

**GOVERNMENT OF JAMMU AND KASHMIR
FINANCE DEPARTMENT**

URGENT

Subject:- The Report of Comptroller and Auditor General of India for the year 2008-09, Comptroller and Auditor General of India's report on State Finances, Finance Accounts for the year 2008-09 and Appropriation Accounts for the year 2008-09 as well as Accounts at a Glance.

Kindly find enclosed copies of the above mentioned Reports / Accounts received from the Comptroller and Auditor General of India / Principal Accountant General regarding the subject cited above. All the aforementioned Reports / Accounts have been laid on the table of both the Houses (J&K Legislative Assembly/ J&K Legislative Council) on 30.03.2010 in terms of Article 151 (2) of Constitution of India.

Among other things the following observations of very serious nature have been made in the aforesaid Reports:-

- a. Expenditure incurred without any budgetary provisions.
- b. The amounts drawn from the treasury were neither fully spent for the specific purposes nor remitted to Government Accounts before closure of the financial year 2008-09.
- c. Anticipated savings not surrendered and due to the non-surrender of funds deprived the government of the opportunity to transfer these funds to other needy sectors.
- d. Pendency in submission of Detailed Countersigned contingent Bills against Abstract Contingent bills.
- e. Non-reconciliation of departmental figures.
- f. Errors in budgeting process.
- g. Delay in furnishing Utilization Certificates.
- h. Non-submission / delay in submission of accounts.

The Principal Accountant General J&K State in the review meeting of Director (s) Finance / FA & CAOs convened on 24.11.2009 at Jammu under the chairmanship of Hon'ble Finance Minister had also pointed out as under:-

- I. Outstanding Audit Inspection Reports / Audit paras were increasing day by day.
- II. Non submission of vouchers / bills by the accounts compiling divisions/ chest holders resulting in the increase in the amounts under OB.
- III. Non intimating the position of actual realization of the revenue receipts / actual expenditure under revenue and capital section.
- IV. Non-reconciliation of revenue expenditure figures.
- V. Delayed submission of accounts by Forest / Works Divisions.
- VI. Non-furnishing of Utilization Certificates.
- VII. Non providing of requisite records by the officers/ officials and not explaining the realistic position to the audit parties during the course of on spot audit of their accounts/records.
- VIII. Non-replying of half margins by some of the officers issued by the audit parties during the course of audit on spot.

IX. Non-furnishing of replies of the audit reports supported by the proper evidence, resulting in incorporation of audit paras in the Comptroller and Auditor General's Report in the form of **Draft paras.**

All Administrative Secretaries are, as such, requested to kindly take following remedial measures in the light of the above mentioned observations made by Comptroller and Auditor General of India and the Principal Accountant General of the J&K State.

1. Advise the respective filed formations to render the awaited accounts within the prescribed time schedule and assign reason for delayed submission and take regular inspection by senior officers to ensure compliance.
2. Advise FA & CAOs to monitor the receipt and replies of the audit reports received from the Accountant General's office on the monthly basis and monitor personally to ensure compliance.
3. Expeditious reply to the audit reports to avoid framing of Draft paras and identify offices where reply is not sent and take disciplinary action.
4. Ensuring timely reconciliation of revenue and expenditure figures by deputing reconciliation parties to the office of Principal Accountant General as per the prescribed time schedule i.e 1st quarter 25th August, 2nd quarter 25th November, 3rd quarter 25th February and 4th quarter 25th May.
5. To ask the Chest Holders viz. Public Works Division, Electric Division and Forest Division etc. who are Self Compiling Units to render their monthly accounts to the Principal Accountant General **by 10th of next month** to avoid exclusion of accounts from the monthly State accounts.
6. Ask the working division to avoid making advance payments for procurement of stock items / material usually at the fag end of the financial year and lift materials against advance payments without any delay.
7. Submit Quarterly Performance Indicators, devised by the Finance Department in respect of the whole department for review in the joint review meetings of Hon'ble Finance Minister, Principal Accountant General, Directorate of Accounts & Treasuries & other concerned organizations latest by 20th of the following month i.e 20th July, 20th Oct., 20th January and 20th April.
8. In case above instructions are not complied, a system should be put in place for initiating disciplinary action against the defaulting officers and take action against them for not adhering to the instructions / rules & regulations and also to impose penalty against those responsible for deviation of instructions in terms of J&K Civil Services Classification, Control and Appeals Rules, 1956.

Strict instructions also need to be issued to all the Departments for compliance by all Head of Departments, Controlling Officers, Drawing and Disbursing Officers and other spending officers that all the codal procedures laid down in the J&K Financial Code, J&K Public Works Code and J&K Budget Manual are adhered to strictly.

Sd/-
Commissioner / Secretary to Government,
Finance Department.