

Chapter-II

Budgetary Control and Financial Management

2.1 Introduction

The Appropriation Accounts are accounts of the expenditure, Voted and Charged, of the Government for each financial year compared with the amounts of the Voted grants and Charged Appropriations for different purposes as specified in the schedules appended to the Appropriation Acts passed by the Legislature. 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 authorised by the Appropriation Act in respect of both Charged and Voted items of budget. The Appropriation Accounts is thus, a control document facilitating management of finances and monitoring of budgetary provisions and are therefore, complementary to Finance Accounts.

2.2 Audit of Appropriation Accounts for the current year

Audit of appropriation by the C&AG of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorisation 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.

2.2.1 Summary of Appropriation Accounts

The summarised position of actual expenditure, savings/excesses and amount surrendered during 2015-16 against 81 Grants/ Appropriations (78 Grants and three Appropriations) is indicated in **Table 2.1**.

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

(₹ in crore)									
Voted/ Charged	Nature of Expenditure	Original grant/ appro- piation	Supplemen- tary grant/ appro- piation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March 2016	Percentage of savings surrendered by 31 March (col. 8/col 7)
1	2	3	4	5	6	7	8	9	10
Voted	I Revenue	48,715.57	6,490.82	55,206.40	34,280.46	(-) 2,0925.94	2,280.84	1,345.64	10.90
	II Capital	9,411.12	1,884.09	11,296.75	2690.91	(-) 8,605.84	198.19	187.58	2.30
	III Loans & Advances	776.04	80.00	854.49	260.09	(-) 594.40	7.28	-	1.22
Total Voted		58,902.73	8,454.91	67,357.64	37,231.46	(-) 30,126.18	2,486.31	1,533.22	8.25
Charged	IV Revenue	2,847.28	221.42	3,068.70	2,831.10	(-)237.60	26.56	26.56	11.18
	V Capital	-	-	-	-	-	-	-	-
	VI Public Debt Repayment	4,392.15	-	4,392.15	1,968.90	(-) 2,423.25	-	-	-
Total Charged		7,239.43	221.42	7,460.85	4,800.00	(-) 2,660.85	26.56	26.56	11.18
Appropriation to Contingency Fund (if any)		-	-	-	-	-	-	-	-
Grand Total		66,142.16	8,676.34	74,818.49	42,031.46	(-) 32,787.03	2,512.87	1,559.78	7.66

The overall savings of ₹ 32,787.03 crore was the net result of total saving of ₹ 33,030.80 crore in 77 grants and three appropriations under Revenue Section and 36 grants and one appropriation under Capital Section offset by excess of ₹ 243.77 crore in three grants each under Revenue and Capital Section. Further, out of overall savings of ₹ 32,787.03 crore, only 7.66 per cent (₹ 2,512.87 crore) were surrendered by Government during 2015-16.

The reasons for savings/excess were called for by the Accountant General (Accounts & Entitlement) in respect of 2,473 sub-heads/sub sub-heads. Out of 2,473 sub-heads/sub sub-heads, explanations for variations were received for 85 sub-heads/sub sub-heads only of which explanations for variations in respect of 69 sub-heads/sub sub-heads were incorporated in the Appropriation Accounts of 2015-16. Thus, out of 2,473 sub-heads/sub sub-heads, explanation for variations in respect of 2,388 sub heads/ sub sub-heads were not received and explanations for variation in respect of 16 sub-heads/ sub sub-heads were received but those were incomplete.

2.2.2 Appropriation vis-à-vis Allocative Priorities

The audit of Appropriation Accounts revealed that in 80 cases relating to 63 grants and one appropriation, savings exceeded ₹ 10 crore in each case and also by more than 20 per cent of total provision (*Appendix 2.1*). Against the total savings of ₹ 33,030.80 crore, savings of ₹ 32,087.75 crore (97.14 per cent) occurred in 64 cases relating to 49 grants and one appropriation where savings were ₹ 50 crore and above in each case as indicated in *Appendix 2.2*. Reasons for savings were awaited (November 2016).

2.2.3 Excess Expenditure

In two cases under two grants, expenditure of ₹ 550.76 crore exceeded the approved provision by ₹ 173.24 crore and also by more than 20 per cent of the total provision. Details are given in *Appendix 2.3*.

2.2.4 Expenditure without Provision

According to Chapter-8 (Paragraph-8.3) of the Assam Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was however, noticed that expenditure of ₹ 1,122.96 crore was incurred in 50 cases as depicted in *Appendix 2.4* without any provision in the original estimates/supplementary demand and without issue of any re-appropriation order(s) to that effect. Major cases of such expenditure are also given in **Table 2.2**.

Table 2.2: Expenditure incurred without Provision during 2015-16

				(₹ in crore)
Sl No.	Grant No./ Appropriation	Major Head of Accounts-Sub-Head-Detailed Head		Expenditure without provision
1	30	2215-799-0291	Miscellaneous Public Works Advances, General	145.43
2	62	4801-800-4168	Externally Aided Project (ADB)	164.30
3	64	3054-799-0291	Miscellaneous Public Works Advances	494.68
4	76	5054-337-1536	Works, Sixth Schedule (Pt. I) Areas	69.64
5	77	4702-101-0160-851	Accelerated Irrigation Benefit Programme, Sixth Schedule (Pt. I) Areas	51.32
6	77	5054-04-337	Road Works, Sixth Schedule (Pt. I) Areas	30.53
7	78	4702-800-0160-851	AIBP Programme (Central Autonomous Council), Sixth Schedule (Pt. I) Areas	52.76

Thus, the expenditure so incurred by the respective departments was unauthorised, irregular and against the spirit of financial regulations.

2.2.5 Excess Expenditure relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for 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 completion of discussion of the Appropriation Accounts by the State Public Accounts Committee (PAC). Although the excess expenditure amounting to ₹ 2,029.10 crore for the years 2002-03 to 2004-05 had been recommended for regularisation by the PAC vide its 117th Report placed before the State Legislature on 3 April 2008, the regularisation of the aforesaid excess

expenditure by the State Legislature was awaited. The total excess expenditure amounting to ₹ 9,760.52 crore for the years 2002-03 to 2013-14 had not been regularised (November 2016) as detailed in *Appendix 2.5*. The year-wise position of excess expenditure pending regularisation for grants/appropriations is summarised in **Table 2.3**.

Table 2.3: Excess expenditure relating to previous years requiring regularisation

(₹ in crore)

Year	Number of		Amount of excess over provision	Status of Regularization
	Grants	Appropriations		
2002-03	5	6	1,618.86	Recommended for regularisation vide 117 th PAC Report. Legislative approval awaited.
2003-04	4	3	404.36	
2004-05	5	6	5.88	
2005-06	2	2	2.45	Not yet discussed by PAC.
2006-07	4	2	80.61	Not yet discussed by PAC.
2007-08	9	2	113.24	Not yet discussed by PAC.
2008-09	6	2	108.40	Not yet discussed by PAC.
2009-10	3	-	10.18	Not yet discussed by PAC.
2010-11	1	1	4.27	Not yet discussed by PAC.
2011-12	5	2	915.14	Not yet discussed by PAC.
2012-13	4	-	1,195.61	Not yet discussed by PAC.
2013-14	5	-	1,499.89	Not yet discussed by PAC.
2014-15	5	1	3,801.63	Not yet discussed by PAC.
Total	58	27	9,760.52	

Thus, the excess expenditure of ₹ 9,760.52 crore requires regularisation under Article 205 of the Constitution of India.

2.2.6 Excess Expenditure during 2015-16 requiring regularisation

Table 2.4 contains the summary of total excess expenditure amounting to ₹ 243.77 crore incurred in three grants over authorisation from the Consolidated Fund of State (CFS) during 2015-16.

Table 2.4: Excess expenditure over provision during 2015-16 requiring regularisation

(₹ in crore)

Sl No.	Number and title of Grants/ Appropriations	Total Grants/ Appropriation	Expenditure	Excess
1	30-Water Supply and Sanitation (Revenue Voted)	451.63	522.16	70.53
3	76-Hill Areas Department (Karbi Anglong Autonomous Council) (Capital Voted)	327.08	448.70	121.62
4	77-Hill Areas Department (North Cachar Autonomous Council) (Capital Voted)	50.44	102.06	51.62
Total		829.15	1,072.92	243.77

Thus, the excess expenditure requires regularisation under Article 205 of the Constitution.

2.2.7 Unnecessary Supplementary provision

Supplementary provision aggregating ₹ 7,783.59 crore obtained in 68 cases amounting to ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure under the respective heads was even less than the original budget provision as detailed in *Appendix 2.6*.

2.2.8 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 and resulted in savings of ₹ 10 lakh and above in four sub-heads/sub sub-heads out of which the saving in two sub-heads was more than ₹ one crore as detailed in *Appendix 2.7*. Moreover, in 25 cases the re-appropriation also proved unnecessary as the re-appropriated amount ultimately resulted in savings of ₹ 10 lakh and above in each case. Of these, the savings were even more than ₹ one crore in 12 sub-heads as detailed in *Appendix 2.8*.

Thus, substantial savings of more than ₹ one crore registered in 14 cases, where the re-appropriation was made, indicate that the funds could not be spent as estimated and planned under the respective heads.

2.2.9 Substantial surrenders

Out of total surrenders of ₹ 1,559.78 crore made on 31st March 2016 (refer **Table 2.1**), surrenders exceeded ₹ 10 crore and above in respect of four cases on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 3,209.25 crore in those four cases, ₹ 156.90 crore (4.89 *per cent*) was surrendered at the close of the year. The details of such cases are given in **Table 2.5**.

Table 2.5: Cases of substantial surrenders (amount exceeding ₹ 10 crore) made on 31st March 2016

Sl. No.	Number and title of Grant/ Appropriation	Major Head	Total provision	₹ in crore)	
				Amount of surrender	Percentage of surrender
1	2	3	4	5	6
1	18 – Fire Services	2070	125.64	38.04	30.27
2	20 – Civil Defence and Home Guards	2070	192.51	18.68	9.70
3	<i>Public Debt and Servicing of Debt</i>	2049	2,812.11	26.39	0.94
4	75 – Information Technology	4859	78.99	73.79	93.41
Total			3,209.25	156.90	4.89

Thus, surrender of funds at the end of March 2016 indicates inadequate financial control by the respective departments. Had the surrenders been made in time, the funds could have been utilised for other development purposes.

2.2.10 Anticipated savings not surrendered

According to Para 11.17 of Assam Budget Manual, the spending departments were required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings were anticipated. At the close of the year 2015-16 there were however, 61 grants/appropriations in which substantial savings of ₹ five crore and above occurred but surrenders were not made by the concerned departments. The amount involved in those cases was ₹ 24,337.89 crore (74 per cent of the total savings) (*Appendix 2.9*).

In addition to above, of the total savings of ₹ 5,895.52 crore under seven grants and one appropriation (saving of ₹ five crore and above registered in each grant), only ₹ 2,225.18 crore (38 per cent) was surrendered and ₹ 3,670.34 crore (62 per cent) were not surrendered, details of which are given in *Appendix 2.10*.

2.2.11 Rush of expenditure

According to the Subsidiary Order 50 of Assam Treasury Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, out of total expenditure of ₹ 1,312.77 crore in respect of seven cases (expenditure exceeding ₹ 10 crore and also more than 50 per cent of the total expenditure), ₹ 763.74 crore (58.56 per cent) was incurred in March 2016 alone. Details are given in *Appendix 2.11*. In two cases, 100 per cent of the expenditure was incurred only during the last month of the financial year.

Table 2.6: Cases of rush of expenditure (100 per cent) towards the end of the financial year 2015-16

Sl No.	Grant No and Name	Head of Account	Total expenditure during the year	Expenditure during March 2016	
				Amount	Percentage of total expenditure
1	43 – Co-operation	2851	10.27	10.27	100
2	49 – Irrigation	4701	55.02	55.02	100

For a sound financial management, uniform pace of expenditure should be maintained. Thus, contrary to the spirit of financial regulation, a substantial amount incurred by the department at the fag end of the year is indicative of poor financial control over the expenditure.

2.3 Reconciliation of Departmental figures

2.3.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

The Contingency Manual of the Government of Assam stipulates that detailed bills for the charges drawn in Abstract Contingent (AC) bills in a month should be submitted to the Controlling Officer (CO) by the 2nd of the following month. The CO shall dispatch all Detailed Countersigned Contingent (DCC) bills to the Accountant General (Accounts and Entitlements) by 25th of the following month. The Treasury Officers should ensure that no payment is made after the 10th of a month on any AC bill unless it is certified by the drawing officer that all DCC bills for sums drawn on AC bills in the previous month have been forwarded to the CO. The total amount of DCC bills received was only ₹ 715.35 crore against the amount of AC bills of ₹ 1,376.64 crore resulting in an outstanding balance of DCC bills of ₹ 661.29 crore as on 31 March 2016. Year-wise details are given in **Table 2.7**.

Table 2.7: Pendency in submission of DCC bills against the AC bills

Year	Amount of AC bills	Amount of DCC bills	(₹ in crore)	
			DCC bills received as percentage to AC bills	Outstanding DCC bills
Upto 2013-14	889.24	372.82	49.23	516.42
2014-15	338.09	327.26	96.80	10.83
2015-16	149.31	15.27	10.23	134.04
Total	1,376.64	715.35	51.96	661.29

Department-wise pending DCC bills for the years up to 2015-16 are detailed in **Appendix 2.12**.

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs.

2.3.2 Un-reconciled Receipt and Expenditure

To enable Controlling Officers (COs) of departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that receipt and expenditure recorded in their books be reconciled by them every month during the financial year with those recorded in the books of the Accountant General (Accounts and Entitlements). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of COs in this regard continued to persist during 2015-16 also as indicated in the **Table 2.8**.

Table 2.8: Status of Reconciliation of Receipt and Expenditure figures

Sl No.	Particulars	Total No. of Controlling Officers (COs)	Fully Reconciled	Partially Reconciled	Not reconciled at all
1	Receipts	54	1	9	44
2	Expenditure	54	38	11	5

It would be evident from the above table that during 2015-16, out of 54 COs, only one carried out full reconciliation of departmental receipts figures and 38 carried out full reconciliation departmental expenditure figures with those reflected in the books of Office of the Accountant General (Accounts and Entitlements), Assam.

Reconciliation and verification of figures is an important tool of financial management. Failure to exercise/adhere to the codal provisions and executive instructions not only facilitates misclassifications of the expenditure but also defeats the very objectives of budgetary process.

Thus, there is a need to impress upon the COs to reconcile their receipts and expenditure regularly to ensure correctness of the accounts.

2.4 Personal Deposit Accounts

The operations of Personal Deposit Accounts (PDA) are allowed/authorised on the basis of proposal(s) received from concerned department(s) along with sanction(s) of the Finance Department of the Government of Assam. As per specific instructions, the PDA remains operative for a financial year *i.e.*, 1 April to 31 March and is required to be closed at the end of the financial year and if needed, PDA may be re-opened next year by observing the usual procedure.

Information obtained from the Office of the Accountant General (Accounts and Entitlement), Assam regarding operation/closure of PDA during 2015-16 revealed that 42 PDA involving ₹ 9.98 crore were existing as on 01 April 2015. Out of 42 PDA, 14 Accounts involving ₹ 8.98 crore were closed during 2015-16. Thus, as on 31 March 2016, 28 PDA involving ₹ 1.00 crore were not closed by the concerned departments violating provisions in this regard.

The Departmental officers also had not conducted verification/reconciliation of the balances with those maintained by the Office of the Accountant General (Accounts and Entitlement), Assam.

This practice of retaining funds in the PDA after the close of the financial year is fraught with the risk of misuse of funds and therefore, needs to be avoided.

2.5 Outcome of review of selected Grant

2.5.1 Introduction

The outlays on the various activities of Government are met from the Consolidated Fund which is made up of revenue receipts, loan raised by Government and recoveries of loans and advances made by the State Government. No money can be withdrawn from the Consolidated Fund of a State for expenditure by Government unless the State Legislature approves the amount to be spent under a Major Head (or a Group of Major Heads) during the year beginning from 1 April to 31 March. This approval takes the form of Budget Grant. Demands for Grants are placed before the Legislature at the beginning of each financial year.

A detailed audit of “Prescribed Budgetary Procedure and compliance thereof under Grant No. 26” was conducted between August-September 2016 in respect of Major Heads of account 2075 – Miscellaneous General Services, 2202 – General Education, 2203 – Technical Education and 6202 – loans for Education, Sports, Art and Culture. Review of Major Heads under the aforesaid Grant revealed that mandatory provisions of Budget Manual, Financial Rules etc., regarding preparation, submission of budget estimates, drawal and utilization of funds from the Consolidated Fund of the State were being bypassed by the concerned authorities and the accountability obligations were not always fulfilled as brought out in the succeeding paragraphs.

2.5.2 Delayed submission of Budget Estimates

As envisaged in Para 6.1 of the Assam Budget Manual 2012 the Administrative Heads are required to submit the budget estimates of receipts and expenditures for the succeeding year along with revised estimates for the current year to the Finance Department by 15th October each year both for General and Sixth Schedule Areas.

Test check of records of Education (Higher) Department, however, revealed that the Budget Estimates (BEs) in respect of receipts and expenditure for the years 2011-12 to 2015-16 were submitted belatedly to the Finance Department as indicated in the **Table 2.9**.

Table 2.9: Delay in submission of Budget Estimates

Grant No.	Financial Year	Due date of submission of BEs to the Finance Department	Actual date of sending the BEs to the Finance Department	Delay in Submission
26	2011-12	15.10.2010	05.01.2011	82 days
	2012-13	15.10.2011	15.02.2012	123 days
	2013-14	15.10.2012	30.11.2012	46 days

2014-15	15.10.2013	06.12.2013	52 days
2015-16	15.10.2014	09.02.2015	117 days

The above table indicates that there was considerable delay in submission of budget estimates to the Finance Department which ranged between 46 to 123 days.

2.5.3 Unrealistic budget estimation

Assam Budget Manual provides that on receipt of the estimates from the subordinate estimating officers, the CO will scrutinize and consolidate them for Major Head or for the several minor heads of account for which the controlling officer is responsible. The CO will then forward the estimates to the Administrative Department and the Finance Department along with copy of each of the estimates received from the DDOs.

The summarized position of budget provisions and actual expenditure there against during the year 2015-16 in respect of Major Heads 2202, 2203, 2075 and 6202 under Grant No. 26 is presented in the **Table 2.10**.

Table 2.10: Summarized position of Budget Provisions and Actual Expenditure

Nature of Expenditure	Major Head	Budget Provision			Actual Expenditure	Excess (+)/ Savings (-)	Percentage of savings of total provision
		Original	Supplementary	Total			
Revenue	2202						
	2203	2,076.96	87.99	2,164.95	1,241.72	(-) 923.23	42.64
	2075						
Capital	6202	-	-	-	-	-	-
Total		2,076.96	87.99	2,164.95	1,241.72	(-) 923.23	42.64

(Source: Appropriation Accounts 2015-16)

It would be evident from above table that there was over estimation of funds which resulted into savings of 42.64 per cent under the Grant No.26. This was also indicative of the fact that the estimation was made without proper assessment of actual requirement.

2.5.4 Unutilized budget provision

Test check of records revealed that there was 100 per cent savings of ₹ 262.62 crore recorded in 34 cases under Grant No.26 during 2015-16. Although funds were allocated during the period but remained unutilized till the end of 31 March 2016 as shown in the following **Appendix. 2.13**.

The Controlling Officer could not utilize any part of the provision made in the budget and there was 100 per cent saving during the year 2015-16 which was indicative of the fact that the provisions made in the budget against those 34

cases were either unrealistic or funds could not be utilized as estimated and planned.

2.5.5 Unnecessary Supplementary Grant

Supplementary Grant as defined in the Para-8 of Budget Manual means an additional Provision included in an Appropriation Act during the course of a financial year, to meet expenditure in excess of the amount previously included in the Appropriation Act for that year.

Test check of records of Major Head 2203 for the year 2015-16 revealed that supplementary provision aggregating ₹ 2.52 crore made under one sub-head during the year proved unnecessary as no expenditure under the respective head was recorded as detailed in the **Table 2.11**.

Table 2.11: Unnecessary Supplementary Provision

(₹ in crore)

Grant No.	Major head	Sub head	Original Provision	Supplementary	Total	Actual expenditure	Total Saving
26	2203	(395) Grants-in -Aid	2.00	1.00	3.00	0.00	3.00
		(827) Grants-in- Aid	3.00	1.52	4.52	0.00	4.52
Total			5.00	2.52	7.52	0.00	7.52

This indicates the poor financial management on the part of Education (Higher) Department as the Supplementary provision was made without assessing the actual requirement.

2.5.6 Funds parked in Revenue Deposit

Test check of records of the Director of Technical Education, Assam revealed that an amount of ₹ 8.57 crore was drawn during 2008-09 for construction of Administrative Building, construction of Girls' Hostel and improvement of internal roads of JEC, Jorhat. Out of this ₹ 30.99 lakh remained unutilized and kept in Revenue Deposit (8443) as detailed in **Table 2.12**.

Table 2.12: Funds parked in Revenue Deposit

Head of A/C	Year	Amount drawn (₹)	Date of drawn	Amount (in ₹) outstanding as on 31/03/2016
2203	2008-09	8,56,82,000/-	31-03-2009	30,98,910/-

The amount of ₹ 30.99 lakh parked in Revenue Deposit (8443) indicates that the amount was drawn to avoid lapse of budget grant.

2.5.7 Funds parked in Deposit at Call Receipt (DCR), Bank Draft, Bankers Cheque & Savings Bank Account

Assam Treasury Rules & Subsidiary Orders (Rule 16, SO 50) read with Rules 62 and 63 of Assam Financial Rules stipulate that no money shall be drawn from the treasury unless it is required for immediate disbursement.

Test check of records of the Director of Technical Education, Assam also revealed that out of ₹ 36.83 crore, an amount of ₹ 8.53 crore remained unutilized at the end of 2015-16 and kept in DCR, BD, Bankers Cheque and Savings Bank Account as detailed in the **Table 2.13**.

Table 2.13: Funds parked in Bank Instruments

(₹ in crore)

Head of Account	Year	Name of Bank Instrument	O.B.as on 01-04-2015	Receipt during the year	Total	Expenditure incurred	Balance as on 31-03-2016
2203	2015-16	DCR	22.49	Nil	22.49	22.26	0.23
		Bank Draft	2.16	Nil	2.16	1.73	0.43
		Bankers Cheque	4.81	Nil	4.81	2.23	2.58
		Savings Bank Account	6.95	0.42	7.37	2.08	5.29
Total			36.41	0.42	36.83	28.30	8.53

This indicates the poor financial management on the part of Education (Higher) Department.

2.5.8 Irregular drawal of fund to avoid lapse of budget grant

The Contingency Manual of the Government of Assam stipulates that detailed bills for the charges drawn in Abstract Contingent (AC) bills in a month should be submitted to the controlling officer by the 2nd of the following month. The controlling officer shall dispatch all Detailed Countersigned Contingent (DCC) bills to the Accountant General (Accounts & Entitlement) by 25th of the following month. The treasury officers should ensure that no payment is made after the 10th of a month on any AC bill unless it is certified by the drawing officer that all DCC bills for sums drawn on AC bills in the previous month have been forwarded to the controlling officer. The total amount of DCC bills received was only ₹ 14.27 crore against the amount of AC bills of ₹ 16.38 crore leading to an outstanding balance of ₹ 2.11 crore as on 31 March 2016. Details are given in **Table 2.14**.

Table 2.14: Non submission of DCC Bills

(in ₹)				
Year	Amount of AC Bills drawn	Date of drawal of AC Bill	Amount of DCC Bills submitted	Outstanding DCC Bills
2008-09	8,56,82,000	31-03-2009	8,25,83,090	30,98,910
	1,35,00,000		1,35,00,000	0
	49,52,000		0	49,52,000
	4,11,00,000		4,11,00,000	0
	55,38,000		55,38,000	0
	1,30,00,000		0	1,30,00,000
Total	16,37,72,000		14,27,21,090	2,10,50,910

Non-submission of DCC bills for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the DDO.

2.5.9 Anticipated Savings not surrendered

Under the Provision of Para-11.17 of Assam budget Manual, Controlling officers are required to surrender to the Finance Department all savings anticipated in the budget under their control on or before 15 February each year. It is important that CO surrenders to the Government all anticipated savings immediately when they foresee it without waiting till the end of the year and that the CO should not hold any reserve for possible future requirements.

A scrutiny of Appropriation Account of 2015-16 disclosed that savings of ₹ 923.23 crore both under Revenue (2202, 2203 and 2075) Heads under Grant No. 26 were not surrendered at the end of the year by the Education (Higher) Department. Details are given in the **Table 2.15**.

Table 2.15: Anticipated Savings not surrendered

(₹ in crore)					
Grant No.	Financial year	Head of Account	Total Grant	Total Expenditure	Savings
26	2015-16	2202, 2203, 2075	2,164.95	1,241.72	923.23
		6202	0.00	0.00	0.00
	Total		2,164.95	1,241.72	923.23

Had the surrenders been made in time, the funds could have been utilised for other development purposes.

2.5.10 Persistent Savings

Review of Grant No. 26 disclosed that persistent savings ranging from ₹ 132.24 crore to ₹ 923.23 crore had occurred during the last five years as detailed in **Table 2.16**.

Table 2.16: Persistent Savings

(₹ in crore)

Grant No.	Financial year	Head of Account	Total Grant	Total Expenditure	Savings
26	2011-12	2202, 2203, 2075	1,076.05	943.91	132.14
		6202	0.10	0.00	0.10
	Total		1,076.15	943.91	132.24
	2012-13	2202, 2203, 2075	1,983.25	1125.93	857.32
		6202	0.20	0.00	0.20
	Total		1,983.45	1,125.93	857.52
	2013-14	2202, 2203, 2075	1,960.93	1,248.56	712.37
		6202	0.44	0.00	0.44
	Total		1,961.37	1,248.56	712.81
	2014-15	2202, 2203, 2075	2,397.59	1,556.71	840.88
		6202	0.20	0.00	0.20
	Total		2,397.79	1,556.71	841.08
	2015-16	2202, 2203, 2075	2,164.95	1,241.72	923.23
		6202	0.00	0.00	0.00
Total		2,164.95	1,241.72	923.23	

Persistent savings under the Grant indicated that over the years the process of preparation of budget estimates by the department was unrealistic and needs to be revisited.

2.6 Conclusion and Recommendations

During the year 2015-16, expenditure of ₹ 42,031.46 crore was incurred against the total grants and appropriations of ₹ 74,818.49 crore resulting in a saving of ₹ 32,787.03 crore. The overall savings of ₹ 32,787.03 crore was the net result of total saving of ₹ 33,030.80 crore offset by excess of ₹ 243.77 crore.

The excess expenditure amounting to ₹ 243.77 crore incurred over authorization in three grants during 2015-16 requires regularisation under Article 205 of the Constitution of India. At the close of the year 2015-16, there were 61 grants/appropriations in which savings (₹ five crore and above in each grant) of ₹ 24,337.89 crore (74 per cent of the total savings) occurred but no surrenders were made by the concerned departments.

(Paras-2.2.1, 2.2.6 and 2.2.10)

Out of the total provision amounting to ₹ 3,209.25 crore in four cases, only ₹ 156.90 crore (4.89 *per cent*) was surrendered (amount exceeding ₹10 crore) at the fag end on 31st March 2016.

(Para-2.2.9)

The total amount of Detailed Countersigned Contingent (DCC) bills received was only ₹ 715.35 crore against the amount of Abstract Contingent (AC) bills of ₹ 1,376.64 crore leading to an outstanding balance on account of non-submission of DCC bills of ₹ 661.29 crore as on 31 March 2016.

(Para-2.3.1)

Out of 54 COs, only one carried out full reconciliation of departmental receipts figures and 38 carried out full reconciliation of departmental expenditure figures with those reflected in the books of Office of the Accountant General (Accounts & Entitlement), Assam.

(Para-2.3.2)

The recommendations are:

- *Savings should be worked out and surrendered before the close of the financial year for its effective utilization in other areas/schemes requiring funds.*
- *A close and rigorous monitoring mechanism should be put in place by the DDOs for timely submission of Detailed Countersigned Contingent (DCC Bills).*
- *Timely Reconciliation and verification of figures should be ensured. Failure to exercise/adhere to the codal provisions and executive instructions not only causes misclassifications of the expenditure but also defeats the very objective of budgetary process.*

