

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 Acts passed under Article 204 and 205 of the Constitution of India. These Accounts list the original budget estimate, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised 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 provision and are therefore complementary to Finance Accounts.

2.1.2 Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants was within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provision of the Constitution was so charged.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 58 grants/appropriations was as given in **Table 2.1**:

Table 2.1: Summarised Position of Actual Expenditure *vis-à-vis* Original/Supplementary provision

Nature of expenditure		Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure*	Savings (-)/ Excess (+)
Voted	I. Revenue	4,496.74	428.88	4,925.62	4,413.12	(-) 512.50
	II. Capital	1,569.59	871.55	2,441.14	1,416.79	(-) 1,024.35
	III. Loans and Advances	34.28	2.81	37.09	13.89	(-) 23.20
	Total Voted	6,100.61	1,303.24	7,403.85	5,843.80	(-) 1,560.05
Charged	IV. Revenue	592.89	4.98	597.87	503.95	(-) 93.92
	V. Capital	-	-	-	-	-
	VI. Public Debt-Repayment	385.94	11.87	397.81	217.52	(-) 180.29
	Total Charged	978.83	16.85	995.68	721.47	(-) 274.21
	Appropriation to Contingency Fund (if any)	-	-	-	-	-
	Grand Total	7,079.44	1,320.09	8,399.53	6,565.27	(-) 1,834.26

* These are gross expenditure including actual recoveries in 5 grants (13, 15, 27, 31 and 51) amounting to ₹ 127.38 crore (Revenue: ₹ 107.84 crore and Capital: ₹ 19.54 crore).

The overall saving of ₹ 1,834.26 crore was the result of saving of ₹ 1,904.02 crore in 41 grants and 11 appropriations under Revenue Section, 30 grants and seven appropriations under

Capital Section, offset by excess of ₹ 69.76 crore in five grants and two appropriations under Revenue Section and one grant and one appropriation under Capital Section.

Out of total savings of ₹ 1,904.02 crore, ₹ 1,702.14 crore savings was mainly in Finance (₹ 554.57 crore), Tribal Welfare (₹ 306.78 crore), Welfare of Scheduled Castes (₹ 197.78 crore), Planning and Co-ordination (₹ 86.72 crore), Public Works (Water Resources) (₹ 99.97 crore), Agriculture (₹ 188.08 crore), Public Works (Roads and Buildings) (₹ 81.35 crore), Home (Police) (₹ 66.33 crore), Education (Social) (₹ 47.08 crore), Education (Higher) (₹ 39.13 crore) and Education (School) (₹ 34.21 crore) Departments.

Total excess expenditure of ₹ 69.76 crore occurred mainly in Finance (₹ 28.35 crore), Urban Development (₹ 21.57 crore), Health (₹ 8.59 crore), Panchayati Raj (₹ 4.83 crore), Information Technology (₹ 3.94 crore) and Industries and Commerce (₹ 1.43 crore) Departments.

Reasons for huge savings/ excess had not been intimated by the departments concerned.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that out of overall savings of ₹ 1,834.26 crore, savings of ₹ 1,775.50 crore (96.80 per cent) exceeded ₹ 10 crore in each case in respect of 27 cases (**Appendix 2.1**).

It was also seen that in 17 cases (**Appendix 2.1**) actual expenditure was less than even the original provision of which in 12 cases supplementary provision were also made. There were savings of more than ₹ 100 crore each in two cases under Revenue viz., Agriculture (₹ 100.99 crore) and Tribal Welfare (₹ 110.87 crore) Departments and in three cases under Capital viz., (i) Finance (₹ 459.28 crore), (ii) Tribal welfare (₹ 195.91 crore) and (iii) Welfare of Scheduled Castes and other Backward Classes (₹ 118.96 crore) Departments, which ranged from 21 to 95 per cent of their provision. Abnormal savings indicated that the basis for assessment of original as well as supplementary requirements were not realistic.

Reasons for huge savings had not been intimated (October 2012) by the departments.

2.3.2 Persistent Savings

In 33 cases, there were persistent savings of more than rupees one crore each during the last five year period (**Appendix 2.2**). Out of 33 cases, in 12 cases the savings were more than ₹ 10 crore while in 11 cases the savings were more than 10 per cent of their provision during the year 2007-08 to 2011-12 as detailed in **Table 2.2**.

Table 2.2: List of Grants indicating Persistent Savings of ₹ 10 crore and above during 2007-12

Sl. No.	Number and name of grant	Amount of savings				
		2007-08	2008-09	2009-10	2010-11	2011-12
<i>(Rupees in crore)</i>						
Revenue-Voted						
1.	10 – Home (Police) Department	22.02 (6)	37.06 (9)	18.35 (3)	17.78 (3)	49.29 (8)
2.	19 – Tribal Welfare Department	36.87 (13)	42.78 (13)	56.61 (14)	123.25 (26)	110.87 (21)
3.	20 – Welfare of Scheduled Castes Department	19.89 (20)	30.28 (23)	42.92 (28)	71.40 (40)	78.77 (37)
Capital-Voted						
4.	13 – Public Works (Roads and Buildings) Department	44.02 (18)	46.54 (19)	23.02 (11)	64.74 (34)	31.98 (19)
5.	15 – Public Works (Water Resources) Department	15.34 (41)	13.03 (40)	27.05 (55)	79.65 (74)	58.45 (68)
6.	19 – Tribal Welfare Department	183.09 (51)	215.90 (39)	305.80 (41)	263.69 (42)	195.91 (32)
7.	20 – Welfare of Scheduled Castes Department	85.00 (48)	126.01 (41)	189.91 (48)	169.99 (50)	118.96 (35)
8.	27 – Agriculture Department	15.35 (55)	29.29 (61)	39.72 (66)	59.96 (68)	86.99 (79)
9.	34 – Planning and Coordination Department	116.82 (89)	73.14 (94)	101.67 (97)	155.82 (98)	86.60 (95)
10.	39 – Education (Higher) Department	13.92 (78)	15.97 (71)	34.71 (54)	22.88 (47)	27.47 (41)
11.	40 – Education (School) Department	31.39 (59)	18.12 (33)	32.73 (44)	17.31 (35)	21.96 (27)
12.	43 – Finance Department	136.22 (99)	35.92 (97)	101.37 (99)	204.88 (99)	301.52 (99)

NB: Percentage of total provision in brackets.

Analysis of the savings revealed that:

- There were increasing trend of savings in respect of Welfare of Scheduled Castes and Other Backward Classes Department (Grant No. 20) in Revenue Sector and Agriculture Department (Grant No. 27) under Capital Sector during the last five year period. In Grant No. 20, the savings increased from ₹ 19.89 crore in 2007-08 to ₹ 78.77 crore in 2011-12 in respect of Revenue account while the trend of high savings was persistent in respect of Capital account and the percentage of savings as compared to the provision ranged between 35 and 50 *per cent* during the period. Again in Grant No. 27, the savings increased from ₹ 15.35 crore in 2007-08 to ₹ 86.99 crore in 2011-12 in respect of Capital account while the percentage ranged between 55 and 79 of its provision during the period. The high percentage of savings to original provision also occurred during the five year period (2007-12) except 2008-09 in Grant No. 43 in respect of Capital Account and stood at 99 *per cent*.

2.3.3 Expenditure without Provision

As per the Financial Rule, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 78.87 crore was incurred in

Audit Report on State Finances for the year 2011-12

18 grants/ appropriations without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this effect. Details of the scheme / service where expenditure were incurred without any provision of funds are detailed in **Appendix 2.3**.

There were 14 cases under 9 grants/ appropriations, where expenditure of rupees one crore in each case (**Appendix 2.3**), was incurred without making any provision during the year out of which, in 3 cases amount involved was more than ₹ 10 crore each, as detailed in **Table 2.3**.

Table 2.3: Expenditure incurred without provision during 2011-12

<i>(Rupees in crore)</i>				
Number and Name of Grants/ Appropriations	Head of Account	Head of Service	Amount of expenditure without provision	Reasons/Remarks
35 – Urban Department	(i) 2217	Urban Development		Reasons for expenditure without budget provision were not intimated by the Department (September 2012).
	01	State Capital Development		
	192	Assistance to Municipalities/ Municipal Council		
	32	Urban Development		
	20	JNNURM (Plan)	10.52	
	(ii) 4217	Capital Outlay on Urban Development		
	01	State Capital Development		
	051	Constructions		
	43	Finance Commission		
	59	Construction of Drainage system in Agartala (Plan)	20.00	
43 – Finance Department	6003	Internal Debt of State Government		Reasons for incurring expenditure without appropriation was stated to be due to clubbing of budget provision in major head/sub-head 6003-105 instead of 6003-101.
	105	Loan for NABARD		
	58	Debt Services		
	11	NABARD (Non-Plan)	18.85	

2.3.4 Excess over provision 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 regularised by the State Legislature. Although no time limit for regularisation of expenditure had been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Information on the regularisation of excess expenditure amounting to ₹ 1,331.15 crore for the years 2000-11 had not been furnished (November 2012) by the State Government though called for (June 2012). The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table 2.4**.

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

Year	Number of		Amount of excess over provision	Status of regularisation
	Grants	Appropriations		
2000-01	5 (5,10,31,45,51)	4 (13,14,25,43)	81.92	NA
2001-02	10 (5, 7, 10, 14, 17, 22, 24, 31, 41, 45)	4 (13, 35, 43,49)	275.57	NA
2002-03	6 (6, 7, 10, 36, 45, 47)	4 (12, 14, 31, 43)	266.77	NA
2003-04	3 (5, 28, 36)	2 (31, 43)	233.55	NA
2004-05	11 (2, 4, 6, 14, 18, 22, 33, 36, 40, 54, 55)	3 (1, 31, 43)	321.67	NA
2005-06	5 (6, 15, 39, 45, 56)	2 (1, 43)	14.58	NA
2006-07	3 (22, 41, 42)	3(13, 20, 43)	14.85	NA
2007-08	3 (23, 28, 36)	2 (43, 48)	22.89	NA
2008-09	5 (22, 31, 35, 41, 56)	2 (2, 43)	16.56	NA
2009-10	3 (23, 24, 29)	1 (14)	62.17	NA
2010-11	8 (13, 14, 16, 22, 24,31, 41, 56)	5 (1, 2, 13, 48)	20.62	NA
Total			1,331.15	

2.3.5 Excess Expenditure

An excess expenditure aggregating to ₹ 69.76 crore was incurred in 9 cases under 8 grants / appropriations which exceeded the approved provision during the year 2011-12 and are required to be regularised by the State Legislature under Article 205 of the Constitution. Details are given in **Appendix 2.4**. The maximum excess expenditure which occurred in the grants/ heads are detailed in **Table 2.5** below:

Table 2.5: List of Grants indicating Excess expenditure by 10 per cent and above of the total provision during 2011-12

Sl. No.	Number and name of grant	Total provision	Total expenditure	Amount of excess expenditure	Percentage of excess expenditure to total provision
Revenue-voted					
1.	16 – Health Department	86.65	95.24	8.59	10
2.	23 – Panchayati Raj Department	94.25	99.08	4.83	5
Capital-voted					
3.	35 – Urban Development Department	7.63	26.27	18.64	244
4.	56 – Information Technology Department	8.21	12.15	3.94	48
Total:		196.74	232.74	36.00	18

The above table shows that out of total excess expenditure of ₹ 69.76 crore, ₹ 36.00 crore (52 per cent) occurred in four grants, of which, excess expenditure occurred for more than rupees one crore in each case over the total provision and it ranged between 10 and 244 per cent. High percentage (244 per cent) of excess expenditure was observed in Grant No. 35 – Urban Development Department followed by 51 per cent in case of Grant No. 23 – Panchayati Raj Department. It was seen from the Appropriation Accounts 2011-12 that though there was no

Audit Report on State Finances for the year 2011-12

provision in case of charged expenditure under revenue head of Grant No. 35, ₹ 2.93 crore was incurred without any provision which turned into an excess expenditure during the year. However, when compared to the revised estimates (both Revenue and Capital taken together), there was no overall excess expenditure in Grant No. 23 but in Grant No. 35 the total excess expenditure was ₹ 28.81 crore during the year 2011-12.

2.3.6 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating to ₹ 269.37 crore obtained in 16 cases (₹ one crore or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.5**. In 5 cases, supplementary provision of ₹ 18.15 crore proved insufficient, by rupees one crore or more in each case, leaving an aggregate excess expenditure of ₹ 37.44 crore over the supplementary provision (**Appendix 2.6**). In 21 cases, supplementary provision of ₹ 921.71 crore was obtained against actual requirement of ₹ 376.62 crore, resulting in excess supplementary provision as well as savings of ₹ 545.09 crore in these cases, as detailed in **Appendix 2.7**.

2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2011-12, where savings were anticipated, injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over rupees one crore in each sub-head of 25 grants/appropriations as detailed in **Appendix 2.8**.

In 15 out of 123 Sub-heads of 8 grants/appropriations (**Appendix 2.8**), savings/ excess of more than ₹ 10 crore in each case occurred due to injudicious, insufficient or excessive re-appropriation of funds during the year 2011-12. This indicated that re-appropriations were done without proper assessment of actual requirement.

2.3.8 Unexplained re-appropriation

According to the Financial Rules, reasons for additional expenditure and savings should be explained with case specific comments and vague expressions such as “based on actual requirements”, “based on trend of expenditure”, etc., should be avoided. Scrutiny of re-appropriation orders issued by the Finance Department revealed that out of total 725 cases, re-appropriation was done in 391 cases (54 *per cent*) where the reasons attributed were largely commented upon with expression like ‘based on actual requirement’ which in violation to Financial Rules were arbitrary and vague.

2.3.9 Substantial surrenders

Substantial surrender (cases where more than 50 *per cent* of total savings) were not made in respect of 24 grants/appropriations. Out of the total provision of ₹ 2,300.06 crore in these 24 cases, ₹ 486.11 crore (21 *per cent*) of total provision was available for surrender. Of this, ₹ 365.35 crore (75 *per cent* of available savings) was not surrendered during the year 2011-12.

It is noticeable that as much as 99 *per cent* of available savings was not surrendered in four grants (Grant No. 5, 12, 21 and 40) and 90 to 98 *per cent* were not surrendered in another four grants (Grant No. 16, 38, 52 and 53). The details of such cases are given in **Appendix 2.9**. Reasons for not surrendering ₹ 365.35 crore were not stated.

2.3.10 Surrender in excess of actual savings

In 9 cases, the amounts surrendered were in excess of actual savings which indicated inadequate budgetary control in these departments. As against savings of ₹ 129.74 crore, the surrendered amount was ₹ 150.70 crore resulting in excess surrender of ₹ 20.96 crore. Details are given in **Appendix 2.10**. In 2 out of 9 cases, the amount of excess surrender was above ₹ 4 crore while in one case it was above ₹ 9 crore.

2.3.11 Anticipated savings not surrendered

As per Financial Rules, the departments incurring expenditure 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 2011-12, there were 40 grants/appropriations in which savings occurred (₹ 10 lakh and above in each case) but no amount was surrendered by the departments concerned. The amount involved in these cases was ₹ 218.33 crore (**Appendix 2.11**). Out of 40, in 19 cases the savings were more than rupees one crore while in seven cases, there were savings of more than ₹ 10 crore. The departments involved were (i) Public Works (Roads and Buildings) Department (₹ 31.98 crore, ₹ 30.25 crore and ₹ 18.83 crore), (ii) Education (Higher) Department (₹ 27.47 crore and ₹ 11.66 crore), Education (School) Department (₹ 21.96 crore) and (iv) Home (Police) Department (₹ 17.04 crore).

Besides, in four grants, there were no anticipated savings and even the expenditure was in excess of the provision. Though there were no savings, the Controlling Officers (**Appendix 2.12**) surrendered an amount of ₹ 16.24 crore during 2011-12, which was indicative of poor financial management and control over expenditure.

2.3.12 Rush of expenditure

In order to utilise the total resources at the disposal of the Government to the best advantage, the departmental heads / controlling officers at whose disposal a grant is placed, are required to keep constant watch over the progress of expenditure under different units of appropriation so that timely action can be taken to surrender funds that cannot be utilised instead of spending them hastily or in an ill-considered manner at the close of the financial year.

According to the Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 25 grants/ appropriations more than 20 *per cent* of the total provision and expenditure during the year was incurred in the last month of the financial year (**Appendix 2.13**). In six grants under Capital Section more than 50 *per cent* expenditure was incurred during March 2012.

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill planned expenditure. The departments should spread the expenditure uniformly throughout the year as far as practicable without holding the funds till the end of the financial year.

2.4 Expenditure controls

2.4.1 Pendency in submission of Detailed Countersigned Contingent (DCC) Bills against Abstract Contingent (AC) Bills

As per sub-rules 11 (ii) and 14 of Rule 27 of the Delegation of Financial Powers Rules, Tripura, 2007, drawal of the amount in AC Bills should be adjusted in DCC Bills submitted to countersigning officer within 60 (sixty) days from the date of the drawal of the amount, and the Head of the Department shall countersign all DCC Bills and forward them to the Accountant General (Accounts & Entitlement), Tripura within 90 (ninety) days from the date of the drawal of the AC Bill.

As on 1-4-2011, there were 22,787 Nos of Unadjusted AC Bills involving ₹ 147.74 crore drawn by various departments/ DDOs upto 31-3-2011. Out of this, only 19,403 Bills amounting to ₹ 110.60 crore were settled. In 2011-12, 10,164 AC bills amounting to ₹ 111.55 crore were drawn. The total unadjusted AC bills as on 31-03-2012 stood at 13,548 bills involving ₹ 148.69 crore. One of the major reasons for drawing AC bills was to avoid lapse of budget/funds.

The year-wise position for the last three years are given in **Table No. 2.6**:

Table 2.6: Year-wise break-up of outstanding AC Bills as on 31-03-2012

Year	<i>(Rupees in crore)</i>					
	AC Bills outstanding as on 31 March 2011		Outstanding AC Bills settled upto 31 March 2012		Outstanding AC Bills as on 31 March 2012	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
Upto 2009-10	7,194	62.76	5,930	48.89	1,264	13.87
2010-11	15,593	84.98	13,473	61.71	2,120	23.27
2011-12	-	-	-	-	10,164	111.55
Total :	22,787	147.74	19,403	110.60	13,548	148.69

Source: Based on VLC data from A&E Office.

Department-wise breakup of AC Bills involving ₹ 111.55 crore drawn during the year 2011-12 are given in **Appendix 2.14**. Year-wise position of substantial amounts drawn on 11,700 AC Bills involving ₹ 128.60 crore by some major departments which remained un-adjusted as on 31 March 2012 are given below:

Table 2.7: Year-wise break-up of AC Bills outstanding of some major departments

(Rupees in crore)

Sl. No.	Name of Department	Year	No. of AC Bills	Amount of AC Bills outstanding as on 31 March 2012
1.	Tribal Welfare Department	2009-10	711	7.83
		2010-11	854	7.27
		2011-12	2414	29.23
2.	Welfare of SC, OBC and Minorities Department	2009-10	55	0.61
		2010-11	307	4.49
		2011-12	1533	13.96
3.	Education (Social) Department	2010-11	297	3.65
		2011-12	1255	6.15
4.	Revenue Department	2009-10	498	5.43
		2010-11	275	2.37
		2011-12	2413	24.96
5.	Education (School) Department	2010-11	337	4.88
		2011-12	685	17.08
6.	Rural Development Department	2010-11	50	0.61
		2011-12	16	0.08
Total:			11700	128.60

Non-adjustment of AC Bills for long periods and failure of controlling authority in enforcing strict financial discipline could lead to mis-appropriation.

2.5 Preparation of Budget Estimates – compliance with prescribed procedures

The budgetary practices followed in Tripura are codified in the Tripura Budget Manual, 1998, which had been framed with a view to improve the quality of budgets and its implementation. The budget manual draws the roadmap for all departments:

- to restrict the expenditure within the budget estimates.
- to avoid idle parking of funds in the PL/ Bank/ Postal accounts etc. by drawal of funds without immediate actual expenditure.

The budget manual also reiterates on avoidance of lapse of funds and the funds under CSS/ NEC which are not utilised within the same financial year, should be revalidated in the next/ subsequent years. The savings in non-plan is more a credit rather than discredit.

2.5.1 Preparation of Revised Estimate and Budget Estimate by the State Government Departments

Every year all the departments prepare their own budget as per guidelines of the Finance Department. Before preparation of budget estimates, DDO-wise and item/scheme-wise requirement of funds are consolidated and the budget is prepared as per format considering the requirement of funds of the DDOs.

Audit Report on State Finances for the year 2011-12

Regarding preparation of Revised Estimate for a particular year, the Finance Department convenes a meeting with all the departments and discusses about the budget estimate for the next financial year and revised estimate for the current year. After detailed discussion with the departments, the Finance Department finalises a tentative amount of revised estimate (Plan and Non-Plan) and budget estimate for the next financial year. Accordingly, the departments prepare their budget, on the basis of the figures finalised by the Finance Department as per format and submit the same to the Finance Department. However, as per Rule 7 of Chapter IV of the Budget Manual of Government of Tripura, each Controlling Officer is responsible for the correct preparation of the estimates (both for revised and budget) in respect of the receipts and expenditure with which he is concerned.

2.5.2 Non-Plan Non-Salary Expenditure

The position of Budget Estimates and Revised Estimates (both plan and non-plan expenditure) along with actuals for the years 2007-12 of the State are given below:

Table 2.8: Total Plan and Non-Plan Expenditure

	Total Expenditure					
	Plan			Non-Plan		
	Budget Estimate	Revised Estimate	Actual	Budget Estimate	Revised Estimate	Actual
2007-08	1814.38	1742.96	1424.27	2624.06	2535.62	2410.84
2008-09	2209.96	2154.23	1795.72	3038.80	2967.38	2715.32
2009-10	2300.34	2725.77	2077.42	3784.00	3829.23	3680.07
2010-11	2683.75	2405.55	1887.29	4009.51	3888.43	3737.03
2011-12	2646.38	2871.05	2383.06	4213.07	4183.67	3823.43

Source: Budget at a Glance and Finance Accounts.

Scrutiny of Budget documents revealed that there was increase in Plan expenditure in the RE over the BE in 2009-10 and 2011-12 during last five year period (2007-12). In 2009-10 and 2011-12 the revised Plan estimates exceeded the BE by ₹ 425.43 crore and ₹ 224.67 crore respectively. However, the actual expenditure was lower than both the BE and RE during all the years in the last five year period. It was also noticed from the budget documents that the revised estimates for the plan expenditure during 2011-12 had increased in respect of 16 grants/ appropriations where the percentage of increase ranged between 50 per cent and 1930 per cent over the original Budget Estimate during the year (Appendix 2.15).

Further it was noticed that during the period 2007-12, the RE of the State in respect of Non-Plan expenditure was less than the BE, except in 2009-10 when it was higher by ₹ 45.23 crore. The actual expenditure was within the BE and RE during the five year period.

On being pointed out, the Finance Department in reply stated (September 2012) that increase of provision for different grants depends upon the receipt of funds from the Government of India under various schemes like CSS/NEC etc. and policy of the Government. Moreover, the Special Central Assistance (SPA) granted by the Planning Commission is initially kept under Finance Department grant as projects are not finalised at the beginning of the financial year. Subsequently, the Finance Department allocates the funds to different departments based on

the Projects sanctioned by the Planning and Co-ordination Department resulting in abnormal increase in grants under State Plan Head.

The Finance Department, a key department of the Government of Tripura, should finalise the budget for the next financial year following current year's expenditure pattern and instruct the Controlling Officers accordingly.

2.6 Outcome of the Review of Selected Grants

2.6.1 Introduction

A review of Grant No 41- Education (Social) Department was conducted in September 2012 in the Directorate of Social Welfare and Social Education mainly to assess the efficiency in the process of budgeting and consequent control of expenditure under both the Revenue and Capital heads during the year 2011-12.

The Principal Secretary, the Controlling Officer of the Education (Social Welfare and Social Education) Department assisted by the Director of Social Welfare and Social Education was responsible for the implementation of the Government policies pertaining to social welfare and social education.

1. The summarised position of budget provision and actual expenditure thereagainst during 2011-12 in respect of Grant No. 41 is given below:

Table 2.10:

Nature of expenditure	Budget provision			Actual Expenditure	(Rupees in crore) Savings (-)/ Excess (+)
	Original	Supplementary	Total		
Revenue	215.83	16.88	232.71	205.44	(-) 27.27
Capital	41.47	8.48	49.95	30.15	(-) 19.80
Total:	257.30	25.36	282.66	235.59	(-) 47.07

Source: Appropriation Accounts – 2011-12.

Table above shows that against the total budget provision of ₹ 282.66 crore, expenditure of ₹ 235.59 crore was incurred under Grant No. 41 resulting in an overall savings of ₹ 47.07 crore during the year.

Scrutiny of Appropriation Accounts revealed that out of total savings of ₹ 47.07 crore, an amount of ₹ 18.05 crore (Revenue: ₹ 13.77 crore; Capital: ₹ 4.28 crore) was surrendered by the Department resulting in net savings of ₹ 29.02 crore during the year 2011-12.

Further scrutiny of the Appropriation Accounts revealed that the Controlling Officer of the Social Education Department mainly operates the major heads (i) 2202 – General Education, (ii) 2235 – Social Security and Welfare, (iii) 2236 – Nutrition etc. in Revenue Section and major head (iv) 4235 – Capital Outlay on Social Security and Welfare in Capital Section under Grant No. 41. On scrutiny, it was noticed that out of total expenditure of ₹ 205.44 crore in Revenue, ₹ 205.43 crore was incurred in major heads under General Education (₹ 43.00 crore),

Audit Report on State Finances for the year 2011-12

Social Security and Welfare (₹ 161.99 crore) and Nutrition (₹ 0.44 crore) both in Plan and Non-Plan heads against a total provision of ₹ 218.95 crore, resulting in a savings of ₹ 13.51 crore in these heads during the year. In Capital section, out of total expenditure of ₹ 30.15 crore, ₹ 21.67 crore was incurred on Integrated Child Development Programme under CSS and ₹ 8.48 crore on other welfare programmes against the revised estimate of ₹ 45.66 crore resulting in net savings of ₹15.51 crore under this head. Major head-wise provision and their expenditure are given below:

Table 2.11: Major head-wise grants and expenditure in Grant No. 41 during 2011-12

Major Head	Budget Provision				Expenditure				(Rupees in crore)
	Non-Plan	Plan	CSS	Total	Non-Plan	Plan	CSS	Total	Savings (-) /Excess (+)
2059	0.01	-	-	0.01	0.01	-	-	0.01	-
2202	43.85	0.01	-	43.86	42.99	0.01	-	43.00	(-) 0.86
2235	6.13	71.67	96.92	174.72	6.77	71.42	83.80	161.99	(-) 12.73
2236	0.36	-	-	0.36	0.44	-	-	0.44	(+) 0.08
4235	-	8.48	37.18	45.66	-	8.48	21.67	30.15	(-)15.51
Total:	50.35	80.16	134.10	264.61	50.21	79.91	105.47	235.59	(-) 29.02

Source: Departmental information.

Analysis of the expenditure *vis-à-vis* the budget provision revealed that savings in revenue expenditure was mainly due to inability of the Department to spend ₹ 11.16 crore provided under Integrated Child Development Services (ICDS) Programme and ₹ 1.86 crore under Indira Gandhi Matritva Sahayak Yojana (IGMSY) and other activities against the revised budget of ₹ 92.73 crore and ₹ 4.00 crore respectively, while major savings in Capital Section was due to non-utilisation of ₹ 15.52 crore which include ₹ 15.18 crore for construction of Anganwadi centres during 2011-12.

2.6.2 Short release of Central funds

During 2011-12, Government of India released ₹ 178.98 crore against its share of project costs of ₹ 204.41 crore under various centrally sponsored schemes/ programmes *viz.* Integrated Child Development Services (ICDS), Special Nutrition Programme, Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-SABLA, construction of Anganwadi Centres, National Social Assistance Programme (NSAP) etc. The State Finance Department released only ₹ 145.60 crore to the SW&SE Department out of ₹ 178.98 crore received from GOI during the year 2011-12. Thus, there was a short release of funds of ₹ 25.43 crore by the GOI during the year which was further compounded by short release of ₹ 33.38 crore by the State Finance Department which might affect the outcome of the intended benefits that were to accrue from the Programmes/Projects. Besides, the Finance Department released ₹ 57.36 crore (revalidation of unspent funds pertaining to previous year: ₹ 49.15 crore and advance release during the year: ₹ 8.21 crore) under ICDS and NSAP to the Department during 2011-12.

2.7 Conclusion and Recommendation

There was an overall saving of ₹ 1,834.26 crore and excess expenditure of ₹ 69.76 crore against 58 grants/appropriations during 2011-12. The excess expenditure of ₹ 1,331.15 crore over provision up to 2010-11 increased to ₹ 1,400.91 crore in 2011-12. This excess requires regularisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was also observed towards the end of the year. In respect of six grants/appropriations, more than 50 *per cent* of the total expenditure during the year was incurred in the last month of the financial year in respect of Capital Section. The Abstract Contingent Bills were not adjusted for long periods and therefore, were fraught with the risk of mis-appropriation.

Budgetary controls should be strengthened in all the Government departments, particularly in the departments where savings/excesses persisted for last five years. A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within sixty days from the date of drawal of the amount as required under the extant Rules. The Departments should follow more reliable mechanisms in budgeting to avoid persistent savings or excess.