

## 2.1 Introduction

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

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

## 2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2011-2012 against 49 grants/appropriations (48 Grants and one Appropriation) are given in **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	3,121.76	506.64	3,628.40	3,389.00	(-) 239.40
	II Capital	646.95	189.66	836.61	693.31	(-) 143.30
	III Loans and Advances	34.71	1.21	35.92	34.28	(-) 1.64
<b>Total Voted</b>		<b>3,803.42</b>	<b>697.51</b>	<b>4,500.93</b>	<b>4,116.59</b>	<b>(-) 384.34</b>
<b>Charged</b>	IV Revenue	305.75	1.27	307.02	308.70	1.68
	V Capital	-	-	-	-	-
	VI Public Debt Repayment	258.17	84.55	342.72	251.67	(-) 91.05
<b>Total Charged</b>		<b>563.92</b>	<b>85.82</b>	<b>649.74</b>	<b>560.37</b>	<b>(-) 89.37</b>
<b>Appropriation to Contingency Fund (if any)</b>		-	-	-	-	-
<b>Grand Total</b>		<b>4,367.34</b>	<b>783.33</b>	<b>5,150.67</b>	<b>4,676.96</b>	<b>(-) 473.71</b>

The overall savings of ` 473.71 crore was the result of savings of ` 476.75 crore in 47 grants under Revenue Section, 16 grants and one appropriation under Capital Section

offset by excess of ₹ 3.04 crore in one grants and one appropriation under Revenue Section and two grant under Capital Section.

The Appropriation accounts of 2011-12 included 48 Grants and one Appropriation. Major savings occurred in Planning and Programme Implementation Department (₹ 50 crore), Finance Department (₹ 20.91 crore), School Education (₹ 17.22 crore), Home Department (₹ 15 crore), Medical and Public Health Services (₹ 14.31 crore), Local Administration (₹ 12.54 crore) and Water Supply and Sanitation (₹ 10.36 crore) under Revenue Section. There were also substantial savings occurred in Public Debt (₹ 91.05 crore), Food, Civil Supplies and Consumer Affairs (₹ 49.13 crore), Public Works Department (₹ 45.44 crore), Minor Irrigation (₹ 23.87 crore) and Urban Development and Poverty Alleviation (₹ 15.16 crore) under Capital Section (**Appendix-2.1A**).

The reasons for savings/excess were called for from the concerned Departments. However, no reply was received (February 2013).

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that savings aggregating ₹ 233.34 crore in 31 cases (Revenue voted) and ₹ 235.10 crore in 10 cases (Capital voted and charged), exceeded ₹ one crore in each case (**Appendix-2.1**). Also savings aggregating ₹ 364.99 crore in 12 cases (Revenue and Capital voted), exceeded ₹ 10 crore and above (**Appendix-2.1A**). Against the overall savings of ₹ 476.75 crore during 2011-12, savings of ₹ 141.05 crore (29.55 per cent) occurred in two cases relating to two grants where savings were more than ₹ 50 crore and above as indicated in **Table-2.2**.

**Table-2.2: List of Grants with savings of ₹ 50 crore and above**

(₹ in crore)						
Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
<b>Revenue-Voted</b>						
1.	14-Planning and Programme Implementation	80.43	1.37	81.80	31.80	50.00
<b>Capital-Voted</b>						
2.	Public Debt (Charged)	258.16	84.55	342.71	251.67	91.05
<b>Total</b>		<b>338.59</b>	<b>85.92</b>	<b>424.51</b>	<b>283.47</b>	<b>141.05</b>

### 2.3.2 Persistent Savings

In two cases, during the last six years there were persistent savings of more than ₹ one crore in each case (**Table-2.3**).

**Table-2.3: List of Grants indicating Persistent Savings during 2006-12**

( ` in crore)

Sl. No.	No. and Name of the grant	Amount of savings					
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1.	14 - Planning and Programme Implementation Department.	64.56 (85)	50.77 (61)	112.39 (80)	8.85 (21)	109.03 (77.95)	<b>50.00</b> <b>(61.12)</b>
2.	9 - Finance	5.00 (100)	3.27 (65)	4.97 (50)	200.23 (91)	32.59 (10.67)	<b>21.06</b> <b>(5.75)</b>

Figures in the parentheses indicate percentage to total provision of that grant

### 2.3.3 Excess Expenditure

Revenue expenditure aggregating ` 339.27 crore in 12 cases exceeded the approved provisions ( ` 243.06 crore) by ` 96.21 crore and also by more than one crore in each case representing percentages ranging between 9.79 per cent and 500.25 per cent over the total provision. Also Capital expenditure of ` 194.27 crore in five cases exceeded the approved provisions ( ` 104.97 crore) by 89.31 crore and also by more than one crore in each case representing percentages ranging between 19.48 per cent and 13,623.68 per cent over the total provision (**Appendix-2.2**). In *eight* cases, expenditure exceeded more than 50 per cent over the approved provisions. Details are given in **Table-2.4**:

**Table-2.4: Grants/Appropriations where expenditure exceeded more than 50 per cent over the approved provisions during 2011-12**

( ` in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation with Major or Minor heads	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage
<b>Revenue (Voted)</b>						
1.	6	Land Revenue & Reforms 2029-103(01)-Maint. of Land Records	306.17	654.38	348.21	113.73
2.	9	Finance 2071-01-101(01) Pension	8,500.00	14,349.61	5,849.61	68.82
		20171-01-111(01) - Pension to Legislators	250.00	400.86	150.86	60.34
3.	27	District Councils 2225-80-800(08)- Rural Sanitation Prog. MADC/NLCPR	28.12	168.79	140.67	500.25
4.	30	Disaster Management & Rehabilitation 2245-05-101(01) State DRF (FC)	213.75	670.35	456.60	213.61
<b>Total</b>			<b>9,298.04</b>	<b>16,243.99</b>	<b>6,945.95</b>	<b>74.70</b>

Sl. No.	Grant No.	Name of the Grant/ Appropriation with Major or Minor heads	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage
<b>Capital (Voted)</b>						
1.	16	Home 4055-211(02) Police Housing (LIC)	195.08	435.78	240.70	123.39
2.	46	Urban Development & Poverty Alleviation 4217-01-051(04)- Construction (JNNURM-Plan)	353.11	1,633.10	1,279.99	362.49
3.	Public Debt	6003-110(01) Ways & Means Advance from RBI	38.00	5,215.00	5,177.00	13,623.68
<b>Total</b>			<b>586.19</b>	<b>7,283.88</b>	<b>6,697.69</b>	<b>1,142.58</b>

### 2.3.4 Unutilised provision of Fund

Appropriation of fund for a work/scheme during a financial year is approved by the Legislature through budget for implementation of the work/scheme. During the year 2011-12, a provision of ` 133.15 crore including supplementary grant for implementation of CSS, NLCPR schemes under nine departments and public debt was approved. The departments, however, could not utilise the funds as approved and resulted in savings. The details are given in **Appendix-2.3**.

### 2.3.5 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, but the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ` 409.02 crore for the years 2004-05 to 2009-10 was yet to be regularised. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table-2.5**.

**Table-2.5: Excess over provisions relating to previous years requiring regularisation**

(` in crore)

Year	Number of grants/ appropriations	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2007-08	4	4, 33, 36 & 38	13.92	-
2008-09	4	8, 9, 20 & 30	30.13	-
2009-10	3	29 & 33	0.91	-
2010-11	3	17, 28 & 42	4.69	
<b>Total</b>	<b>14</b>		<b>49.65</b>	

**2.3.6 Excess over provision during 2010-11 requiring regularisation**

**Table-2.6** contains the summary of total excess in three grants amounting to ` 0.59 crore over authorization from the Consolidated Fund of the State (CFS) during 2011-12 and requires regularisation under Article 205 of the Constitution.

**Table-2.6: Excess over provisions requiring regularisation during 2011-12**

( ` in crore)

Sl. No.	Number and title of grant/ appropriation	Total grant/ appropriation	Expenditure	Excess
<b>Voted Grants</b>				
1.	27 – District Council (Revenue)	202.20	202.48	0.28
2.	16 – Home (Capital)	7.58	7.73	0.15
3.	25 – Water Supply and Sanitation (Capital)	46.00	46.16	0.16
<b>Total (Voted)</b>		<b>255.78</b>	<b>256.37</b>	<b>0.59</b>

**2.3.7 Unnecessary/Excessive/Inadequate supplementary provision**

Supplementary provision aggregating ` 147.98 crore obtained in 26 cases, ` 10 lakh or more in each case, during the year proved unnecessary as the original provision was not fully utilised as detailed in **Appendix-2.4**. Out of the above 26 cases, ` 143.98 crore proved unnecessary in 14 cases and were more than one crore and above in each case as detailed in **Table-2.7**.

**Table-2.7: Statement showing unnecessary Supplementary Provision of ` one crore and above**

( ` in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
<b>A. Revenue (Voted)</b>					
1.	4 Law & Judicial	1,331.94	1,207.52	124.42	195.05
2.	8 Taxation	1,004.41	969.04	35.37	171.59
3.	9 Finance	33,867.32	31,981.44	1,885.88	205.53
4.	14 Planning and Programme Implementation	8,043.41	3,180.03	4,863.38	136.53
5.	19 Local Administration	3,788.89	3,132.10	656.79	597.15
6.	30 Disaster Management and Rehabilitation	1,567.85	874.89	692.96	215.14
7.	37 Co-Operation	1,243.35	1,156.37	86.98	105.13
8.	38 Rural Development	6,613.00	6,235.32	377.68	108.67
9.	40 Industries	4,074.77	4,006.26	68.51	323.02
10.	45 Public Works	11,926.23	11,632.22	294.01	375.72
<b>Total for Revenue (Voted)</b>		<b>73,461.17</b>	<b>64,375.19</b>	<b>9,085.98</b>	<b>2,433.53</b>

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
<b>B. Capital (Voted)</b>					
11.	17 Food, Civil Supplies and Consumer Affairs	17,826.70	15,903.72	1,922.98	2,989.56
12.	38 Rural Development	4,635.00	4,542.25	92.75	356.97
13.	46 Urban Development and Poverty Alleviation	5,977.00	4,623.69	1,353.31	163.12
<b>Total for Capital (Voted)</b>		<b>28,438.70</b>	<b>25,069.66</b>	<b>3,369.04</b>	<b>3,509.65</b>
<b>C. Capital (Charged)</b>					
14.	<i>Public Debt</i>	<i>25,816.72</i>	<i>25,166.94</i>	<i>649.78</i>	<i>8,454.74</i>
<b>Total for Capital (Charged)</b>		<b>25,816.72</b>	<b>25,166.94</b>	<b>649.78</b>	<b>8,454.74</b>
<b>Grand Total</b>		<b>1,27,716.59</b>	<b>1,14,611.79</b>	<b>13,104.80</b>	<b>14,397.92</b>

Further, in 23 cases Supplementary Provisions aggregating ` 147.12 crore, ` 20.00 lakh and above in each case proved excessive/inadequate as detailed in **Appendix-2.5**. Out of these, there were 18 cases where supplementary provision proved excessive by more than ` one crore as detailed in **Table-2.8**.

**Table-2.8: Statement showing excessive supplementary provision  
(` one crore and above)**

(` in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
<b>A. Revenue (Voted)</b>						
1.	6 Land Revenue & Reforms	1,438.45	681.07	2,119.52	1,983.41	(+) 136.11
2.	15 General Administration Department	4,784.74	333.80	5,118.54	4,787.80	(+) 330.74
3.	16 Home	35,754.72	2,179.14	37,933.86	36,433.96	(+)1,499.90
4.	17 Food, Civil Supplies & Consumer Affairs	5,110.33	350.12	5,460.45	5,134.29	(+)326.16
5.	20 School Education	45,654.73	9,377.79	55,032.52	53,310.41	(+)1,722.11
6.	21 Higher & Technical Education	6,461.32	5,965.77	12,427.09	12,094.75	(+)332.34
7.	22 Sports & Youth Services	3,087.06	697.52	3,784.58	3,643.43	(+)141.15
8.	24 Medical & Public Health Services	18,168.98	1,944.05	20,113.03	18,681.22	(+)1,431.81
9.	25 Water Supply & Sanitation	8,692.62	2,695.79	11,388.41	10,352.24	(+)1,036.17
10.	29 Social Welfare	3,933.55	4,569.23	8,502.78	7,900.88	(+) 601.90
11.	31 Agriculture	18,044.54	3,350.76	21,395.30	20,777.10	(+) 618.20
12.	34 Animal Husbandry & Veterinary	10,835.33	520.65	11,355.98	11,149.52	(+) 206.46
13.	36 Environment & Forest	6,029.00	650.06	6,679.06	6,322.82	(+) 356.24
14.	39 Power	19,133.20	10,808.00	29,941.20	28,948.50	(+) 992.70
15.	46 Urban Development & Poverty Alleviation	3,392.16	585.50	3,977.66	3,647.27	(+) 330.39
<b>Total for Revenue (Voted)</b>		<b>1,90,520.73</b>	<b>44,709.25</b>	<b>2,35,229.98</b>	<b>2,25,167.60</b>	<b>(+) 10,062.38</b>

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
<b>B. Capital (Voted)</b>						
16.	22 Sports & Youth Services	442.41	139.00	581.41	443.73	(+) 137.68
17.	39 Power	5,859.21	1,847.70	7,706.91	7,604.02	(+) 102.89
18.	45 Public Works	18,053.41	10,821.91	28,875.32	24,331.24	(+) 4,544.08
<b>Total for Capital (Voted)</b>		<b>24,355.03</b>	<b>12,808.61</b>	<b>37,163.64</b>	<b>32,378.99</b>	<b>(+) 4,784.65</b>
<b>Grand Total</b>		<b>2,14,875.76</b>	<b>57,517.86</b>	<b>2,72,393.62</b>	<b>2,57,546.59</b>	<b>(+) 14,847.03</b>

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

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient in 56 sub-heads and resulted in savings/excess of over ` 10 lakh and above as detailed in **Appendix-2.6**.

### 2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 31 sub-heads on account of either non-implementation or slow implementation of schemes/programmes or late receipt of sanction from Government. Out of the total provision amounting to ` 218.85 crore in these 31 Schemes, ` 196.59 crore were surrendered (**Appendix-2.7**) which included 100 per cent surrender in 13 Schemes (` 97.25 crore).

### 2.3.10 Surrenders in excess of actual savings

As against savings of ` 194.11 crore, an amount of ` 264.94 crore was surrendered resulting in excess surrender of ` 70.84 crore as detailed in **Appendix-2.8**. There were seven cases where the surrender in excess (` 69.76 crore) were more than ` 50 lakh as shown in **Table-2.9**.

**Table-2.9: Surrenders in excess of actual savings (` 50 lakh or more)**

(` in lakh)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Savings	Amount surrendered	Amount surrendered in excess
<b>Revenue – Voted</b>					
1.	9- Finance	34,072.85	2,091.41	7,473.56	5,382.15
2.	21- Higher & Tech. Education Department	12,427.09	332.34	492.15	159.81
3.	24- Medical and Public Health	20,113.03	1,431.81	1,557.92	126.11
4.	42- Transport	3,427.72	779.99	932.76	152.77
5.	46- Urban Development & Poverty Alleviation	3,977.66	330.39	499.25	168.86
<b>Capital - (Voted)</b>					
6.	45-Public Works	28,875.32	4,544.08	4,609.51	65.43
7.	46-Urban Development & Poverty Alleviation	6,140.12	1,516.43	2,437.42	920.99
<b>Grand Total</b>		<b>1,09,033.79</b>	<b>11,026.45</b>	<b>18,002.57</b>	<b>6,976.12</b>

In 28 cases, an amount of ` 125.23 crore were surrendered without furnishing any reason (March 2012) as detailed in **Appendix-2.9**. The amount surrendered in excess of actual savings indicated lack of budgetary control in these departments.

### 2.3.11 Anticipated savings not surrendered

As per extant 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 financial year 2011-2012, there were, however, five grants/appropriations in which savings of ` 638.30 crore (1.34 per cent of the total savings) occurred but no part of the available savings was surrendered by the concerned Departments as shown in **Table-2.10**.

**Table-2.10: Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered**

(` in lakh)			
Sl. No.	Grant No.	Name of grant/appropriation	Saving
1.	7	Excise and Narcotics (Revenue Voted)	38.23
2.	9	Finance (Capital Voted)	14.48
3.	15	General Administration Department (Capital Voted)	202.68
4.	22	Sports and Youth Services (Capital Voted)	137.68
5.		Public Debt (Revenue Charged)	245.23
Total Revenue (Voted and Charged)			283.46
Total Capital (Voted and Charged)			354.84
Total			638.30

Similarly, out of total savings of ` 165.23 crore (savings of ` one crore and above), under five other grants/appropriations, savings amounting to ` 117.95 crore (71.39 per cent) were not surrendered as shown in **Table-2.11** below. Besides, out of total savings of ` 242.86 crore under 32 grants/appropriations, savings of ` 123.61 crore remained to be surrendered as shown in **Appendix-2.10**.

**Table-2.11: Details of savings of ` one crore and above not surrendered**

(` in crore)				
Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
<b>Revenue (Voted)</b>				
1.	19-Local Administration	12.54	10.22	2.32
2.	23-Arts & culture	2.15	0.70	1.44
3.	25-Water Supply & Sanitation	10.36	9.31	1.05
<b>Capital (Voted)</b>				
4.	17-Food, Civil Supplies & Consumer Affairs	49.13	1.41	47.71
<b>Capital (Charged)</b>				
5.	Public Debt	91.05	25.62	65.43
Total		165.23	47.26	117.95



### 2.3.12 Rush of Expenditure

According to Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 25 Grants listed in **Appendix-2.11**, expenditure more than 25 per cent of the total expenditure for the year was incurred in March 2012. Of these, in 19 cases involving ₹ 118.73 crore, the whole amount was incurred in March, indicating there was no control over the flow of expenditure.

## 2.4 Reconciliation of Departmental figures

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

As per Central Treasury Rules, Abstract Contingent (AC) bills must be regularized by Detailed Countersigned Contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the Controlling Officer. The Controlling Officers must submit the DCC bills to the AG (A&E) within one month from the date of receipt of the DCC bills in his office.

It was noticed that against the total amount (₹ 1,217.53 crore) drawn in AC bills during the period 2000-01 to 2011-12, DCC bills for ₹ 1,135.89 crore have been received by the Accountant General (A&E) as of 31 March 2012. Thus, an amount ₹ 81.64 crore (6.71 per cent) drawn in AC bills remained outstanding as of March 2012 due to non-submission of DCC bills to that extent. The year wise details are given in **Table-2.13**.

**Table-2.12: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

(₹ in crore)				
Year	Amount drawn in AC bills	Amount adjusted through DCC bills	Amount outstanding as of 31 March 2011	Percentage of outstanding amount
2000-01 to 2003-04	164.19	156.96	7.23	4.40
2004-05	88.06	88.06	--	0.00
2005-06	86.25	86.25	--	0.00
2006-07	86.13	86.13	--	0.00
2007-08	172.06	172.05	0.01	0.01
2008-09	228.38	223.61	4.77	2.09
2009-10	167.38	166.59	0.79	0.47
2010-11	163.10	115.08	48.02	29.44
2011-12	61.98	41.16	20.82	33.59
<b>Total</b>	<b>1,217.53</b>	<b>1,135.89</b>	<b>81.64</b>	<b>6.71</b>

Source: Finance Accounts, 2011-12 (Vol.-I)

Non-adjustment of advances for long period is fraught with risk of misappropriation and therefore, requires close monitoring by the respective Drawing and Disbursing Officers (DDOs).

#### **2.4.2 Un-reconciled Expenditure**

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budgetary grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers continued to persist during 2011-12 also.

It was noticed that during the year 2011-12, out of 78 Controlling Officers, 55 Controlling Officers (70.51 *per cent*) reconciled the expenditure of ` 3,288.39 crore (76.26 *per cent*) against the total expenditure of ` 4,311.96 crore. Similarly, out of 55 Controlling Officers under Receipt Heads, eight Controlling Officers (14.55 *per cent*) reconciled receipts of ` 8.32 crore (0.20 *per cent*) against the total receipts of the Government amounting to ` 4,078.40 crore. As a result, expenditure of ` 1,023.57 crore and receipts of ` 4,070.08 crore remained un-reconciled with the Books of Accounts of the Pr. Accountant General (A&E) during the year 2011-12.

## 2.5 Conclusion and Recommendations

### *Conclusion*

The estimates of receipts and expenditure under Consolidated Fund, Contingency Fund and Public Account were prepared without adequate due diligence in observing prescribed budgetary regulations.

Non-maintenance of Budget calendar, poor verification of departmental figures *etc.*, indicates absence of financial control. Besides, failure to exercise control mechanism huge excess expenditure over budget provisions, non-utilisation of budget provisions and persistent savings *etc.* were noticed.

During 2011-12, an expenditure of ` 4,676.96 crore was incurred against the total grants and appropriations of ` 5,150.67 crore, resulting in savings of ` 473.71 crore. The overall savings of ` 473.71 crore were the net result of savings of ` 476.75 crore which were offset by excess of ` 3.04 crore. The excess requires regularisation under Article 205 of the Constitution of India. At the close of the year 2011-12, there were five grants/appropriations in which savings of ` 638.30 crore (1.34 *per cent* of the total savings) occurred but no surrenders were made by the concerned departments.

Out of total provisions amounting to ` 218.85 crore in 31 Schemes, ` 196.59 crore were surrendered which included 100 *per cent* surrender in 13 Schemes amounting to ` 97.25 crore.

In 19 cases, as against savings of ` 194.11 crore, an amount of ` 264.94 crore was surrendered resulting in excess surrender of ` 70.84 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ` 10 lakh and above in 56 sub-heads.

**Recommendations**

- ❖ *Government should put in place an effective mechanism to ensure financial discipline and prepare realistic budget. Budgetary controls should be strengthened in all the Government Departments where savings/excesses persisted for last three years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided. Provision of funds through supplementary provisions should be used as an instrument to fine-tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as nearest as possible.*

*A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within thirty days from the date of drawal of the amount.*