

CHAPTER II FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2009-10 against 51 Grants/Appropriations (48 Grants and three Appropriations) is indicated in the table below:

**Table 2.1: Summarized position of Actual Expenditure vis-à-vis
Original/Supplementary provisions**

(₹ in crore)						
	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	2721.12	237.69	2958.81	2696.15	(-) 262.66
	II Capital	1392.11	462.03	1854.14	1591.58	(-)262.56
	III Loans and Advances	8.60	0	8.60	6.89	(-) 1.71
Sub-total Voted		4121.83	699.72	4821.55	4294.62	(-) 526.93
Charged	IV Revenue	348.73	0.38	349.11	326.98	(-) 22.13
	V Capital	--	--	--	--	--
	VI Public Debt- Repayment	113.25	0	113.25	116.75	3.5
Sub-total Charged		461.98	0.38	462.36	443.73	(-) 18.63
Appropriation to Contingency Fund		--	--	--	--	--
Grand Total		4583.81	700.10	5283.91	4738.35	(-) 545.56

The overall saving of ₹ 545.56 crore was the result of saving of ₹ 574.70 crore in 45 grants and three appropriations under Revenue Section, 25 grants under Capital Section, offset by excess of ₹ 29.14 crore in seven grants under

Revenue Section, four grants under Capital Section including one appropriation (Public Debt-Repayments).

Substantial savings occurred in Irrigation and Flood Control (₹ 131.33 crore), Education Departments (₹ 44.98 crore) out of which ₹ 25.48 crore pertains to Primary Schools, Sericulture (₹ 43.46 crore), General Economic Services and Planning (₹ 43.01 crore), Minor Irrigation (₹ 40.54 crore), Public Works (₹ 39.86 crore) and Power (₹ 31.19 crore).

Excess expenditure occurred mainly in Finance Department (₹ 18.54 crore) out of which ₹ 16.94 crore pertains to Pension and other Retirement benefits, Interest Payment and Debt Services under Capital account (₹ 3.50 crore) and Medical, Health and Family Welfare (₹ 2.62 crore).

Reasons for excess of expenditure and savings were called for (September 2010) from the concerned Departments. However, no reply was received (November 2010).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 41 cases, savings exceeded ₹ one crore in each case or by more than 20 *per cent* of total provision. Details are given in **Appendix 2.1**. Against the total savings of ₹ 574.70 crore, savings of ₹ 478.89 crore (83 *per cent*) occurred in 15 cases relating to 13 grants, where savings were ₹ 10 crore and above in each case. Details are indicated in the table below:

Table 2.2: List of Grants with savings of ₹ 10 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supple- mentary	Total	Actual Expenditure	Savings
Revenue-Voted						
1	7 - Police	374.51	1.48	375.99	359.57	16.42
2	8 – Public Works Department	179.98	0.00	179.98	153.09	26.89
3	10 - Education	466.56	0.00	466.56	421.58	44.98
4	14 – Development of Tribals and Schedule Castes	115.90	36.52	152.42	134.28	18.14
5	17 – Agriculture	60.43	15.73	76.16	60.82	15.34
6	21 – Commerce & Industries and Weights & Measures Department	47.77	0.00	47.77	32.27	15.51
7	23 – Power	195.86	0.00	195.86	164.67	31.19
8	40 – Irrigation and Flood Control Department	63.59	0.00	63.59	39.07	24.52
9	44 – Social Welfare Department	87.74	26.94	114.68	90.62	24.06
	Sub-total	1592.33	80.67	1673.01	1455.97	217.05
Revenue Charged						
10	Appropriation No. 2 – Interest Payment and Debt Services	337.62	0.00	337.62	322.57	15.05
	Sub-total	337.62	0.00	337.62	322.57	15.05
Capital Voted						
11	8 – Public Works Department	115.67	59.46	175.13	162.16	12.97
12	30 – General Economic Services and Planning	553.91	2.95	556.85	513.85	43.01
13	36 – Minor Irrigation	55.64	7.61	63.25	22.71	40.54
14	39 – Sericulture	62.76	0.00	62.76	19.30	43.46
15	40 – Irrigation and Flood Control Department	199.47	38.27	237.74	130.93	106.81
	Sub-total	987.45	108.29	1095.73	848.95	246.79
	Total	2917.40	188.96	3106.36	2627.49	478.89

It was seen that in four cases supplementary provisions were made unnecessarily as the original provisions were even less than the actual expenditure. There was saving of more than ₹ 100 crore in one case viz. Irrigation and Flood Control Department (₹ 106.81 crore) under Capital Voted and was 45 per cent of its total provision.

2.3.2 Persistent savings

In two cases, during the last five years there were persistent savings of more than ₹ 10 lakh in each case and also by 20 per cent or more of the total grant as indicated in the table below:

Table 2.3: List of Grants indicating Persistent Savings during 2005-10

(₹ in lakh)

Sl. No.	Name of the grant	Amount of savings (per cent of savings vis-à-vis total provision)				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue -Voted						
1	40 - Irrigation and Flood Control Department	1072.37 (26)	1172.32 (28)	990.59 (27)	2158.91 (45)	2451.82 (39)
Capital -Voted						
2	37 - Fisheries	39.55 (50)	233.74 (79)	294.45 (100)	59.74 (93)	50 (37)

Persistent savings in respect of these two Departments were reported in the Audit Report on State Finances for the year 2008-09. It was reported that the savings of Fisheries Department was due to non-clearance of projects/schemes by the Project Implementation Board (PIB). Audit noticed that despite non-clearance of projects/schemes by the PIB, no cogent measure has been taken to avoid occurrence of persistent saving in 2009-10. In respect of Irrigation and Flood Control Department, no reply was furnished (November 2010).

2.3.3 Excess Expenditure

In eight cases, expenditure aggregating ₹ 28.86 crore exceeded the total provisions by ₹ 25 lakh or more in each case. Details are given in the table below:

Table 2.4: Statement showing excess of expenditure by ₹ 25 lakh or more

(₹ in lakh)

Sl No.	Grant No.	Total Provision	Expenditure	Excess
Revenue Voted				
1	5 - Finance Department	30535.64	32390.11	1854.47
2	19 - Environment and Forest	5512.99	5681.88	168.89
3	22 - Public Health Engineering	5744.62	5849.77	105.15
4	48 - Relief and Disaster Management	1005.39	1078.35	72.96
Capital Voted				
5	11 - Medical, Health and Family Welfare Services	1898.38	2160.11	261.73
6	12 - Municipal Administration, Housing and Urban Development	8658.23	8694.23	36.00
7	22 - Public Health Engineering	15538.20	15574.38	36.18
Capital Charged				
8	Appropriation No. 2 - Interest Payment and Debt Services	11325.00	11675.24	350.24
Total		80218.45	83104.07	2885.64

Audit noticed that in five cases the excess expenditure exceeded ₹ one crore viz. Finance (₹ 18.54 crore), Environment and Forest (₹ 1.69 crore), Public Health Engineering (₹ 1.05 crore) under Revenue account and Medical, Health and Family Welfare (₹ 2.62 crore) and Appropriation no. 2 (₹ 3.50 crore) under Capital account.

2.3.4 Expenditure without provision

Expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 49.42 crore was incurred in 33 cases (**Appendix-2.2**) without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

In two cases expenditure without provision exceeded ₹ five crore viz, Old Age Pension Scheme (Hill) under Social Security Welfare (State Plan) (Grant No. 44) (₹ 6.25 crore) and Accelerated Rural Water Supply Programme (Hill) under Capital Outlay on Water Supply and Sanitation (Grant No. 22) (₹ 11.40 crore). No reason was furnished for incurring expenditure without provision.

2.3.5 Drawal of funds to avoid lapse of budget grant

As per provisions of Rule 290 of Central Treasury Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. In respect of the cases mentioned in **Appendix-2.3**, the amount (₹ 250.41 crore) drawn at the fag end of the year were deposited into the head of account “8449-Other Deposits” to avoid lapse of budget grant.

2.3.6 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 2,688.54 crore for the years 1997-2002 and 2007-09 was yet to be regularized as detailed in **Appendix 2.4**. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in the table below:

Table 2.5: Excess over provisions relating to previous years requiring regularization

(₹ in crore)

Year	No. of Grants	No. of Appropriation	Amount of excess	Status of Regularization*
1997-98	10	2	384.57	Regularized vide 24 th PAC Report. Act awaited.
1998-99	6	2	293.66	-do-
1999-00	14	2	844.88	Regularized vide 27 th PAC Report. Act awaited.
2000-01	8	1	85.77	-do-
2001-02	6	2	895.20	-do-
2007-08	11	2	81.59	PAC Report awaited.
2008-09	14	--	102.87	Excess expenditure yet to be discussed by PAC
Total:	69	11	2,688.54	

* as of November 2010

2.3.7 Excess over provisions during 2008-09 requiring regularization

The table below contains the summary of total excess in 10 Grants/Appropriation amounting to ₹ 29.14 crore over authorization from the Consolidated Fund of the State during 2009-10 and requires regularization under Article 205 of the Constitution.

Table 2.6: Excess over provisions requiring regularization during 2009-10

(In ₹)				
Sl. No.	Number and title of grant/appropriation	Total provision	Expenditure	Excess
Revenue Voted (Grants)				
1	5 – Finance Department	3053564000	3239010571	185446571
2	13 – Labour and Employment	81770000	84032763	2262763
3	19 – Environment and Forest	551299000	568187806	16888806
4	22 – Public Health Engineering	574462000	584977371	10515371
5	25 – Youth Affairs and Sports Department	179423000	179798506	375506
6	39 - Sericulture	182833000	183044204	211204
7	48 – Relief and Disaster Management	100539000	107834988	7295988
	Sub-Total	4723890000	4946886209	222996209
Capital Voted (Grants)				
8	11 – Medical, Health and Family Welfare Services	189838000	216010683	26172683
9	12 – Municipal Administration, Housing and Urban Development	865823000	869423000	3600000
10	22 –Public Health Engineering	1553820000	1557438254	3618254
11	Appropriation No. 2	1132500000	1167523974	35023974
	Sub-Total	3741981000	3810395911	68414911
	Total	8465871000	8757282120	291411120

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 52.80 crore obtained in 11 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision. Out of these, in five cases unnecessary supplementary provisions provided exceeded ₹ one crore viz. Police (₹ 1.48 crore) and Science and Technology and Information Technology (₹ 1.97 crore) under Revenue account and General Economic Services and Planning (₹ 2.95 crore), Minor Irrigation (₹ 7.61 crore) and Irrigation and Flood Control Department (₹ 38.27 crore) under Capital account. The details are given in the table below:

Table 2.7: Statement showing unnecessary supplementary provision

(₹ in lakh)

Sl No.	Grant No.	Original Provision	Expenditure	Saving out of Original Provision	Supplementary
Revenue Voted					
1	3 – Secretariat	3775.09	3161.84	613.25	2.88
2	7 – Police	37450.38	35957.33	1493.05	148.49
3	41 – Art and Culture	1335.00	1321.61	13.39	2.60
4	46 – Science and Technology and Information Technology	1218.54	540.91	677.63	197.17
Revenue Charged					
5	Appropriation No. 3 – Manipur Public Service Commission	190.80	178.09	12.71	15.00
6	5 – Finance Department	10.01	5.18	4.83	0.77
7	8 – Public Works Department	77.20	53.16	24.04	23.00
Capital Voted					
8	18 – Animal Husbandry and Veterinary including Dairy Farming	305.40	174.37	131.03	8.00
9	30 – General Economic Services and Planning	55390.90	51384.66	4006.24	294.54
10	36 – Minor Irrigation	5564.00	2270.86	3293.14	761.16
11	40 – Irrigation and Flood Control Department	19947.00	13093.04	6853.96	3826.83
Total		125264.32	108141.05	17123.27	5280.44

In 7 cases, supplementary provision of ₹ 162.88 crore proved insufficient by more than ₹ 10 lakh in each case, leaving an aggregate uncovered excess expenditure of ₹ 25.35 crore. Details are given in the table below:

Table 2.8: Statement showing insufficient supplementary provision by more than ₹ 10 lakh

(₹ in lakh)

Sl No.	Grant No.	Original	Supplementary	Total	Expenditure	Excess
Revenue Voted						
1	5 - Finance Department	27883.84	2651.80	30535.64	32390.11	1854.47
2	19 – Environment and Forest	5079.95	433.04	5512.99	5681.88	168.89
3	22 – Public Health Engineering	3598.62	2146.00	5744.62	5849.77	105.15
4	48 – Relief and Disaster Management	693.00	312.39	1005.39	1078.35	72.96
Capital Voted						
5	11 – Medical, Health and Family Welfare Services	1238.38	659.99	1898.37	2160.11	261.74
6	12 – Municipal, Administration, Housing and Urban Development	3475.00	5183.23	8658.23	8694.23	36.00
7	22 – Public Health Engineering	10637.01	4901.19	15538.20	15574.38	36.18
Total		52605.80	16287.64	68893.44	71428.83	2535.39

In four cases the excess of expenditure occurred despite providing supplementary provision of more than ₹ 20 crore viz. Finance Department (₹ 26.52 crore) and Public Health Engineering (₹ 21.46 crore) under Revenue account and Municipal, Administration, Housing and Urban Development

(₹ 51.83 crore) and Public Health Engineering (₹ 49.01 crore) under Capital account.

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved insufficient by more than ₹ ten lakh or more in each case and resulted in excess of expenditure ₹ 318.54 crore in 122 sub-heads and excessive in 185 sub-heads resulting in savings of ₹ 371.45 crore. This resulted in overall savings of ₹ 52.91 crore in these 307 sub-heads as detailed in **Appendix-2.5**.

Despite re-appropriation, there were savings of ₹ 20 crore or more in four cases *viz.* Primary School under General Education (Non-plan) (Grant No.10) (₹ 25.48 crore) and Special Plan Assistance under Capital Outlay on Public Works (₹ 26.07 crore), Construction of Barrage & Retaining Wall Across over Rivers (Hill) under SPA under Capital Outlay on Flood Control Projects (₹ 20 crore) and Construction of Bridges under SPA under Capital Outlay on Roads and Bridges (₹ 31.56 crore) (Grant No. 30).

On excess side, there was three cases in which excess of expenditure exceeded more than ₹ 20 crore *viz.* Road Works (Valley) under Capital Outlay on Roads and Bridges (Grant No. 8) (₹ 42.03 crore), Backward Region Grant Fund (Hill) under Other Special Areas Programmes (Grant No. 20) (₹ 38.28 crore) and Special Plan Assistance under Capital Outlay on Public Works (Grant No.30) (₹ 22.42 crore). No reason was furnished (November 2010) by the departments.

2.3.10 Substantial surrenders

Substantial surrenders (amount exceeding ₹ 25 lakh in each case) were made in respect of 29 sub-heads, out of which in three schemes/programmes¹, the whole total provision amounting to ₹ 5.78 crore was surrendered. The details are given in **Appendix-2.6**.

2.3.11 Surrender in excess of actual saving

In five cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. Against savings of ₹ 6.82 crore, the surrendered amount was ₹ 10.45 crore resulting in excess surrender of ₹ 3.63 crore as shown in the table below:

¹ Construction of Buildings by two Departments *viz.* Development of Tribal and SCs Department and Welfare of Minorities and Other Backward Classes Department.

Table 2.9: Cases of surrender in excess of savings

(₹ in lakh)

Sl. No.	Grant No.	Total	Expenditure	Saving	Surrender	Amount surrendered in excess
1	14 – Development of Tribals and Scheduled Castes (Capital Voted)	556.61	121.82	434.79	526.61	91.82
2	16 – Co-operation (Revenue Voted)	1133.14	948.58	184.56	203.81	19.25
3	29 – Sales Tax, Other Taxes/Duties on Commodities and Services (Revenue Voted)	214.87	212.13	2.74	6.36	3.62
4	43 – Horticulture and Soil Conservation (Revenue Voted)	3513.31	3458.70	54.61	226.50	171.89
5	47– Welfare of Minorities and Other Backward Classes (Capital Voted)	4856.69	4851.84	4.85	81.22	76.37
		10274.62	9593.07	681.55	1044.50	362.95

In respect of Development of Tribal and Scheduled Caste under Capital account the savings (₹ 4.35 crore) was in excess of the expenditure (₹ 1.22 crore).

2.3.12 Surrender despite excess of expenditure

In three cases viz. Appropriation No. 2 (Interest Payment and Debt Services), Labour and Employment and Youth Affairs and Sports Department, an amount of ₹ 16.11 crore was surrendered despite having excess of expenditure over total provision.

Table 2.10: Cases of surrender despite excess of expenditure

(₹ in lakh)

Grant No./ Appropriation	Total Provision	Expenditure	Excess	Surrender
Appropriation No. 2 (Interest Payment and Debt Services) (Capital Charged)	11325.00	11675.24	350.24	1439.59
13 - Labour and Employment (Revenue Voted)	817.70	840.33	22.63	136.13
25 - Youth Affairs and Sports Department (Revenue Voted)	1794.23	1797.99	3.76	35.55
	13936.93	14313.56	376.63	1611.27

Surrender of fund provision when there were excess of expenditure over budgetary provision shows total absence of budgetary control.

2.3.13 Anticipated savings not surrendered

Departments are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2009-10, there were, however, 42 Grants/Appropriations (55 cases) in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 407.93 crore (71 per cent of the total savings of ₹ 574.70 crore) (Appendix-2.7).

Similarly, out of savings of ₹ 556.13 crore under 24 Grants/Appropriations (32 cases) where savings was ₹ one crore and above in each case, only ₹ 70.88 crore pertaining to eight grants² could be surrendered leaving a balance savings of ₹ 485.25 crore (87 per cent). Details are given in **Appendix-2.8**.

Besides, in 15 cases, ₹ 83.57 crore were surrendered on 31 March 2010 (**Appendix-2.9**) indicating inadequate financial control and the fact that these funds could not be utilized for other development purposes.

2.4 Non-reconciliation of Departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per Central Treasury Rules³, Abstract Contingent (AC) bills must be regularized by detailed countersigned contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the controlling officer. The controlling officers must submit the DCC bills to the Accountant General within one month from the date of receipt of the DCC bills in his office.

The total amount of DCC bills received during the period 2003-10 was ₹ 516.49 crore against the amount of AC bills of ₹ 1656.65 crore leading to an outstanding balance of DCC bills of ₹ 1140.16 crore as on October 2010. Year wise details are given in the table below:

Table 2.11: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding DCC bills
2003-04	34.54	7.35	21.28	27.19
2004-05	77.01	25.49	33.10	51.52
2005-06	43.60	16.09	36.90	27.51
2006-07	148.87	44.60	29.96	104.27
2007-08	354.24	129.91	36.67	224.33
2008-09	583.18	209.89	35.99	373.29
2009-10	415.21	83.16	20.03	332.05
Total	1656.65	516.49		1140.16

Department-wise pending DCC bills for the years up to 2009-10 is detailed in **Appendix-2.10**. Non-adjustment of advances for long periods is fraught with

² Grants no. 8, 10, 11, 18, 23, 36, 40 and 47 under Revenue Voted.

³ Rule 308, Rule 309 & Note 4 under Rule 312

the risk of mis-appropriation and therefore, requires close monitoring by the respective DDOs. Thus, there is a need of early reconciliation of AC bills.

2.4.2 Un-reconciled expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2009-10 also. Out of 81 controlling officers (CO), only 33 COs could fully reconcile (November 2010) their accounts with Accountant General (A & E) office.

2.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were six PD accounts in two District Treasuries⁴ in operation during 2009-10. Of these accounts, five PD accounts were not closed as of 31 March 2010 and balance of ₹ 2.17 crore with these accounts was not transferred back to the respective service heads.

2.6 Conclusion and recommendations

During 2009-10, an expenditure of ₹ 4,738.35 crore was incurred against a total budget provision of ₹ 5,283.91 crore, resulting in a saving of ₹ 545.56 crore. The overall savings was the net result of saving of ₹ 574.70 crore offset by excess of ₹ 29.14 crore. The excess requires regularization under Article 205 of the Constitution of India. Excess expenditure for the period 1997-2002 is still awaiting regularization, despite recommendation of the Public Accounts Committee (PAC) to regularize the excess expenditure (Paras 2.2 and 2.3).

Supplementary provision aggregating ₹ 52.80 crore obtained in 11 cases was unnecessary as the expenditure did not come up to the level of original provision while in 7 cases, supplementary provision of ₹ 162.88 crore proved insufficient by more than ₹ 10 lakh in each case. Substantial surrender (amount exceeding ₹ 25 lakh in each case) were made in respect of 29 sub-heads, out of which in three schemes/programmes, the whole provision amounting to ₹ 5.78 crore was surrendered. There were three cases in which an amount of ₹ 16.11 crore was surrendered despite having an excess expenditure over the total provision (Para 2.3).

Out of ₹ 1,656.65 crore paid through Abstract Contingent (AC) bills during 2003-10, Detailed Countersigned Contingent bills for ₹ 1,140.16 crore are outstanding as on October 2010 (Para 2.4).

⁴ Imphal West and Imphal East treasuries

The Government should regularize the excess expenditure as it is not only a violation of constitutional provision but also a disregard of the recommendations made by the PAC. Provision of funds through supplementary provisions should be used as an instrument to fine tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as nearest as possible. A close and rigorous monitoring mechanism should be put in place to adjust AC bills within thirty days from the date of drawal of the amount.