

# Chapter 2

## Financial Management and Budgetary Control

This chapter outlines the Government's financial accountability and budgetary practices.

### Box 2.1

#### Appropriation Accounts

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 charged appropriations 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 and indicate the 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. The Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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

### 2.1 Summary of the Appropriation Accounts

The summarized position of actual expenditure *vis-à-vis* budgetary provisions during 2010-11 for the total 30 grants/appropriations is given in the **Table 2.1**.

**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	27585.18	1841.77	29426.95	27939.83	(-)1487.12
	II Capital	3063.15	896.81	3959.96	2496.68	(-)1463.28
	III Loans and Advances	27.30	9.97	37.27	37.40	(+)0.13
<b>Total Voted</b>		<b>30675.63</b>	<b>2748.55</b>	<b>33424.18</b>	<b>30473.91</b>	<b>(-)2950.27</b>
<b>Charged</b>	IV Revenue	5819.88	30.49	5850.37	5584.05	(-)266.32
	V Capital	0	0	0	0	0
	VI Public Debt-Repayment	7429.71	0	7429.71	5952.88	(-)1476.83
<b>Total Charged</b>		<b>13249.59</b>	<b>30.49</b>	<b>13280.08</b>	<b>11536.93</b>	<b>(-)1743.15</b>
<b>Appropriation to Contingency Fund</b>		0	0	0	0	0
<b>Grand Total</b>		<b>43925.22</b>	<b>2779.04</b>	<b>46704.26</b>	<b>42010.84</b>	<b>(-)4693.42</b>

*Source: Appropriation Accounts*

**Note:** The expenditure includes the recoveries of ₹ 626.70 crore adjusted as reduction of expenditure under Revenue expenditure and ₹ 81.60 crore under Capital expenditure.

The actual expenditure during 2010-11 was ₹ 42,010.84 crore against the original budgetary provisions of ₹ 43,925.22 crore. The supplementary provisions of ₹ 2,779.04 crore were, thus, found unnecessary. The overall saving of ₹ 4,693.42 crore (10.05 *per cent*) was the net result of savings of ₹ 6,522.38 crore in all the 30 grants (*Appendix 2.1*) set off by excess of ₹ 1,828.96 crore in six grants (**Table 2.5**).

The savings/excesses were intimated (October 2011) by the Accountant General (Accounts and Entitlement), Punjab to the Budget Officer/Finance Department requesting him to furnish reasons for the significant variations, but the same were not furnished (December 2011).

## **2.2 Financial Accountability and Budget Management**

### **2.2.1 Appropriation vis-a-vis allocative priorities**

The outcome of audit of the appropriations reveals that in 21 cases (16 out of the total 30 grants), the savings exceeded by ₹ 100 crore or by more than 20 *per cent* of the total provision in each case as detailed in **Table-2.2**. Against the total savings of ₹ 5,971.86 crore in these cases, savings of ₹ 3,310.01 crore (55.43 *per cent*) occurred in three grants<sup>1</sup> only.

---

<sup>1</sup> Grant No. 5-Education, 8-Finance and 23-Rural Development and Panchayats.

Table 2.2: List of grants having large savings

(₹ in crore)							
Sr. No.	Number and Name of the grant	Original grant	Supplementary grant	Total	Actual expenditure	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	<b>(Revenue-Voted)</b> 1-Agriculture and Forests	1008.06	176.01	1184.07	838.07	346.00	29.22
2.	5-Education	4492.07	387.79	4879.86	4077.88	801.98	16.43
3.	9-Food and Supplies	420.75	13.84	434.59	79.25	355.34	81.76
4.	17-Local Government, Housing and Urban Development	426.55	0	426.55	234.11	192.44	45.12
5.	22-Revenue and Rehabilitation	921.90	42.57	964.47	785.22	179.25	18.59
6.	23-Rural Development and Panchayats	996.39	118.46	1114.85	588.15	526.70	47.24
7.	24-Science, Technology and Environment	15.15	52.70	67.85	3.43	64.42	94.94
8.	25-Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	1278.66	51.06	1329.72	1127.75	201.97	15.19
9.	28-Tourism and Cultural Affairs	91.21	0	91.21	11.02	80.19	87.92
10.	<b>(Revenue-Charged)</b> 8-Finance	5763.72	0	5763.72	5515.11	248.61	4.31
11.	<b>(Capital-Voted)</b> 5-Education	167.51	35.97	203.48	114.33	89.15	43.81
12.	11-Health and Family Welfare	73.00	0	73.00	40.21	32.79	44.92
13.	12-Home Affairs and Justice	98.46	23.78	122.24	60.85	61.39	50.22
14.	13-Industries	51.21	0	51.21	25.03	26.18	51.12
15.	15-Irrigation and Power	744.30	135.21	879.51	613.83	265.68	30.21
16.	17-Local Government, Housing and Urban Development	541.69	4.36	546.05	165.76	380.29	69.64
17.	21-Public Works	912.10	251.63	1163.73	879.12	284.61	24.46
18.	23-Rural Development and Panchayats	158.01	312.64	470.65	303.91	166.74	35.43
19.	25-Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	29.00	72.05	101.05	4.06	96.99	95.98
20.	27-Technical Education and Industrial Training	156.60	0	156.60	62.29	94.31	60.22
21.	<b>(Capital-Charged)</b> 8-Finance	7429.71	0	7429.71	5952.88	1476.83	19.88
	<b>Total</b>	<b>25776.05</b>	<b>1678.07</b>	<b>27454.12</b>	<b>21482.26</b>	<b>5971.86</b>	<b>21.75</b>

Source: Appropriation Accounts

Such large savings in these grants reflect weak budgetary controls. On being pointed out (August 2011), the departments did not intimate the reasons for these large savings (December 2011).

### 2.2.2 Persistent savings

In three cases, during the last five years, there were persistent savings of more than ₹ one crore in each case and also by 20 per cent or more of the total grant (Table 2.3). Under one Centrally Sponsored Scheme at Sr. No. 3, there was 100 per cent saving during the last four years which shows weak financial control.

**Table 2.3: List of grants having persistent savings during 2006-11**

*(₹ in crore)*

Sr. No.	Number and Name of the grant/Head of Account	Amount of savings (percentage of savings in bracket)				
		2006-07	2007-08	2008-09	2009-10	2010-11
<b>Revenue-voted</b>						
1	21-Public Works 2215-Water Supply and Sanitation –Water Supply – Direction and Administration	57.48 (33.43)	43.62 (23.25)	71.89 (32.60)	54.53 (23.69)	80.54 (29.57)
<b>Capital-Voted</b>						
2	15-Irrigation and Power 4711-Capital Outlay on Flood Control Projects – Flood Control – Civil Works – Construction of Flood Protection and Drainage Works–Works expenditure (CSS)	10.00 (100)	7.20 (72.00)	7.07 (88.38)	1.70 (24.29)	5.00 (100.00)
3	15-Irrigation and Power 4711-Capital Outlay on Flood Control Projects-Flood Control-Civil Works-Works Expenditure Counter Protective Measures on Left Side of River Ravi (CSS)	8.38 (83.80)	10.00 (100)	8.00 (100)	7.00 (100)	5.00 (100.00)

*Source: Appropriation Accounts*

The matter was taken up with the Finance Department (September 2011) requesting them to explain the reasons for persistent savings. No reply was furnished by the Department (December 2011).

### 2.2.3 Excess over provisions requiring regularization

Article 205(b) of the Constitution of India provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, The Governor shall cause to be laid before the House or the Houses of the Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a demand for such excess, as the case may be.

The excess expenditure amounting to ₹ 1,862.25 crore for the years 2007-10 had yet not been regularized under the provision of Article 205 (b) of the Constitution of India. In reply, the department stated (May 2011) that the excess expenditure will be got regularized from the State Legislative Assembly most likely up to the Budget Session 2012. The year-wise details of excess expenditure requiring regularization is summarized in **Table 2.4**.

**Table 2.4: Excess over provisions requiring regularization**

*(₹ in crore)*

Year	Total number of Grants/ appropriations	Grant/ appropriation number	Amount of excess over provision
2007-08	6	8, 9, 12, 15, 19, 21	895.34
2008-09	4	3, 8, 12, 21	506.14
2009-10	4	3, 5, 8, 21	460.77
<b>Total</b>			<b>1862.25</b>

*Source: Appropriation Accounts*

The excess expenditure of ₹ 1828.96 crore in six grants (**Table 2.5**) during the year 2010-11 also require regularization under the above mentioned provisions.

**Table 2.5: Excess over provisions requiring regularization during 2010-11**

(₹ in crore)

Sr. No.	Number and title of grant		Total grant/ appropriation	Expenditure	Excess
<b>Voted Grants</b>					
1	8	Finance (Revenue)	7917.76	9194.17	1276.41
2	8	Finance (Capital)	37.27	37.39	0.12
3	21	Public Works (Revenue)	892.39	1366.32	473.93
4	22	Revenue and Rehabilitation (Capital)	10.31	34.18	23.87
5	28	28-Tourism and Cultural Affairs (Capital)	9.25	61.61	52.36
<b>Charged Appropriation</b>					
6	11	Health and Family Welfare (Revenue)	0.24	0.48	0.24
7	18	Personnel and Administrative Reforms (Revenue)	3.24	5.27	2.03
<b>Total</b>			<b>8870.46</b>	<b>10699.42</b>	<b>1828.96</b>

Source: Appropriation Accounts

#### 2.2.4 Grant where expenditure in a case exceeded more than ₹ 200 crore and also by more than 20 per cent of the provisions

In the Grant No. 21-Public Works, there was excess expenditure by more than ₹ 200 crore and also more than 20 per cent of the total provision consistently for the last five years as detailed in **Table 2.6**, depicting another example of poor budgeting.

**Table 2.6: Excess expenditure of more than ₹ 200 crore and also by more than 20 per cent of the provisions**

(₹ in crore)

Year	Provision	Expenditure	Excess expenditure	
			Amount	Percentage
2006-07	718.64	1148.39	429.75	59.80
2007-08	725.72	1018.68	292.96	40.37
2008-09	772.49	1056.13	283.64	36.72
2009-10	792.62	1242.40	449.78	56.75
2010-11	892.39	1366.32	473.93	53.11

Source: Appropriation Accounts

The matter was taken up with the Government (August 2011), no reply has been received (December 2011).

#### 2.2.5 Persistent excess expenditure

In three cases (**Table 2.7**), there was persistent excess expenditure of more than ₹ five crore in each case or by more than 20 per cent of the total grant

during the last five years. Under two schemes, there was 100 per cent excess expenditure during the last five years.

**Table 2.7: List of grants having persistent excess expenditure during 2006-11**

Sr. No.	Number and Name of the grant	Amount of excess expenditure (percentage of excess expenditure in brackets)				
		2006-07	2007-08	2008-09	2009-10	2010-11
<i>(₹ in crore)</i>						
<b>Revenue-Voted</b>						
<b>08-Finance</b>						
1	2071-Pensions and other Retirement benefits-01-Civil 105-Family Pensions	65.96 (46.47)	69.24 (48.90)	54.71 (24.28)	31.31 (9.98)	144.34 (35.45)
<b>21-Public Works</b>						
2	2059-Public Works 80-General 001-Direction and Administration 07-Establishment Charges paid to Public Health Department for Work done by that Department	25.77 (100.00)	28.54 (100.00)	22.02 (100.00)	27.29 (100.00)	45.73 (100.00)
3	3054-Roads and Bridges 80-General 001-Direction and Administration 01-Establishment charges transferred on pro-rata basis to the Major Head 3054-Roads and Bridges	86.20 (100.00)	48.13 (100.00)	42.62 (100.00)	74.72 (100.00)	6.29 (100.00)

*Source: Appropriation Accounts*

Despite the matter having been taken up with the concerned Chief Controlling Officers for intimating the reasons for persistent excess and for not providing adequate budget, no reply has been received so far (December 2011).

### 2.2.6 Expenditure without provision of funds

As per Para 14.1 of the Punjab Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 1,007.88 crore, was incurred in 42 cases under nine grants during 2010-11 (*Appendix 2.2*) without making any provision in the original estimates/ supplementary demands and without issuing any re-appropriation orders to this effect. No replies were furnished by the departments (December 2011).

### 2.2.7 Unnecessary supplementary provisions

Supplementary provisions of ₹ one crore or more in each case, aggregating to ₹ 1,464.65 crore obtained in 21 cases, during the year 2010-11 proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in *Appendix 2.3*. Some of the departments which obtained unnecessary supplementary provisions were Agriculture and Forests, Education, Irrigation and Power, Public Works and Rural Development and Panchayats.

### 2.2.8 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. During the year 2010-11, 33 re-appropriation orders for ₹ 3,232.46 crore were issued. These re-appropriation orders were issued in the month of March 2011 and as many as 32 orders on 31<sup>st</sup> March, 2011. Besides, four out of the 33 re-appropriation orders for ₹ 93.08 crore were found inappropriate and hence had to be ignored by the Accountant General (A&E), Punjab (*Appendix 2.4*).

During 2010-11, re-appropriations effected by the departments proved unnecessary (*Appendix 2.5*). In three<sup>2</sup> cases, reduction of provisions through re-appropriation proved injudicious as there was excess expenditure.

Despite the matter having been taken up with the concerned Chief Controlling Officers for intimating the reasons for unnecessary re-appropriation of funds, no reply has been received so far (December 2011).

### 2.2.9 Anticipated savings not surrendered

As per Rule 17.20 of the Punjab Financial Rules, the spending 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 2010-11, in 19 cases there were savings ranging between ₹ 10 crore and ₹ 526.70 crore, but no part of the savings was surrendered by the concerned departments. The total amount involved in these cases was ₹ 1,959.91 crore (*Appendix 2.6*). Rural Development and Panchayats, Local Government, Housing and Urban Development were some of the departments which had not surrendered the anticipated savings which indicate inadequate budgetary control. On being pointed out (August 2011), the departments did not furnish any reasons regarding non-surrendering of the savings (December 2011).

Similarly, in 12 cases, after effecting partial surrender (₹ 280.14 crore out of ₹ 3,889.27 crore), savings ranging between ₹ 10.89 crore and ₹ 1,432.71 crore aggregating to ₹ 3,609.14 crore were not surrendered (*Appendix 2.7*). Some of the departments which surrendered the savings partially were Education, Finance, Animal Husbandry and Fisheries, Irrigation and Power, Public Works, Tourism and Cultural Affairs, Technical Education and Industrial Training and Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes.

### 2.2.10 Surrender in excess of the actual savings

In two cases, the amount surrendered (₹ 250 crore or more in each case) was in excess of the actual savings indicating lack of or inadequate budgetary control in Agriculture and Forests and Finance departments. As against saving of ₹ 594.61 crore, the amount surrendered was ₹ 690.02 crore resulting in excess surrender of ₹ 95.41 crore. The details are given in **Table 2.8**.

<sup>2</sup> Sr. No. 4, 26 and 42 of Appendix 2.5.



Moreover in grant No. 22 (Capital-Voted), an amount of ₹ four crore had been surrendered even though there was an excess of ₹ 23.87 crore under this grant.

**Table 2.8: Surrender in excess of the actual savings ( ₹ 250 crore or more)**

<i>(₹ in crore)</i>					
Sr. No.	Number and name of the grant/appropriation	Total grant/appropriation	Savings	Amount surrendered	Amount surrendered in excess
	<b>(Revenue-Voted)</b>				
1	1-Agriculture and Forests	1184.07	346.00	425.22	79.22
	<b>(Revenue-Charged)</b>				
2	8-Finance	5763.72	248.61	264.80	16.19
	<b>Total</b>	<b>6947.79</b>	<b>594.61</b>	<b>690.02</b>	<b>95.41</b>

*Sources: Appropriation Accounts*

Despite the matter having been taken up with the concerned Chief Controlling Officers for intimating the reasons for surrender in excess of savings, no reply has been received so far (December 2011).

### 2.2.11 Rush of expenditure

According to para 18.15 of the Manual of Instructions of the Finance Department, Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Scrutiny of expenditure incurred by the State Government in the year 2010-11 revealed that in 16 cases, the expenditure during the 4<sup>th</sup> quarter of the year ranged between 50.54 and 100 *per cent* of the total expenditure under the concerned head of accounts and the expenditure incurred during the month of March 2011 alone constituted 27.41 *per cent* of the total expenditure under the concerned head of accounts during the year. The details are given in **Table 2.9**.

**Table 2.9: Rush of expenditure towards the end of the financial year 2010-11**

<i>(₹ in crore)</i>						
Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2011	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2075	3801.04	1997.81	52.56	490.70	12.91
2.	2225	239.72	148.46	61.93	77.25	32.23
3.	2236	77.76	42.74	54.96	23.00	29.58
4.	2801	3375.55	1705.93	50.54	1371.99	40.64
5.	3435	0.61	0.61	100.00	0.22	36.07
6.	3451	16.87	8.62	51.10	7.67	45.47
7.	4058	0.32	0.32	100.00	0.10	31.25
8.	4070	8.24	4.43	53.76	3.83	46.48
9.	4215	191.92	104.70	54.55	51.94	27.06
10.	4235	0.70	0.54	77.14	0.54	77.14
11.	4250	19.28	11.91	61.77	9.88	51.24
12.	4702	37.33	25.30	67.77	24.29	65.07
13.	4705	201.09	120.93	60.14	103.70	51.57
14.	4711	43.85	26.07	59.45	20.29	46.27
15.	4851	25.01	14.99	59.94	15.00	59.98
16.	5055	10.69	6.99	65.39	5.72	53.51
	<b>Total</b>	<b>8049.98</b>	<b>4220.35</b>	<b>52.43</b>	<b>2206.12</b>	<b>27.41</b>

*Source: Monthly Accounts compiled by A.G. (A&E)*



Appropriate action needs to be taken to regulate and systematize the procedure to avoid heavy expenditure during the last quarter/month of the financial year.

## 2.3 Outcome of review of selected Grants

**2.3.1** A review of budgetary procedure and control over expenditure in two test checked grants i.e. Grant No. 22-Revenue and Rehabilitation and Grant No. 23- Rural Development and Panchayats for the year 2010-11 revealed the following:-

### (i) Unrealistic budget provisions

Scrutiny revealed that in Grant No. 22 and 23 the departments either made unrealistic budget provisions or did not disburse the amount during 2010-11, as savings of ₹ one crore and more and also more than 20 *per cent* of the total provision in each case aggregating ₹ 698.60 crore were found in 17 minor heads/schemes (**Appendix 2.8**). Moreover there was saving of 100 *per cent* in eight schemes (Sr. No. 2 to 9). Some of the schemes that had huge savings were pertaining to Backward Region Grant Fund, Grant on the recommendation of Third Punjab Finance Commission to Panchayati Raj Institutions, Mahatma Gandhi National Rural Employment Guarantee Scheme (Plan), and Construction of Toilets in Villages. Thus, the original budgetary provisions proved excessive or unnecessary or the departments did not bother to use the funds at all.

On being pointed out (July 2011 and August 2011), Controller (Finance), Panchayati Raj, Department of Rural Development and Panchayats stated (August 2011) that the savings against Sr. No. 6 of Appendix 2.8 was due to the reason that only ₹ 184.99 crore was released by Punjab Government and bills were not passed by the Treasury. Information regarding amount of bills and the dates on which these bills were presented to the treasury was not furnished by the department. Against Sr. No. 3, 10 and 11, it was stated that these are Central schemes and balance under these schemes would be carried over to the next year. Against Sr. No. 5, it was stated that due to late release of central share, amount could not be utilized. Against Sr. No. 7, it was stated that amount of this scheme has been transferred to another head under the same grant. For the remaining items, no replies were furnished by the respective departments (December 2011).

### (ii) Unnecessary supplementary grants/re-appropriations

Scrutiny revealed that in Grant number 22 and 23 the departments obtained supplementary grants in 13 cases (**Appendix 2.9**) which proved unnecessary as the expenditure did not come up to the level of the original provision during 2010-11. Moreover, in six cases (Sr. No. 3 to 7 and 13), there was no original provision and whole supplementary grant obtained in these cases remained unutilized. Such unnecessary supplementary grants indicate unrealistic budgetary projections.

On being pointed out (December 2011) regarding justification for obtaining supplementary grant and the reasons for non-utilization, Controller (Finance) stated that schemes mentioned at Sr. No. 7, 11 and 12 are Central schemes and

the balance under these schemes would be carried over to the next year. Against Sr. No. 10, it was stated that amount could not be utilized due to court case. Against Sr. No. 4 and 5, it was stated that 20 *per cent* of the amount received from Government of India has been disbursed to the Panchayati Raj Institutions and Utilization Certificates had been sent to the Finance Department, Government of India, New Delhi. For rest of items, the department did not furnish any reasons (December 2011).

**(iii) Expenditure without provision of funds**

As per Para 14.1 of the Punjab Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 143.63 crore in 12 cases (three cases under grant No. 22-Revenue and Rehabilitation and nine cases under grant No. 23-Rural Development and Panchayats) was incurred during 2010-11 (*Appendix 2.10*) without making any provision in the original estimates/ supplementary demands and without issuing any re-appropriation orders to this effect. On being pointed out (July, August and December 2011), no replies regarding the items on which the expenditure has been incurred and the manner in which these bills were passed by the treasury office were furnished by the department (December 2011).

**(iv) Excess over provisions during 2010-11 requiring regularization**

Article 205(b) of the Constitution of India provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, The Governor shall cause that to be laid before the House or the Houses of the Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a demand for such excess, as the case may be.

The excess expenditure of ₹ 19.95 crore (*Appendix 2.11*) under grant No. 22 and 23 during the year 2010-11 require regularization under the above mentioned provision. On being pointed out regarding the reasons for excess expenditure (December 2011), no reply was furnished by the department (December 2011).

**(v) Withdrawal of whole budget provision through re-appropriation**

In Grant-22 under seven minor heads/schemes, whole budget provision was withdrawn (*Appendix 2.12*) through re-appropriation. Withdrawal of whole provision through re-appropriation dilutes the process of budget making and expenditure control. Similarly, under one scheme, ₹ 3.50 crore (87.50 *per cent*) were withdrawn out of ₹ 4.00 crore.

## **2.4 Conclusion and recommendations**

### **Conclusion**

During 2010-11, expenditure of ₹ 42,010.84 crore was incurred against total grants and appropriations of ₹ 46,704.26 crore resulting in savings of

₹ 4,693.42 crore. The overall savings of ₹ 4,693.42 crore was the result of savings of ₹ 6,522.38 crore, offset by excess of ₹ 1,828.96 crore. These excess require regularization under Article 205 of the Constitution of India.

In two cases, the amounts surrendered (₹ 250 crore or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control by the concerned departments. As against savings of ₹ 594.61 crore, amount surrendered was ₹ 690.02 crore, resulting in excess surrender of ₹ 95.41 crore.

There were 15 grants/appropriations under which savings of more than ₹ ten crore has occurred but the same had not been surrendered completely by the concerned departments. The total amount involved in these cases was ₹ 1,959.91 crore.

### **Recommendations**

*Budgetary control should be strengthened in all the Government departments, particularly in those departments where savings/excesses have been observed for the last four years regularly. Budget estimates should be prepared with due care and on realistic basis so that there are no huge savings/surrenders or excesses over the budget estimates. Issue of re-appropriation/surrender orders at the fag end, particularly on the last day of the year should be avoided. Excess expenditure over provision during the previous years should be got regularized. Anticipated savings should be surrendered as and when these are expected so that the amount could be got utilized on other schemes.*