

## Chapter II

### Financial Management and Budgetary Control

#### 2.1 Introduction

Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and reappropriations 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. Appropriation Accounts thus facilitate management of finances, in monitoring budgetary provisions and therefore, are complementary to Finance Accounts.

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

As per the State Budget Manual (SBM), the Finance Department is responsible for the preparation of the annual budget by obtaining from the various departments, material on which to base its estimates. The departmental estimates of receipt and expenditure are prepared by Controlling Officers on the advice of their Heads of Departments and submitted to the Finance Department by the prescribed dates. The Finance Department then consolidates the estimates and prepares the Detailed Estimates and Grants. The estimates of expenditure should be as accurate as possible. An avoidable excess in an estimate is as much a financial irregularity as an excess in the actual expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should neither be more nor less.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2014-15 against 55 grants/appropriations is given in **Table 2.1** below:

**Table 2.1: Actual Expenditure vis-à-vis original/supplementary provisions**

(₹ in crore)

Nature of expenditure		Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Amount surrendered on 31 March 2015	Percentage of savings surrendered by 31 March 2015
<b>Voted</b>	I Revenue	97,347.57	2,792.30	1,00,139.87	86,513.60	(-) 13,626.27	13,596.84	13,596.84	99.8
	II Capital	21,378.83	1,094.72	22,473.55	16,739.97	(-) 5,733.58	5,271.75	5,271.75	91.9
	III Loans and Advances	517.94	18.54	536.48	700.78	(+) 164.30	150.75	150.75	-
<b>Appropriation to Contingency Fund</b>		-	300.00	300.00	300.00	-	-	-	-
<b>Total Voted</b>		<b>1,19,244.34</b>	<b>4,205.56</b>	<b>1,23,449.90</b>	<b>1,04,254.35</b>	<b>(-) 19,195.55</b>	<b>19,019.34</b>	<b>19,019.34</b>	<b>-</b>
<b>Charged</b>	IV Revenue	10,579.50	67.47	10,646.97	10,570.38	(-) 76.59	75.31	75.31	98.3
	V Capital	0.02	-	0.02	0.02	-	. <sup>1</sup>	. <sup>1</sup>	-
	VI Public Debt-Repayment	4,956.89	-	4,956.89	4,960.04	(+) 3.15	15.28	15.28	-
<b>Total Charged</b>		<b>15,536.41</b>	<b>67.47</b>	<b>15,603.88</b>	<b>15,530.44</b>	<b>(-) 73.44</b>	<b>90.59</b>	<b>90.59</b>	<b>-</b>
<b>Grand Total</b>		<b>1,34,780.75</b>	<b>4,273.03</b>	<b>1,39,053.78</b>	<b>1,19,784.79<sup>2</sup></b>	<b>(-) 19,268.99</b>	<b>19,109.93</b>	<b>19,109.93</b>	<b>99.2</b>

Source: Appropriation Accounts

**Table 2.1** indicates that supplementary provision aggregating to ₹ 4,273.03 crore obtained during 2014-15 proved unnecessary as the actual expenditure did not even come up to the level of original grant/appropriation. The overall saving (₹ 19,268.99 crore) was the result of savings of ₹ 19,272.14 crore in 49 grants and 44 appropriations under Revenue Section, 35 grants and 3 appropriations under Capital Section, offset by overall excess of ₹ 3.15 crore in one appropriation under Capital Section.

Since, there was overall revenue deficit (₹ 3,215 crore) and also fiscal deficit (₹ 19,000 crore), had the Government not achieved savings, their revenue deficit and fiscal deficit would have gone upto ₹ 16,918 crore and ₹ 38,272 crore respectively as detailed below:

(₹ in crore)

Particulars	Actuals	Deficit, if savings had not occurred
Revenue Deficit (-)/ Surplus (+)	(-) 3,215	(-) 16,918
Fiscal Deficit (-)	(-) 19,000	(-) 38,272

The Principal Accountant General (PAG), Accounts and Entitlement (A&E), Rajasthan forwarded (June and July 2015) Detailed Appropriation Accounts to the Controlling Officers, requesting them to explain the significant variations of savings/excesses. Out of 1,516 sub-heads, explanations for variation in

<sup>1</sup> Only ₹ 5,000

<sup>2</sup> The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 2,542.01 crore and Capital: ₹ 637.30 crore, Total: ₹ 3,179.30 crore).

respect of 811 sub-heads (saving: 652 and excess: 159) were awaited (November 2015).

## 2.3 Financial accountability and budget management

### 2.3.1 Excess over provisions relating to previous years (2010-14) requiring regularisation

Under Article 205 of the Constitution of India, it is mandatory for State Governments to get the excess over grant/appropriation, regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed, such regularisation is done after completion of the discussion of Appropriation Accounts by the Public Accounts Committee (PAC).

In 13 grants, excess expenditure amounting to ₹ 20.74 crore for the period 2010-14 was yet to be regularised (as on 10 August 2015). The year-wise details are summarised in **Table 2.2** below:

**Table 2.2: Excess over provisions relating to previous years requiring regularisation**

Year	Total number of Grants/Appropriations	Number and name of Grant/Appropriation	Grant/Appropriation	Amount of excess (₹ in crore)	Stage of consideration by PAC (As on 10 August 2015)
2010-11	4	20-Housing	Capital-voted	2.16	Para no. 2.3.5 of 13 <sup>th</sup> PAC Report of 14 <sup>th</sup> Vidhan Sabha received. Action Taken Note received from the Government and vetting remarks sent.
		27-Drinking Water Scheme	Revenue-voted	15.70	
		28-Special Programme for Rural Development	Revenue-voted	1.90	
		38-Minor Irrigation and Soil Conservation	Capital-voted	0.01	
	2	13-Excise	Revenue-charged	- <sup>3</sup>	
		15-Pensions and Other Retirement Benefits	Revenue-charged	0.03	
2011-12	1	48-Power	Capital-voted	0.01	Para 2.3.5 of 46 <sup>th</sup> PAC Report of 14 <sup>th</sup> Vidhan Sabha received. Action Taken Note received from the Government and vetting remarks sent.
	2	12-Other Taxes	Revenue-charged	0.11	
		36-Cooperation-	Revenue-charged	- <sup>4</sup>	
2012-13	2	11- Miscellaneous Social Services	Revenue-charged	0.01	Not examined by PAC
		20-Housing	Revenue-charged	- <sup>5</sup>	Not examined by PAC
2013-14	2	16-Police	Revenue-charged	- <sup>6</sup>	Not examined by PAC
		41-Community Development	Capital-voted	0.81	Not examined by PAC
<b>Total</b>	<b>13</b>			<b>20.74</b>	

Source: Appropriation Accounts

<sup>3</sup> Only ₹ 54,783

<sup>4</sup> Only ₹ 57

<sup>5</sup> Only ₹ 2,100

<sup>6</sup> Only ₹ 23,122

### 2.3.2 Excess over provisions during 2014-15 requiring regularisation

**Table 2.3** contains the summary of excess under one appropriation amounting to ₹ 3.15 crore over and above, which was authorised from the Consolidated Fund of the State, during 2014-15 and requires regularisation under Article 205 of the Constitution.

**Table 2.3: Excess over provisions requiring regularisation during 2014-15**

(₹ in crore)				
S. No.	Number and name of Grant/Appropriation	Total appropriation	Expenditure	Excess
<b>Capital Charged</b>				
1.	Public Debt	4,956.89	4,960.04	3.15
<b>Grand Total</b>		<b>4,956.89</b>	<b>4,960.04</b>	<b>3.15</b>

**Source:** Appropriation Accounts

Reasons for excess expenditure over authorisation from the Consolidated Fund of the State are given in **Table 2.4**.

### 2.3.3 Expenditure without provision

As per the provisions contained in para 21.19.1(a) of SBM, expenditure should not be incurred on a scheme/service without provision of funds. However, scrutiny of Appropriation Accounts 2014-15 revealed that an expenditure of ₹ 18.44 crore was incurred in following sub-head even without any provision in original estimates/supplementary demand and without any re-appropriation orders to this effect as shown below:

**Table 2.4: Cases of expenditure without provision under the head during 2014-15**

Sl. No.	Name of Appropriation	Head of Accounts	Amount of expenditure without provision (₹ in crore)	Reasons
1.	Public Debt	6003-Internal Debt of the State Government 106-Compensation and other Bonds 02-Special Bond (Power Bonds) 18-8.50% Tax free Rajasthan State Special Bonds, 2015	18.44	Finance (Ways & Means) Department, GoR intimated (04 September 2015) that due date of payment of power bonds was 1 April 2015 but the RBI had debited the amount of ₹ 18.44 crore on 31 March 2015 resulting in booking of expenditure under the head without any budget provision.

Expenditure without provision of fund was irregular and unauthorised.

### 2.3.4 Excess Expenditure

In 10 heads of accounts there were cases of excess expenditure of more than ₹ one crore and also by more than 10 per cent of the total provisions in each head (**Appendix 2.1**). Besides, in one appropriation “Public Debt” there was an excess expenditure of ₹ 3.15 crore.

Inadequate provision of funds resulting in excess expenditure indicated deficient budgetary and expenditure controls.

### 2.3.5 *Rush of expenditure*

Maintaining uniform pace of expenditure is a crucial component of sound public financial management. Any rush of expenditure in the closing month of the financial year should be avoided.

During 2014-15, in respect of 79 sub-heads (*Appendix 2.2*), expenditure of ₹ 14,075.99 crore (exceeding ₹ 50 crore and more than 30 per cent of the total expenditure in each case) was incurred in the last quarter of the financial year, which was 51.6 per cent of total expenditure. Of this, ₹ 9,888.46 crore (70.3 per cent) was spent in March 2015 alone.

Major Heads, where expenditure exceeding ₹ 25 crore and more than 50 per cent of total expenditure, was incurred either during the last quarter or during the last month of the Financial Year, are shown below:

**Table 2.5: Cases of Rush of expenditure towards the end of the Financial Year 2014-15**

Sl. No.	Head of Account	Total expenditure during the year	(₹ in crore)			
			Expenditure during last quarter of the year		Expenditure during March 2015	
			Amount	% of total expenditure	Amount	% of total expenditure
1.	2075-Miscellaneous General Services	617.52	616.47	99.8	615.90	99.7
2.	2245-Relief on account of Natural Calamities	741.35	1,046.05	141.1	1,003.15	135.3
3.	2425-Cooperation	611.51	331.88	54.3	311.75	51.0
4.	3454-Census Surveys and Statistics	491.22	352.78	71.8	249.41	50.8
5.	3475-Other General Economic Services	70.64	54.74	77.5	54.12	76.6
6.	4210- Capital Outlay on Medical and Public Health	484.32	311.32	64.3	257.57	53.2
7.	4801-Capital Outlay on Power Projects	4,249.21	2,863.57	67.4	2,710.97	63.8
8.	4860-Capital Outlay on Consumer Industries	42.57	42.57	100	42.57	100
9.	5475-Capital Outlay on Other General Economic Services	167.07	139.48	83.5	118.45	70.9

**Source:** Information compiled by office of the PAG (A & E), Rajasthan

Incidentally, 12.75 per cent (₹ 2,742.78 crore) of the total amount (₹ 21,504.36 crore) was transferred/deposited in Personal Deposit (PD) Accounts during March 2015 alone as detailed in *paragraph 3.6*

Thus, substantial expenditure was incurred by the departments at the fag end of the year which is indicative of inadequate financial control over the expenditure.

2.3.6 Appropriation vis-à-vis Allocative Priorities

There were deviations from budget allocation with regard to the expenditure during the financial year, raising questions about the credibility of the budgeting process and budget monitoring.

Appropriation audit revealed that against the total savings of ₹ 19,268.99 crore during the year 2014-15, in 23 Grants savings exceeded ₹ 100 crore and above in each case, amounting to ₹ 17,885.40 crore (92.8 per cent) as indicated in Table 2.6 below.

Table 2.6: List of Grants with savings ₹ 100 crore and above

(₹ in crore)

S. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
<b>(A) Revenue-Voted</b>							
1	9-Forest	747.86	Negligible amount	747.86	630.62	117.24 (15.7)	Post remaining vacant, non-receipt of consent of villagers for displacement, non-receipt of second instalment of annual work plan from the GoI and less release of grants by the State Government. Detailed reasons for savings in several cases were not intimated by the State Government.
2	15-Pensions and other Retirement Benefits	9,037.00	858.11	9,895.11	9,628.97	266.14 (2.7)	Non-submission of complete cases of new revised pension of pre-2006 and pre-2013 pensioners by the departments and delay in payment of cases finalized by banks.
3	24-Education, Art and Culture	19,318.57	Negligible amount	19,318.57	16,570.32	2,748.25 (14.2)	Posts of third grade teachers not filled up, posts remaining vacant and less receipt of funds from GoI. Detailed reasons for savings in several cases were not intimated by the State Government.
4	26-Medical and Public Health and Sanitation	6,251.69	Negligible amount	6,251.69	5,081.45	1,170.24 (18.7)	Posts remaining vacant, less receipt of funds from GoI resultantly less release of State Share, less release of funds to Rajasthan Medical Services Corporation Limited under <i>Free Medicine Scheme</i> after receipt of funds from National Rural Health Mission (NRHM), non-release of sanction by the State Government for transfer the funds to PD Accounts of Rajasthan Health Science University and less purchase of machinery and equipments.
5	28-Special Programme for Rural Development	477.18	117.52	594.70	310.30	284.40 (47.8)	Short receipt of funds from GoI, non-receipt of second instalment of funds for Integrated Catchment Management Programme from GoI and non-receipt of funds for National Rural Livelihood Mission from GoI.
6	29-Urban Plan and Regional Development	2,863.76	Negligible amount	2,863.76	2,298.24	565.52 (19.7)	Short/non-receipt of funds from GoI, less release of grants to Municipalities/ Municipal Corporations under Thirteenth Finance Commission (XIII FC) and State Finance Commission. Detailed reasons for savings in several cases were not intimated by the State Government.
7	30-Tribal Area Development	6,352.64	Negligible amount	6,352.64	5,130.08	1,222.56 (19.2)	Short/non-receipt of funds from GoI, post remaining vacant, reduction in plan ceiling, less expenditure on pay and allowances. Detailed reasons for savings in several cases were not intimated by the State Government.

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(₹ in crore)

S. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
8	33-Social Security and Welfare	5,355.35	236.78	5,592.13	5,358.86	233.27 (4.2)	Short receipt of fund from GoI, posts remaining vacant, less expenditure on scholarship and stipends. Detailed reasons for savings in several cases were not intimated by the State Government.
9	34-Relief from Natural Calamities	2,166.52	272.40	2,438.92	2,311.91	127.01 (5.2)	Less expenditure on relief work i.e. drought, floods, cyclones etc.
10	35-Miscellaneous Community and Economic Services	847.72	-	847.72	398.20	449.52 (53.0)	Non-receipt of funds from GoI. Less expenditure on Bhamashah enrolment and preparation of Bhamashah card due to election code of conduct under 'Bhamashah Yojana, 2014'. Detailed reasons for savings in several cases were not intimated by the State Government.
11	37-Agriculture	1,956.80	Negligible amount	1,956.80	1,546.91	409.89 (20.9)	Posts remaining vacant, non-receipt of second instalment from GoI and less expenditure incurred on 'On Farm Water Management Scheme' as less interest shown by the farmers in the scheme due to reduction in limits of grants to general farmers. Detailed reasons for savings in several cases were not intimated by the State Government.
12	39-Animal Husbandry and Medical	632.06	-	632.06	511.35	120.71 (19.1)	Less expenditure on pay and allowances, less expenditure on drugs and medicines, reduction in plan ceiling, non-approval of rates of equipments for <i>Hingonia Gaushala</i> , policy decision for release of grants to <i>Gaushala</i> was not taken by the State Government and non-receipt of funds from GoI. Detailed reasons for savings in several cases were not intimated by the State Government.
13	41-Community Development	5,065.56	28.03	5,093.59	4,457.14	636.45 (12.5)	Reduction in provision upto 52 per cent by the Ministry of Panchayati Raj, GoI, non-receipt of sanction of second instalment from GoI, reduction in grants by Thirteenth Finance Commission under various schemes, less receipt of funds from GoI and non-payment of outstanding liabilities of 'Bhamashah Yojana, 2008'. Detailed reasons for savings in several cases were not intimated by the State Government.
14	46-Irrigation	1,814.74	Negligible amount	1,814.74	1,702.88	111.86 (6.2)	Less expenditure on pay and allowance due to posts remaining vacant. Detailed reasons for savings in several cases were not intimated by the State Government.
15	48-Power	10,384.96	Negligible amount	10384.96	9,114.40	1,270.56 (12.2)	Less payment of interest on power bonds, release of grants as per power supply in rural areas by <i>Jaipur Vidyut Vitaran Nigam Limited (JVVNL)</i> , release of grants to power distribution companies as per the recovery of power tax and less release of grants to JVVNL because of change in ratio of releasing grant for recoupment of revenue losses.
16	50-Rural Employment	3,611.45	-	3,611.45	2,389.85	1,221.60 (33.8)	Short receipt of funds from GoI under various schemes.

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(₹ in crore)

S. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
17	51-Special Component Plan for Welfare of Scheduled Castes	6,164.27	Negligible amount	6,164.27	4,509.85	1,654.42 (26.8)	Post remaining vacant, short/non-receipt of fund from GoI, less expenditure on 'Bhamashah Yojana'. Detailed reasons for savings in several cases were not intimated by the State Government.
<b>Sub Total (A)</b>		<b>83,048.13</b>	<b>1,512.84</b>	<b>84,560.97</b>	<b>71,951.33</b>	<b>12,609.64</b>	
<b>(B) Capital-Voted</b>							
18	12-Other Taxes	374.78	-	374.78	74.78	300.00 (80.0)	Non-implementation of proceedings to transfer the assets after deciding to constitute Bus Terminal Development Authority instead of Rajasthan State Road Transport Corporation by the State Government and the proposed Authority was not formed during the year.
19	19-Public Works	1,397.65	Negligible amount	1,397.65	709.61	688.04 (49.2)	Non-completion of works due to excess work load on Public Works Department (PWD) and less execution of works. Detailed reasons for savings in several cases were not intimated by the State Government.
20	21-Roads and Bridges	3,281.25	-	3,281.25	2,399.82	881.43 (26.9)	Less execution of works and adjustment of percentage charges as per work outlay. Detailed reasons for savings in several cases were not intimated by the State Government.
21	26-Medical and Public Health and Sanitation	346.25	-	346.25	223.28	122.97 (35.5)	Slow progress of works, non-release of sanctions for construction of buildings of 1,079 primary health sub-centres, less amount received by NABARD against loans and non-receipt of fund from GoI.
22	27-Drinking Water Scheme	3,299.95	273.76	3,573.71	3,308.02	265.69 (7.4)	Slow progress of works due to late release of sanction for work, non-utilisation of funds by Water Resources Departments and delay in tendering process. Detailed reasons for savings in several cases were not intimated by the State Government.
23	29-Urban Plan and Regional Development	1280.91	-	1,280.91	707.49	573.42 (44.8)	Slow progress of construction works in sewerage sector due to termination of contracts, delay in land availability, delay in clearance of railway crossing and National Highway Authority of India, posts remaining vacant, reduction in plan ceiling and change in site of land. Detailed reasons for savings in several cases were not intimated by the State Government.
24	30-Tribal Area Development	2,306.93	425.55	2,732.48	2,116.63	615.85 (22.5)	Non-release of sanction for building construction of primary health sub-centres under NABARD scheme, non/less execution of works and non/less receipt of fund from GoI. Detailed reasons for savings in several cases were not intimated by the State Government.
25	33- Social Security and Welfare	301.82	Negligible amount	301.82	45.84	255.98 (84.8)	Delay in land allotment resulted in slow progress of construction works for residential schools by PWD. Detailed reasons for savings in several cases were not intimated by the State Government.
26	37-Agriculture	429.96	-	429.96	309.66	120.30 (28.0)	Detailed reasons for savings were not intimated by the State Government.
27	42-Industries	20.12	0.10	20.22	(-) 81.64	101.86 (503.8)	Detailed reasons for minus expenditure were not intimated by the State Government.



(₹ in crore)

S. No.	No. and Name of the Grant	Original	Supple-mentary	Total	Actual Expen-diture	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
28	43-Minerals	103.56	-	103.56	(-) 4.65	108.21 (104.5)	Delay in decision by review committee created for study of MoU with HPCL for establishment of refinery in the state resulting in non-issuance of share capital to HPCL-Rajasthan Refinery Limited.
29	46-Irrigation	1,165.59	Negligible amount	1,165.59	953.91	211.68 (18.2)	Less execution of works, non/short receipt of funds and non-release of Administrative and financial sanction due to election code of conduct.
30	48-Power	3,600.00	Negligible amount	3,600.00	3,067.13	532.87 (14.8)	Reduction in plan ceiling resulted in less investment in power companies.
31	51-Special Component Plan for Welfare of Scheduled Castes	2,712.86	336.58	3,049.44	2,551.98	497.46 (16.3)	Short receipt of fund from GoI, non-release of sanction for construction of building of primary health sub-centres and less investment of share capital in various power distribution companies of Rajasthan due to reduction in plan ceiling.  Detailed reasons for savings in several cases were not intimated by the State Government.
	<b>Total (B)</b>	<b>20,621.63</b>	<b>1,035.99</b>	<b>21,657.62</b>	<b>16,381.86</b>	<b>5275.76</b>	
	<b>Grand Total (A+B)</b>	<b>1,03,669.76</b>	<b>2,548.83</b>	<b>1,06,218.59</b>	<b>88,333.19</b>	<b>17,885.40</b>	

**Source:** Appropriation Accounts

The cases discussed above indicate that provisions contained in Chapter 13 of the SBM were not followed in preparation of budget estimates of expenditure by the Departments and Budget Controlling Officers of these grants, which resulted in savings of ₹ 17,885.40 crore.

Out of total savings of ₹ 19,268.99 crore, a sum of ₹ 12,609.64 crore (65.4 *per cent*) pertained to savings (₹ 100 crore and above) under 'Revenue-Voted Section', which indicates deficiencies in budget estimation of expenditure. Large savings occurred in areas of Education, Medical and Public Health, Rural Development, Tribal Area Development, Social Security and Welfare, Power and Special Component Plan for Welfare of Scheduled Castes. The main reasons of savings were attributed to posts remaining vacant. Keeping budgetary provision for vacant posts was in contravention of provisions contained in para 13.18.2 of the SBM. Other reasons reported were less/non-receipt of funds from GoI and reduction in Plan outlay and less payment of interest on power bonds.

A sum of ₹ 5,275.76 crore (27.4 *per cent*) pertained to savings (₹ 100 crore and above) under 'Capital Section'. Large savings occurred in areas of Public Works, Urban Plan and Regional Development, Road & Bridges, Tribal Area Sub-plan, Power and Special Component Plan for Welfare of Scheduled Castes. The main reasons of savings were attributed to non-receipt of funds from GoI, reduction in plan ceiling resulting in less investment in power companies, non-release of sanctions and less execution/slow progress of works, which indicated stalling in developmental works and non-creation of assets of the State Government during the year.

In 22 cases, savings ranged between 20.9 and 503.8 *per cent* and exceeded by ₹ 20 crore and more than 20 *per cent* of total provision in each case as detailed in *Appendix 2.3*.

### 2.3.7 Persistent savings

In 17 cases, there were persistent savings of more than ₹ one crore in each case and also by more than 10 *per cent* of the total grant during last three years as summarised in **Table 2.7** and details including major reasons for persistent savings are given in *Appendix 2.4*.

**Table 2.7: List of Grants indicating persistent savings during 2012-15**

S. No.	No. and Name of the Grant	Amount of savings (₹ in crore)		
		2012-13	2013-14	2014-15
<b>Revenue-Voted</b>				
1.	09-Forest	154.23	188.29	117.24
2.	11-Miscellaneous Social Services	20.10	13.60	42.47
3.	20-Housing	12.45	24.01	14.84
4.	28-Special Programmes for Rural Development	84.83	30.39	284.40
5.	35-Miscellaneous Community and Economic Services	35.25	22.44	449.52
6.	43-Minerals	82.11	25.29	94.51
7.	48-Power	1,000.00	2,177.50	1,270.56
8.	50-Rural Development	60.69	57.43	1,221.60
<b>Capital-Voted</b>				
9.	11-Miscellaneous Social Services	1.59	1.62	16.29
10.	19-Public Works	135.71	277.74	688.04
11.	23-Labour and Employment	1.38	2.87	2.88
12.	24-Education, Art and Culture	19.20	47.97	28.47
13.	26-Medical and Public Health and Sanitation	67.07	42.80	122.97
14.	29-Urban Plan and Regional Development	193.94	414.99	573.42
15.	30-Tribal Area Development	232.27	222.84	615.85
16.	33-Social Security and Welfare	85.77	11.21	255.98
17.	46-Irrigation	228.97	279.18	211.68

**Source:** Appropriation Accounts

Reasons for persistent savings were mainly due to posts remaining vacant. Keeping budgetary provision for vacant posts was in contravention of provisions of the SBM. Other reasons reported were less/non-receipt of funds from GoI, less execution/slow progress of works and reduction in Plan outlay.

The persistent savings over the years were indicative of over assessment of requirement of funds by the State Government in Appropriation Act without adequately scrutinising the same and properly monitoring the flow of expenditure. The budgetary controls in various Departments were not effective and trends of expenditure during previous years were not taken into account while allocating funds for the year. The Controlling Officers of these grants need to be directed by the Finance Department to take necessary steps to avoid persistent savings.

### 2.3.8 Unnecessary/excessive supplementary provision

Para 24.2 of SBM stipulates that if during the currency of a financial year, the amount provided for any purpose is found to be inadequate or a need arises for an expenditure on some object or service for which no provision has been made, a supplementary provision can be sanctioned by the Legislature. During 2014-15, supplementary provision, aggregating to ₹ 1,168.36 crore, obtained in 14 cases (₹ one crore or more in each case), proved unnecessary as the expenditure did not even come up to the level of the original provision (*Appendix 2.5*). Important cases where supplementary provisions of more than ₹ 100 crore in each case proved unnecessary are given below in **Table 2.8**:

**Table 2.8: Cases where supplementary provisions (more than ₹ 100 crore) proved unnecessary during 2014-15**

(₹ in crore)					
Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Expenditure	Reasons for supplementary provisions
<b>Revenue-Voted</b>					
1	28-Special Programmes for Rural Development	477.18	117.52	310.30	In anticipation of funds received from the Government of India for Integrated Catchment Management Programme.
<b>Capital-Voted</b>					
2	30-Tribal Area Development	2,306.93	425.55	2,116.63	To meet expenditure on construction works of various schemes under Roads and Bridges, Water Supply, Minor Irrigation etc.
3	51-Special Organisational Schemes for Welfare of Scheduled Castes	2,712.86	336.58	2,551.98	For capital investment in various power distribution companies.

**Source:** Appropriation Accounts

In all the above cases, it was seen that provision for supplementary grants proved unnecessary as the actual expenditure was even less than the original budget estimates. This indicated deficiencies in estimation of requirement of funds for the remaining period of the financial year and failure to monitor the flow of expenditure by these departments, as prescribed in Chapter 21 of the SBM. Thus, unnecessary supplementary provision was made without assessing the actual requirements of funds under these sub-heads.

### 2.3.9 Excessive/unnecessary reappropriation of funds

Reappropriation 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 reappropriation of funds proved excessive, unnecessary or insufficient, resulting in excess expenditure of ₹ 62.75 crore in 59 sub-heads and final savings of ₹ 270.97 crore in 262 sub-heads. The final

excesses/savings after reappropriation was more than ₹ one crore in 18 head of accounts (*Appendix 2.6*). There was insufficient reappropriation in 7 head of accounts, unnecessary reappropriation in 2 head of accounts and excessive reappropriation in 9 head of accounts. This indicated that the availability/requirement of funds, was not properly assessed before such reappropriation.

### ***2.3.10 Unexplained reappropriations***

Para 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained. Scrutiny of reappropriation orders issued (31 March 2015) by the Finance Department, revealed that out of 1,190 explanations, 324 cases were clearly explained in the reappropriation orders. Explanations in the remaining 866 cases were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'. This goes against the principle of transparency stipulated in Section 4 of Fiscal Responsibility and Budget Management Act.

### ***2.3.11 Anticipated savings not surrendered***

As per para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. During 2014-15, out of total savings of ₹ 19,268.99 crore, a sum of ₹ 19,109.93 crore (99.2 per cent) was surrendered on the last working day of the financial year. Of this, ₹ 18,815.03 crore in 49 cases (33 grants and one appropriation) where savings were of more than ₹ 20 crore in each case, were surrendered on the last working day (*Appendix 2.7*) while in 16 grants and one appropriation, where savings (₹ 10,289.06 crore) were ₹ one crore and above, an amount of ₹ 307.95 crore was not surrendered (*Appendix 2.8*).

This indicated lack of realistic financial planning and weak financial control. The Chief Controlling Officers and the Heads of the Departments ignored the budgetary controls laid down in the SBM and the Finance Department failed to exercise the overall financial control over the State budget, which resulted in deprivation of funds for other development purposes.

Departments did not furnish (November 2015) any reasons/explanations regarding surrender of savings on the last working day of financial year.

### ***2.3.12 Lump sum provision***

Para 13.16 of SBM stipulates that lump sum provision should not be, as a rule, made in estimates. In some cases, however, lump provision may become unavoidable. Barring cases where expenditure from lump allotments is regulated by standing sanctions, instructions or rules, detailed explanations justifying provision proposed shall be given in the budget note accompanying the lump sum estimates.

During 2014-15, in 89 cases (more than ₹ 15 crore and also more than 50 per cent of budget provision in 23 grants), a lump sum provision of

₹ 7,197.35 crore was made in the estimates. Out of this, a sum of ₹ 5,237.77 crore (72.8 per cent) remained unutilised at the close of the financial year, which was surrendered at the fag end of the year (**Appendix 2.9**) and the remaining amount of ₹ 1,959.58 crore was re-appropriated. Reasons for making lump sum budget provisions under these cases were not furnished (November 2015) by the Government.

### **2.3.13 Surrender in excess of actual savings**

In three grants, against the savings of ₹ 1,677.38 crore, an amount of ₹ 1,787.38 crore was surrendered, which was in excess by ₹ 110 crore (**Appendix 2.10**) indicating that the departments failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements. Departments did not furnish any reasons/explanations regarding surrender in excess of actual savings (November 2015).

### **2.3.14 Injudicious surrender**

In one appropriation, surrender of ₹ 15.29 crore proved injudicious as there was eventual excess of ₹ 3.15 crore under the appropriation at the close of the financial year.

## **2.4 Outcome of review of selected grants**

A review of receipts and expenditure under Grant No. 9-Forest and Grant No. 24-Education, Art and Culture for the period 2012-15 revealed the following position:

### **Grant No. 9-Forest**

#### **Forest Department**

#### **A. Revenue Expenditure**

The overall revenue expenditure showed increase of 17.2 per cent and 12.4 per cent over the previous years, as summarized below:

**Table 2.9: Summarised position of actual expenditure vis-a-vis original provision during 2012-15**

Head of Account	Year	Original Provision	Supplemen- tary Provision	Total	Actual expenditure	Savings	Percentage	
							Savings	Growth in expenditure
2406-Forestry and Wild Life	2012-13	632.89	-	632.89	478.66	154.23	24.4	-
	2013-14	749.21	-	749.21	560.92	188.29	25.1	17.2
	2014-15	747.86	-	747.86	630.62	117.24	15.7	12.4

**Source:** Appropriation Accounts.

The savings against total budget provision during 2012-15 exhibited persistent trend which was indicative of over assessment of requirement of funds under

various heads by the Department without adequately scrutinising the same and properly monitoring the flow of expenditure.

Test check of certain heads, revealed significant trend of variations in expenditure over previous years. Under head '2406-Forestry and Wild Life, 01-Forestry, 196-Assistance to Zila Parishad District Level Panchayats, 01-Subordinate & Trained Staff, 01- Establishment', the expenditure<sup>7</sup> decreased by 62.5 per cent during 2013-14 and increased by 169.8 per cent during 2014-15 over previous years. The department intimated that increase/decrease in pay and allowances depend on submission of utilisation certificates by Panchayat Raj Institution after disbursement of pay and allowances to employees. The reply was not found tenable as it indicates systemic deficiencies in financial management of the department.

### **B. Capital Expenditure**

Despite significant reduction (21.6 per cent) in budget estimates for capital expenditure in 2013-14 over the previous year, the actual expenditure on capital side during the year was significantly high (46.9 per cent). Despite significant increase (118 per cent) in budget estimates in 2014-15 over the previous year, the actual expenditure on capital side during the year was lower (20 per cent) against the provision as shown in **Table 2.10**.

**Table 2.10: Summarised position of actual expenditure vis-a-vis original provision during 2012-15**

(₹ in crore)

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual expenditure	Savings	Per centage	
							Savings	Growth in expenditure
4406-Capital outlay on Forestry and Wild Life	2012-13	130.65	11.54	142.19	114.75	27.44	19.3	-
	2013-14	102.48	82.40	184.88	168.58	16.30	8.8	46.9
	2014-15	223.41	-	223.41	134.92	88.49	39.6	(-) 20.0

**Source:** Appropriation Accounts.

Major areas in which significant low capital expenditure was witnessed in comparison to Budget Estimates in 2014-15, were Reforestation, Forest Conservation, regeneration of degraded forest etc., which shows low priority towards capital works, envisaged in original estimates.

Scrutiny revealed that unnecessary supplementary provision of ₹ 11.54 crore<sup>8</sup> was made during 2012-13 as the actual expenditure was lower than the original allotment. During 2013-14 the supplementary provision of ₹ 82.40 crore<sup>9</sup>, made under various heads, was found excessive against budget provisions.

<sup>7</sup> Expenditure during 2012-13: ₹ 17.76 crore; 2013-14: ₹ 6.66 crore and 2014-15: ₹ 17.97 crore.

<sup>8</sup> Head 4406-02-110-(04)-16 Development of Keoladeo National Park.

<sup>9</sup> (i) Head 4406-01-101-10-16 : ₹ 5.97 crore, (ii) Head 4406-01-102-14-16 : ₹ 56.10 crore, (iii) Head 4406-01-800-02-17 : ₹ 15.97 crore and (iv) Head 4406-02-110-04-16 : ₹ 4.36 crore.

**C. Non-utilisation of entire provision**

As envisaged in para 13.6 of SBM that the estimates of expenditure should be as accurate as possible, an avoidable excess in an estimate is as much a financial irregularity as an excess in actual expenditure. Test check of certain sub-heads revealed that the departments did not utilize the entire provision and surrendered it at the end of the year. The department intimated that the allotted funds of ₹ 1.09 crore could not be utilised under head '4406-01-102-08' due to non-release of funds by GoI. The reply was not tenable as this indicates lack of pursuance by department in getting the funds from GoI. As regards to surrendering of ₹ 2 crore under head '4406-02-110-08', no specific reason was intimated by the department (November 2015).

**D. Receipts**

The over all position of revenue receipts under '0406-Forestry and Wild Life' of the grant during 2012-15 is summarized in **Table 2.11**:

**Table 2.11: Summarised position of receipts during 2012-15**

(₹ in crore)					
Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+)/ Shortfall (-)	Per cent variation to R.E.
2012-13	56.05	73.53	91.24	(+)17.71	24.1
2013-14	66.67	87.39	77.52	(-) 9.87	(-) 11.3
2014-15	87.44	80.20	89.31	(+) 9.11	11.4

**Source:** Budget and Finance Accounts.

Test check of certain heads revealed lower estimation in the subsequent years despite significant receipts in previous years as given in **Table 2.12**:

**Table 2.12: Statement of Receipts during 2012-15**

(₹ in crore)							
S.No.	Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+)/ Shortfall (-)	Per cent Variation to Revised Estimates
1	0406-Forestry and Wild Life 01-Forestry 101-Sale of Timber and Other Forest Produce	2012-13	31.46	43.98	43.82	(-) 0.16	(-) 0.4
		2013-14	41.67	40.85	38.78	(-) 2.07	(-) 5.1
		2014-15	42.09	35.31	38.21	2.90	8.2
2	0406-Forestry and Wild Life 01-Forestry 800-Other Receipt	2012-13	14.80	14.81	31.85	17.04	115.0
		2013-14	10.11	31.19	24.20	(-) 6.99	(-) 22.4
		2014-15	29.82	28.56	33.40	4.84	16.9

**Source:** Budget and Finance Accounts.

Thus, there were significant variations in respect of actual receipts and Revised Estimates which indicated deficiency in estimation.

**Grant No. 24- Education, Art and Culture**

**Education, Art and Culture Department**

**A. Revenue Expenditure**

The original budget provision, expenditure and savings during 2012-13, 2013-14 and 2014-15 exhibited inconsistent trend. During 2013-14 and 2014-15, the original provisions were 16 per cent and 33.7 per cent higher

over the previous years but the expenditure showed increase of 18.45 per cent and 21.74 per cent respectively as summarized in **Table 2.13**.

**Table 2.13: Summarised position of actual expenditure vis-a-vis original/supplementary provision during 2012-15**

(₹ in crore)

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual expenditure	Savings	Percentage	
							Savings	Growth in expenditure
2070-Other Administrative Services 2202-General Education 2203-Technical Education 2204-Sports and Youth Services 2205-Art and Culture	2012-13	12,458.04	-	12,458.04	11,491.78	966.26	7.76	-
	2013-14	14,453.24	361.85	14,815.09	13,611.65	1,203.44	8.12	18.45
	2014-15	19,318.57	-	19,318.57	16,570.32	2,748.25	14.23	21.74

Source: Appropriation Accounts.

Scrutiny revealed that supplementary provision of ₹ 361.85 crore obtained during 2013-14 included provision of ₹ 246.90 crore, Grant to Panchyat Samiti for Primary School under the head '2202-01-197-10' and ₹ 114.95 crore, Grant for distribution of Laptop under Rajiv Gandhi Digital Vidhyarthi Yojana under the head '2202-01-800-17'. Moreover, provisions for both heads could have been met from the original allocation without demanding supplementary grant, as actual expenditure did not come up to the level of original provision in all three years. Further, during test check, growth of expenditure was found as abnormal as shown in **Table 2.14**.

**Table 2.14: Trend of expenditure in certain heads under Grant No. 24 during 2012-15**

(₹ in crore)

S. No.	Head of Account	Year	Total Provision	Expenditure	Growth of Expenditure (in ₹)	Percentage Growth	Reply of Department	Audit Comments
1	2202-General Education 03-University and Higher Education 103-Government College and Institutes 08-Law College (Non-plan)	2012-13	1.03	0.15	--	--	Increase due to new appointment of employees in colleges.	The expenditure was incurred under Non-plan heads pertained to payments of salary and allowances /arrears which could have been estimated during preparation on Budget Estimates.
		2013-14	0.09	0.55	0.40	266.7		
		2014-15	10.20	5.33	4.78	869.1		
2	2202-General Education 05-Language Development 103-Sanskrit Education 02-Sanskrit College (Non-plan)	2012-13	15.94	17.26	--	--	Increase in Pay and allowances due to implementing of UGC Pay Scales.	
		2013-14	20.16	23.68	6.42	37.2		
		2014-15	22.64	33.83	10.15	42.9		

Source: Appropriation Accounts and reply of the Department.



**B. Capital Expenditure**

Despite significant reduction in budget estimates for capital expenditure in 2013-14 and 2014-15 by 13.63 and 32.24 *per cent* over the previous year, the actual expenditure during 2013-14 and 2014-15 was also significantly low (39.5 and 47 *per cent* respectively) against the provision which shows low priority to capital works envisaged in original estimates, as shown in **Table 2.15**.

**Table 2.15: Summarised position of actual expenditure vis-a-vis original/supplementary provision during 2012-15**

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual expenditure	Savings	Percentage	
							Savings	Growth in expenditure
4202-Capital outlay on Education, Art and Culture 6202- Loans for Education, Sports, Art and Culture	2012-13	91.71	12.75	104.46	85.26	19.20	18.4	-
	2013-14	79.21	-	79.21	31.24	47.97	60.6	(-) 63.4
	2014-15	53.67	-	53.67	25.20	28.47	53.0	(-) 19.3

Source: Appropriation Accounts.

The supplementary provision made in 2012-13 was also found unnecessary as the actual expenditure was lower than the original allotment by 7.03 *per cent*.

**C. Non-utilisation of entire provision**

As envisaged in para 13.6 of SBM that the estimates of expenditure should be as accurate as possible, an avoidable excess in an estimate is as much a financial irregularity as an excess in actual expenditure. Test check of some of sub-heads for detailed analysis revealed that the department did not utilise the entire budget provision (more than ₹ one crore) and surrendered/reappropriated on the last day of financial year as given in **Appendix 2.11**.

**D. Receipts**

Over all position of revenue receipts under ‘Major Head-0202’ of the grant for the period 2012-15 is given in **Table 2.16**.

**Table 2.16: Summarised position of receipts during 2012-15**

Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+)/ Shortfall (-)	Per cent variation to R.E.
2012-13	53.80	60.00	83.42	(+) 23.42	39.0
2013-14	62.00	85.44	95.94	(+) 10.50	12.3
2014-15	75.00	78.23	80.93	(+) 2.70	3.5

Source: Budget and Finance Accounts.

Test check of certain heads (**Table 2.17**) revealed lower estimation in the subsequent years despite significant actual receipts in previous years:

Table 2.17: Statement of Receipts during 2012-15

(₹ in crore)

S. No.	Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess (+)/ Shortfall (-)	Percent Variation to Revised Estimates
1	0202-Education, Sports, Art and Culture 01-General Education 101-Elementary Education	2012-13	2.90	3.08	11.00	(+) 7.92	257.1
		2013-14	3.08	24.22	27.68	(+) 3.46	14.3
		2014-15	11.26	12.54	19.30	(+) 6.76	53.9
2	0202-Education, Sports, Art and Culture 01-General Education 102-Secondary Education	2012-13	10.45	13.68	15.95	(+) 2.27	16.6
		2013-14	13.82	14.58	16.46	(+) 1.88	12.9
		2014-15	14.45	15.57	19.37	(+) 3.80	24.4
3	0202-Education, Sports, Art and Culture 01-General Education 103-University and Higher Education	2012-13	4.29	3.51	7.18	(+) 3.67	104.6
		2013-14	3.10	4.68	5.49	(+) 0.81	17.3
		2014-15	5.45	5.70	8.04	(+) 2.34	41.1
4	0202-Education, Sports, Art and Culture 03-Sports and Youth Service 800-Other receipts	2012-13	0.08	0.04	1.04	(+) 1.00	2500.0
		2013-14	0.04	1.70	1.60	(-) 0.10	5.9
		2014-15	1.75	1.60	0.00	(-) 1.60	100.0

Source: Budget and Finance Accounts.

Thus, there were variation ranging between 5.9 per cent and more than 100 per cent in respect of Actual Receipts and Revised Estimates which indicated deficiency in estimation. Noticeably, against receipts estimated as ₹ 1.60 crore in 2014-15 for "0202-03-800" actual realization was nil.

## 2.5 Advances from Contingency Fund

According to Article 267 (2) of the Constitution of India, Government may take advance from Contingency Fund for the purpose of unforeseen expenditure pending authorization of such expenditure by the Legislature of the State by law. The advances and withdrawals from the Contingency Fund of the State are governed by provisions in Para 5.1 to 5.13 of Chapter 5 of the State Budget Manual (SBM). Para 5.6 of SBM provides that all preliminaries such as Administrative Approval, Technical Sanction, Selection of site etc should be completed before an advance is applied for. Further, as envisaged in Para 5.11 of the SBM, the advance from the Contingency Fund for meeting unforeseen expenditure, remains wholly or partly unutilized, a cancellation or modification of the sanction for the same should be obtained from Finance Department.

During 2014-15, one sanction of ₹ 5.60 crore was issued (October 2014) by State Government, granting advance from Contingency Fund under two Major heads<sup>10</sup> to Minority Affairs Department, for implementation of Multi Sectoral Development Programme (MSDP) for public utility construction work like Health Sub-centre, Primary Health Centre (PHC), Anganbari Centre etc in minority dominated areas<sup>11</sup>. The effective date of sanction was 15 February

<sup>10</sup> Head "2225-04-102(01)[04] (₹ 10 lakh)" and "4225-04-102(01)[04] (₹ 550.40 lakh)".

<sup>11</sup> Alwar, Barmer, Bharatpur, Jaisalmer and Nagaur.

2015. Scrutiny of the records revealed that out of ₹ 10 lakh allotted for office expenditure, training and computerisation work etc., only ₹ 0.35 lakh was utilised upto effective date. Further, out of remaining ₹ 5.50 crore allotted for major construction works, only ₹ 2.49 crore was utilised upto effective date of sanction. However, the sanction for unutilised amount was neither modified nor cancelled by the Finance Department as required under SBM. The amount drawn from contingency fund was unwarranted as fund remained unutilised to the extent of ₹ 3.11 crore. This is also against the spirit of principles inherent in provisions of Contingency Fund, according to which such cases should be those in which incurring of expenditure cannot be postponed till Supplementary Grant is obtained.

## 2.6 Irregularities in submission of Detailed Contingent Bills against Abstract Contingent Bills

Rule 8(2) of General Financial and Accounts Rules (GF&AR), updated up to 31 December, 2010, prescribes that funds shall be withdrawn only if required for immediate payment and the expenditure or payment authorized under any rule or by general or special order of a competent authority. Rule 219 of GF&AR regulates preparation of drawl of Abstract Contingent (AC) bills and submission of Detailed Contingent (DC) bills to controlling officers/PAG (A&E). Further, the certificate prescribed under Rule 220(1) provides for submission of DC bills within a period of three months (except in case of purchase of machinery/equipments and other article from abroad by opening of letter of credit, the DC Bill may be rendered to the competent authority within six months of the drawal of AC Bill).

Against 43,965 AC bills amounting to ₹ 4,794.52 crore drawn (31 March, 2015), 43,597 DC bills amounting to ₹ 4,505.59 crore were received by the PAG (A&E), and 368 AC bills amounting to ₹ 288.93 crore remained outstanding as on 30 June 2015. Year wise details of outstanding AC bills are given in **Table 2.18**.

**Table 2.18: Pendency in submission of Detailed Contingent bills against Abstract Contingent bills**

(₹ in crore)

Year	AC bills drawn		DC bills received		Unadjusted AC bills	
	Items	Amount	Items	Amount	Items	Amount
Up to 2008-09	28,137	1,978.00	28,109	1,973.31	28	4.69
2009-10	3,669	708.79	3,669	708.79	-	-
2010-11	2,460	419.86	2,453	418.34	7	1.52
2011-12	1,471	197.72	1,451	193.40	20	4.32
2012-13	1,834	253.84	1,814	246.12	20	7.72
2013-14	3,130	616.42	3,080	537.12	50	79.30
2014-15	3,264	619.89	3,021	428.51	243	191.38
<b>Total</b>	<b>43,965</b>	<b>4,794.52</b>	<b>43,597</b>	<b>4,505.59</b>	<b>368</b>	<b>288.93</b>

**Source:** Information compiled by office of the PAG (A & E), Rajasthan

Some of the unadjusted AC bills pertained to Relief Department (81: ₹ 237.22 crore), Rural Development and Panchayati Raj Department (57: ₹ 3.72 crore), Land Revenue (16: ₹ 8.37 crore) Medical and Health

Department (55: ₹ 19.37 crore) and Police Department (27: ₹ 5.12 crore). The Major Head wise pendency of DC bills for the period up to June 2015 is detailed in *Appendix 2.12*.

- **Unadjusted AC bills**

In following cases the AC Bills were drawn but remained unadjusted despite lapse of two to three years period:

S. No.	Name of Office	AC Bill		(₹ in lakh)
		Major Head	No. and Date	Amount Drawn
1.	SMS, Medical College, Jaipur	4210	2031/30.03.2013	86.00
		4210	2567/31.03.2014	185.00
2.	SP, Medical College, Bikaner	2210	1330/31.03.2012	55.04
		2210	1395/18.03.2013	54.82
		4210	1467/28.03.2013	2.65
		4210	1494/30.03.2013	8.94
3.	District Collector, Alwar	2245	813/19.03.2013	103.50

**Source:** Information compiled by office of the PAG (A & E), Rajasthan and from concerned Department.

The department attributed reasons to non-receipt of equipment, non-submission of UCs and SoEs by M/s Rajcom Info Services Limited. In one case, District Collector, Alwar intimated (August 2015) that DC bill against AC Bill (813/19.03.2013) of ₹ 1.03 crore, could not be submitted due to embezzlement at Tehsil, Laxmangarh.

This indicates lack of monitoring and systemic deficiencies in the Department.

- **Adjustment of AC Bills through DC Bills beyond prescribed period**

In following cases (**Table 2.19**) there was delay of 2 to 14 months after the prescribed period, in depositing the unspent amount:

**Table 2.19: Delay in adjustment of Abstract Contingent Bills**

S. No.	Name of Office	Major Head	AC Bill No. & Date	Amount (₹ in lakh)	DC Bills No. and Date	Delay in Months	
1.	District Collector, Alwar	2245	812/19.03.2013	182.00	5/05.08.2014	14	
		2245	827/23.03.2013	353.28	4/06.06.2014	12	
2.	District Collector, Ajmer	2245	1/15.5.2013	261.18	6/15.05.2014	9	
			5/21.5.2013	776.55		9	
			6/24.05.2013	587.78		9	
			9/31.05.2013	432.73		9	
			13/17.07.2013	2.06		7	
			23/3.10.2013	1,030.36		4	
			26/26.12.2013	1.01		2	
			2/15.5.2013	292.08		7/15.05.2014	9
			4/21.5.2013	30.16			9
			8/31.05.2013	307.14			9
24/03.10.2013	320.24	4					
			25/30.10.2013	0.72	4		
			27/16.12.2013	0.02	2		

**Source:** Information compiled by Office of the PAG (A & E), Rajasthan and from concerned Department.

Delay in depositing the unspent amount was violation of provisions contained in Rule 219 and 220(1) of GF & AR.

## 2.7 Conclusions and Recommendations

During 2014-15, a sum of ₹ 1,19,784.79 crore was incurred against total grants and appropriations of ₹1,39,053.78 crore leaving savings of ₹ 19,268.99 crore. Supplementary provision of ₹ 1,168.36 crore, obtained in 14 cases, proved unnecessary.

Departments surrendered ₹ 19,109.93 crore on the last working day of the financial year leaving no scope for utilising these funds for other purposes. In four cases, ₹ 110 crore was surrendered in excess of actual savings. In one appropriation (Public Debt-repayment under charged expenditure), an amount of ₹ 15.29 crore was surrendered against excess expenditure of ₹ 3.15 crore. In 89 cases, lump sum provision of ₹ 7,197.35 crore was made, out of which ₹ 5,237.77 crore (72.8 per cent) remained unutilised.

Review of receipts and expenditure in certain grants revealed that (i) in Forest Department, the overall revenue expenditure increased by 17 per cent and 12 per cent during 2013-14 and 2014-15 over previous years, whereas the capital expenditure increased by 47 per cent and decreased by 20 per cent during 2013-14 and 2014-15 over previous years, (ii) in Education Department, the overall revenue expenditure increased by 18 per cent and 22 per cent during 2013-14 and 2014-15 over previous years, whereas the capital expenditure decreased by 63 per cent and 19 per cent during 2013-14 and 2014-15 respectively over previous years.

***Controlling/Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to ensure utilisation of allotted funds as per requirement. They may also specifically strengthen monthly expenditure control and monitoring mechanism.***

***Efforts should be made by all departments to submit realistic budget estimates keeping in view the trends of expenditure in order to avoid large scale savings/excesses, reappropriations and surrenders at the end of the year so that they can be effectively utilised in other areas/schemes.***

Detailed Contingent Bills remained outstanding against 368 Abstract Contingent Bills amounting to ₹ 288.93 crore as on 30 June 2015.

*A rigorous monitoring mechanism should be put in place to adjust the advances drawn against Abstract Contingent Bills within the stipulated period.*

Out of total expenditure of ₹ 27,268.51 crore, a sum of ₹ 14,075.99 crore (exceeding ₹ 50 crore and more than 30 *per cent* of the total expenditure in each case) was incurred in last quarter of the financial year. Of this, ₹ 9,888.46 crore was spent in March 2015 alone, which led to rush of expenditure at the end of the year.

*Departments may closely monitor progress of expenditure throughout the year so as to avoid the quality related pitfalls associated with rush of expenditure at the end of the year.*