

CHAPTER – II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

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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 quantum of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These accounts depict the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-a-vis* those authorised by the Appropriation Act in respect of both charged and voted items of the budget. The Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are therefore, complementary to the Finance Accounts.

2.1.2 Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Acts 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 law, relevant rules and regulations and instructions.

2.1.3 The Finance Department of the State Government is responsible for preparation of the annual budget by obtaining estimates from various Departments. The Departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department scrutinises the estimates and prepares the Detailed Estimates called 'Demand for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of the utmost foresight both in estimating revenue and anticipating 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 neither larger nor smaller. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in financial management and budgetary control are discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

There are 59 Departments in the State at the Secretariat level headed by the Principal Secretaries/Secretaries. Each Department is operating one or more demands and the demand for grant generally reflects the allocation

for a Department. The summarised position of actual expenditure during 2016-17 against 85 grants/appropriations is as given in **Table 2.1**.

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

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess(+)
Voted	I. Revenue	9353.10	315.09	9668.19	7734.50	- 1933.69
	II. Capital	3515.85	886.45	4402.30	1668.06	-2734.24
	III. Loans and Advances	2.42	1.20	3.62	3.41	-0.21
Total voted		12871.37	1202.74	14074.11	9405.97	- 4668.14
Charged	I. Revenue	1251.53	0.00	1251.53	1188.23	-63.30
	II. Capital	0.87	0.57	1.44	1.31	-0.13
	III. Public Debt	572.52	0.00	572.52	2252.86	1680.34
Total Charged		1824.92	0.57	1825.49	3442.40	1616.91
Grand Total		14696.29	1203.31	15899.60	12848.37	-3051.23

(Source: Appropriation Accounts 2016-17)

Note: The expenditure includes the recovery adjusted as reduction of expenditure under revenue expenditure amounting to ₹ 56.75 crore and capital expenditure amounting to ₹ 30.64 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 1,203.31 crore obtained during the year constituted 8.19 per cent of the original provision against 9.63 per cent in the previous year.

The overall savings of ₹ 3,051.23 crore were the result of savings of ₹ 4,734.43 crore in 83 grants and three appropriations under the Revenue Section and 67 grants under the Capital Section offset by an excess of ₹ 1,683.20 crore in two grants and one appropriation.

As may be seen from **Table 2.1**, against the original provision of ₹ 14,696.29 crore, the actual expenditure incurred was ₹ 12,848.37 crore (87.42 per cent).

2.3 Financial Accountability and Budget Management

2.3.1 Excess expenditure over provisions during 2016-17 requiring regularisation

During 2016-17, excess expenditure was incurred in one appropriation and two grants over the amount authorised by the legislature. The details are given in **Table 2.2**.

Table 2.2: Excess over provisions requiring regularisation during 2016-17
(₹ in crore)

Sl. No.	Number and title of grant/appropriation	Total grant / appropriation	Expenditure	Excess
1	A-2 Appropriation-Debt Services (Capital-Charged)	572.52	2252.86	1680.34
2	8 Treasury and Accounts Administration (North Goa) (Revenue-Voted)	903.63	906.34	2.71
3	16 Collectorate (South Goa) (Revenue Voted)	22.33	22.48	0.15
	Total	1498.48	3181.68	1683.20

(Source: Appropriation Accounts of the State)

The excess expenditure over budget provision (₹ 1,683.20 crore), which included ₹ 1,680.34 crore under one appropriation and ₹ 2.86 crore under two voted grants, requires regularisation under Article 205 of the Constitution of India. The excess expenditure under Appropriations-Debt Services was mainly due to repayment of ways and means advances which needs to be regularised. The reasons for excess expenditure incurred in respect of Treasury and Accounts Administration, North Goa were attributed to increased expenditure on account of superannuation and retirement allowances, family pension, pensioners' benefits to State aided education institutes and subsidy on interest on house building advances granted to Government servants *etc.* Reasons for excess expenditure incurred in Collectorate (South Goa) was not provided (February 2018).

2.3.2 Excess expenditure relating to previous years pending 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. No time limit for regularisation of expenditure has been prescribed under the Article. The regularisation of excess expenditure is done by the Public Accounts Committee (PAC) after they discuss Appropriation Accounts. Excess expenditure amounting to ₹ 3,670.49 crore for the years 2008-09 to 2015-16 in respect of six grants and eight appropriations was still to be regularised. The year-wise amount of excess expenditure pending regularisation for grant/appropriations are summarised in **Table 2.3**.

Table 2.3: Excess over provision relating to previous years requiring regularisation

(₹ in crore)

Year	No. of grant/appropriation	Amount of excess over provision	Status of Regularisation
2008-09	2	0.01	Partially regularised ¹
2009-10	1	7.57	Partially regularised ²
2010-11	2	2.74	Yet to be discussed by PAC
2011-12	1	18.88	Yet to be discussed by PAC
2012-13	1	52.10	Yet to be discussed by PAC
2013-14	4	97.51	Yet to be discussed by PAC
2014-15	3	1161.23	Yet to be discussed by PAC
2015-16	2	2330.45	Yet to be discussed by PAC
Total	16	3670.49	

(Source: Appropriation Accounts of the State)

The cases of excess expenditure over grants are in violation of the will of the Legislature and need to be viewed seriously. It is important that responsibility is fixed in this regard to discourage this practice.

2.3.3 Appropriations vis-à-vis allocative priorities

Appropriation audit revealed that in 38 cases, savings exceeded ₹ 10 crore in each case and also by more than 50 per cent of the total provision as indicated in **Table 2.4** and **Appendix 2.1**.

Table 2.4: Summarised statement showing savings exceeding ₹ 10 crore and above

(₹ in crore)

Sl. No.	Range of savings	Number of cases	Total grant	Savings	Percentage
1	Up to 20 crore	14	288.33	214.81	74.50
2	More than 20 crore and up to 50 crore	12	475.80	353.93	74.39
3	More than 50 crore and upto 100 crore	5	399.40	326.69	81.80
4	More than 100 crore	7	1991.35	1384.07	69.50
	Total	38	3154.88	2279.50	72.25

(Source: Appropriation Accounts of the State)

Out of total savings (voted) of ₹ 2,279.50 crore during 2016-17, savings of ₹ 1,384.07 crore (69.50 per cent) involving ₹ 100 crore and above occurred in seven grants as shown in **Table 2.5**.

¹Public Accounts Committee (PAC) recommended (Report No.71, pertaining to Audit Report 2008-09) for regularisation of excess expenditure of ₹ 1,22,193 incurred by Art and Culture, Grant No. 43

²PAC recommended (Report No.72, pertaining to Audit Report 2009-10) for regularisation of excess expenditure of ₹ 30,721 incurred by District and Sessions Court, South Goa, Grant No. 4

Table 2.5: Statement of various grants/appropriations where savings were in excess of ₹ 100 crore and also by more than 50 per cent of the total provision

(₹ in crore)

Sl. No.	Grant/Appropriation	Total provision	Actual expenditure	Savings	Percentage
Revenue (Voted)					
1	55 - Municipal Administration	195.65	79.90	115.75	59.16
Capital (Voted)					
2	32- Finance	505.00	150.00	355.00	70.30
3	42- Sports and Youth Affairs	180.34	76.63	103.71	57.51
4	48 - Health Services	122.31	20.98	101.33	82.85
5	55 - Municipal Administration	146.50	21.95	124.55	85.02
6	76 - Electricity	627.55	222.33	405.22	64.57
7	84 - Airport	214.00	35.49	178.51	83.42
	Total	1991.35	607.28	1384.07	69.50

(Source: Appropriation Accounts of the State)

The reason furnished for unspent provisions under the grants as reported in appropriation account are given below:

32-Finance – Savings amounting to ₹ 355 crore (70.30 per cent) was recorded in the capital head of account from a total provision of ₹ 505 crore. The reason for savings in the capital head was attributed mainly to less claims from Goa State Infrastructure Development Corporation.

42-Sports and Youth affairs–The total savings in the capital grant was ₹ 103.71 crore (57.51 per cent) against budget provision of ₹ 180.34 crore. This was due to token provision on national games village remaining unspent, economy measures, less response under schemes like construction and development of playgrounds etc.

48-Health Services – Savings recorded in the capital head was ₹ 101.33 crore (82.85 per cent). Reasons for savings under the capital head were attributed to non-receipt of approval of Government for upgradation/renovation of Primary Health Centers, Community Health Centre etc.

55-Municipal Administration – There were savings in the demand on revenue as well as capital head totalling to ₹ 115.75 crore (59.16 per cent) and ₹ 124.55 crore (85.02 per cent) respectively. Savings under the revenue head occurred mainly due to non-receipt of proposals for grants from City Corporation of Panaji and Municipal councils. The savings under the capital head occurred due to non-receipt of proposals

from Goa State Industrial Development Corporation for Smart City Mission and Atal Mission for Rejuvenation and Urban Transformation.

76 – Electricity – Savings were incurred in the capital head of the grant amounting to ₹ 405.22 crore (64.57 *per cent*) out of a total provision of ₹ 627.55 crore. A major reason for the savings was attributed to the non-submission of bills by contractors.

84-Airport – 5053-Capital Outlay on Civil Aviation – An amount of ₹ 178.51 crore (83.42 *per cent*) was saved in the head from total grant of ₹ 214 crore. The budgeted amount for construction of new approach road to Mopa airport (₹ 150 crore) was un-utilised due to administrative difficulties.

2.3.4 Persistent savings

During 2012-17, (last five years), there were persistent savings of more than ₹ 10 crore in each case in 20 grants, as shown in **Appendix 2.2**.

The persistent savings of more than ₹ 100 crore and also by more than 40 *per cent* of the total provisions was observed in grant number 55-Municipal Administration (Revenue-Voted). The reason for major savings as reported in the Appropriation Accounts is given below:

55-Municipal Administration (Revenue-Voted): Under the head 2217-01-800-12 during the period 2012-17, out of total provision of ₹ 403.14 crore allotted for Integrated Development of Major Towns scheme, ₹ 97.61 crore was spent resulting in savings of ₹ 305.53 crore (75.79 *per cent*). The savings were attributed to non-receipt of proposal from Goa State Urban Development Authority for implementation of scheme.

The persistent savings indicated that the controls in the Departments on preparation of the budget estimates and allocating funds during the years were not effective.

2.3.5 Substantial surrenders on account of inflated budget estimates of expenditure

While preparing the budget estimates utmost care should be taken to ensure that the budget estimates are neither inflated nor under-pitched. Out of the total provision of ₹ 3,585.58 crore, substantial surrenders amounting to ₹ 2,383.26 crore (66 *per cent*) were made from 30 grants on account of either non-implementation or slow implementation of Schemes/Programmes. The details of the cases where the surrenders were above ₹ 10 crore and more than 50 *per cent* of the provisions are given in **Appendix 2.3**.

2.3.6 Unnecessary surrenders

In three cases, it was seen that a total amount of ₹ 37.97 crore was surrendered though excess expenditure of ₹ 1,683.20 crore was incurred under these grant/appropriation. This indicated lack of proper budgetary control. Details are given in **Table 2.6**.

Table 2.6: Surrender of grants/appropriation in cases of excess expenditure

(₹ in crore)

Number and Name of the Grant/ Appropriation	Total grant	Excess	Amount surrendered
A-2 Appropriation-Debt Services (Capital-Charged)	572.52	1680.34	31.42
8 Treasury and Accounts Administration (North Goa) (Revenue-Voted)	903.60	2.71	5.30
16 Collectorate (South Goa) (Revenue Voted)	22.33	0.15	1.25
Total	1498.45	1683.20	37.97

(Source: Appropriation Accounts of the State)

The reason for surrender of grants inspite of excess expenditure against the provision, though called for was not furnished by the Director of Accounts (January 2018).

2.3.7 Anticipated savings not surrendered

Rule 56 of the General Financial Rules, 2005 provides that the spending Departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Further, surrender of funds should be done as soon as these are foreseen without waiting for the end of the financial year, to enable the Finance Department to utilise the funds on other schemes.

At the close of the year 2016-17, no part of the savings, which occurred in three cases (₹ 19.81 crore) was surrendered by the concerned Departments as detailed in Table 2.7.

Table 2.7: Grants/Appropriations in which saving occurred but no part of which had been surrendered

(₹ in crore)

Sl. No.	Number and name of grant	Saving
1	23 - Home (Capital-Voted)	3.00
2	29 – Public Grievances (Revenue-Voted)	0.39
3	60 - Employment (Revenue-Voted)	16.42
	Total	19.81

(Source: Appropriation Accounts of the State)

Similarly, out of total savings of ₹ 697.75 crore under 17 grants/appropriations only ₹ 596.06 crore was surrendered leaving an un-surrendered balance (un-surrendered savings exceeding ₹ one crore) of ₹ 101.69 crore. The details are given in Appendix 2.4.

Besides, in 31 grants, savings in excess of ₹ 20 crore, aggregating ₹ 3,982.44 crore (Appendix 2.5) was surrendered in the last month of the financial year, indicating inadequate financial control as well as non-utilisation of these funds for other development purposes.

2.3.8 Unnecessary/Excessive supplementary provisions

Supplementary provisions aggregating ₹ 244.74 crore obtained in eight grants during the year proved unnecessary as the actual expenditure (₹ 75.01 crore) did not come up to the level of the original provision (₹ 237.89 crore) as detailed in **Appendix 2.6**.

The Departments need to strengthen the estimation of requirement of funds and review the basis for supplementary provision.

2.3.9 Surrender in excess of actual savings

In five grants, against the savings of ₹ 862.67 crore, an amount of ₹ 875.91 crore was surrendered, which was in excess by ₹ 13.24 crore (amount exceeding ₹ one crore in each case) indicating that the Departments failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements as shown in **Table 2.8**.

Table 2.8: Details of surrender in excess of actual savings (amount exceeding ₹ one crore)

<i>(₹ in crore)</i>					
Sl.No	Grant No	Name of the Grant/Appropriation	Savings	Surrender	Amount surrendered in excess
1	12 (Capital Voted)	Commercial Taxes	26.47	28.69	2.22
2	21 (Capital Voted)	Public Works	709.88	712.16	2.28
3	47 (Revenue Voted)	Goa Medical College	3.43	5.76	2.33
4	62 (Capital Voted)	Law	29.33	30.78	1.45
5	81 (Capital Voted)	Tribal Welfare	93.56	98.52	4.96
Total			862.67	875.91	13.24

(Source: Appropriation Accounts of the State)

2.3.10 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.

Major Heads, where expenditure exceeding ₹ 25 crore and more than 50 *per cent* of the total expenditure, was incurred either during the last quarter or during the last month of the financial year, is shown in **Table 2.9**:

Table 2.9: Rush of expenditure during the last quarter and last month of 2016-17

(₹ in crore)

Sl.No	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2017	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	135.36	102.94	76.05	68.97	50.95
2	4202-Capital Outlay on Education, Sports, Art and Culture.	105.13	65.19	62.01	57.17	54.38
3	5054-Capital Outlay on Roads and Bridges.	334.59	203.40	60.79	104.82	31.33
Total		605.91	397.99	71.17	233.94	36.58

(Source: Appropriation Accounts of the State)

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.

2.3.11 Unexplained re-appropriations

As per para 1 (d) of Appendix III of the Comptroller & Auditor General's Manual of Standing Orders (Accounts and Entitlement), general terms of re-appropriation should not be employed. For example, it is not adequate explanation of a saving in the provision of purchases of stores to state that 'fewer stores were purchased'. The reason for the smaller purchases should be given.

During check of the re-appropriation orders it was observed that general expressions such as, "due to economic measures", "due to less expenditure than anticipated", "original provision found to be inadequate" etc., were stated in the re-appropriation orders. A scrutiny of re-appropriation orders issued by various Departments revealed that in 99 of 164 re-appropriation orders (60 per cent), the reasons given for additional provision/withdrawal of provision were general in nature.

2.4 Review of Budget Control Mechanism

A review of receipts and expenditure under grant No. 57 - Social Welfare and grant No. 81- Tribal Welfare for the period 2014-17 revealed the following:

Grant No. 57-Social Welfare Department

Department of Social Welfare is responsible for implementing various social legislations pertaining to the weaker sections of the society. Under 'Dayanand Social Security Scheme', the Department provides financial assistance for the welfare of weaker and most vulnerable sections of the society which includes single women, widows, differently-abled persons, senior citizens etc. The Department also provides scholarships to students of Scheduled Castes and Other Backward Classes.

2.4.1 Revenue Expenditure

Table 2.10 presents the summary of actuals *vis-à-vis* Original/Supplementary provisions made during the year 2014-17.

Table 2.10: Summary of actuals *vis-à-vis* Original/Supplementary provisions made during 2014-17

(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual expenditure	Saving	Percentage	
							Saving	Growth in Expenditure
2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 2235-Social Security and Welfare	2014-15	259.20	60.00	319.20	280.13	39.07	12.24	-
	2015-16	330.19	28.00	358.19	347.23	10.96	3.06	23.95
	2016-17	297.81	-	297.81	277.02	20.79	7.00	(-)20.22
Total		887.20	88.00	975.20	904.38	70.82		

(Source: Appropriation Accounts)

The overall revenue expenditure showed an increase of 23.95 *per cent* in 2015-16 followed by a decrease of 20.22 *per cent* in 2016-17. An analysis of the reasons for reduction in expenditure in 2016-17 over 2015-16 revealed that the State Government made a budget provision of ₹ 60 crore relating to payment of pensions to Scheduled Tribes under 'Dayanand Social Security Scheme' under grant No. 81 (Department of Tribal welfare) instead of grant No. 57 (Department of Social Welfare).

2.4.1.1 Substantial savings under sub-heads

The budget estimates should be prepared with utmost care so that the budget estimates are neither inflated nor under-pitched. Scrutiny of Accounts under grant No. 57 in revenue section showed that the budget allocations under six Schemes were either not utilized or substantial portion of savings surrendered in the last month of the year (amount exceeding more than ₹ two lakh in each case).

Table 2.11: Substantial savings under revenue section surrendered in the last month of the year

(₹ in lakh)

Sl. No.	Name of the scheme	Year	Total grant	Expenditure	Saving	Percentage in saving
1	2225-03-277-09 Pre-matric scholarship to OBC	2016-17	70.90	4.90	66.00	93.08
2	2225-80-800-15 Pre-matric scholarship to minorities	2016-17	20.61	0.00	20.61	100
3	2235-02-200-03 Rajiv Awas yojna	2016-17	7.19	2.19	5.00	69.54
4	2235-02-200-07 Financial assistance for welfare of kiosk owners Rajiv Awas yojna	2016-17	5.10	1.10	4.00	78.43
5	2235-02-200-09 Financial assistance for self help groups	2016-17	27.27	17.27	10.00	36.67
6	2235-02-796-02 Tribal area sub plan Rajiv Awas yojna	2016-17	2.50	0.00	2.50	100

(Source: Appropriation Accounts)

2.4.1.2 Surrender/Re-appropriation of anticipated savings

During 2014-17, the Director of Social Welfare had submitted proposals for re-appropriation/surrender of anticipated savings on the last day of the financial year. Consequently, the objective of allocating un-utilised funds to other needy Departments by Finance Department was defeated.

During 2016-17, an amount of ₹ 19.70 crore was surrendered on the last working day of the financial year. If the appropriation under a unit is reduced by re-appropriation or by surrender of funds, the expenditure debitable to the unit should be restricted to the reduced appropriation. During the period 2014-17, in six sub-heads, budget allocation reduced by re-appropriation at the end of the year was less than the expenditure incurred under the head as detailed in **Table 2.12**. This resulted in expenditure exceeding the available allocation under the heads by ₹ 7.65 lakh.

Table 2.12: Reduction of appropriation in excess of actual requirement

(₹ in lakh)

Sl. No.	Year	Head of account	Original Budget	Funds after Re-appropriation	Final Expenditure	Excess expenditure
1	2014-15	2225-01-800-02 Awards for inter caste marriage	16.00	10.00	11.00	1.00
2	2014-15	2235-02-200-03 Rajiv Awas Yojna	10.00	1.44	4.25	2.81
3	2015-16	2235-02-200-09 Financial assistance to self help groups	25.00	17.50	20.00	2.50
4	2016-17	2225-80-800-02 Protection of civil rights (Plan)	13.00	10.52	10.65	0.13
5	2016-17	2235-02-001-01 Directorate of social welfare (non-plan)	200	137.66	138.27	0.61
6	2016-17	2235-02-101-02 Strengthening of Department under social welfare wing (Plan)	310.00	239.38	239.98	0.60
Total			574	416.50	424.15	7.65

(Source: Appropriation Accounts)

2.4.2 Capital Expenditure

The budget estimates for capital expenditure was same (₹ 0.86 crore) over the period 2014-16. However, the actual expenditure on capital section during the last three years was 'Nil', resulting in persistent savings of 100 per cent as shown in **Table 2.13**.

Table 2.13: Summarised position of actual expenditure vis-à-vis original provision during 2014-17

(₹ in crore)

Head Account	of	Year	Original provision	Supplementary provision	Total	Actual expenditure	Saving	Percentage Saving
4225-Capital Outlay on Welfare of SC, ST and OBCs		2014-15	0.86	--	0.86	0.00	0.86	100
		2015-16	0.86	--	0.86	0.00	0.86	100
		2016-17	0.86	--	0.86	0.00	0.86	100

(Source: Appropriation Accounts)

Audit scrutiny revealed that the Department of Social Welfare did not utilise the entire provision and surrendered the amount at the end of the year. Though the entire provisions remained unutilised, the Department continued to make provision of funds during subsequent years. The Department intimated that the provision of ₹ 0.50 crore under head 4225-80-190-01 and ₹ 0.36 crore under head 4225-80-190-03 was intended for investments in Goa State Commission for Backward Classes and Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited respectively. The amount was surrendered at the end of the year as the requests for release of funds were not received from the Commission/Corporation during these years.

2.4.3 Revenue Receipts

The overall position of revenue receipts under '0235-Social Security and Welfare' during 2014-17 is summarised in **Table 2.14**.

Table: 2.14 Summarised position of receipts during 2014-17

(₹ in crore)

Sl. No.	Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+) Shortfall (-)	Percentage variation to R.E.
1	0235-Social Security and Welfare	2014-15	10.72	10.72	0.14	(-)10.58	(-)98.70
		2015-16	8.20	8.32	0.13	(-)8.19	(-)98.43
		2016-17	12.30	12.83	0.90	(-)11.93	(-)92.99

(Source: Estimates of Receipts and Appropriation Accounts)

It could be seen from the above that the actual realisation of receipts during 2014-17 was significantly less at 93 per cent to 99 per cent compared to revised estimates.

Grant No: 81-Tribal Welfare Department

The Department of Tribal Welfare has been set up for better enforcement of constitutional rights, to give impetus to the implementation of various Schemes and programmes for the welfare and development of Scheduled Tribes in Goa.

2.4.4 Revenue Expenditure

Table 2.15 presents the summary of actuals *vis-à-vis* Original/Supplementary provisions made during 2014-17.

Table 2.15: Summary of actuals *vis-à-vis* Original/Supplementary provisions made during 2014-17

(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage	
							Savings	Growth in Expenditure
2225- Welfare of SC, STs and OBCs	2014-15	119.21	2.50	121.71	100.15	21.56	17.71	-
	2015-16	119.60	-	119.60	110.46	9.14	7.64	10.29
	2016-17	148.21	10.00	158.21	127.47	30.74	19.43	15.40

(Source: Appropriation Accounts)

Scrutiny revealed that during 2014-15, supplementary provision of ₹ 2.50 crore was obtained, whereas the expenditure of ₹ 100.15 crore was

well below the original provision of ₹ 119.21 crore, thereby resulting in a net saving of ₹ 21.56 crore. Similarly, a supplementary provision of ₹ 10 crore was made during 2016-17 to Ashram Schools in Tribal Sub Plan under the head '2225-02-277-14'. The provisions for the same 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.

2.4.4.1 Non-utilisation of entire provision

Test check of sub-heads revealed that no expenditure was incurred against the budget provision and the entire amount of ₹ 861 lakh was surrendered (10 cases) in all the years during 2014-2017. Non-utilisations of budget provision were mainly due to non-implementation of schemes as shown in Table 2.16 below.

Table 2.16: Non-utilisation of entire provision

(₹ in lakh)

Sl. No.	Name of the scheme	Budget Provision			Reasons for surrender
		2014-15	2015-16	2016-17	
1	2225-02-277-03 Upgradation of Merit of ST students	2	2	2	Non-formulation of the Scheme
2	2225-02-277-07 Financial assistance to NGOs who run normal schools having students from tribal community	40	40	20	
2	2225-02-277-08 Financial assistance for construction of hostels for ST students	40	40	60	
3	2225-02-277-17 Special coaching for ST students for competitive examination	10	10	10	Amount unutilised due to less response to the Schemes
4	2225-02-277-18 Vocational Training for ST people in rural areas	15	15	10	
5	2225-02-277-23 Financial assistance to ST trainees acquiring skill upgradation for vocational courses	20	20	10	
6	2225-02-277-30 Capacity building for the forest rights committee under forest Act	30	50	100	
7	2225-02-800-11 Financial assistance for damages to life and property due to wild attack or fire, tree uprooting	50	50	50	Amount surrendered on account of no response to the Schemes
8	2225-02-800-13 Financial assistance for purchase of dwelling house of mundkar mundkarache ghar	15	15	5	
9	2225-02-800-15 Financial assistance for IVF- Matruva yojana	6	6	10	
10	2225-02-800-16 Financial assistance to support land development minor forest produce agriculture horticulture	30	30	30	
Total		258	278	325	

(Source: Appropriation Accounts)

2.4.4.2 Surrender/Re-appropriation of anticipated savings

During 2014-17, the Director of Tribal Welfare had submitted the proposals for re-appropriation/surrender of anticipated savings on the last day of the financial year.

During 2016-17, an amount of ₹ 30.35 crore was surrendered on the last working day of the financial year. During the period 2014-16, in four sub-heads (Table 2.17), budget allocation reduced by re-appropriation at the end of the year was less than the expenditure incurred under the head. This resulted in expenditure exceeding the available allocation under the heads by ₹ 209.30 lakh.

Table 2.17 : Reduction of appropriation in excess of actual requirement

(₹ in lakh)						
Sl. No.	Year	Head of account	Original Budget	Funds after Re-appropriation	Final Expenditure	Excess expenditure
1	2014-15	2225-02-001-01 Direction and Administration	303.00	145.00	147.19	2.19
2	2014-15	2225-02-800-10 Financial assistance for construction of houses and repairs (Atal Asra Yojna)	2500.00	1718.75	1924.25	205.50
3	2014-15	2225-80-102-01 Financial assistance to organisations for seminars, conferences etc.	30.00	0.12	1.25	1.13
4	2015-16	2225-02-001-01 Direction and Administration	388.00	198.96	199.44	0.48
Total			3221.00	2062.83	2272.13	209.30

(Source: Appropriation Accounts)

2.4.5 Capital Expenditure

The actual capital expenditure during 2014-17 was significantly lower against the budget provision which shows low priority in execution of capital works, as shown in Table 2.18.

Table 2.18: Summarised position of actual expenditure vis-a-vis original/supplementary provisions during 2014-17

(₹ in crore)							
Head of Account	Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage in Savings
4215-Capital Outlay on Water Supply and Sanitation	2014-15	100.00	1.50	101.50	28.13	73.37	72.29
	2015-16	116.00	0.00	116.00	21.24	94.76	81.69
4225-Capital Outlay on Welfare of SCs, STs and OBCs	2016-17	109.00	0.00	109.00	15.44	93.56	85.83
4702-Capital Outlay on Minor Irrigation							
5054-Capital Outlay on Roads and Bridges							

(Source: Appropriation Accounts)

It is evident from the above table that during 2014-17, there were persistent savings ranging between 72 per cent and 86 per cent. During 2014-15, there was unnecessary supplementary provision of ₹ 1.50 crore as the original provision (₹ 100 crore) itself was more than actual expenditure (₹ 28.13 crore).

2.4.5.1 Surrender/re-appropriation of savings

In three sub-heads under capital section, budget allocation reduced by re-appropriation at the end of the year was less than the expenditure incurred

under the head. This resulted in expenditure exceeding the available allocation under the heads by ₹ 512.59 lakh, as shown in Table 2.19.

Table 2.19: Reduction of appropriation in excess of actual requirement

(₹ in lakh)						
Sl. No.	Year	Head of account	Original Budget	Funds after Re-appropriation	Final Expenditure	Excess Expenditure
1	2014-15	4225-02-190-02 Infrastructure development project in scheduled tribe areas	4000.00	36.36	38.36	2.00
2	2015-16	4215-01-796-01 Scheduled Tribe Development Scheme	1500.00	60.61	64.52	3.91
3	2016-17	4215-01-796-01 Scheduled Tribe Development Scheme	1500.00	143.23	169.04	25.81
4	2016-17	4225-02-190-02 Infrastructure development project in Scheduled Tribes Area	4000.00	239.01	452.57	213.56
5	2016-17	5054-04-796-01 Scheduled Tribe Development Scheme	2500.00	643.64	910.95	267.31
Total			13500.00	1122.85	1635.44	512.59

(Source: Appropriation Accounts)

2.4.6 Revenue Receipts

Overall position of revenue receipts under Major Head '0225 Welfare of SC, STs and OBCs' of grant No. 81 for the period 2014-17 is given in Table 2.20.

Table 2.20: Summarised position of revenue receipts during 2014-17

(₹ in lakh)				
Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+)/ Shortfall(-)
2014-15	-	0.51	0.64	(+)0.13
2015-16	0.51	0.51	0.00	(-)0.51
2016-17	0.57	0.57	0.00	(-) 0.57

(Source: Estimates of Receipts and Finance Accounts)

2.5 Personal Deposit Accounts

The Personal Deposit (PD) Accounts are Deposit Accounts kept in Treasuries in the name of the Administrators³ of the Accounts. The money is placed under 8443-Civil Deposits, 106-Personal Deposit. These Accounts can be opened with the approval of the Finance Department. As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, the State Government is authorized to open PD Account (which form part of the Public Account) wherein, funds are drawn from the Consolidated Fund (by debiting expenditure head) to be utilised for specific purposes. Unspent balances lying in PD Accounts are required to be transferred back to the Consolidated Fund before the closure of the financial year. The year wise position of PD Accounts from 2014-15 to 2016-17 is given in Table 2.21.

³ PD Account holders

Table 2.21: Year-wise details of PD Accounts from 2014-15 to 2016-17

Year	Opening balance	Receipts	Disbursements	Closing balance
2014-15	9.33	35.30	23.00	21.63
2015-16	21.63	47.28	31.85	37.06
2016-17	37.06	114.68	85.14	66.60

(₹ in crore)

(Source: Finance Accounts of respective years)

Scrutiny of information on PD Accounts furnished by Administrators of the State Government revealed that as of 31 March 2017, there were 89 active accounts having balances of ₹ 72.34 crore and 20 inactive accounts having balances of ₹ 0.17 crore. Thus, a total of 109 PD Accounts with a total balance of ₹ 72.51 crore existed at the end of 31 March 2017. The difference of ₹ 5.91 crore⁴ was due to non-reconciliation of balances between the PD Accounts maintained by the Administrators and the treasury accounts.

Non-reconciliation of PD Accounts periodically entails the risk of fraud and misappropriation.

2.6 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Goa Contingency Fund Act, 1988, in terms of Articles 267(2) and 283(2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 100 crore vide Government notification dated 29 September 2015. Funds drawn from the Contingency Fund are subsequently recouped to the Fund through supplementary provisions. During 2016-17, ₹ 7.69 crore was withdrawn from Contingency Fund through 23 sanctions issued by Finance Department. The entire amount of ₹ 7.69 crore was recouped at the end of March 2017.

The PAC in its 62nd Report (March 2008), observed that the Contingency Fund were utilised for pay and allowances, purchase of machinery, equipment, computers, maintenance and repairs, house building advance to Government servants *etc.*, which could not be considered as unforeseen and unanticipated and warned of the recurrence of such irregularities in future. Despite observation by PAC, in one case⁵ ₹ 0.30 crore was withdrawn from Contingency Fund in 2016-17 for payment of house building advance to a Member of Legislative Assembly, which was a departure from the procedure laid down in the Act.

⁴ ₹ 72.51 crore - ₹ 66.60 crore

⁵ Grant No. 1, Goa Legislature, head of account 7610-201-02-55, House Building Advance given to Member of Legislative Assembly in December 2016 for an amount of ₹ 30 lakh

2.7 Un-reconciled Expenditure

Departmental officers are required to reconcile periodically and before the close of the accounts of a year, the Departmental figures of expenditure with those recorded in the books of the Director of Accounts. This enables the Controlling Officers of Departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The PAC in its 48th Report (1992) had desired that punitive action should be taken against erring Budget Controlling Authorities (BCAs). Even though non-reconciliation of Departmental expenditure was pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2016-17. During 2016-17, 26 out of 86 BCAs, had not carried out any reconciliations for the entire year in respect of 1,217 units under their control, involving ₹ 3,546.22 crore. Eleven BCAs had carried out such reconciliations only for part of the year in respect of 677 units under their control, involving ₹ 299.30 crore. The un-reconciled periods in case of the partially reconciled units ranged from one to nine months. The details of 17 major BCAs (out of 37) who did not reconcile their expenditure (₹ 3,710.67 crore) are indicated in **Table: 2.22**.

Table 2.22: Major Budget Controlling Authorities who did not reconcile their expenditure

		(₹ in crore)
Sl. No.	Budget Controlling Authorities who did not reconcile their expenditure	Amount not reconciled
1	Principal Chief Engineer, Public Works Department	1108.62
2	Director of Education	1034.02
3	Director of Women and Child Development	376.14
4	Director of Social Welfare	277.02
5	Under Secretary, Finance (Bud)	153.58
6	Director of Panchayats	147.80
7	Director of Transport	99.96
8	Director of Health Services	91.73
9	Director of Animal Husbandry and Veterinary Services	83.11
10	Director of Agriculture	61.42
11	Principal, Goa Dental College and Hospital	53.90
12	Principal Chief Conservator of Forest	51.26
13	Director of Mines and Geology	49.13
14	Director of Science, Technology and Environment	40.49
15	Commissioner of Labour and Employment (Labour)	34.47
16	Inspector General of Prisons	24.77
17	Director of Information and Publicity	23.25
	Total	3710.67

(Source: Directorate of Accounts)

2.8 Conclusion and Recommendations

During 2016-17, expenditure of ₹ 12,848.37 crore was incurred against the total grants and appropriations of ₹ 15,899.60 crore resulting in savings of ₹ 3,051.23 crore. The overall savings were the net result of savings of ₹ 4,734.43 crore, offset by an excess of ₹ 1,683.20 crore in two grants and one appropriation.

The excess expenditure of ₹ 1,683.20 crore indicated lack of budgetary control in providing for essential items, and the excess require regularisation under Article 205 of the Constitution of India.

In seven cases, there were substantial savings of more than ₹ 100 crore in each case during 2016-17 in respect of grants pertaining to Finance, Sports and Youth Affairs, Health services, Municipal Administration, Airport and Electricity Department indicating that either the provisions were excessive or the executive was not successful in implementing the legislative aspirations.

The Departments may closely monitor the expenditure against the allocations and surrender the unutilised funds well before the close of the year so as to enable their utilisation for other developmental Schemes.