
CHAPTER 2: FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

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 2014-15 against 61 Grants/Appropriations was as given in **Table No. 2.1**:

Table No. 2.1: Summarised Position of Actual Expenditure *vis-à-vis* Original/ Supplementary provision

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure*
Voted	I. Revenue	7,652.67	647.99	8,300.66	6,901.23
	II. Capital	3,917.42	929.67	4,847.09	2,857.43
	III. Loans and Advances	15.43	0.45	15.88	15.74
	Total Voted	11,585.52	1,578.11	13,163.63	9,774.40
Charged	IV. Revenue	650.00	65.57	715.57	700.34
	V. Capital	--	--	--	--
	VI. Public Debt-Repayment	414.45	56.16	470.61	300.00
	Total Charged	1,064.45	121.73	1,186.18	1,000.34
	Appropriation to Contingency Fund (if any)	--	--	--	--
	Grand Total:	12,649.97	1,699.84	14,349.81	10,774.74

Table No. 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/ Supplementary provision (concl.)

(₹ in crore)

	Nature of expenditure	Savings (-)/ Excess (+)	Amount Surrendered during March 2015	Percentage of savings surrendered during March 2015
Voted	I. Revenue	(-)1,399.43	543.42	38.83
	II. Capital	(-)1,989.66	1,129.71	56.78
	III. Loans and Advances	(-)0.14	--	--
Total Voted		(-)3,389.23	1,673.13	49.73
Charged	IV. Revenue	(-)15.23	0.26	1.71
	V. Capital	--	--	--
	VI. Public Debt-Repayment	(-)170.61	57.50	33.70
Total Charged		(-)185.84	57.76	31.08
Appropriation to Contingency Fund (if any)		--	--	--
Grand Total:		(-)3,575.07	1,730.89	48.42

* These are gross expenditure including actual recoveries in 5 Grants (Grant No. 13, 15, 27, 31 and 61) amounting to ₹ 183.80 crore (Revenue: ₹ 158.66 crore, Capital: ₹ 25.14 crore).

The overall savings of ₹ 3,575.07 crore was the result of saving of ₹ 3,646.67 crore in 47 Grants and 14 Appropriations offset by excess of ₹ 71.60 crore in three Grants and one Appropriation. The overall savings under the various Grants/Appropriations was about 25 per cent of the total provision, out of which only ₹ 1,730.89 crore was surrendered during the month of March 2015. Out of total net savings of ₹ 1,399.43 crore under Revenue (voted) Account, only ₹ 543.42 crore (38.83 per cent) was surrendered by the department concerned during the month of March 2015 while ₹ 1,129.71 crore (56.77 per cent) was surrendered in respect of Capital (voted) Account out of total net savings of ₹ 1,989.80 crore during the year. On the other hand, out of total net savings of ₹ 15.23 crore under Revenue (Charged) Account, only ₹ 0.26 crore (1.70 per cent) was surrendered as on 31 March 2015 and ₹ 57.50 crore (33.70 per cent) was surrendered in Capital (Charged) Account during the year 2014-15. Details of the savings and amount surrendered during the year 2014-15 are given in **Appendix 2.1**.

In Revenue Account, savings above ₹ 30 crore occurred mainly in Tribal Welfare (₹ 462.69 crore), Welfare of Scheduled Castes and Other Backward Classes (₹ 199.80 crore), Panchayati Raj (₹ 34.54 crore), Urban Development (₹ 77.81 crore), Public Works (Water Resources) (₹ 37.42 crore), Rural Development (₹ 31.16 crore), Home (Police) (₹ 115.68 crore), Education (Social) (₹ 48.62 crore), Family Welfare & Preventive Medicine (₹ 129.16 crore), Education (School) (₹ 61.59 crore) and Education (Higher) (₹ 32.14 crore) Departments.

Total excess expenditure of ₹ 71.60 crore occurred mainly in Public Works (Drinking Water and Sanitation) (₹ 8.18 crore), Health (₹ 58.27 crore), Family Welfare & Preventive Medicine (₹ 1.01 crore) and Welfare of Other Backward Classes (₹ 4.14 crore) Departments.

Reasons for savings/excess had not been intimated by the Departments concerned (August 2015).

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 ₹ 3,575.07 crore, ₹ 3,395.86 crore (94.99 per cent) savings occurred in 35 cases in which the savings in each cases exceed ₹ 10 crore (**Appendix 2.2**).

It was also seen that in 31 cases (**Appendix 2.2**) actual expenditure was less than even the original provision. There were savings of more than ₹ 100 crore each in nine cases under seven Grants, four under Revenue (Voted) Accounts viz., (i) Home (Police) (₹ 115.68 crore), (ii) Tribal Welfare (₹ 462.69 crore), (iii) Welfare of Schedule Castes (₹ 199.80 crore) and (iv) Family Welfare & Preventive Medicine (₹ 129.16 crore) departments and five cases under Capital (Voted) Accounts i.e., (i) Tribal Welfare (₹ 546.64 crore), (ii) Welfare of Schedule Castes (₹ 353.07 crore), (iii) Agriculture Department (₹ 108.03 crore), (iv) Rural Development (₹ 310.30 crore) and (v) Planning and Co-ordination (₹ 239.36 crore) Department. Abnormal savings indicated that the basis for assessment of original as well as supplementary requirements were not realistic.

Reasons for savings had not been intimated (August 2015) by the departments.

2.3.2 Persistent Savings

In 27 cases under 20 Grants in both Revenue and Capital heads, there were persistent savings of more than ₹ 1 crore each during the last five year period (**Appendix 2.3**). Out of 27 cases, the savings in 12 cases were more than ₹ 10 crore while the savings in 11 cases were more than 10 per cent of their provision during the last five years from 2010-11 to 2014-15 as detailed in **Table No. 2.2**.

Table No. 2.2: List of Grants indicating Persistent Savings of ₹ 10 crore and above during 2010-15

(₹ in crore)

Sl. No.	Number and name of Grant	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
Revenue-Voted						
1.	10 – Home (Police) Department	17.77 (3)	49.29 (8)	47.48 (7)	135.08 (16)	115.68 (13)
2.	19 – Tribal Welfare Department	123.25 (26)	110.87 (21)	177.22 (27)	287.06 (34)	462.69 (39)
3.	20 – Welfare of Scheduled Castes & Other Backward Classes Department	71.40 (40)	78.77 (37)	163.68 (49)	128.91 (38)	199.80 (39)
4.	39 – Education (Higher) Department	19.61 (26)	11.66 (16)	14.83 (17)	19.31 (16)	32.14 (27)
5.	41 - Education (Social) Department	28.73 (15)	27.28 (12)	52.27 (21)	79.99 (24)	48.62 (14)

Table No. 2.2: List of Grants indicating Persistent Savings of ₹ 10 crore and above during 2010-15 (concl'd.)

(₹ in crore)

Sl. No.	Number and name of Grant	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
Capital-Voted						
6	13 – Public Works (Roads and Buildings) Department	64.74 (34)	31.98 (19)	21.29 (11)	49.15 (19)	34.93 (10)
7	15 – Public Works (Water Resources) Department	79.65 (74)	58.45 (68)	42.84 (55)	44.05 (66)	44.09 (73)
8	19 – Tribal Welfare Department	263.69 (42)	195.91 (32)	354.83 (42)	283.25 (33)	546.64 (33)
9.	20 – Welfare of Scheduled Castes & Other Backward Classes Department	169.99 (50)	118.96 (35)	204.98 (44)	191.34 (39)	353.07 (43)
10.	27 – Agriculture Department	59.96 (68)	86.99 (79)	82.87 (68)	79.79 (69)	108.08 (73)
11.	34 – Planning and Coordination Department	155.82 (98)	86.60 (95)	155.90 (97)	230.88 (97)	239.36 (96)
12.	39 – Education (Higher) Department	22.88 (47)	27.47 (41)	24.88 (39)	19.43 (62)	28.40 (41)

NB: Percentage of total provision in brackets.

Analysis of the savings revealed that:

- There were increasing trend of savings in Revenue Account during the last five year period. The savings with reference to the provision ranged between three to 40 *per cent* in 2010-11 while it was 13 to 39 *per cent* in 2014-15 under Revenue (voted) Account and in Capital head the percentage of savings ranged between 34 and 98 *per cent* of the provision during 2010-11 and 10 to 96 *per cent* in 2014-15 respectively as shown in **Table No. 2.2**. The highest percentage of persistent savings during the five year period (2010-15) occurred in **Grant No. 34** in respect of Capital Account which was 95 to 98 *per cent*. In **Grant No. 15, 27** and **34**, the percentage of savings in Capital head was above 55 *per cent* in each year during the period.

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 ₹ 95.92 crore was incurred in 19 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 2.4**.

There were 23 cases under 10 Grants/Appropriations, where expenditure of more than ₹ 1 crore in each case (**Appendix 2.4**) was incurred during the year without making any provision, out of which in one case the amount involved was more than ₹ 10 crore as detailed below in **Table No. 2.3**.

Table No. 2.3: Expenditure above ₹ 10 crore incurred without provision during 2014-15
(₹ in crore)

Number and Name of Grants/Appropriations	Head of Account	Head of Service	Amount of expenditure without provision	Reasons/Remarks
6 – Revenue Department	4070	Capital Outlay on other Administrative Services	13.40	Reasons for incurring expenditure without budget provision had not been intimated (August 2015).
	800	Other Expenditure		
	48	Border Area Development Programme		
	01	Border Area Development Programme (Plan)		

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 has 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). Summarised position of excess expenditure requiring regularisation for the last three years is given in the table below:

Table No. 2.4: Excess over provision relating to previous years requiring regularisation

Year	Number of		Excess over provision	Status of regularisation
	Grants	Appropriations		
2011-12	8 (16, 23, 24, 35, 36, 37, 43, 56)	1 (35)	69.76	Not regularised till 31 March 2015
2012-13	9 (12, 24, 25, 28, 30, 37, 42, 47, 56)	1 (10)	8.04	
2013-14	4 (12, 24, 28, 51)	--	11.97	
Total:			89.77	

Expenditure incurred in excess of the Budget provision under both Voted Grants/Charged Appropriations by various Departments of the State Government were regularly featured in the Reports of the Comptroller and Auditor General of India on State Finances, Government of Tripura. As on 31 March 2014, there was an excess expenditure of ₹ 89.77 crore requiring regularisation under the provision of the Constitution of India.

Out of ₹ 89.77 crore incurred in excess of the Budget provision under both Voted Grants and Charged Appropriation by various Departments of the State Government during 2011-12 and 2012-13, the State Government had considered for regularising the expenditure of ₹ 77.80 crore.

The Government has referred to the Public Accounts Committee (PAC) for consideration of regularising the excess expenditure for the year 2011-12 and 2012-13 in its sitting held on 6th January 2015. Subsequently, the Committee in its 124th Report (February 2015) stated that all aspect of regularising the excess expenditure incurred by various Department of the State Government during the last two years was

considered on the basis of relevant Appropriation Accounts, and reasons for excess expenditure furnished by the Government. The Committee recommended that Government should control their excess expenditure in different services and take necessary steps to reduce excess expenditure beyond the amount granted by the Assembly for each financial year. The Government also assured the committee that prompt steps would be taken to regularise excess expenditure in future.

The Committee recommended for regularisation of the excess expenditure amounting to ₹ 77.80 crore incurred over the Budget provision under Voted Grants/Charged Appropriation by the State Legislature at the earliest opportunity.

On further query (September 2015) on the development regarding regularisation of ₹ 77.80 crore excess expenditure pertaining to the year from 2011-12 to 2012-13 as recommended by the PAC, the Government stated (October 2015) that necessary action has already been taken for regularisation of the excess expenditure.

2.3.5 Excess expenditure over provision during 2014-15 requiring regularisation

An excess expenditure aggregating ₹ 71.60 crore was incurred in three Grants and one Appropriation which exceeded the approved provision during the year 2014-15 and is required to be regularised by the State Legislature under Article 205 of the Constitution. Details are given in **Appendix 2.5**.

2.3.6 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating to ₹ 1,208.46 crore obtained in 50 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure was less than the original provision as detailed in **Appendix 2.6**. In 23 cases, supplementary provision proved excessive by more than ₹ 10 lakh in each cases resulting in savings of ₹ 1449.22 crore and in two cases, supplementary provision proved insufficient by more than ₹ 400 lakh in each cases resulting in excess expenditure of ₹ 12.32 crore (**Appendix 2.7**). Further, in 19 cases, supplementary provision of ₹ 415.15 crore was obtained against actual requirement of ₹ 242.12 crore, resulting in excess supplementary provision as well as savings of ₹ 173.02 crore (**Appendix 2.8**).

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 2014-15, where savings were anticipated, injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 1 crore in each sub-head in 28 Grants/Appropriations as detailed in **Appendix 2.9**.

In 28 out of 273 Sub-heads in 11 Grants/Appropriations (**Appendix 2.9**), savings/excess of more than ₹ 10 crore in each case occurred due to injudicious, insufficient or excessive re-appropriation of funds during the year 2014-15. This indicated that re-appropriations were done without proper assessment of actual requirement.

Further, scrutiny of detailed Appropriation Accounts for the year 2014-15 revealed that in some major heads under 24 Grants/Appropriations, re-appropriations were done without the knowledge of the Legislature (**Appendix 2.10**) instead of including the same in the budget as a new service/instrument. The reasons for the re-appropriation was stated to be ‘based on 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”, “release/sanction of fund by the Government of India”, etc., should be avoided. Test-check of re-appropriation orders in respect of **Grant No. 19** issued by the Finance Department revealed that out of 331 cases of re-appropriation, in 199 cases (60 *per cent*) the reasons attributed were largely commented upon with expression like ‘based on actual requirement’ which was in violation of Financial Rules besides being arbitrary and vague.

2.3.9 Insufficient surrenders

Scrutiny of Appropriation Accounts revealed that there were substantial savings (cases where more than ₹ 25 lakh savings occurred and more than 50 *per cent* of total savings were not surrendered) in 63 cases under 41 Grants/Appropriations. Out of the total provision of ₹ 8,764.38 crore in these 63 cases, ₹ 2,391.06 crore (27 *per cent*) of total provision was available for surrender. Of this, ₹ 1,750.59 crore (73 *per cent* of available savings) was not surrendered during the year 2014-15. It was noticed that as much as 100 *per cent* of available savings was not surrendered under 22 Grants and three Appropriations in both Revenue and Capital heads and 90 to 99 *per cent* were not surrendered in another 11 Grants (**Grant No. 5, 9, 10, 12, 15, 25, 28, 33, 35, 39 and 49**). The details of such cases are given in **Appendix 2.11**. Reasons for not surrendering ₹ 1,750.59 crore were not stated (August 2015).

2.3.10 Surrender in excess of actual savings

In seven cases under six Grants and one Appropriation, the amounts surrendered were in excess of actual savings which indicated inadequate budgetary control in those departments. As against savings of ₹ 434.72 crore, ₹ 533.79 crore was surrendered resulting in excess surrender of ₹ 99.07 crore. Details are given in **Appendix 2.12**. In two out of seven cases, the amounts of excess surrender were above ₹ 3 crore while in three cases, the amount were above ₹ 10 crore.

Besides, in one Grant, there was no anticipated savings and even the expenditure was in excess of the provision. Though there was no savings, the Controlling Officers surrendered an amount of ₹ 0.60 crore (**Appendix 2.13**) during 2014-15.

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 2014-15, there were 25 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 those cases was ₹ 304.16 crore (**Appendix 2.14**). Out of 28 cases, the savings in 18 of them were more than ₹ one crore while in three cases there were savings of more than ₹ 25 crore and in one case, the savings were more than ₹ 100 crore. The major departments involved were (i) Law Department, (ii) Information Technology Department, (iii) Home (Police) Department, (iv) Fisheries Department, (v) Food, Civil Supplies and Consumer Affairs Department, (vi) Forest Department, (vii) Fire Service Organisation, (viii) General Administration (SA) Department, (ix) Family Welfare and Preventive Medicine Department and (x) Welfare of Minorities Department.

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 and principle of prudent financial management, the expenditure in the closing month of the financial year should be avoided. Contrary to this, the State Government incurred an expenditure of ₹ 1,835.90 crore (Revenue: ₹ 1,038.31 crore and Capital: ₹ 797.59 crore) during the month of March 2015 which constituted 17.34 *per cent* of the total expenditure (₹ 10,590.93 crore) of the year. Further, ₹ 347.34 crore was spent on the last day of March 2015. Details of the Major Heads of accounts where the expenditure incurred in March 2015 ranged between 50 and 100 *per cent* of the total expenditure are given in **Appendix 2.15**.

2.4 Expenditure controls

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, 2011, drawal of the amount in AC Bills should be adjusted in DCC Bills by submitting to the 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.

Total number of unadjusted AC bills as on 31 March 2014 was 18,398 bills involving ₹ 156.34 crore. The outstanding AC Bills as on 31 March 2015 stood at 21,623 involving an amount of ₹ 175.80 crore of which ₹ 89.46 crore in 9,452 Bills pertained to the year 2014-15 drawn upto the end of March 2015. The year-wise position of outstanding AC bills for the last five years is given in **Table No. 2.5**.

Table No. 2.5: Year-wise break-up of outstanding AC Bills as on 31 March 2015*(₹ in crore)*

Year	Outstanding AC Bills as on 31 March 2014		Outstanding AC Bills as on 31 March 2015	
	No. of Bills	Amount	No. of Bills	Amount
Up to 2010-11	760	14.24	10	0.70
2011-12	2,149	27.93	787	12.14
2012-13	3,618	18.93	2,608	7.33
2013-14	11,871	95.24	8,766	66.17
2014-15	-	-	9,452	89.46
Total :	18,398	156.34	21,623	175.80

Source: Appropriation Accounts 2014-15.

It was noticed that AC Bills for ₹ 14.24 crore involving 760 bills that remained unadjusted upto the year 2010-11 came down to ₹ 0.70 crore involving 10 bills. For the year 2011-12, it came down to ₹ 12.14 crore involving 787 bills. Thus, the outstanding AC bills of previous years upto 2013-14 was reduced to 12,171 with monetary value of ₹ 86.34 crore.

As per information furnished by the AG (A&E), it was seen that during the year 2014-15, an amount of ₹ 92.16 crore was drawn through AC Bills of which ₹ 62.04 crore was drawn in March 2015 while ₹ 52.32 crore was drawn only in the last week of March 2015, indicating that funds were drawn to avoid lapse of budget during the year.

Year-wise position of substantial amounts by six major departments drawn on 14,646 AC Bills involving ₹ 92.56 crore remained un-adjusted as on 31 March 2015. Of this, ₹ 41.73 crore involving 7,599 AC Bills pertained to previous years upto 2013-14. The year-wise break-up are given below:

Table No. 2.6: Year-wise break-up of AC Bills outstanding in respect of some major departments*(₹ in crore)*

Sl. No.	Name of Department	Year	No. of AC Bills	Amount of AC Bills outstanding as on 31 March 2015
1.	Revenue Department	Upto 2010-11	3	0.15
		2011-12	95	2.34
		2012-13	363	1.58
		2013-14	2,189	10.79
		2014-15	1,697	10.34
Total:			4,347	25.20
2.	Tribal Welfare Department	Upto 2010-11	5	0.35
		2011-12	151	1.44
		2012-13	476	0.80
		2013-14	2,419	11.55
		2014-15	2,275	19.44
Total:			5,326	33.58
3.	Welfare of Minorities Department	2012-13	16	0.04
		2013-14	403	1.64
		2014-15	814	4.89
Total:			1,233	6.57

Table No. 2.6: Year-wise break-up of AC Bills outstanding in respect of some major departments (concl.)

(₹ in crore)

Sl. No.	Name of Department	Year	No. of AC Bills	Amount of AC Bills outstanding as on 31 March 2015
4.	Education (School) Department	2011-12	96	1.34
		2012-13	168	0.45
		2013-14	191	3.32
		2014-15	96	4.28
Total:			551	9.39
5.	Education (Social) Department	2011-12	69	1.90
		2012-13	286	0.99
		2013-14	143	0.57
		2014-15	510	6.62
Total:			1,008	10.08
6.	Rural Development Department	2011-12	8	0.03
		2012-13	48	0.12
		2013-14	470	2.33
		2014-15	1,655	5.26
Total:			2,181	7.74
Grand Total:			14,646	92.56

Non-adjustment of AC Bills for long periods and failure of controlling authority in enforcing strict financial discipline is fraught with the risk of misappropriation of funds.

2.5 Outcome of review of selected Grants

2.5.1 Introduction

A review of **Grant No. 27** operated in the Agriculture Department of the State was undertaken mainly to assess the efficiency in budgeting process, control and monitoring of revenue and capital expenditure under both plan and non-plan heads for the year 2014-15.

The Secretary to the Government of Tripura, Agriculture Department was the administrative head of the Department.

The summarised position of budget provision and actual expenditure there against during 2014-15 in respect of **Grant No. 27** is given below:

Table No. 2.7: Budget provision and actual expenditure

(₹ in crore)

Nature of expenditure	Budget provision			Actual Expenditure	Savings (-)/ Excess (+)
	Original	Supplementary	Total		
Revenue	160.05	9.33	169.38	159.57	(-) 9.81
Capital	142.19	6.24	148.43	40.40	(-) 108.03
Total:	302.24	15.57	317.81	199.97	(-) 117.84

Source: Appropriation Accounts – 2014-15

Table above shows that against the total budget provision of ₹ 317.81 crore, expenditure of ₹ 199.97 crore was incurred, resulting in an overall savings of

₹ 117.84 crore during the year 2014-15. Supplementary provision of ₹ 15.57 crore (Revenue: ₹ 9.33 crore; Capital: ₹ 6.24 crore) was obtained during the year 2014-15.

2.5.2 Unnecessary Supplementary Provision

Scrutiny of Appropriation Accounts revealed that, in Capital heads against the provision of ₹ 142.19 crore, the Department incurred an expenditure of ₹ 40.40 crore during 2014-15, resulting in saving of ₹ 101.79 crore. A supplementary provision of ₹ 6.24 crore was made though not required which resulted in overall savings of ₹ 108.03 crore under capital heads.

2.5.3 Inadequate surrender of savings

On scrutiny of Appropriation Accounts of the State Government for the year 2014-15, it was noticed that in Capital Account there was a savings of ₹ 108.03 crore which was the result of more savings mainly under major heads 4401 (₹ 33.34 crore) and 4701 (₹ 42.00 crore).

Though the amount of ₹ 9.81 crore was available for surrender in respect of Revenue Account, only ₹ 3.87 crore was surrendered in this account by the Department. While in Capital Account, only ₹ 29.62 crore was surrendered against the savings of ₹ 108.03 crore.

2.5.4 Persistent savings

During the last five year period 2010-15, there were persistent savings every year under **Grant No. 27** as shown in **Table No. 2.8**. The percentage of savings surrendered each year during the last five years ranged between 28 to 71 *per cent*. Details of the savings and the amount surrendered are given in the table below:

Table No. 2.8: Persistent savings during last five year period 2010-15

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue:	8.64	100.99	69.52	24.78	9.81
Capital:	59.96	86.99	82.87	79.79	108.03
Total savings:	68.60	187.98	152.39	104.57	117.84
Amount and percentage of savings surrendered :	47.42 (69)	133.00 (71)	56.77 (37)	64.24 (61)	33.50 (28)

Persistent savings indicated that budgeting process in the Department was unrealistic due to which the Department could not utilise the total funds efficiently and effectively during the period.

2.6 Conclusion and Recommendations

The overall savings of ₹ 3,575.07 crore was the result of saving of ₹ 3,646.67 crore in 47 Grants and 14 Appropriations offset by excess of ₹ 71.60 crore in three Grants and one Appropriation. The excess expenditure of ₹ 89.77 crore over provision in 2011-12 to 2013-14 increased to ₹ 161.37 crore in 2014-15 alone. This excess requires regularisation by the Legislature under Article 205 of the Constitution of India. Rush of expenditure was also observed at the end of the year 2014-15. In respect of 10

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 63 cases under 41 Grants/Appropriations, there were savings of more than ₹ 25 lakh each but more than 50 *per cent* of the same were not surrendered till the end of the year. The Abstract Contingent Bills were not adjusted for long periods which invites the risk of fraud and misappropriation.

Budgetary controls should be strengthened in all the Government departments, particularly in the departments where savings/excess persisted for the 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 and control over expenditure to avoid persistent savings or excess.