

## CHAPTER - 2

### Financial Management and Budgetary Control

#### 2.1 Introduction

*2.1.1* 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 Act. These Accounts list the original budget estimates, supplementary grants, surrender 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.

*2.1.2* Audit of Appropriation Accounts 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. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, Government of NCT of Delhi for the year 2010-11.

#### 2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2010-11 against 13

grants/ appropriations was as given in the **Table 2.1** 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 (+) |
|---|------------------------|-------------------------------|------------------------------------|-----------------|--------------------|------------------------|
| <b>Voted</b>                                      | I Revenue              | 12063.23                      | 787.43                             | 12850.66        | 11731.31           | (-)1119.35             |
|   | II Capital             | 4847.85                       | 191.53                             | 5039.38         | 3986.38            | (-)1053.00             |
|   | III Loans and Advances | 5472.65                       | 616.64                             | 6089.29         | 6364.73            | (+)275.44              |
| <b>Total Voted</b>                                |                        | <b>22383.73</b>               | <b>1595.60</b>                     | <b>23979.33</b> | <b>22082.42</b>    | <b>(-)1896.91</b>      |
| <b>Charged</b>                                    | IV Revenue             | 2816.22                       | 4.12                               | 2820.34         | 2687.69            | (-)132.65              |
|   | V Capital              | 800.00                        | 0                                  | 800.00          | 793.06             | (-)6.94                |
|   | VI Loans and Advances  | 0                             | 0                                  | 0               | 0                  | 0                      |
| <b>Total Charged</b>                              |                        | <b>3616.22</b>                | <b>4.12</b>                        | <b>3620.34</b>  | <b>3480.75</b>     | <b>(-)139.59</b>       |
| <b>Appropriation to Contingency Fund (if any)</b> |                        | NIL                           | NIL                                | NIL             | NIL                | NIL                    |
| <b>Grand Total</b>                                |                        | <b>25999.95</b>               | <b>1599.72</b>                     | <b>27599.67</b> | <b>25563.17</b>    | <b>(-)2036.50</b>      |

The overall saving of ₹ 2036.50 crore was a result of saving of ₹ 1252.00 crore in 12 grants and 1 appropriation under Revenue Section, ₹ 1059.94 crore in 8 grants and 1 appropriation under Capital Section and one grant/appropriation (Public Debt-Repayments) under Loan Section, offset by excess of ₹ 275.44 crore (in Voted Section- ₹ 275.44 crore and Charged Section-Nil).

## 2.3 Financial accountability and budget management

### 2.3.1 Appropriation vis-à-vis allocative priorities

While framing the estimates, the department should take into account the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to execute the schemes, the constraints on spending by the spending agencies etc. with the objective of minimizing the scope for surrenders at a later stage. It was evident from Appropriation accounts for the year 2010-11 that in 93 cases, there were savings exceeding ₹ 5.00 crore (₹ 1 crore for Centrally Sponsored Scheme (CSS)/Schedule Caste Sub-Plan (SCSP)) or more than 20 per cent of total provision (**Appendix-2.1**). Against the total savings of ₹ 3128.36 crore, savings of ₹ 2303.02 crore (73.62 per cent) exceeding ₹ 50.00 crore in each

case occurred in 16 cases relating to 5 grants and 1 appropriation as indicated in table below:

**Table 2.2: List of grants with savings of ₹ 50 crore and above.**

(₹ in crore)

| Sl. No | No. and Name of the Grant/Appropriation  | Total grant / appropriation | Supplementary | Actual Expenditure | Savings | Reasons  |
|--------|--|-----------------------------|---------------|--------------------|---------|--|
|        | <b>Revenue - Voted</b>   |                             |               |                    |         |  |
|        | <b>Grant No. 9-Industries</b>  |                             |               |                    |         |  |
| 1      | 3456 D.1(4)(2)—Subsidy to consumers on domestic LPG  | 168.00                      | -             | 21.68              | 146.32  | Release of less subsidy on LPG   |
|        | <b>Grant No.11 – Urban Development &amp; PWD</b>   |                             |               |                    |         |  |
| 2      | 2217 A. 8(2)(1)(26)-GIA for municipal reforms  | 207.45                      | -             | 143.00             | 64.45   | Release of less grant to MCD   |
| 3      | 2217 A. 8(3)(1)(6)- Provision of essential services in unauthorised colonies                 | 502.00                      | -             | 129.34             | 372.66  | Slow progress of scheme  |
| 4      | 3054 A. 12(1)(1)(2)(4)- CWG-MCD  | 150.00                      | -             | 70.50              | 79.50   | Receipt of less claims   |
| 5      | 3054 A. 12(1)(1)(2)(5)- Jawaharlal Nehru National Urban Renewal Mission                      | 100.00                      | -             | -                  | 100.00  | Non-receipt of requests for release of funds from the implementing agencies. |
| 6      | 2801 E.2(2)(1)(2)-Power: Subsidy to consumers through DISCOMS                                | 250.00                      | -             | 169.93             | 80.07   | Release of less subsidy to DISCOMS   |
| 7      | 2071 A.1(1)(1)-Ordinary Pensions   | 100.00                      | -             | -                  | 100.00  | Non-finalisation of transfer of pension from G.O.I to Delhi Government.      |
|        | <b>Capital-Voted</b>   |                             |               |                    |         |  |
|        | <b>Grant No.8 – Social Welfare</b>   |                             |               |                    |         |  |
| 8      | 5055 DD.1(2)(4)- Equity Capital to Delhi Transport Corporation for JNNURM                    | 645.00                      | -             | 219.34             | 425.66  | Less equity to DTC for JNNURM  |
| 9      | 7055 DD.4(2)(2)-Loan for Decongestion and Rationalization of Interstate Bus Station in Delhi | 55.00                       | -             | -                  | 55.00   | Non-release of loan  |

| Grant No. 10 – Development Department |   |         |      |         |                |   |
|---------------------------------------|---|---------|------|---------|----------------|---|
| 10                                    | 4515 BB. 4(1)(3)-Rural Development Board for works to be carried out under IDRV | 123.00  | -    | 38.09   | 84.91          | Slow progress of work                                       |
| Grant No.11 – Urban Development & PWD |   |         |      |         |                |   |
| 11                                    | 6215 AA 2(2)(1)(13)-Loans to DJB for JNNURM                                     | 250.00  | -    | 62.50   | 187.50         | Release of less loan to DJB                                 |
| 12                                    | 5054 BB.11(1)(1)(1)-Construction of Roads and Bridges                           | 377.99  | 0.01 | 318.87  | 59.13          | Non-receipt of sanction in time hence slow progress of work |
| 13                                    | 5054 BB.11(1)(1)(5)-Jawaharlal Nehru National Urban Renewal Mission             | 558.00  | -    | 439.56  | 118.44         | Slow progress of work                                       |
| 14                                    | 5054 BB.11(1)(1)(7)-CWG   | 657.00  | -    | 428.10  | 228.90         | Slow progress of work.                                      |
| 15                                    | 4801 EE.2(1)(1)(5)-Equity contribution to JVC Power Plant at Bhajjar, Haryana   | 80.00   | -    | -       | 80.00          | Non-release of equity contribution                          |
| Public Debt- Charged                  |   |         |      |         |                |   |
| 16                                    | 2049 A.1(1)(1)-Interest on Loans for State/U.T. Plan Schemes                    | 2700.00 | -    | 2579.52 | 120.48         | Receipt of less loan under the scheme                       |
| <b>Total</b>                          |   |         |      |         | <b>2303.02</b> |   |

The primary reasons of savings of ₹ 2303.02 crore are explained below:

- A provision of ₹ 168.00 crore was made for subsidy on domestic LPG. However, an expenditure of only ₹ 21.68 crore was incurred resulting in saving of ₹ 146.32 crore due to release of less subsidy on LPG.
- Savings of ₹ 64.45 crore out of total provision of ₹ 143.00 crore for municipal reforms were due to release of less grant to MCD
- A provision for essential services in un-authorized colonies amounting to ₹ 502.00 crore was proposed for 2010-11, out of which ₹ 372.66 crore (74.24 *per cent*) remained unutilized due to slow progress of scheme.
- A provision of 100.00 crore was made for Ordinary Pensions, however, entire amount remained unspent. The reason attributed was non-finalisation of transfer of pension from Government of India (GOI) to Delhi Government. Department in its reply stated that the matter of

transfer of pension from GOI to Delhi Government was a policy decision and the decision was to be taken by the higher authorities.

- In Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) scheme, a provision of ₹ 645 crore was made for purchase of 1500 DTC buses for the year 2010-11. Out of provision of ₹ 645 crore an amount of ₹ 219.34 crore was released to DTC in the form of equity. Thus, due to release of less funds the target could not be achieved.
- Again under JNNURM, Government of India approved 3 sewerage projects of DJB, namely:
  - Laying of Interceptor Sewers along major drains
  - Rehabilitation of Trunk Sewers
  - STPs at Nilothi and Dwarka, SPS at Possangipur and Raja Garden

For this purpose ₹ 250.00 crore were allocated during 2010-11, out of which ₹ 187.50 crore (75 *per cent*) remained unutilized due to release of less loan to Delhi Jal Board.

- A provision of ₹ 80.00 crore made in 2010-11 for the joint venture with Government of Haryana and National Thermal Power Corporation (NTPC) for Power Plant Project at Jhajjar remained wholly unutilized due to non-release of equity contribution.
- Savings of ₹ 120.48 crore out of total provision of ₹ 2700.00 crore for Interest on Loans for State/U.T. Plan Schemes were due to receipt of less loan under the scheme.

### 2.3.2 Persistent savings

According to Rule 48(2) of the General Financial Rules, Ministries/ Departments are required to prepare their estimates, keeping in view the trends of disbursements during the previous years and other relevant factors like instructions on economy issued by the Ministry of Finance, from time to time. Scrutiny of Appropriation Accounts for the years 2006-11 revealed that there were persistent savings of more than ₹ 1.00 crore in five cases which were more than 20 *per cent* of the total grant indicating unrealistic budgeting, deficient financial management and slackness on the part of the departments

in implementing the schemes as detailed in **Table 2.3** below:

**Table 2.3: List of grants indicating persistent savings during 2006-11**  
(₹ in crore)

| Sl. No.   | Head No. and name of the grant  |   | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Reasons  |
|---|---|---|---------|---------|---------|---------|---------|--|
| <b>Revenue-Voted</b>                            |   |   |         |         |         |         |         |  |
| <b>Grant No. 07 Medical and Public Health</b>   |   |   |         |         |         |         |         |  |
| 1   | 2211 K 1 (3)(1)Urban Family Welfare Centres (CSS)   | O | 11.00   | 11.00   | 13.16   | 15.00   | 10.00   | Saving was mainly due to non release of grant to MCD and NGOs from Govt. of India  |
|   |   | S | 5.24    | 3.03    | 10.83   | 12.22   | 2.04    |  |
|   |   | % | 47.64   | 27.55   | 82      | 81.47   | 20.40   |  |
| 2   | 2210 O 1 (1) (1)Rajiv Gandhi Super specialty Hospital   | O | 15.00   | 15.00   | 15.00   | 6.00    | 3.00    | Saving was mainly due to non-finalization of purchase proposals for procurement of store items in time, non-filling of vacant posts and non receipt of bill/claims |
|   |   | S | 14.58   | 14.53   | 12.95   | 2.98    | 1.23    |  |
|   |   | % | 97.20   | 98.87   | 86      | 49.67   | 41.00   |  |
| <b>Capital-Voted</b>                            |   |   |         |         |         |         |         |  |
| <b>Grant No. 08 Social Welfare</b>              |   |   |         |         |         |         |         |  |
| 1   | 5055 DD1.(3)1 Introduction of Electronic Trolley Buses- Alternative Transport                                       | O | 148.00  | 250.00  | 120.00  | 60.00   | 10.00   | Saving was mainly due to slow progress of work owing to shifting of bus lane from centre to left side in BRT and non-implementation of scheme                      |
|   |   | S | 118.00  | 169.74  | 46.71   | 30.00   | 10.00   |  |
|   |   | % | 79.73   | 67.90   | 38.93   | 50.00   | 100.00  |  |
| <b>Grant No. 9 Industries</b>                   |   |   |         |         |         |         |         |  |
| 1   | 4851 AA 1(1)(1)-Upgradation, improvement handing over Civic Services of Industrial Estate Flatted Factories Complex | O | 40.00   | 15.00   | 10.00   | 1.10    | 6.82    | Saving was mainly due to non-implementation of scheme, slow progress of work. Non-receipt of approval in time.   |
|   |   | S | 40.00   | 15.00   | 9.00    | 1.10    | 5.55    |  |
|   |   | % | 100.00  | 100.00  | 90.00   | 100.00  | 81.38   |  |
| <b>Grant No. 11 Urban Development &amp; PWD</b> |   |   |         |         |         |         |         |  |
| 1   | 6801 EE 1(1)(2)-GENCO for renovation/modification of Rajghat Power House  | O | 10.00   | 0.00    | 10.00   | 5.00    | 5.00    | Saving was mainly due to less/non-release of loan to GENCO and non-implementation of scheme.   |
|   |   | S | 2.00    | 0.00    | 10.00   | 5.00    | 5.00    |  |
|   |   | % | 20.00   | 0.00    | 100.00  | 100.00  | 100.00  |  |

O - Original Provision, S - Savings, % - Percentage

The above table shows that entire provision remained unutilized during the year 2006-07, 2007-08 and 2009-10 under sub-head 4851 AA 1(1)(1)- up-gradation, improvement handing over Civic Services of Industrial Estate

Flatted Factories Complex. Similarly under sub-head 6801 EE 1(1)(2)-GENCO for renovation/modification of Rajghat Power House, entire provision remained unutilized during years 2008-09 to 2010-11. Thus there was a need for review of budgetary assumptions in respect of the above heads.

Under Grant-Medical and Public Health, there were persistent savings. An amount of ₹ 10.00 crore and ₹ 3.00 crore was provided for Urban Family Welfare Centres and Rajiv Gandhi Super Specialty Hospital respectively in 2010-11 budget, however, ₹ 2.04 crore and ₹ 1.23 crore (20 per cent and 41 per cent) respectively could not be utilised due to less grant released to MCD under “Urban Family Welfare Centres” (Centrally Sponsored Scheme) and non-finalization of purchase proposals for procurement of store items in time, non-filling of vacant posts and receipt of less claims/bills.

Further, out of total appropriation/grant of ₹ 72.92 crore during the years 2006-11 made for Industries, the unspent balance/savings were to the tune of ₹ 70.65 crore i.e. 96.89 per cent of the total budget made during the five years, which were indicative of over-estimation of fund requirement and failure of the department to take effective remedial measures to avoid persistent unspent provisions.

### 2.3.3 Excess over provisions during previous years requiring regularization

Article 205 of the Constitution of India, provides that if any money has been spent for any services during a financial year in excess of the amount granted for that service for that year, the excess expenditure should be regularized by the State Legislative Assembly. Although no time limit for regularization of expenditure has been prescribed under the Article, as a practice the excess expenditure is required to be regularized after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 42.83 crore for the years 2006-10 was yet to be regularized (**Appendix 2.2**). The year-wise amount of excess expenditure pending regularization is summarized below.

**Table 2.4: Excess over provision relating to previous years requiring regularisation**

| (₹ in crore) |                  |                                 |                          |
|--------------|------------------|---------------------------------|--------------------------|
| Year         | Number of grants | Amount of excess over provision | Status of regularization |
| 2006-07      | 7 (38 sub heads) | 9.12                            | Not yet regularized      |
| 2007-08      | 5 (30 sub heads) | 10.76                           | - do -                   |
| 2008-09      | 5 (29 sub heads) | 17.35                           | - do -                   |
| 2009-10      | 3 (3 sub heads)  | 5.60                            | - do -                   |
| <b>Total</b> |                  | <b>42.83</b>                    |                          |

### 2.3.4 Excess expenditure over provisions during 2010-11 requiring regularization

It was observed from the head wise appropriation accounts for the year 2010-2011 that in five cases of two grants and appropriation, though the expenditure had exceeded the available provisions by ₹ 3.98 crore (**Appendix 2.3**) under various heads, the authority administering the concerned grant/appropriation did not issue re-appropriation orders to accommodate the final excess expenditure over the available provision. This indicated weak budgetary control. The excess expenditure of ₹ 3.98 crore required regularization under Article 205 of the Constitution.

Significant excess over sanctioned grant occurred under the following heads of account.

- **Grant No. 8-** Social Welfare 3452 E.1(1)(3)(10)- GIA to DTTDC for celebration of Incredible India Festival (CSS) (₹ 0.80 crore)
- **Grant No. 8-** Social Welfare 4235 BB 1.(1)(1)(2) Women's Welfare-Working Women's Hostel (₹ 0.16 crore)
- **Grant No. 10-** Development 4711 DD2(2)(2)(3) Trans Yamuna Area Development Board (₹ 0.86 crore)
- **Grant No. 10 -**Development 2711 D 3(1)(2)(2) Maintenance (Flood Control & Drainage) (₹ 2.12 crore)

### 2.3.5 Unnecessary supplementary provision

While obtaining a supplementary grant, department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds. Resort to supplementary demand should only be made in exceptional and urgent cases.

Audit scrutiny of Appropriation Accounts for the year 2010-11 revealed that supplementary grant amounting to ₹ 122.09 crore in 51 sub-heads were obtained in anticipation of higher expenditure. However, the final expenditure was less than even the original grant/appropriation (**Appendix 2.4**). The main reasons for non-utilisation of supplementary grant were attributed to non-clearance of bills of salaries, Modified Assured Career Progression Scheme (MACPS) arrears and non-receipt of Expenditure Finance Committee memo. The unnecessary supplementary grants in the following cases need special attention of the department.

- Under Grant No. 8- Social Welfare an amount of ₹ 3.62 crore was provisioned as supplementary grant for Development of Soft Adventure park at Sanjay Lake. However, the entire supplementary grant remained unutilized due to non-receipt of Expenditure Finance Committee memo from Delhi Tourism and Transportation



Development Corporation Ltd., New Delhi as a result of which the complete proposal could not be forwarded to Planning/Finance Department for release of requisite funds for the proposed project.

- There was original provision of ₹ 790.45 crore under Grant No. 6- Education for Government Secondary Schools, out of which ₹ 785.74 crore was incurred resulting in saving of ₹ 4.71 crore. However, an amount of ₹ 26.30 crore was obtained as supplementary for expenditure on salaries, but the entire supplementary grant remained unutilized due to Non- clearance of MACPS cases/bills of teachers and others.
- Out of ₹ 281.00 crore which was the original provision for Assistance to Non-Government Secondary Schools under Grant No. 6- Education, expenditure of only ₹ 265.21 crore was incurred. However, department obtained supplementary grant of ₹ 19.00 crore for additional expenditure on salaries for employees, but the entire supplementary grant remained unutilized due to non-clearance of bills of salaries and MACPS.
- In the same grant, out of ₹ 87.25 crore which was the original provision for pre-primary/primary classes in existing Government Schools, only ₹ 85.40 crore was spent. However, department obtained supplementary grant of ₹ 2.00 crore for expenditure on salaries, but the entire supplementary grant remained unutilized due to non-clearance of bills of MACPS.

Thus, in the above cases the entire supplementary provisions remained unutilized, which reflects deficient budgeting.

#### 2.3.6 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where saving is anticipated to another unit where additional funds are needed. Injudicious re-appropriation proved unnecessary and resulted in savings of over ₹ 55.81 crore under 16 sub heads as detailed in **Appendix 2.5**. The main reasons for savings were:

- i. An amount of ₹ 1.97 crore was re-appropriated under head Staff Selection Board for Delhi Government, but ₹ 2.66 crore was saved due to non-filling up of vacant posts, procurement of less store items and conduct of less examinations,
- ii. An amount of ₹ 0.82 crore was re-appropriated under the head GIA to Delhi Dispute Resolution Society, but an amount of ₹ 1.25 crore remained unutilized due to release of grant to the society at the end of the financial year,

- iii. An amount of ₹ 1.45 crore was re-appropriated under the head Computerisation System, but ₹ 2.04 crore was saved due to non-implementation of scheme,
- iv. An amount of ₹ 0.42 crore was re-appropriated under the head Police: Forensic Science Laboratory (FSL), but ₹ 2.85 crore remained unutilized due to non-finalisation of proposal for purchase of Machinery and Equipments,
- v. An amount of ₹ 9.99 crore was re-appropriated under the head Rajiv Avas Yojna (DUSIB), but ₹ 10.00 crore was saved due to non-release of grant as no request was received from DUSIB, and
- vi. An amount of ₹ 0.15 crore was re-appropriated under the head New Delhi Municipal Council: GIA, but ₹ 9.80 crore remained unutilized due to release of less grant owing to non-receipt of UCs and Audit Report from NDMC.

Thus, the excessive/unnecessary re-appropriation of funds pointed towards deficient budgeting.

#### 2.3.7 Substantial surrenders

Substantial surrenders involving ₹ 233.54 crore (more than 40 *per cent* of total provision) were made in respect of 12 sub-heads (**Appendix 2.6**) out of which in eight sub-heads 100 *per cent* grant amounting to ₹ 190 crore was surrendered on account of non-implementation of schemes, non-release of loan and non-finalisation of transfer of pension from GOI to Delhi Government.

Substantial surrenders amounting to ₹ 4.99 crore were made under 2403 B 3(2)(5) and B.3(6)(1)(SCSP)-Veterinary Services and Animal Health. Scrutiny of records revealed that surrender was attributed mainly to non-finalisation of procurement procedure through e-tendering for purchase of medicines, vaccines, instruments, etc. for supplying them to the dispensaries and hospitals providing veterinary services and control of contagious diseases.

#### 2.3.8 Anticipated savings not surrendered

Rule 56 (2) of General Financial Rules stipulates that savings as well as provisions that cannot be profitably utilized should be surrendered to Government as soon as these are foreseen without waiting till the end of the year. The objective is to minimize the scope for avoiding surrenders at a later stage. At the close of the year 2010-11, there were, six grants and one appropriation in which savings occurred but no part of which had been surrendered by the concerned department. The amount involved in these cases was ₹ 1237.19 crore (60.75 *per cent* of the overall savings i.e. ₹ 2036.50 crore (**Appendix 2.7**)).

Further, out of the savings of ₹ 697.41 crore under six grants (savings of ₹ 1 crore and above were indicated in each grant), amount aggregating to ₹ 226.91 crore (32.54 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.8**. Besides, in 19 cases, (surrender of funds in excess of ₹ 1 crore), ₹ 566.07 crore were (**Appendix 2.9**) surrendered on the last working day of March 2011 indicating inadequate financial control besides the fact that these funds could not be utilized for other development purposes.

### 2.3.9 Unrealistic budgeting

As per Rule 48 (2) of the General Financial Rules, Ministries/ Departments have to prepare their estimates keeping in view inter alia the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by the Ministry of Finance from time to time. Scrutiny of records for the 2010-11 revealed that provision under various sub-heads under CCS and SCSP scheme was made during the year, but in 64 sub-heads in 9 grants/appropriation, the entire provisions of ₹ 12.62 crore (**Appendix 2.10**) remained unutilized defeating the original purpose for which the budget provisions were passed by the Legislative Assembly indicating that the budget estimates were not prepared after adequate pre-budget scrutiny of projects and schemes. The main reasons for un-utilisation of funds were attributed to non-implementation of schemes.

A provision of ₹ 150.00 crore for CSS in the budget during the year 2010-11 was made, however, the receipt during the year 2010-11 was ₹ 140.77 crore and the expenditure incurred in implementation of scheme was ₹ 120.04 crore. The accumulated balance of ₹ 83.75 crore lying with the implementing agencies as on 31 March 2011, was not surrendered to the Government.

### 2.3.10 Rush of expenditure

As per Rule 56(3) of the General Financial Rules, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and should be avoided. Contrary to this, expenditure incurred by the department in the month of March 2011 under the following sub-heads ranged between 41.87 *per cent* and 100 *per cent* of the

total expenditure as given in Table 2.5 below:

**Table 2.5 : Rush of expenditure in the end of the year 2010-11**

(₹ in crore)

| S. No. | Grant No. | M.H. /Sub-head   | Total provision | Total expenditure | Exp. incurred during last quarter |            | Exp. in March |            |
|--------|-----------|--|-----------------|-------------------|-----------------------------------|------------|---------------|------------|
|        |           |  |                 |                   | Amount                            | Percentage | Amount        | Percentage |
| 1      | 04        | 3454I.1(1)(1)(2)(11)-Preparation of Geo-Spatial data base for Delhi                                | 40.00           | 40.00             | 40.00                             | 100.00     | 40.00         | 100.00     |
| 2      | 06        | 2203B.1(5)(17)-G.I.A to Delhi Technological University   | 54.00           | 54.00             | 24.00                             | 44.44      | 24.00         | 44.44      |
| 3      | 06        | 4202 JJ. 1(1)(1)(1)-Allotment of land and construction of building of Indraprastha Vishwavidyalaya | 20.00           | 17.12             | 17.12                             | 100.00     | 17.12         | 100.00     |
| 4      | 07        | 2210 A. 1(1)(3)(4) Contribution to the Employee Insurance Corn.                                    | 20.00           | 20.00             | 20.00                             | 100.00     | 20.00         | 100.00     |
| 5      | 07        | 2210A.1(1)(1)(4)(6) GIA to Delhi State Cancer Institute  | 45.00           | 45.00             | 36.75                             | 81.67      | 36.75         | 81.67      |
| 6      | 07        | 2210A 1(1)(5)(6) Grant to MCD for Health Purpose   | 68.55           | 68.55             | 28.70                             | 41.87      | 28.70         | 41.87      |
| 7      | 07        | 2210A. 1(3)(3)(7) GIA to Institute for Liver and Biliary Sciences                                  | 180.00          | 180.00            | 105.00                            | 58.33      | 105.00        | 58.33      |
| 8      | 07        | 2210K 1(10)(2) GIA to State Health Society (Delhi)   | 20.00           | 20.00             | 10.01                             | 50.03      | 10.01         | 50.03      |
| 9      | 07        | 2210M. 1(1)(1)(12) GIA to Delhi Ayurvedic Charak Sansthan at Khara Dabur                           | 37.00           | 27.07             | 27.07                             | 100.00     | 27.07         | 100.0      |
| 10     | 08        | 2235B.2(1)(5)(1) Bhagidari-new initiative in Social Development                                    | 19.00           | 13.09             | 6.55                              | 50.00      | 6.55          | 50.00      |
| 11     | 09        | 2851A. 2(3)(14) GIA to DSIIDC (for DSSIIDC) for Delhi Industrial Dev. operation & Maintenance fund | 74.50           | 74.50             | 67.05                             | 90.00      | 67.05         | 90.00      |

|    |    |  |        |        |        |        |        |        |
|----|----|--|--------|--------|--------|--------|--------|--------|
| 12 | 11 | 2202A. 4(2)(1)(2) GIA to MCD for Maintenance of School Building                              | 29.20  | 21.27  | 14.60  | 68.65  | 14.60  | 68.65  |
| 13 | 11 | 2216A 7(1)(1)(2) Grants to MCD for construction of houses for weaker section (JNNURM)        | 50.00  | 50.00  | 43.65  | 87.30  | 43.65  | 87.30  |
| 14 | 11 | 2216A 7(1)(1)(3) Grants to D.S.I.D.C. for construction of houses for Weaker Section (JNNURM) | 112.00 | 112.00 | 56.61  | 50.54  | 56.61  | 50.54  |
| 15 | 11 | 2217A8(2)(1)(25)(1) MCD  | 29.13  | 21.23  | 14.57  | 68.60  | 14.57  | 68.60  |
| 16 | 11 | 2217A. 8(3)(1)(5) SPV re-development of Walled City  | 5.00   | 4.99   | 4.99   | 100    | 4.99   | 100.00 |
| 17 | 11 | 3054A. 12(1)(1)(2)(1) Urban Roads  | 224.50 | 224.50 | 149.50 | 66.59  | 149.50 | 66.59  |
| 18 | 11 | 3604A. 15(3)(4) Basic Tax Assignment to Delhi Cantonment Board                               | 10.56  | 5.28   | 5.28   | 100.00 | 5.28   | 100.00 |

The reasons for huge expenditure incurred in the last quarter were awaited from the Government as of January 2012.

#### 2.4 Advances from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the legislature would be undesirable. There were no such cases noticed during the audit of appropriation accounts of Government of NCT of Delhi for the year 2010-11.

#### 2.5 Recoveries in reduction of expenditure

The demands for grants presented to the Legislature are for gross expenditure including credits and recoveries, which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the Budget Estimates. During 2010-11 such recoveries were anticipated at ₹ Nil. However, actual recoveries during the year were ₹ 38.85 crore. Position of estimated and actual recoveries during the previous five

years is depicted in the table below:

**Table 2.6 : Recoveries in reduction of expenditure**

(₹ in crore)

| Year    | Estimated recoveries | Actual recoveries | Excess (+) shortfall (-) | Percentage of variation excess (+) short fall |
|---------|----------------------|-------------------|--------------------------|---|
| 2010-11 | -                    | 38.85             | (+) 38.85                | (+) 100.00                                    |
| 2009-10 | -                    | 35.89             | (+) 35.89                | (+) 100.00                                    |
| 2008-09 | 16.67                | 27.92             | (+) 11.25                | (+) 67.49                                     |
| 2007-08 | 17.49                | 58.86             | (+) 41.37                | (+) 236.54                                    |
| 2006-07 | 919.36               | 1070.97           | (+) 151.61               | (+) 16.49                                     |

## 2.6 Unnecessary provision for vacant posts

As per instructions issued by the Department of Finance, Government of NCT of Delhi, no provision should be kept for the post lying vacant for one year or more and likewise no provision should be kept in respect of such posts, which have been kept in abeyance. However, scrutiny of records revealed that the Departments were making provision of funds in the Budget Estimates in violation of extant instructions with the result that savings occurred in the following Departments due to provisions for vacant posts as detailed below:

**Table 2.7: Unnecessary provision for vacant posts**

(₹ in crore)

| Sl. No. | Grant No. & name             | Department                           | Major Head/Sub Head | Description                               | Original grant | Savings/re-appropriation |
|---------|------------------------------|--------------------------------------|---------------------|---|----------------|--------------------------|
| 1       | 1- Legislative Assembly      | Parliament/State/U.T . Legislature   | 2011 A. 1(1)(2)(1)- | Legislative Secretariat: Salaries         | 6.02           | 1.06                     |
| 2       | 3- Administration of Justice | Civil & Session Courts               | 2014 B.1(1)(1)(1)   | Session Courts: Salaries                  | 202.86         | 1.63                     |
| 3       | - do -                       | - do -                               | 2014 B. 1(2)(1)(1)  | Criminal Courts: Salaries                 | 25.04          | 2.81                     |
| 4       | - do -                       | Law Department                       | 2014 E. 1(2)(1)     | Legal Advisors and Counsels: Law Officers | 3.50           | 1.57                     |
| 5       | - do -                       | - do -                               | 2014 E.1(2)(2)(1)   | Delhi Legal Services Authority: Salaries  | 4.60           | 1.02                     |
| 6       | 5 - Home                     | Dte. Of Civil Defence & Home Guards. | 2070 B. 1(1)(1)(1)  | Other Admn. Services: Salaries            | 14.57          | 1.00                     |
| 7       | - do -                       | Delhi Fire Service                   | 2070 C. 1(1)(2)(1)  | Protection & Control: Salaries            | 91.47          | 10.27                    |
| 8       | 6- Education                 | Dte. of Education                    | 2202 A. 1(2)(2)     | Secondary Education- Inspection: Salaries | 13.83          | 1.12                     |

|    |                            |  |                       |   |        |       |
|----|----------------------------|--|-----------------------|---|--------|-------|
| 9  | - do -                     | - do -                                   | 2202 A. 1(4)(1)(1)    | General-Direction & Admn.: Salaries                   | 13.44  | 1.51  |
| 10 | - do -                     | Labour and Employment                    | 2230 B. 2(1)(1)(1)(1) | Directorate of Industrial Training: Salaries          | 4.68   | 1.61  |
| 11 | -do-                       | - do -                                   | 2230 B. 2(1)(2)(1)(1) | Craftsman Training Scheme: Salaries                   | 54.37  | 7.24  |
| 12 | - do -                     | DTE of N.C.C                             | 2204 D. 1(1)(1)(1)    | NCC/ACC: Salaries                                     | 12.99  | 1.62  |
| 13 | 7-Medical & Public Health  | Dte. of Health Service                   | 2210 A.1(1)(1)(1)(1)  | Urban Health Services-Allopathy: Salaries             | 12.16  | 1.08  |
| 14 | - do -                     | - do -                                   | 2210 A.1(1)(4)(1)(1)  | Hospital & Dispensaries, Govt. Dispensaries: Salaries | 103.03 | 9.43  |
| 15 | - do -                     | - do -                                   | 2210 A. 1(1)(4)(4)    | New Hospitals in Delhi                                | 3.20   | 3.20  |
| 16 | - do -                     | - do -                                   | 2210 A.1(1)(7)(2)(1)  | Health Centres (SCSP): Salaries                       | 39.39  | 1.59  |
| 17 | - do -                     | - do -                                   | 2210 B.1(1)(1)(1)(1)  | Lok Nayak Hospital: Salaries                          | 200.26 | 8.76  |
| 18 | - do -                     | - do -                                   | 2210 D.1(1)(1)(1)(1)  | Arna Asaf Ali Hospital: Salaries                      | 32.42  | 2.50  |
| 19 | - do -                     | - do -                                   | 2210 T. 1(1)(1)(1)(1) | Sardar Ballabh Bhai Patel Hospital: Salaries          | 20.87  | 2.81  |
| 20 | - do -                     | - do -                                   | 2210 AE.1(1)(1)(1)(1) | Babu Jagjivan Ram Hospital: salaries                  | 27.55  | 3.23  |
| 21 | - do -                     | - do -                                   | 2210 AH 1(1)(1)(1)(1) | A & U Tibbia College: Salaries                        | 17.13  | 1.22  |
| 22 | 9- Industries              | Industries Department                    | 2851 A. 2(1)(1)(1)    | Village and Small Industries: Salaries                | 10.84  | 1.25  |
| 23 | - do -                     | Food & Civil Supplies & Consumer Affairs | 3456 D.1(1)(1)        | Civil Supplies: Salaries                              | 29.36  | 4.05  |
| 24 | - do -                     | - do -                                   | 3456 D. 1(2)(2)(1)    | Distt. Forum & State Commission: Salaries             | 5.67   | 1.35  |
| 25 | 10- Development            | Co-operative Dept.                       | 2425 C.1(1)(1)(1)     | Co-operation: Salaries                                | 8.67   | 1.08  |
| 26 | - do -                     | Irrigation & Flood Control Deptt.        | 2711 D. 3(1)(1)(1)    | Flood Control & Drainage: Salaries                    | 22.08  | 1.03  |
| 27 | - do -                     | Dy. Commissioner Office                  | 2030 E. 2(2)(2)(1)    | Cost of Stamps, Secy Revenue: Salaries                | 9.00   | 1.74  |
| 28 | 11-Urban Development & PWD | PWD                                      | 2059 B.1(1)(1)(1)(1)  | Public Works: Salaries                                | 154.85 | 10.50 |
| 29 | - do -                     | Land & Building Deptt.                   | 2251 C. 3(1)(1)(1)    | Secretariat Social Services: Salaries                 | 9.24   | 3.34  |

Further, it was also noticed that in grant No. 6-Education, there was persistent saving of over one crore for the last three years, i.e. 2008-09 to 2010-11 on account of vacant posts as shown below:

| (₹ in crore) |                  |                       |                      |                           |                            |                          |
|--------------|------------------|-----------------------|----------------------|---------------------------|----------------------------|--------------------------|
| Sl. No.      | Grant no. & name | Department            | Major head/Sub head  | Description               | Original grant/Total grant | Savings/re-appropriation |
| 1            | 6- Education     | Labour and Employment | 2230<br>B.2(1)(2)(1) | Craftsman Training Scheme | 2008-09 - 35.60            | 2008-09 - 3.85           |
|              |                  |                       |                      |                           | 2009-10 - 54.31            | 2009-10 - 4.99           |
|              |                  |                       |                      |                           | 2010-11 - 54.37            | 2010-11 - 7.24           |

## 2.7 Other audit observations

- (a) While seeking approval for Supplementary Demand for grant of ₹ 1599.72 crore in March 2011, the total Revised Estimate (RE) stood at ₹ 27029 crore which included ₹ 15417 crore revenue expenditure and ₹ 11612 crore capital expenditure but it was observed that total expenditure of ₹ 25563.17 crore (revenue expenditure ₹ 14419 crore + capital expenditure ₹ 11144.17 crore) was incurred. This shows that the expenditure was over estimated for seeking supplementary grant. It is also noticed that in 2009-10 and 2010-11 Government of NCT of Delhi had passed the Supplementary Demand for Grants only in the fag end of the financial year in February 2010 and March 2011 which violated the Rule 48 and Rule 56 (3) of the General Financial Rules and encouraged heavy expenditure in last quarter/month of March.
- (b) Under the head 2210 M 1(1)(1)(1) - Directorate of Indian Systems of Medicine & Homoeopathy (ISM & H) , saving of ₹ 41.99 lakh already existed due to non-finalisation of LTC bills and drug testing lab bills. An amount of ₹ 45.00 lakh was provided by the Department of Finance (Budget) as Supplementary Grant in the modified allotment for the year 2010-11(March 2011) under Plan and Non-Plan though the ISM&H did not require it. Therefore, the total saving increased from ₹ 41.99 lakh to ₹ 45.00 lakh.

## 2.8 Outcome of review of grant No. 3 – Administration of Justice

### 2.8.1 Introduction

Grant No. 3 “Administration of Justice” of Government of NCT of Delhi covers grant for Delhi High Court, Civil & Session Courts, Directorate of Prosecution, Small Causes Court, Law Department, Election Office and Delhi



Judicial Academy. A brief of these departments/organizations is given below:

**(A) Delhi High Court**

In view of the importance of Delhi, its population and other considerations, Parliament thought it necessary to establish a new High Court of Delhi. This was achieved by enacting the Delhi High Court Act 1966 on 5 September 1966 and the High Court of Delhi was established on 31<sup>st</sup> October 1966.

**(B) Civil & Session Courts**

Delhi has been divided into nine districts being headed by the District & Session Judge. There are nine court complexes located at Tis Hazari (three complexes), Patiala House, Karkardooma (two complexes), Rohini, Dawarka and Saket Courts under the District & Sessions Judge. The High Court of Delhi is the organizational Head of the District & Sessions Court. Main activities of the District & Sessions Court are judicial and providing justice to the parties coming for the same.

**(C) Directorate of Prosecution:**

Directorate of Prosecution came into effect in October 2010 by Notification for Delhi Excise Act, 2009 (Notification No. F.10 (5)/Fin (T & E)/2009-10-SSF/103, Dated 04/10/2010)

**(D) Law Department**

The Law Department is primarily responsible for rendering legal advice in respect of various matters of law referred to it by various departments of Government of NCT of Delhi. For this purpose, a set up consisting of Secretary, Joint Secretary, Deputy Secretary, Assistant Legal Advisor and Legal Assistants is formed. It also undertakes various other functions having legal bearing such as vetting of various statutes, rules, regulations, bye-laws, notifications under various statutes as referred to by the various departments.

**(E) Election Office**

This office works under the control and direction of Election Commission of India. Its main activities are the preparation of photo electoral rolls, and conduction of elections for Delhi Assembly and the Lok Sabha Seats.

**2.8.2 Budget and expenditure**

The overall position of budget provision, actual disbursement and unspent

provision under the grant for the last three years is given below:

**Table 2.8: Budget and expenditure**

(₹ in crore)

| Sl. No. | Year    | Provision |         | Actual disbursement |         | Unspent provision |         |
|---------|---------|-----------|---------|---------------------|---------|-------------------|---------|
|         |         | Revenue   | Capital | Revenue             | Capital | Revenue           | Capital |
| 1       | 2008-09 | 301.78    | Nil     | 255.02              | Nil     | 46.76             | Nil     |
| 2       | 2009-10 | 428.47    | Nil     | 355.17              | Nil     | 73.30             | Nil     |
| 3       | 2010-11 | 390.66    | Nil     | 351.22              | Nil     | 39.44             | Nil     |

Note: includes 'Charged' appropriation and disbursement

### 2.8.3 Large savings under various sub-heads

While framing the estimates the department should take into account the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme, the constraints on spending by the spending agencies etc., with the objective of minimizing the scope for surrenders at a later stage.

Scrutiny of the head-wise appropriation accounts for the year 2010-11 revealed that the department made excessive provisions under various sub-heads, which resulted in large savings. A list of savings of ₹ one crore and more is tabulated below:

**Table 2.9: Savings of ₹ one crore or above**

(₹ in crore)

| Sl. No. | Sub-head  | Total budget provision | Actual disbursement | Savings | Percentage of savings with reference to the total provision |
|---------|---|------------------------|---------------------|---------|---|
| 1       | 2014 A1(1)(1) Direction & Admu.                           | 102.08                 | 94.47               | 7.61    | 7.45  |
| 2       | 2014 A1(1)(3) Computerization of High Court               | 3.30                   | 0.75                | 2.55    | 77.27   |
| 3       | 2014 B1(1)(1) Session Court .                             | 203.36                 | 197.04              | 6.32    | 3.11  |
| 4       | 2014 B1(1)(2) Computerization of District & Session Court | 1.80                   | 0.08                | 1.72    | 95.56   |
| 5       | 2014 B1(2)(1) Judicial Magistrate Courts                  | 25.69                  | 19.19               | 6.50    | 25.30   |
| 6       | 2014 C1(1)(1) Prosecution wing                            | 11.02                  | 9.83                | 1.19    | 10.79   |
| 7       | 2014 E1(2)(1) Law Officers                                | 3.50                   | 1.76                | 1.74    | 49.71   |
| 8       | 2014 E1(2)(2) Delhi Legal Services Authority              | 4.60                   | 3.40                | 1.20    | 26.09   |
| 9       | 2014 E1(3)(1) Establishment of Family Courts              | 5.00                   | 3.08                | 1.92    | 38.40   |
| 10      | 2015 F1(1)(1) Expenses on Election                        | 2.00                   | 0.57                | 1.43    | 71.50   |
| 11      | 2015 F1(2) Electoral Officers                             | 6.97                   | 3.57                | 3.40    | 48.78   |
| 12      | 2015 F1(4)(1) Lok Sabha Election                          | 1.20                   | 0.10                | 1.10    | 91.67   |

Large savings occurred due to non-filling up of vacant posts, receipt of less claims/bills and non-finalization of 10G LAN Project. Large savings indicated that expenditure could not be incurred as estimated and were pointers to deficiencies in the system of public expenditure management.

#### 2.8.4 Persistent savings

According to Rule 48(2) of the General Financial Rules, Ministries/ Departments are required to prepare their estimates, keeping in view the trends of disbursements during the previous years and other relevant factors like instructions on economy, issued by the Ministry of Finance, from time to time. Scrutiny of Appropriation Accounts for the years 2008-11 revealed that there were persistent savings under the following sub-heads, which indicated unrealistic budgeting, deficient financial management and slackness on the part of the department in implementing the schemes. The details of sub-heads are given in the following table:

**Table 2.10 : Persistent savings**

(₹ in crore)

| Sl. No. | Sub-Head   | 2008-09         |         | 2009-10         |         | 2010-11         |         |
|---------|--|-----------------|---------|-----------------|---------|-----------------|---------|
|         |  | Total provision | Savings | Total provision | Savings | Total provision | Savings |
| 1       | 2014 A1(1)(1) Direction & Admn.                                  | 69.10           | 3.52    | 92.00           | 0.97    | 102.08          | 7.61    |
| 2       | 2014 A1(1)(2) Grant to Infrastructure Facility for Judiciary     | 0.16            | 0.16    | 0.16            | 0.16    | 0.10            | 0.10    |
| 3       | 2014 A1(1)(3) Computerization of High. Court                     | 2.30            | 1.02    | 3.30            | 1.70    | 3.30            | 2.55    |
| 4       | 2014 B1(1)(1) Session Court .                                    | 136.44          | 8.52    | 230.79          | 42.45   | 214.22          | 17.18   |
| 5       | 2014 B1(1)(2) Computerization of District & Session Court        | 2.00            | 0.69    | 2.00            | 0.68    | 1.80            | 1.72    |
| 6       | 2014 B1(1)(3) Purchase of Furniture for District Court at Rohini | 1.00            | 1.00    | 1.15            | 1.15    | 0.15            | 0.15    |
| 7       | 2014 B1(2)(1) Judicial Magistrate Courts                         | 22.45           | 7.25    | 29.46           | 8.49    | 25.69           | 6.50    |
| 8       | 2014 C1(1)(1) Prosecution wing                                   | 8.25            | 1.23    | 11.26           | 1.49    | 11.02           | 1.19    |
| 9       | 2014 D1(1) Small Causes Courts                                   | 1.32            | 0.27    | 1.60            | 0.24    | 1.70            | 0.31    |
| 10      | 2014 E1(1)(1) Director &   | 0.03            | 0.03    | 0.35            | 0.34    | 0.05            | 0.05    |

|    | Admn.  |      |      |       |      |      |      |
|----|--|------|------|-------|------|------|------|
| 11 | 2014 E1(3)(1)<br>Establishment of Family<br>Courts | 0.10 | 0.10 | 2.00  | 1.59 | 5.00 | 1.92 |
| 12 | 2015 F1(1)(1) Expenses<br>on Election              | 0.05 | 0.05 | 0.05  | 0.05 | 2.00 | 1.43 |
| 13 | 2015 F1(2) Electoral<br>Officers                   | 9.56 | 4.05 | 6.88  | 2.36 | 6.97 | 3.40 |
| 14 | 2015 F1(4)(1) Lok Sabha<br>Election                | 6.00 | 5.74 | 18.24 | 2.90 | 1.20 | 1.10 |

The above table shows that there is a need to review budgetary assumptions and to improve the efficiency of the programme management. The reasons for persistent savings included the followings:

- Non-filling up of vacant posts and receipt of less claims/bills,
- Non-finalization of 10G LAN Project,
- Release of grant to the society at end of the financial year,
- Non-finalization of purchase proposals, and
- Less procurement of stores.

#### 2.8.5 Schemes affected by persistent unspent provisions

Some of the schemes affected by persistent under-spending are discussed below:

##### (a) Establishment of Family Courts

The Family Courts in Delhi have been started in pursuance of Family Court Act, 1984 read with Delhi Family Court Rules, 1996. The first Family Court in Delhi started functioning w.e.f. 15 May 2009. At present eight Family Courts are functioning in Delhi (two Family Courts in Dwarka Court Complex, four in Rohini Court Complex and two in Saket Court Complex).

The main functions of Family Courts are as under: -

- Matrimonial relief, including nullity of marriage, judicial separation, divorce, restitution of conjugal rights, or declaration as to the validity of marriage or as to the matrimonial status of any person.
- The property of the spouses or of either of them.
- Declaration as to the legitimacy of any person.
- Guardianship of a person or the custody of any minor.
- Maintenance, including proceedings under chapter IX of the Code of Criminal Procedure.

During the scrutiny of records (Re-appropriation Accounts and Monthly Expenditure Statements), it was noticed that provisions of ₹ 0.10 crore, ₹ 2.00 crore and ₹ 5.00 crore were made in the Original Budget Estimate (OBE) for the year 2008-09, 2009-10 and 2010-11 respectively under the sub-head MH 2014 E1(3)(1) Establishment of Family Courts. Out of these, ₹ 0.10 crore (100 per cent), ₹ 1.59 crore (79.5 per cent) and ₹ 1.92 crore (38.40 per cent) respectively remained unspent due to non-filling of vacant posts and receipt of less claims.

#### (b) Dispute Resolution Society

The dispute Resolution Society was established under the Department of Law & Justice, Government of NCT of Delhi as a mechanism for alternate dispute redressal (ADR) on 27 November 2009 with the following aims:

- help parties resolve their disputes amicably, economically and quickly.
- increase social harmony in the society.
- save cost of litigation to the state and the courts.
- clear backlog of petty cases from the courts.

During the scrutiny of records, it was noticed that provisions of ₹ 1.00 crore and ₹ 4.00 crore were provided in the Original Budget Estimate (OBE) for the year 2009-10 and 2010-11 respectively. However ₹ 0.86 crore (86 per cent) and ₹ 2.23 crore (56 per cent) remained unspent indicating that the purpose of setting up of Society was not well served.

#### 2.8.6 Surrender of unspent provision at the end of financial year

Rule 56(2) of the General Financial Rules provides that unspent provisions in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the end of the financial year. Unspent provision should also not be held in reserve for any possible future excess. Test-check revealed that contrary to this, the Department surrendered unspent provisions of ₹ 7.06 crore to the Finance Department, Government of NCT of Delhi on the last day of the financial year. The details are given in the following table:

**Table 2.11: Surrender of unspent provision**

| Sl. No.      | Year    | Sub-head                                    | Amount surrendered (₹ in lakh) | Date of surrender |
|--------------|---------|---|--------------------------------|-------------------|
| 1            | 2010-11 | 2014 A1(1)(1)(1) Salaries                   | 6.43                           | 31.03.2011        |
| 2            | 2010-11 | 2014 A1(1)(1)(5) Office Expenses            | 0.40                           | 31.03.2011        |
| 3            | 2010-11 | 2014 A1(1)(1)(7) OTA                        | 0.02                           | 31.03.2011        |
| 4            | 2010-11 | 2014 A1(1)(3) Computerization of High Court | 0.21                           | 31.03.2011        |
| <b>Total</b> |         |   | <b>7.06</b>                    |                   |

However, the surrender orders dated 31 March 2011 issued by the Finance (budget) Department, Govt. of NCT of Delhi, above unspent amount of ₹ 7.06 crore due to receipt of less claims/bills & slow progress of works. Had the above unspent provisions been surrendered timely, these could have been fruitfully utilized in other schemes/projects/ programmes of the Government instead of being allowed to lapse.

### 2.8.7 Rush of expenditure

As per Rule 56(3) of the General Financial Rules, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and should be avoided. Contrary to this, major expenditure was incurred by the departments in last quarter of the year during last three years ranging between 50 per cent and 100 per cent of total expenditure illustrated in the **Table 2.12** given below:

**Table 2.12 : Expenditure in last quarter of the year**

(₹ in crore)

| Sl. No. | Year    | Sub-head  | Total provision | Total expenditure | Exp. Incurred during last quarter |            |
|---------|---------|---|-----------------|-------------------|-----------------------------------|------------|
|         |         |   |                 |                   | Amount                            | Percentage |
| 1       | 2008-09 | 2015 F1(1)(1) Expenses on Election                        | 12.57           | 11.89             | 7.85                              | 66         |
| 2       | 2008-09 | 2015 F1(4)(1) Lok Sabha Election                          | 0.02            | 0.26              | 0.26                              | 100        |
| 3       | 2008-09 | 2014 E1(2)(3)(1) Professional Services                    | 0.35            | 0.11              | 0.11                              | 100        |
| 4       | 2008-09 | 2014 B1(1)(1)(5) Office Expenses                          | 22.32           | 20.84             | 11.71                             | 56         |
| 5       | 2008-09 | 2014 B1(1)(2) Computerization of District & Session Court | 2.00            | 1.31              | 0.80                              | 61         |
| 6       | 2009-10 | 2014 E2(1)(1)(1) Salaries                                 | 0.60            | 0.28              | 0.28                              | 100        |
| 7       | 2009-10 | 2014 E2(1)(1)(2) O.E.                                     | 0.03            | 0.02              | 0.02                              | 100        |
| 8.      | 2009-10 | 2014 B1(1)(2) Computerization of District & Session Court | 1.45            | 1.32              | 1.16                              | 88         |
| 9       | 2009-10 | 2015 F1(2)(2)(5) O.C.                                     | 1.93            | 1.83              | 1.70                              | 93         |
| 10      | 2009-10 | 2014 A1(1)(1)(8) Other Admin. Exp.                        | 0.34            | 0.33              | 0.19                              | 58         |
| 11      | 2010-11 | 2015 F1(2)(4)O.E.   | 1.30            | 1.11              | 0.55                              | 50         |
| 12      | 2010-11 | 2015 F1(2)(2)(5) O.C.                                     | 2.29            | 2.00              | 1.42                              | 71         |
| 13      | 2010-11 | 2014 E1(2)(5) GIA   | 2.75            | 2.75              | 2.00                              | 73         |
| 14      | 2010-11 | 2014 B1(2)(1)(3) Travel Exp.                              | 0.06            | 0.05              | 0.03                              | 60         |
| 15      | 2010-11 | 2014 B1(1)(2) Computerization of District & Session Court | 1.65            | 0.17              | 0.09                              | 53         |
| 16      | 2010-11 | 2014 A1(1)(4) DHC Arbitration Centre                      | 0.47            | 0.37              | 0.19                              | 51         |
| 17      | 2010-11 | 2014 A1(1)(3) Computerisation of High Court               | 3.0             | 0.75              | 0.46                              | 61         |

### 2.8.8 Unrealistic budgeting

As per Rule 48(2) of the General Financial Rules, Ministries/Departments have to prepare their estimates keeping in view inter alia the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by the Ministry of Finance from time to time. Scrutiny of records for the years 2008-09 to 2010-11 revealed that entire provision remained unutilized under a number of sub-heads. A few such cases are shown in the **table 2.13** below:

**Table 2.13: Unrealistic budgeting**

(₹ in crore)

| Sl. No. | Year    | Sub-head   | Total provision | Unspent provision |
|---------|---------|--|-----------------|-------------------|
| 1       | 2008-09 | 2014 A1(1)(2) Grant to Infrastructure Facility for Judiciary     | 0.16            | 0.16              |
| 2       | 2008-09 | 2014 B1(1)(3) Purchase of Furniture for District Court at Rohini | 1.00            | 1.00              |
| 3       | 2008-09 | 2014 B1(1)(4) District Court at Dwarka                           | 0.10            | 0.10              |
| 4       | 2008-09 | 2014 E1(3)(1) Establishment of Family Courts                     | 0.10            | 0.10              |
| 5       | 2008-09 | 2015 F1(1)(1) Expenses on Election                               | 0.05            | 0.05              |
| 6       | 2009-10 | 2014 A1(1)(2) Grant to Infrastructure Facility for Judiciary     | 0.16            | 0.16              |
| 7       | 2009-10 | 2014 B1(1)(3) Purchase of Furniture for District Court at Rohini | 1.15            | 1.15              |
| 8       | 2009-10 | 2014 B1(1)(4) District Court at Dwarka                           | 0.10            | 0.10              |
| 9       | 2009-10 | 2015 F1(1)(1) Expenses on Election                               | 0.05            | 0.05              |
| 10      | 2010-11 | 2014 A1(1)(2) Grant to Infrastructure Facility for Judiciary     | 0.01            | 0.01              |
| 11      | 2010-11 | 2014 B1(1)(1) Session Court .                                    | 0.10            | 0.10              |
| 12      | 2010-11 | 2014 B1(1)(3) Purchase of Furniture for District Court at Rohini | 0.15            | 0.15              |
| 13      | 2010-11 | 2014 E1(1)(1) Direction & Admn.                                  | 0.05            | 0.05              |

The reasons stated in the appropriation accounts revealed that in most of the cases, the entire provision remained unutilized due to non filling up of vacant posts, receipt of less claims/bills and non finalization of 10G LAN Project etc. This indicates that the budget estimates were not prepared after adequate pre-budget scrutiny of schemes.

**2.8.9 Unnecessary supplementary grants**

While obtaining a supplementary grant, the department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds. Resort to supplementary demands should only be made in exceptional and urgent cases.

Audit scrutiny revealed that, in the following cases, the department sought supplementary provisions in anticipation of higher expenditure, but the final expenditure was less than the original grant /appropriation which shows that supplementary provisions were unnecessary, indicating deficient budgeting.

**Table 2.14 : Unnecessary supplementary grants**

(₹ in crore)

| Sl. No. | Year    | Sub-head  | Provision                       | Actual expenditure | Unspent provision |
|---------|---------|---|---------------------------------|--------------------|-------------------|
| 1       | 2008-09 | 2015 F1(1)(1) Expenses on Election                        | O-12.56<br>S-5.31               | 11.89              | 5.98              |
| 2       | 2008-09 | 2015 F1(1)(2) Issue of Identity Card to Voters            | O-1.35<br>S-0.03                | 1.29               | 0.09              |
| 3       | 2009-10 | 2014 A1(1)(3) Computerization of High. Court              | O-2.30<br>S-0.85<br>R-0.15      | 1.60               | 1.70              |
| 4       | 2009-10 | 2015 F1(3) Preparation and Printing of Electoral Roll     | O-5.45<br>S-5.91                | 4.65               | 6.71              |
| 5       | 2009-10 | 2015 F1(4)(1) Lok Sabha Election.                         | O-15.70<br>S-0.58<br>R-1.96     | 15.34              | 2.90              |
| 6       | 2010-11 | 2014 B1(1)(1) Session Court                               | O-202.86<br>S-0.50<br>R-10.86   | 197.04             | 17.18             |
| 7       | 2010-11 | 2014 B1(1)(2) Computerization of District & Session Court | O-1.50<br>S-0.30                | 0.08               | 1.72              |
| 8       | 2010-11 | 2014 B1(2)(1) Judicial Magistrate Courts                  | O-25.04<br>S-0.64<br>R-(-) 2.82 | 19.19              | 3.68              |

Reasons for not using the supplementary grant were stated to be receipt of less claims/bills and slow progress of work etc. Thus, estimation of expenditure was unrealistic.



**2.8.10 Injudicious re-appropriation of funds to sub-heads**

Re-appropriation of funds to the following sub-heads was injudicious as the original provision under the sub-heads was found to be more than adequate. Consequently, final savings under the sub-heads were more than the amount re-appropriated to sub-heads as detailed in **table 2.15** below:

**Table 2.15 : Injudicious re-appropriation of funds to sub-heads**

|         |         |   |              |                  |                 |                    | (₹ in crore) |
|---------|---------|---|--------------|------------------|-----------------|--------------------|--------------|
| Sl. No. | Year    | Sub-head  | Original (O) | Re-appropriation | Total provision | Actual expenditure | Savings      |
| 1       | 2008-09 | 2014 D1(1) Small Causes Courts                                | 1.27         | 0.05             | 1.32            | 1.05               | 0.27         |
| 2       | 2008-09 | 2014 E1(2)(2) Delhi Legal Services Authority                  | 3.55         | 0.61             | 4.16            | 2.45               | 1.71         |
| 3       | 2009-10 | 2014 B1(1)(3) Purchase of furniture for District Court Rohini | 1.00         | 0.15             | 1.15            | Nil                | 1.15         |
| 4       | 2009-10 | 2014 G1(1)(1) Delhi Judicial Academy .                        | 1.52         | 0.15             | 1.67            | 1.49               | 0.18         |
| 5       | 2010-11 | 2014 A1(1)(2) Grant to Infrastructure facilities to Judiciary | 0.01         | 0.09             | 0.10            | Nil                | 0.10         |
| 6       | 2010-11 | 2014 B1(1)(1) Session Court                                   | Nil          | 0.10             | 0.10            | Nil                | 0.10         |

**2.9 Conclusion**

Against total provision of ₹ 27599.67 crore during 2010-11, an expenditure of ₹ 25563.17 crore was incurred. This resulted in an unspent provision of ₹ 2036.50 crore (7.38 per cent). An excess expenditure of ₹ 3.98 crore during 2010-11 and ₹ 42.83 crore relating to the period 2006-07 to 2009-10 required regularization under Article 205 of the Constitution. While, supplementary provision of ₹ 122.09 crore in 51 cases was unnecessary, re-appropriation of funds in 16 cases where final savings were more than ₹ one crore was made injudiciously resulting in un-utilised/excessive provision. In seven grants, ₹ 566.07 crore was surrendered on the last working day of the financial year.

## **2.10 Recommendations**

Budgetary control needs to be strengthened in all the Government Departments, where saving/excess persisted for last five years. Re-appropriation/surrender order should not be issued at the end of the year as earlier pointed out in previous audit reports. Re-appropriation/supplementary grant is to be provided after proper assessment in such heads where actual additional funds are needed. Budgeting process must include information on the relationship between expenditure and corresponding performance in producing results.