of specific programmes in the State.

should be forwarded to Directorate of Accounts within one year from the date of their sanction, unless specified otherwise.

At the end of 2022-23, 11,705 UCs aggregating ₹ 2,546.40 crore which were due for submission, were outstanding against the grants disbursed up to 2021-22. Department-wise break-up of outstanding UCs is given in **Appendix 4.1** while the age-wise pendency is summarised in **Table 4.1**.

Table 4.1: Age-wise status of outstanding UCs as of 31 March 2023

Sl. No.	Range of delay of outstanding UCs (in years)	Utilisation certificates outstanding	
		No.	Amount (₹ in crore)
1.	1 to 3	3357	1303.76
2.	3 to 5	1646	439.94
3.	5 to 7	926	171.32
4.	7 and above	5776	631.38
	Total	11705	2546.40

(Source: Compiled from information furnished by Directorate of Accounts)

Of the total outstanding UCs, 5003 (43 per cent) amounting to ₹ 1,743.70 crore (68 per cent) were outstanding from one to five years while 6,702 (57 per cent) involving ₹ 802.70 crore (32 per cent) were pending for more than five years.

Table 4.2: Year-wise break-up of outstanding UCs

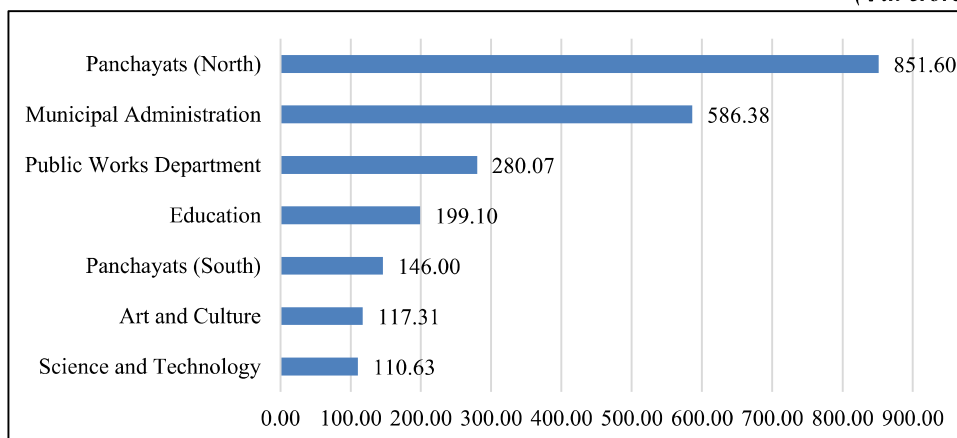
(₹ in crore)

Year	No. of UCs	Amount
Up to 2012-13	4637	440.00
2013-14	618	111.85
2014-15	521	79.53
2015-16	408	57.49
2016-17	518	113.83
2017-18	727	308.43
2018-19	919	131.51
2019-20	829	165.88
2020-21	777	398.42
2021-22	1751	739.46
Total	11705	2546.40

(Source: Compiled from information furnished by Directorate of Accounts)

Major cases of non-submission of UCs (in numbers) pertained to Directorate of Panchayats (North) (32 per cent), Directorate of Panchayats (South) (28 per cent) and Directorate of Education (nine per cent) (**Appendix 4.1**).

Chart 4.1: Departments with highest outstanding UCs in terms of money value
(₹ in crore)



(Source: Compiled from information furnished by Directorate of Accounts)

Directorate of Panchayats (North)

As detailed in **Appendix 4.1**, Directorate of Panchayats had the highest number of pending UCs (3,712 out of 11,705). The Director of Panchayats had requested Directorate of Accounts (May 2022) to waive-off the requirement of UCs for the period from 1991-92 to 2009-10 as the Department was unable to locate the UCs for that period. However, the Directorate of Accounts was yet to reply to the Department on the matter (October 2023).

Audit observed that, grants register to be maintained by the sanctioning authority in GFR 21 was not being maintained by the Department. Hence, there was no control mechanism for monitoring grant utilisation/submission of UCs.

UCs are the only mechanism for the departments to verify that the money has been utilised for the purpose for which it was given. In the absence of UCs, there is no assurance that money disbursed had been used for the intended purpose. Large number of the outstanding UCs, thus, indicated deficient monitoring and follow-up mechanism in the departments concerned.

During the exit conference (21/02/2024), the Finance Department informed that as the year-wise and department-wise data is available, efforts will be made to clear the backlog of UCs.

4.3 Abstract Contingent bills

Controlling and Disbursing officers of the departments are authorised to draw sums of money by preparing Abstract Contingent (AC) bills. They are required to present Detailed Contingent (DC) bills (*i.e.* vouchers in support of final expenditure) to the Directorate of Accounts within three months from the date of drawal of funds on AC bills. If previous AC bills are outstanding for over three months, proposals for drawal of further AC bills would require sanction of Finance Department.

Details of submission of DC bills against AC bills drawn up to March 2023 are given in **Table 4.3**.

Table 4.3: Pendency in submission of DC bills against AC bills (30 June 2023)

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Up to 2021-22	12173	6419.47	11875	6339.28	298	80.19
2022-23	785	822.93	609	778.37	176	44.56
Total	12958	7242.40	12484	7117.65	474	124.75

(Source: Finance accounts of the State)

As may be seen from the table above, departments had drawn 785 AC bills for an amount of ₹ 822.93 crore in 2022-23 and submitted 609 DC bills for an amount of ₹ 778.37 crore. Thus, 176 DC bills amounting to ₹ 44.56 crore remained unadjusted as of 30 June 2023. There was no assurance that the expenditure of ₹ 44.56 crore had actually been incurred during the financial year for the purpose for which it was authorised by the Legislature.

In addition, 298 DC bills amounting to ₹ 80.19 crore for the years up to 2021-22 were yet to be submitted by the departments concerned. Thus, at the end of March 2023, 474 DC bills amounting to ₹ 124.75 crore were pending settlement.

Age analysis of unadjusted AC bills is shown in **Table 4.4**.

Table 4.4: Age-wise status of unadjusted AC bills as on 31 March 2023

Sl. No.	Range of delay of outstanding DC bills (in years)	Outstanding DC bills	
		No.	Amount (₹ in crore)
1.	1 to 3	296	77.79
2.	3 to 5	58	17.32
3.	5 to 7	18	8.82
4.	7 and above	102	20.82
	Total	474	124.75

(Source: Information furnished by Directorate of Accounts)

Year-wise details of outstanding unadjusted AC bills are shown in **Table 4.5**.

Table 4.5: Year-wise details of outstanding unadjusted AC bills

(₹ in crore)

Year	Unadjusted AC bills	Amount of Unadjusted AC bills
Up to 2012-13	50	3.62
2013-14	12	0.26
2014-15	12	4.42
2015-16	10	0.23
2016-17	18	12.29
2017-18	09	1.92
2018-19	09	6.90
2019-20	30	11.75
2020-21	28	5.57
2021-22	120	33.23
2022-23	176	44.56
Total	474	124.75

(Source: Information furnished by Directorate of Accounts)

Oldest unadjusted AC bill for ₹ 40,000 pertained to Collectorate, North Goa for the year 1988-89. Further, of the total unadjusted AC Bills at the end of March 2023, 120 AC bills amounting to ₹ 29.64 crore were pending for adjustment, for five years and above, for want of submission of DC Bills by the concerned departments.

Major defaulting departments that did not submit DC bills were: Collectorate, North Goa (₹ 47.82 crore), Collectorate, South Goa (₹ 33.79 crore) and Goa Medical College (₹ 15.69 crore).

Collectorate, North Goa

Collectorate, North Goa had the highest number of unadjusted 161 AC bills. Scrutiny of records relating to unadjusted AC bills of Collectorate, North Goa revealed the following:

- During the previous audit of the Department (conducted for the year ending March 2022) it was found that there were 33 AC bills drawn between 1989 and 2017 amounting to ₹ 12.78 crore that were not traceable from the records maintained by the Collectorate. However, during the current audit (for the year ending March 2023) it was informed by the Collectorate that the 33 bills have been traced and one DC bill out of 33, amounting to ₹ 5.31 lakh was settled in January 2024. The settlement of the remaining bills is in progress (March 2024).

During the exit conference (21/02/2024), the Principal Secretary, Finance Department, stated that significant portion of the pending bills stemmed from AC bills drawn for election-related expenses and concerned officials for the upcoming elections have been instructed to settle the election accounts before being relieved of their duties.

Recommendation 1: State Government may ensure timely submission of Utilisation Certificates by departments in respect of grants released for specific purposes. Further, advances drawn on Abstract Contingent bills may be closely monitored for ensuring timely submission of Detailed Contingent bills.

4.4 Personal Deposit Accounts

Personal Deposit Accounts (PDAs)/Personal Ledger Accounts (PLAs) are deposit accounts opened with the approval of the Finance Department (FD) and kept in treasuries in the name of the Administrators² of the accounts. Every PDA/PLA so authorised forms part of the Public Account.

As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, Administrators are entitled to credit receipts into and effect withdrawals

² Personal Deposit Account holders

directly from the treasury account for a specific purpose. The Administrators shall only be Government officers acting in their official or any other capacity.

Rule 180 of Receipts and Payments Rules, 1997 further stipulates that if a PDA is not operated for a considerable period and there is reason to believe that the need for the deposit account has ceased, the same should be closed in consultation with the officer in whose favour the deposit account has been operated.

Year-wise position of PDA/PLA from 2020-21 to 2022-23 is given in **Table 4.6**.

Table 4.6: Year-wise details of PDA/PLA

(₹ in crore)

Year	Opening balance	Receipts (additions during the year)	Disbursements (closed/ withdrawn during the year)	Closing balance (31 March of the year)
2020-21	122.60	52.93	56.54	118.99
2021-22	118.99	28.51	48.86	98.64
2022-23	98.64	23.05	18.70	102.99

(Source: Information furnished by Directorate of Accounts)

As on 31 March 2023, a sum of ₹ 102.99 crore was held under 93 PDAs/PLAs by 21 departments. Additions during the year were ₹ 23.05 crore out of which, ₹ 14.36 crore was transferred from the Consolidated Fund of the State and the remaining ₹ 8.69 crore was credited through challans.

Two departments, District Collector, North and Directorate of Technical Education were selected for review based on the significant unspent balances lying in their respective PDAs/PLAs at the end of the previous financial year *i.e.* 2021-22. The District Collector, North operated two PDAs whereas the Directorate of Technical Education operated one PDAs. Scrutiny of PDAs of Collectorate, North Goa revealed that both the PDAs held by the Department were closed and the balances³ transferred to the Public Account⁴ through transfer entries in March and July 2023. Similarly, the balance of ₹ 1.13 crore lying in the PDA operated by Directorate of Technical Education was transferred to the Consolidated Fund through a transfer entry in April 2023.

Out of a total of 93 Administrators of PDAs in the State, only 78 had reconciled and verified their balances with the treasury figures, while 15 Administrators neither reconciled nor verified their balances with the treasury.

During the exit conference (21/02/2024), the Finance Department informed that all inoperative PDAs (except for three which were kept open on request of the

³ Total ₹ 4.64 crore (₹ 4.63 crore and ₹ 1.13 lakh)

⁴ The balance of ₹ 4.63 crore was transferred to Major Head 8121-122 (State Disaster Response Fund) in July 2023 and ₹ 1.13 lakh was transferred to Suspense Account 8658 – 102 (Civil) in March 2023

departments concerned) have been closed in the current year. Further, it was also assured that necessary action would be taken for reconciliation of all PDAs/PLAs.

Recommendation 2: Finance Department may continue to periodically review all the PDAs to ensure that amounts unnecessarily lying in PDAs/PLAs are immediately remitted to the Consolidated Fund.

4.5 Single Nodal Accounts

Ministry of Finance, Government of India vide letter No. 1 (13) PFMS/ FCD/ 2020 dated 23/03/2021 had notified procedure for release of funds under CSS and monitoring utilisation of the funds released through SNA. For each CSS, a SNA is set up with its own Bank Account in a scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

During 2022-23, the State Government received ₹ 305.15 crore being Central share during the year and as on 31 March 2023, the Government transferred ₹ 360.09 crore (including previous year's untransferred balance of ₹ 54.94 crore) being Central share and corresponding State share of ₹ 209.27 crore to the SNAs. The total transfer of ₹ 569.36 crore was through fully vouched Contingent Bills. However, detailed vouchers and supporting documents of actual expenditure were not received by Directorate of Accounts from the SNAs.

As per PFMS SNA 01 Report, ₹ 376.31 crore was lying unspent in the bank accounts of SNAs as on 31 March 2023. The unspent balances in SNA accounts belonged majorly to CSS like Mission for Development of 100 Smart Cities (₹ 99.26 crore), Samagra Shiksha (₹ 35.70 crore), Saksham Anganwadi and Poshan 2.0 (₹ 20.12 crore), Infrastructure Facilities for Judiciary (₹ 20.95 crore), Tertiary Care Programs (₹ 28.04 crore), Swachh Bharat Mission-Rural (₹ 15.79 crore).

4.6 Bookings under Minor Head 800

The omnibus Minor Head 800 is intended to be operated when the appropriate minor head has not been provided in the accounts.

Audit scrutiny revealed that State Government has operated this minor head extensively during the five-year period (2018-23). The amounts booked under this minor head are shown in **Table 4.7**.

Table 4.7: Bookings under Minor Head 800-Other Receipts/Other Expenditure

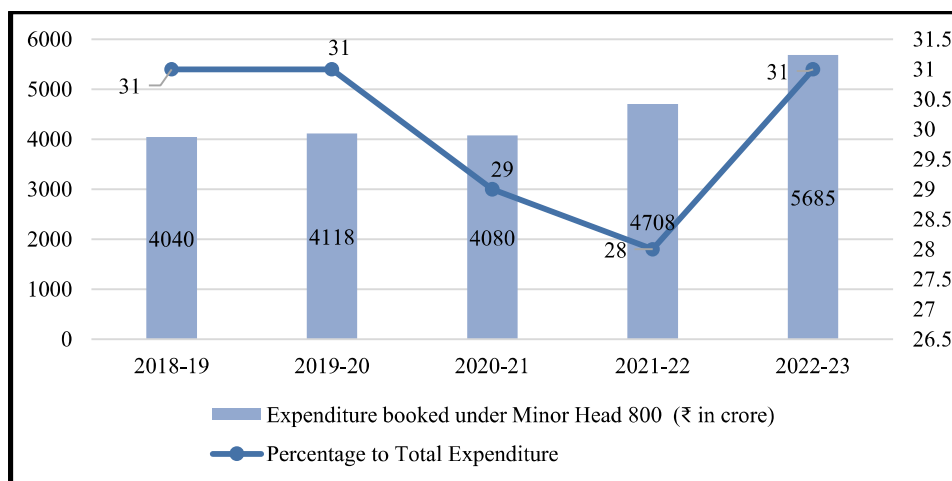
Year	Expenditure under Minor Head 800 (₹ in crore)	As percentage of total expenditure	Receipts under Minor Head 800 (₹ in crore)	As percentage of total receipts
2018-19	4039.50	30.52	656.62	5.73
2019-20	4117.84	30.97	386.46	3.42
2020-21	4079.61	28.96	384.91	3.69
2021-22	4708.07	27.85	502.85	3.52
2022-23	5684.74	31.05	858.07	4.96

(Source: Finance Accounts of the State for the respective years)

Finance Accounts 2022-23 of Government of Goa disclosed that expenditure aggregating ₹ 5,684.74 crore, constituting 31 per cent of the total expenditure (₹ 18,313 crore) was classified under Minor Head ‘800-Other Expenditure’ in 63 Major Heads under revenue and capital sections. Similarly, receipts aggregating ₹ 858.07 crore, constituting five per cent of the total revenue receipts (₹ 17,284 crore) was classified under Minor Head ‘800-Other Receipts’ in 43 Major Heads.

Chart 4.2 shows the trends in booking of expenditure under Minor Head 800, during 2018-23.

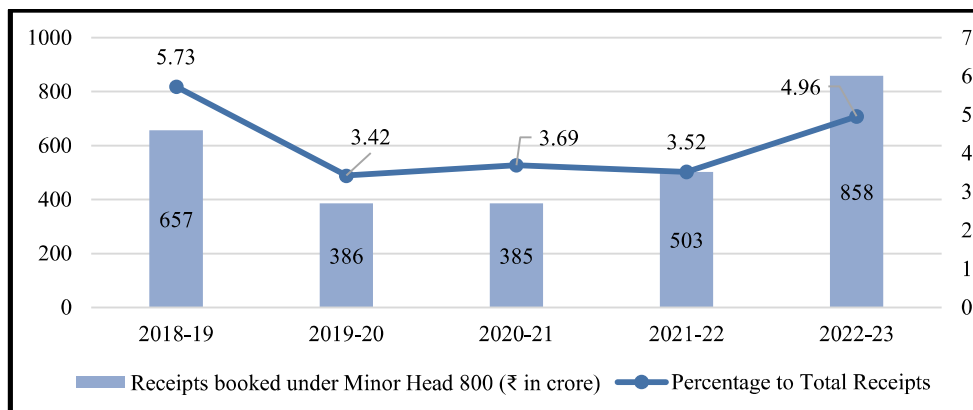
Chart 4.2: Trends in booking of expenditure under omnibus Minor Head 800 during 2018-23



(Source: Finance Accounts of the State for the respective years)

It may be seen from **Chart 4.2** that during 2022-23 booking of expenditure under omnibus Minor Head 800 increased significantly by ₹ 977 crore (21 per cent) over the previous year 2021-22. Percentage of expenditure under Minor Head 800 to total expenditure registered a decline during the years 2020-21 and 2021-22, the same registered an increase in 2022-23 to 31 per cent.

**Chart 4.3: Trends in booking of receipts under omnibus
Minor Head 800 during 2018-23**



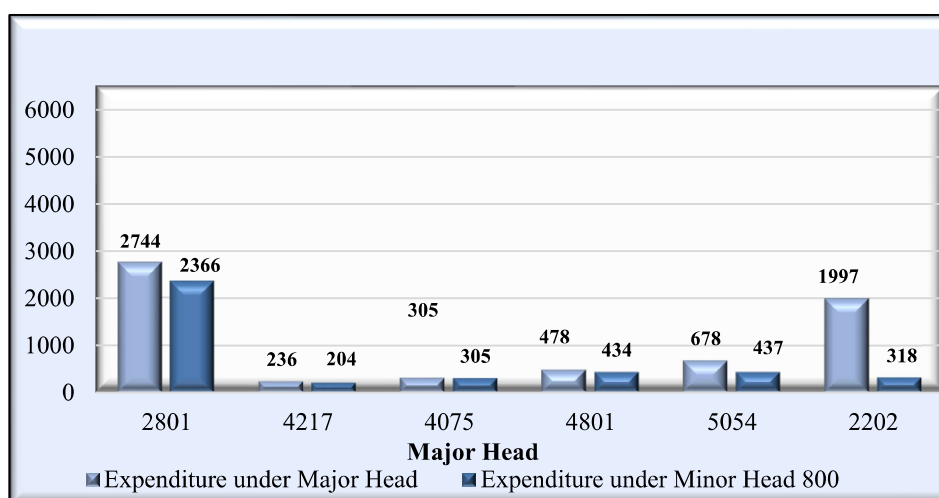
(Source: Finance Accounts of the State for the respective years)

It may be seen from **Chart 4.3** that during 2022-23 receipts booked under Minor Head 800 also increased significantly by ₹ 355 crore (71 per cent) compared to the previous year 2021-22. Further, share of receipts (booked under Minor Head 800) to total revenue receipts ranged between 3.42 per cent and 5.73 per cent during 2018-23.

During 2022-23, there were 13 Major heads wherein an expenditure of more than ₹ 100 crore was booked under Minor Head 800. Out of thirteen, six cases where expenditure of more than ₹ 200 crore was booked under Minor Head 800 are shown in **Chart 4.4**.

Chart 4.4: Major heads where expenditure of more than ₹ 200 crore was booked under Minor Head 800 during 2022-23

(₹ in crore)



(Source: Finance Accounts of the State)

As may be seen from **Chart 4.4**, there were six Major Heads where an expenditure of ₹ 200 crore or more was booked under Minor Head 800. Except

Major Head 2202, the remaining five Major Heads had more than 50 *per cent* of their total expenditure booked under Minor Head 800.

In the case of Major Head 2801 (Power) an expenditure of ₹ 2,366 crore (86 *per cent*) was booked under Minor Head 800. This expenditure was incurred towards cost of bulk supply of power from National Thermal Power Corporation Limited, Karnataka Power Transmission Corporation Limited and Rajasthan State Petroleum Corporation Limited. The expenditure could have been booked either partially or wholly under Minor Head 101 (Purchase of Power) falling under any of the Sub-Major Heads namely, 02 (Thermal Power Generation), 01 (Hydel Power Generation) or 06 (Rural Electrification) through budgetary allocations under those heads of accounts.

Further, in case of Major Head 4075 (Other Miscellaneous General Services), State Government booked the entire expenditure of ₹ 305 crore for the Major Head 4075 under Minor Head 800 – 01 (Contribution to Goa State Infrastructure Development Corporation) – 06 (Other Capital Expenditure). However, this has been rectified in the budget estimates for the fiscal year 2023-24 through allocation of funds under Major Head 4059- Minor head 051- (Demand No. 32).

Three cases of receipt of more than ₹ 100 crore classified under Minor Head 800 were noticed under Major Head 0030 (Stamps and Registration Fees) (₹ 110.83 crore), 0039 (State Excise) (₹ 106.51 crore) and 0070 (Other Miscellaneous Services) (₹ 429.43 crore).

Persistent usage of omnibus Minor Head 800 - Other Expenditure/Receipts for accounting of large amounts affects the transparency in financial reporting, as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

The Finance Department assured during the exit conference (21/02/2024) that in the forthcoming 2023-24 Accounts, the booking under Minor Head 800 would be reduced to 15 *per cent* from 31 *per cent* recorded during 2022-23.

Recommendation 3: State Government may avoid booking receipts/ expenditure under Omnibus Minor Head – 800 where appropriate heads of account are available.

4.7 Outstanding balances under Suspense, Debt, Deposit and Remittances (DDSR) Heads

Suspense Head is intended for temporary accommodation of transactions affecting the balances of the State, pending final adjustments.

Remittances embrace all adjusting heads, under which remittances of cash between treasuries, and transfers between different accounting circles are booked. The initial debits or credits to the heads in these divisions are cleared

eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

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. Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

Transactions and net balances under 8658-Suspense Accounts are detailed in **Table 4.8** below.

Table 4.8: Balances under Suspense and Remittance Heads

(₹ in crore)

Name of Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts office Suspense	495.79	496.04	504.34	494.73	508.40	494.81
Net	Cr. 0.25		Dr. 9.61		Dr. 13.59	
102 - Suspense Account (Civil)	44.92	45.22	45.17	45.67	45.65	47.05
Net	Cr. 0.30		Cr. 0.50		Cr. 1.40	
107 – Cash Settlement Suspense Account	524.54	289.02	550.50	289.02	611.37	289.03
Net	Dr. 235.52		Dr. 261.48		Dr. 322.34	
109 - Reserve Bank Suspense	(-)4.58	(-)1.19	(-)5.32	(-)1.26	(-)4.99	(-)1.30
Net	Cr. 3.39		Cr. 4.06		Cr. 3.69	
110 - Reserve Bank Suspense – Central Accounts Office	4076.32	3273.62	4277.50	3473.62	4998.51	3017.09
Net	Dr. 802.70		Dr. 803.88		Dr. 1981.42	
112 – Tax Deducted at Source	20.91	38.34	18.52	40.61	18.64	39.71
Net	Cr. 17.43		Cr. 22.09		Cr. 21.07	
129 – Material Purchase Settlement Suspense Account	...	34.76	...	34.76	...	34.76
Net	Cr. 34.76		Cr. 34.76		Cr. 34.76	
Total Net	Dr. 982.09		Dr. 1013.56		Dr. 2256.43	

(Source: Finance Accounts of the State)

Gross figures under major suspense heads show that aggregate net balance under Major Head 8658 was ₹ 2,256.43 crore (Dr.) in 2022-23, which was not booked under the relevant heads of account, thus, rendering the net expenditure figures mentioned in the Finance Accounts non-transparent to that extent.

Account Officer (PAO)-Suspense – (Minor Head 101)

This head is intended for settlement of transactions between Director of Accounts and various Pay and Accounts Officers. Outstanding debit balance under this head would mean that payments were made by the Director of Accounts, which were yet to be recovered. Outstanding credit balance would mean that payments have been received by the Director of Accounts on behalf of a Pay and Accounts Officer, which were yet to be paid. During 2022-23, net

debit balance under this head increased from ₹ 9.61 crore in 2021-22 to ₹ 13.59 crore.

Suspense Account-Civil – (Minor Head 102)

This minor head is operated by the Director of Accounts to provisionally accommodate 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. During the last three years (2020-23), the net credit balance under this head ranged between ₹ 0.30 crore and ₹ 1.40 crore.

Reserve Bank Suspense–Central Accounts Office–(Minor Head 110)

To facilitate the prompt transfer of actual credits for loans and grants payable to all State Governments and *vice-versa*, the Central Accounts Section of the Reserve Bank of India in Nagpur uses the Major Head '8658-Suspense Accounts,' utilising the minor head '110-Reserve Bank Suspense-Central Accounts Office' for such transfers.

A credit or debit balance under this head indicates that the PAO (Central Ministry) is yet to pass transfer entries after transactions between the Centre and State have taken place. The passing of transfer entries means affecting a minus credit or debit (as the case may be) that nullifies the balance in the suspense head.

At the end of March 2023, the net debit balance under this head was ₹ 1,981.42 crore. This was more than twice the balance reported (₹ 803.88 crore) at the end of the previous year, 2021-22.

Tax Deducted at Source (TDS) Suspense – (Minor Head 112)

This minor head is intended to accommodate receipts on account of income tax deducted at source. Receipts on account of TDS are credited to Major Head 8658 - Suspense Accounts under Minor Head 112 - TDS Suspense. These credits are to be cleared by the end of each financial year and credited to the Income Tax Department. During the last three years (2020-23), the net credit balance under this head due for credit to Income Tax Department ranged between ₹ 17.43 crore and ₹ 22.09 crore.

4.8 Reconciliation of departmental figures

To exercise effective budgetary control over receipts/expenditure and to ensure accuracy in accounts, all controlling officers are required to reconcile every month, the receipts and expenditure recorded in their books with the figures accounted for by the Directorate of Accounts.

Non-reconciliation dilutes the assurance that all the receipts/expenditure have been taken to the correct Head of Account. Failure to exercise this check might result in misclassification and incorrect booking of receipts and expenditure in the accounts, raising concerns about accuracy of accounts. It is also a reflection of weak internal controls within the Government.

Timely reconciliation enables the controlling officers of departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The Public Accounts Committee in its 48th Report (1992) recommended punitive action against erring Budget Controlling Authorities (BCA).

During the year 2022-23, receipts amounting to ₹ 19,053.12 crore (95.68 per cent) of total receipts (₹ 19,913.60 crore) and expenditure amounting to ₹ 19,561.61 crore (99.84 per cent) of total expenditure (₹ 19,593.66 crore) were reconciled by the State Government. This is a significant improvement compared to reconciliation done during 2021-22, wherein, receipts amounting to ₹ 12,356.13 crore (63.53 per cent of total receipts) and expenditure amounting to ₹ 14,395.07 crore (73.71 per cent of total expenditure) were reconciled by the State Government.

The details of two BCAs involving 82 units that had not reconciled their expenditure during 2022-23 are shown in **Table 4.9**.

Table 4.9: Major BCAs who did not reconcile their expenditure

(₹ in crore)

Sl. No.	BCAs who did not reconcile their expenditure	Amount not reconciled
1.	Home	25.94
2.	Employment	6.12
	Total	32.06

(Source: Information furnished by Directorate of Accounts)

Further, with respect to receipts, nine out of 91 BCAs did not carry out reconciliation of the units under their control amounting to ₹ 860.48 crore.

Details of four major BCAs (out of nine) who did not reconcile their receipts amounting to ₹ 859.35 crore, are indicated in **Table 4.10**.

Table 4.10: Major BCAs who did not reconcile their receipts

(₹ in crore)

Sl. No.	BCAs who did not reconcile their receipts	Amount not reconciled
1	Transport	428.17
2	Home	353.87
3	Health Services	66.90
4	Ports Administration	10.41
	Total	859.35

(Source: Information furnished by Directorate of Accounts)

Hence, significant progress has been achieved over the course of the past year and efforts may be continued to achieve cent percent reconciliation.

4.9 Compliance with Accounting Standards

As per Article 150 of the Constitution, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. The CAG has set up a Government Accounting Standards Advisory Board (GASAB) in 2002 for formulating standards for Government accounting and financial reporting, in order to enhance accountability mechanisms. On the advice of the CAG, the President of India has so far notified three Indian Government Accounting Standards (IGAS).

Table 4.11 provides the status of compliance with these three Accounting Standards.

Table 4.11: Compliance with Accounting Standards

Sl. No.	Accounting Standard	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	IGAS-1: <i>Guarantees Given by the Government – Disclosure requirements</i>	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 guarantees, etc. at the end of the year.	Partially complied	Details of guarantees were not disclosed in the budget documents. Further, details of designated authority for tracking guarantees, automatic debit mechanism and structured payment arrangements, if any, were also not disclosed.
2.	IGAS-2: <i>Accounting and Classification of Grants-in-Aid (GIA)</i>	As per IGAS-2, expenditure relating to GIA should be classified as revenue expenditure even if it involves creation of assets, except in cases specifically authorised by the President on the advice of the CAG.	Partially complied	Detailed information in respect of GIA given in kind and GIA used to create capital assets were not disclosed.
3.	IGAS-3: <i>Loans and Advances made by Government</i>	It is related to recognition, measurement, valuation and reporting of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices. It also ensures adequate disclosure on loans and advances made by the Government.	Partially complied	Disclosures on repayment of loans in arrears, loans in perpetuity, interest payment in arrears, if any, were not made by the State Government. Non-payment of interest and loans may have an impact on the revenue and fiscal deficits.

(Source: Finance Accounts of the State and respective IGAS)

4.10 Submission of accounts/separate audit reports of autonomous bodies

Several autonomous bodies have been set up by the State Government in the fields of education, irrigation, housing, law, *etc.* Of these, audit of accounts of 14 bodies have been entrusted to the CAG. These bodies are audited by the CAG for verification of their accounts, financial transactions, operational activities, internal management and financial control system and procedures.

Status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and their placement in the Legislature is given in the **Appendix 4.2**. Delay in submission of accounts to Audit (beyond the specified target dates) and placement of SARs in the Legislature by the autonomous bodies is summarised in **Table 4.12**.

Table 4.12: Delays in submission of accounts and tabling of SARs

Submission of accounts for audit		Presentation of Report in Legislature	
Delay (in months)	No. of autonomous bodies	Delay (in years)	Number of autonomous bodies
0-3	01	0-1	07
3-6	05	1-3	00
6-9	00	3-5	01
9-25	01	5 years and above	01
25 months and above	05	-	-

(Source: Compiled from records received from various autonomous bodies)

As may be seen from **Appendix 4.2**, there were 32 accounts pending submission by 12 autonomous bodies for various periods. Details are given in **Table 4.13** below.

Table 4.13: Arrears in submission of accounts by Autonomous Bodies

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to January 2024
1.	Goa University	2022-23	01
2.	Goa Housing Board	2022-23	01
3.	Goa Tillari Irrigation Development Corporation	2012-13	03
4.	Khadi and Village Industries Board	2022-23	01
5.	Goa State Commission for Backward Classes	2022-23	01
6.	South Goa Zilla Panchayat	2018-19	05
7.	North Goa Zilla Panchayat	2009-10	14
8.	Goa Secondary and Higher Secondary Education Board	2022-23	01
9.	District Legal Services Authority, North Goa	2021-22	02
10.	Goa State Compensatory Afforestation Fund Management and Planning Authority	2016-17	01
11.	Goa Samagra Shiksha Abhiyan Society	2019-20	01
12.	Goa Real Estate Regulatory Authority	2022-23	01
Total			32

(Source: Compiled by Office of the PAG, Goa)

Submission of accounts by these 12 autonomous bodies was delayed by 02 to 162 months while presentation of one out of nine accounts in the State Legislature was delayed by more than five years.

Inordinate delay in submission of accounts and presentation of the reports to the State Legislature resulted in delayed scrutiny of the functioning of these bodies, where Government investments are made. Further, necessary remedial action, if any, required to be taken by the State Government was also delayed.

4.11 Departmental commercial undertakings/corporations/companies

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *proforma* accounts in the prescribed format annually, showing the working results of financial operations. The accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business.

In the absence of timely finalisation of such *proforma* accounts, the viability of these undertakings remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, required, for ensuring viability and improving the efficiency of these undertakings cannot be taken in time.

Heads of departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General for audit within a specified timeframe. As of September 2023, there were two such undertakings⁵ having arrears in preparation of their accounts. Department-wise position of arrears in preparation of *proforma* accounts and investments made by the Government in these two undertakings is given in **Table 4.14**.

Table 4.14: Position of arrears as on 30 September 2023 in preparation of *proforma* Accounts

Department	No. of undertaking under the Department	Name of undertaking	Year up to which accounts finalised	Investment as per last accounts (₹ in crore)
Inland Water Transport	1	River Navigation Department	2005-06	108.29
Power	1	Electricity Department	2021-22	1872.93
Total				1981.22

(Source: Information furnished by departments concerned)

As seen from the table above, the accounts of Inland Water Transport (IWT) were last submitted to audit for the year 2005-06 and all accounts since 2006-07 are in arrears. The issue of non-submission of accounts for audit by IWT has been brought to the notice of the State Government at regular intervals.

⁵ River Navigation Department and Electricity Department

Annual accounts are essential for performance evaluation, financial monitoring and decision-making and compliance with applicable rules and regulations. Non-preparation of accounts and their audit has serious consequences for accountability and the overall governance of the entity. Compliance audit of the IWT department for the years 2018-19 and 2019-20 revealed weaknesses/lapses in internal controls. Departmental inquiry into instances of fraud and misappropriation of cash brought out by audit was in progress. However, the IWT was yet to commence the preparation of its annual accounts.

4.12 Misappropriations, losses and defalcations

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer.

State Government reported 29 cases of misappropriation, defalcation, *etc.* involving Government money of ₹ 1.77 crore up to January 2024, on which final action was pending. Department-wise/age-wise break-up of pending cases is given in **Appendix 4.3**.

As may be seen from **Appendix 4.3**, out of 29 cases, six cases pertained to Chief Electrical Engineer, Panaji. Out of these six, five cases amounting to ₹ 104.16 lakh were pending for more than 10 years. Age profile of pending cases and number of pending misappropriation cases are summarised in **Table 4.15**.

Table 4.15: Age profile of pending misappropriation cases

Age profile and nature of pending cases			
Range in years	No. of cases	Amount involved (₹ in lakh)	Nature/characteristics of cases
0-5	07	6.38	Misappropriation of cash/stores
5-10	06	52.64	
10 years and above	16	118.42	
Total	29	177.44	

(Source: Information furnished by departments concerned)

Reasons for pendency of 29 cases have been classified under three categories as detailed in **Table 4.16**.

Table 4.16: Reasons for outstanding cases of misappropriation

Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in lakh)
Departmental action started but not completed	11	13.68
Pending in courts of law	15	157.84
Awaiting orders for recovery/write-off	3	5.92
Total	29	177.44

(Source: Information furnished by departments concerned)

4.13 Follow-up action on State Finances Audit Report

Fourteen Audit Reports on the State Finances of the Government of Goa have been presented to the State Legislature from 2008-09 to 2021-22, of which two reports pertaining to the financial years 2008-09 and 2009-10 have been discussed by the Public Accounts Committee (April 2024).

4.14 Conclusion

- During 2022-23, 31 *per cent* of the total expenditure of the State Government was classified under Minor Head 800 – Other Expenditure. Indiscriminate bookings under omnibus Minor Head 800 – Other Expenditure not only affected transparency in financial reporting but also prevented proper analysis of allocative priorities and quality of expenditure.
- Utilisation Certificates (UCs) aggregating ₹ 2,546.40 crore were outstanding against grants disbursed up to 2021-22. Similarly, Abstract Contingent (AC) bills amounting to ₹ 124.75 crore were pending due to non-submission of Detailed Contingent (DC) bills. Non-submission of UCs and DC bills by the departments for funds drawn for specific purposes violated the prescribed financial rules and State Government directives.
- Twelve autonomous bodies, which fell within the ambit of CAG’s audit, had arrears of accounts ranging from 02 to 162 months.
- As on 31 March 2023, balances amounting to ₹ 376.31 crore were lying unutilised in various Single Nodal Accounts of the State Government.