

# Annual Meet : GEF- SUTP

## 11<sup>th</sup> November 2011

"Financial Management Issues"

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# Issues in Financial Management

1. Lack of Capacity at PIA's.
2. Unrealistic Budgets.
3. Repetitive Internal Audit Observations.

# Lack of Capacity at PIA's

## **1. Preparation of IUFR ( Interim Unaudited Financial Report) and PFS (Project Financial Statement)**

- Computer Knowledge
- Understanding of IUFR Contents.

## **2. Compliance of TDS and WCT Issues**

- Delay Deposits of TDS leading to payment of Interest.
- Interest paid on delay payments is not a eligible expenditure.

## **3. Delay in Submission of details and information to PMU**

# Unrealistic Budget Estimates For The FY 2011-12

Budget Provision for year 2011-12 vs. Actual Expenditure of PIA's up to September 2011

Amount in Rs (Millions)

PIA	Budget Provision for 2011-12	Expenditure for year 2011-12	Budget achieved in %
NRDA-Chattisgarh	150.00	46.63	31.09%
AICTSL-Madhya	237.42	2.66	1.12%
PCMC-Maharastra	2583.80	373.18	14.44%
KSRTC-Karnatka	208.80	33.42	16.01%
<b>Total</b>	<b>3180.02</b>	<b>455.89</b>	<b>14.34%</b>

## Budget Provisions FY 12-13

- Budgets to be based on realistic estimates on progress of activities
- Since, IUFR submission is on 6 monthly basis , sufficient funds should be ensured in this interim period

# Repetitive Internal Audit Observations

- Negative contribution of PIA
- Advances given for Foreign tour not adjusted – Leads to disallowance of Expenditure
- Expenditure as given in IUFR not Talled with Books of Accounts
- Non Compliance of TDS

**Thank You**