

Chapter II

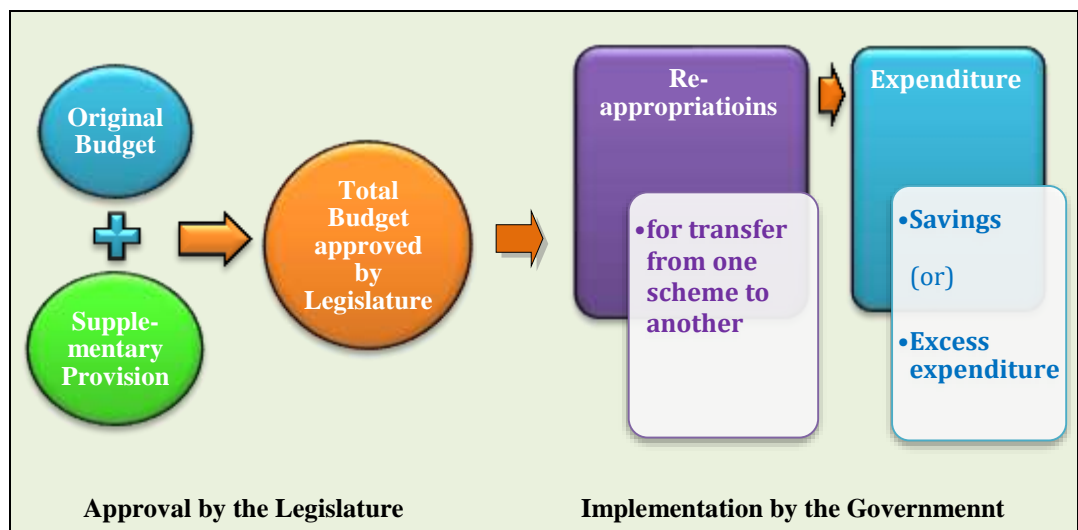
Financial Management and Budgetary Control

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

Appropriation Accounts captures the data along the entire process of budget formulation and implementation (**Chart 2.1**).

Chart 2.1: Flow chart of budget implementation



Source: Budget Manual and Appropriation Accounts

2.1.2 Audit of appropriations 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 the law, relevant rules, regulations and instructions.

Deficiencies in the management of budget and expenditure and violation of the Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The total provision for expenditure in 2017-18 was ₹ 1,24,990.40 crore. The actual gross expenditure during the year was ₹ 1,02,962.69 crore (82 per cent). This resulted in savings¹ of ₹ 22,027.71 crore in 2017-18. The details are in **Table 2.1** below:

Table 2.1: Position of Actual Expenditure vis-à-vis Original/Supplementary Provisions
(₹ in crore)

Nature of expenditure		Original grant/ Appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	69,002.94	5,646.83	74,649.77	61,359.29	(-) 13,290.48
	II Capital	21,460.31	5,165.85	26,626.16	21,663.85	(-) 4,962.31
	III Loans and Advances	1,326.07	277.77	1,603.84	1,394.89	(-) 208.95
Total Voted		91,789.32	11,090.45	1,02,879.77	84,418.03	(-) 18,461.74
Charged	IV Revenue	11,432.02	633.64	12,065.66	12,131.71	(+) 66.05
	V Capital	100.00	0.00	100.00	74.10	(-) 25.90
	VI Public Debt Repayment	9,944.97	0.00	9,944.97	6,338.85	(-) 3,606.12
Total Charged		21,476.99	633.64	22,110.63	18,544.66	(-) 3,565.97
Appropriation to Contingency Fund		-	-	-	-	-
Grand Total		1,13,266.31	11,724.09	1,24,990.40	1,02,962.69	(-) 22,027.71

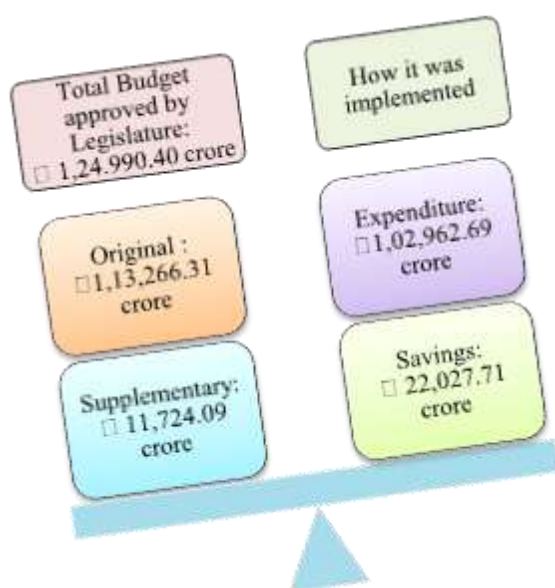
Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 233.64 crore) and Capital Heads (₹ 8,200.04 crore).

Supplementary provision of ₹ 11,724.09 crore was constituted 10 per cent of the original provision as against four per cent in the previous year.

¹ Savings is the term used for indicating the amount that could not be spend out of budget provisions.

2.2.1 Analysis of Appropriation Accounts 2017-18

Chart 2.2: How the Budget was implemented



Source: Appropriation Accounts

The overall savings of ₹ 22,027.71 crore were the result of savings of ₹ 22,568.31 crore in 43 grants under the Revenue (Voted) and 15 grants under Revenue (Charged) Section, 25 grants under the Capital (Voted), two grants under Capital (Charged) Section and one appropriation (Public Debt-Repayments) under the Loan Section, offset by excess of ₹ 540.60 crore mainly under Revenue (Voted) Section of the Grant No. 6 (₹ 375.60 crore), under Revenue (Charged) Section of Grant No. 6-Finance (₹ 73.88 crore) and under Capital (Voted) Section of Grant No. 24 -Irrigation (₹ 91.12 crore). The excess of ₹ 540.60 crore requires regularisation under Article 205 of the Constitution.

Table 2.2: Total excess or savings under different grants

Description	Number of grants/appropriation					Amount (₹ in crore)
	Revenue (Voted)	Revenue (Charged)	Capital (Voted)	Capital (Charged)	Public Debt Repayment	
Savings occurred in	43	15	25	2	1	22,568.31
Excess expenditure occurred in	1	1	1	-	-	540.60

Source: Appropriation Accounts

The grants with savings more than ₹ 100 crore are listed in **Appendix 2.2**.

2.3 Financial Accountability and Budget Management

2.3.1 Expenditure without provision

As per the Budget Manual, no expenditure is to be incurred on a scheme/service without provision of funds. It was, however, noticed that in six cases as detailed in **Appendix 2.1**, the expenditure of ₹ 16.96 crore was incurred without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this effect.

2.3.2 Excess over provisions requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations 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. However, excess expenditure amounting to ₹ 256.98 crore for the period 2016-17 had not been discussed by Public Accounts Committee (PAC) and ₹ 540.60 crore during 2017-18 was still to be regularised.

This is contrary to legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public money. Excess expenditure remaining unregularised for such extended period needs to be viewed seriously as this dilutes the legislative control over the exchequer and therefore all the existing cases of excess expenditure need to be got regularised at the earliest and strict departmental action is taken against controlling officer who exceed the budget.

2.3.3 Savings vis-à-vis allocations

Appropriation audit revealed that savings in 33 cases exceeded ₹ 100 crore in each case (**Appendix 2.2**). Against the total provision of ₹ 98,613.21 crore actual expenditure was ₹ 76,992.85 crore and savings were ₹ 21,620.36 crore. In 10 grants namely 9-Education (Revenue-Voted), 15-Local Government (Revenue-Voted), 24-Irrigation (Revenue-Voted), 27-Agriculture (Revenue-Voted), 32-Rural and Community Development (Revenue-Voted), 36-Home (Revenue-Voted), 40-Energy & Power (Revenue-Voted), 8- Buildings and Roads (Capital-Voted), 23-Food and Supplies (Capital-Voted), 32-Rural and Community Development (Capital-Voted) and Public Debt savings exceeded ₹ 500 crore.

2.3.4 Persistent savings

During the last five years, 15 grants and one appropriation showed persistent savings of more than ₹ 10 crore and which were also 10 per cent or more of the total grants (**Table 2.3**).

Table 2.3: Grants indicating persistent savings

(₹ in crore)

Sr. No.	Number and name of the grant	Amount of savings				
		2013-14	2014-15	2015-16	2016-17	2017-18
Revenue (Voted)						
1.	07-Planning and Statistics	280.85 (51)	333.58 (81)	237.74 (58)	283.17 (62)	10.76 (26)
2.	09-Education	1,818.31 (21)	1,369.49 (14)	2,317.26 (20)	3,436.36 (25)	2,345.71 (17)
3.	11-Sports and Youth Welfare	56.33 (31)	58.82 (25)	84.43 (27)	105.84 (25)	211.20 (46)
4.	13-Health	279.74 (14)	576.18 (21)	547.14 (18)	595.38 (18)	434.07 (12)
5.	14-Urban Development	118.37 (62)	32.64 (24)	63.06 (37)	12.47 (13)	53.95 (51)

Sr. No.	Number and name of the grant	Amount of savings				
		2013-14	2014-15	2015-16	2016-17	2017-18
6.	15-Local Government	589.57 (27)	584.00 (28)	1,407.70 (43)	879.77 (25)	1,462.93 (27)
7.	17-Employment	25.61 (33)	25.15 (31)	29.62 (38)	16.12 (23)	56.52 (24)
8.	18-Industrial Training	24.32 (13)	24.00 (11)	30.39 (12)	52.67 (19)	122.11 (29)
9.	19-Welfare of SCs, STs, Other BCs and Minorities	140.96 (30)	95.10 (26)	323.20 (49)	213.79 (27)	357.63 (47)
10.	21-Women and Child Development	157.81 (22)	195.08 (22)	268.23 (27)	368.88 (33)	232.26 (22)
11.	23-Food and Supplies	185.52 (51)	166.43 (45)	122.74 (33)	115.61 (14)	311.20 (54)
12.	27-Agriculture	256.92 (24)	473.74 (37)	374.19 (27)	826.91 (43)	648.44 (34)
13.	32-Rural and Community Development	345.36 (16)	580.95 (23)	815.54 (28)	366.90 (10)	1,193.68 (26)
Capital (Voted)						
14.	21-Women and Child Development	193.87 (99)	163.97 (74)	168.82 (79)	37.37 (34)	110.87 (64)
15.	38-Public Health & Water Supply	137.28 (11)	146.74 (13)	323.70 (28)	310.50 (25)	273.98 (19)
Capital (Charged)						
16..	Public Debt	5,027.64 (38)	5,622.44 (41)	2,820.83 (28)	4,401.67 (45)	3,606.12 (36)

* Figures in parenthesis show percentage of savings to total provision

During 2017-18 in 16 development schemes (other than salary/establishments) under the above mentioned grants the savings were more than ₹ 100 crore (Table 2.4).

Table 2.4: Detail of cases in which savings were more than ₹ 100 crore

Sr. No.	Grant Name and Scheme Name	Budget Provision	Expenditure	Saving	Percentage savings over budget
1.	Grant No. 9-Education				
(i)	2202-General Education, 01-Elementary Education, 111-Sarva Shiksha Abhiyan	741.38	452.30	289.08	39
(ii)	2202-General Education, 02-Secondary Education, 109-Government Secondary Schools, 86-Rashtriya Madhyamic Shiksha Abhiyan	400 ² .00	227.14	172.86	43
2.	15-Local Government				
(i)	2217-Urban Development, 80-General, 192-Assistance to Municipal Committees/Councils, 86-New Urban Renewal Mission	440.00	123.50	316.50	72
(ii)	2217-Urban Development, 80-General, 192-Assistance to Municipal Committees/Councils, 87-Smart City	800.00	204.00	596.00	75
(iii)	2217-Urban Development, 80-General, 192-Assistance to Municipal Committees/Councils, 92-Contribution to Local Bodies from the proceeds of Stamp Duty to Municipal Committee/Council	314.60	96.58	218.02	69

² Out of ₹ 400 crore, provision of only ₹ 14.04 crore was made for salary/establishment.

Sr. No.	Grant Name and Scheme Name	Budget Provision	Expenditure	Saving	Percentage savings over budget
(iv)	2217-Urban Development, 80-General, 789-Special Component Plan for Scheduled Castes, 91-Share of Surcharge for SC Component on VAT for Urban Local Bodies	594.00	424.87	169.13	28
3.	19 Welfare of SCs, STs, Other BCs and Minorities				
(i)	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities, 01-Welfare of Scheduled Castes, 277-Education, 99-Postmatric Scholarships to Scheduled Castes	325.14	110.23	214.91	66
4.	21-Women and Child Development				
(i)	2236-Nutrition, 02-Distribution of Nutritious Food and Beverages, 101-Special Nutrition programmes, 95-Supplementary Nutrition Programme	183.30	81.52	101.78	56
5.	23-Food and Supplies				
(i)	2408-Food, Storage and Warehousing, 01-Food, 001-Direction and Administration, 93-Dal Roti Scheme	300.00	50.91	249.09	83
6.	27-Agriculture				
(i)	2401-Crop Husbandry, 109-Extension and Farmers' Training, 80-Scheme for Rashtriya Krishi Vikas Yojna	400.00	190.17	209.83	52
(ii)	2401-Crop Husbandry, 111-Agricultural Economics and Statistics, 90-Modified National Agriculture Insurance Scheme Renamed as Pradhan Mantri Fasal Bima Yojna	300.00	144.94	155.06	52
7.	32-Rural and Community Development				
(i)	2505- Rural Employment, 01-National Programmes, 702-Jawahar Gram Samridhi Yojna, 93-Construction/up-gradation of Houses for SCs/STs Freed bonded Labour under Indira AwasYojna (NR)	125.00	19.54	105.46	84
(ii)	2505- Rural Employment, 01-National Programmes, 789-Special Component Plan for Scheduled Castes, 98-Scheme for the Construction/Up-gradation of Houses for Scheduled Castes and Scheduled Tribe Free bonded labour under Indira AwasYojna	177.00	26.64	150.36	85
(iii)	2505- Rural Employment, 02-Rural Employment Guarantee Scheme, 101-National Rural Employment Guarantee Scheme, 99- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	284.00	162.49	121.51	43
(iv)	2515-Other Rural Development Programmes, 102-Community Development, 93-Rural Sanitation Programme under total sanitation campaign/Nirmal Bharat Abhiyan renamed as Scheme for Sanitation under Swachh Bharat Mission	168.00	28.83	139.17	83
8.	Public Debt				
(i)	6003-Internal Debt of State Government, 107-Loans from the State Bank of India and Other Banks	6,500.00	3,700.00	2,800.00	43

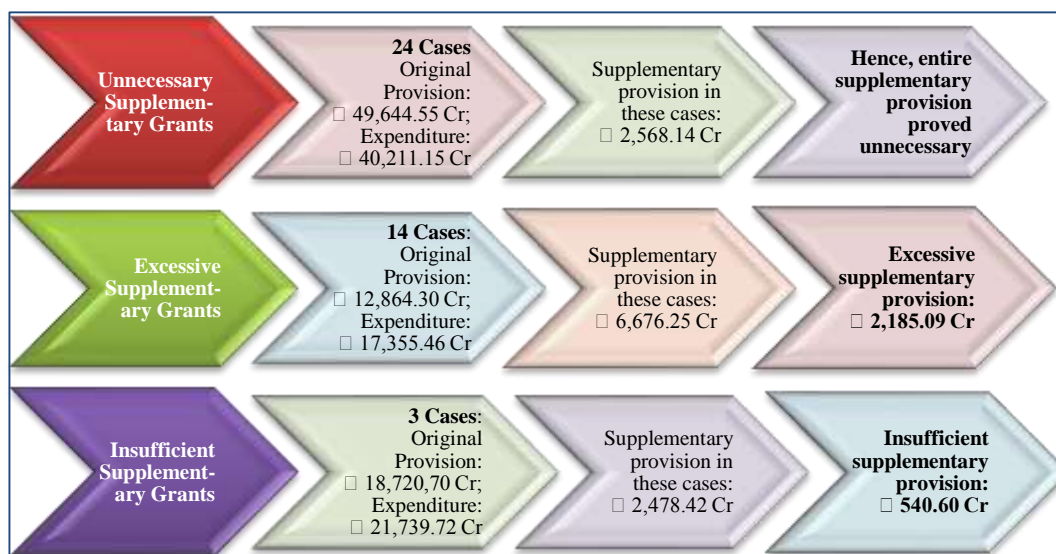
A detailed analysis of expenditure on development schemes has been made in para 2.5.3 which highlights mainly schemes not implemented, reduction in revised outlay, increasing in revised outlay but lesser expenditure, no expenditure in new schemes despite provision made in revised outlay, etc.

2.3.5 Unnecessary/excessive/inadequate supplementary provision

Supplementary provisions aggregating ₹ 2,568.14 crore obtained in 24 cases, involving ₹ 50 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provisions. In 14 cases, supplementary provision of ₹ 2,185.04 crore was proved excessive as

detailed in *Appendix 2.3*. On the other hand, in three cases supplementary grant of ₹ 2,478.42 crore was not adequate to meet the requirement and fell short by 18 per cent (**Chart 2.3**).

Chart 2.3: Unnecessary, Excessive and Insufficient Supplementary Provisions



Source: Appropriation Accounts

The Government may consider preparing realistic budget estimates to avoid large savings and supplementary provisions.

2.3.6 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. Re-appropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in excesses of over ₹ 687.28 crore in 34 sub-heads and savings of over ₹ 787.36 crore under 41 sub-heads by more than ₹ one crore in each case as detailed in *Appendix 2.4*. Excesses/Savings were more than ₹ 10 crore under 20 sub-heads. In nine³ cases, reduction of provisions through re-appropriation proved injudicious as the actual expenditure was more than the original and supplementary provisions. Similarly, in one⁴ case, the re-appropriation of funds proved excessive as the savings were more than the funds provided through re-appropriation.

2.3.7 Non-surrendering and excess surrendering of funds

At the close of the year 2017-18, in 59 cases funds of more than ₹ 10 crore in each case were surrendered. In these cases, the total provision was

³ Sr. No. 4, 6, 9, 13, 14, 67, 71, 73 and 74 of *Appendix 2.4*.

⁴ Sr. No. 7 of the *Appendix 2.4*.

₹ 1,23,901.46 crore and actual expenditure was ₹ 1,01,938.34 crore resulting in savings of ₹ 22,503.71 crore and excess of ₹ 540.60 crore resulting in net savings of ₹ 21,963.11 crore, out of which ₹ 22,731.21 crore were (*Appendix 2.5*) surrendered, indicating inadequate budgetary and financial control.

Further analysis revealed that in 23 cases against the savings of ₹ 8,637.78 crore, ₹ 418.09 crore were not surrendered which was against the provisions of paragraph 13.2 of Punjab Budget Manual (also applicable to Haryana). In 15 cases, ₹ 9,158.16 crore were surrendered against the savings of ₹ 8,813 crore and in Grants 6-Finance Revenue (Voted), (Revenue Charged) and 24-Irrigation (Capital Voted) even though the actual expenditure exceeded by ₹ 375.60 crore, ₹ 73.88 crore and ₹ 91.12 crore respectively, funds of ₹ 11.99 crore, ₹ 10.25 crore and ₹ 278.19 crore were injudiciously surrendered. In 18 cases all the savings of ₹ 5,052.93 crore were surrendered. Reasons for less surrendering and excess surrendering of funds were not intimated by the State Government.

2.3.8 Rush of expenditure

Rule 56 of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. Contrary to this, in respect of 21 heads under 15 grants/appropriations listed in *Appendix 2.6*, expenditure exceeding ₹ 10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred during the last quarter of the year.

Further, it was revealed that out of the expenditure of ₹ 11,205.77 crore incurred on 21 major heads under 15 grants during 2017-18, expenditure of ₹ 3,682.69 crore (32.86 *per cent*) was incurred during the month of March 2018. Rush of expenditure during the last quarter, especially during the month of March, showed non-adherence to financial rules.

The State Government may consider devising suitable mechanism to avoid rush of expenditure in the last quarter/month of the financial year, etc.

2.4 Deficiencies noticed in working of treasuries

Deficiencies noticed in the working of treasuries during compilation and inspection for 2017-18 by the Accountant General (Accounts and Entitlement) AG (A&E) Haryana are given below:

2.4.1 Delay in submission of monthly accounts by treasuries

During the year, accounts from six⁵ treasuries were received late in 17 cases (first list of payment in eight cases and second list of payment in nine cases). 96.85 per cent Accounts were received in time. The delay in the submission of initial accounts caused consequent delay in compiling Monthly Civil Accounts by the AG (A&E).

2.4.2 Delay in receipt of awaited vouchers from treasuries

Rule 3.17 of Punjab Financial Rules Volume-I, envisages that Treasury Officers should ensure that all vouchers required to be sent to office of the Principal Accountant General (A&E) Haryana, Chandigarh are attached with the relevant Monthly Civil Accounts.

While posting/validating (compiling) the accounts vouchers wise, 531 vouchers (ranging between 1999-2000 and 2014-15) involving ₹ 6.88 crore were still awaited up to March 2018 from various Treasury Officers and omissions pointed out above continued to persist. Treasury wise details of the amount outstanding under Suspense Head due to missing vouchers are given in *Appendix 2.7*.

2.4.3 Awaited Detailed Contingent Bills from treasuries

According to the provisions contained in Rule 4.49(4) of Punjab Treasury Rules & Subsidiary Treasury Rules (Vol.-I), Detailed Contingent bills are required to be submitted by the end of the month following in which the Abstract Contingent bills are drawn by Drawing and Disbursing Officers. But Detailed Contingent bills had not been submitted for 79 Abstract Contingent bills amounting to ₹ 56.95 crore⁶.

2.4.4 Debit voucher not found attached with the list of payment in respect of General Provident Fund

Every month some General Provident Fund (GPF) debit vouchers of different treasuries were not found attached along with the list of payments i.e. covering list of debits vouchers. At first instance these were posted in the individual GPF accounts on the basis of information available in the list of payment. On receipt of these debit vouchers same has to be verified again with the record of this office. This problem is persistent from long period.

Further, it was also noticed that in many cases amount pertaining to Major Head 8009-104 was booked in major Head 8009-101 and vice-versa, which

⁵ Faridabad, Ambala, Fatehabad, Panipat, Karnal and Nuh (Mewat)

⁶ Upto 2015-16 (two AC bills) - ₹ 2.59 crore, 2016-17 (eight AC bills) - ₹ 1.51 crore and 2017-18 (69 AC bills) - ₹ 52.85 crore).

led to delay in the posting of subscription in the proper GPF account of subscriber.

2.4.5 Discrepancies in remittances made under New Pension Scheme

Haryana Government had introduced New Pensions Scheme (NPS) in December 2008. Under the scheme, an amount equivalent to 10 per cent of Basic Pay plus Dearness Allowance is deducted every month from the salary and an equivalent amount is contributed by the Government as its share. Thereafter, concerned Treasury Officer deposits the entire amount to National Security Depository Limited (NSDL) for crediting the amount in the Permanent Retirement Account Number (PRAN) of employee.

It was observed that Treasury Officers were not making remittances to NSDL in time. Further, NPS contribution amounting to ₹ 9.32 crore has been less deposited in 2016-17 by Jind Treasury.

Since, NPS is a Defined Contribution Pension Scheme, where investment can only be made once the money is received with the NSDL. Delay in remittances of contribution creates sub-optimal returns to employees, which consequently affects the corpus accumulated and the pension available to them upon superannuation.

2.5 Outcome of Analysis of Budgetary Assumptions

2.5.1 Unrealistic Budget Estimates

The original budget of ₹ 92,384.38 crore prepared by the State Government for the year 2017-18 was revised to ₹ 93,685.52 crore. Against this, an actual expenditure of ₹ 88,190.15 crore was incurred during 2017-18. Details of the Original Budget, Revised Estimate, actual expenditure for the period 2013-14 to 2017-18 is given in **Table 2.5**.

Table 2.5: Original budget, revised estimate and actual expenditure during 2013-18

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Original Budget	53,073.59	59,451.23	69,140.29	88,781.96	92,384.38
Revised Estimate	53,548.30	61,449.82	85,037.30	84,132.15	93,685.52
Actual Expenditure	46,597.31	53,676.27	79,394.32	79,781.44	88,190.15
Saving/excess	6,950.99	7,773.55	5,642.98	4,350.71	5,495.37

Similarly, the estimated receipt of ₹ 74,813 crore were revised to ₹ 76,445 crore against which only ₹ 69,076 crore were actually realized as per details given in **Table 2.6**.

Table 2.6: Detail of the Receipts

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Original Budget	44,098	48,058	52,717	63,666	74,813
Revised Estimate	42,033	45,821	54,642	60,784	76,445
Actual Receipt	38,284	41,090	47,915	53,496	69,076
Short/excess	3,749	4,731	6,727	7,288	7,369

2.5.2 Unrealistic forecasting of resources

As per Rule 4.2 of the Punjab State Budget Manual, the revised estimates are forecasts, as accurate as it is possible to make at the time, of what the actual receipts of the year will be; and the most important guide to their preparation will, therefore, ordinarily be found in the actual receipts of those months of the year which have already elapsed. If an officer observes that the actual receipts from a particular source of revenue reveal a growth or a diminution compared with those of the corresponding period of the previous year, he will be justified in assuming a continuance of the growth or decline at the same rate during the remaining months. Thus, estimates should always be prepared after taking into account all the factors affecting the receipts and expenditure of the Government and should be as accurate as possible. However, it was noticed that the revised estimates for 2017-18 for Non-tax revenue were ₹ 17,023.61 crore while actual realization was ₹ 14,297.97 crore resulting in downward variation of ₹ 2,725.64 crore. Similarly tax revenue for the year 2017-18 was projected at ₹ 53,061.52 crore while actual realization was ₹ 48,396.90 crore resulting again variation of ₹ 4,664.62 crore below the projection. In this connection projections for the last five years are appended below in the **Table 2.7**.

Table 2.7: Projections of Tax Revenue and Non- Tax Revenue vis-à-vis actual

(₹ in crore)

Year	Description	Revised estimates	Actual	Difference
2013-14	Tax Revenue	30,234.52	28,909.84	1,324.68
	Non- Tax Revenue	11,401.42	9,102.24	2,299.18
2014-15	Tax Revenue	33,402.75	31,182.66	2,220.09
	Non- Tax Revenue	12,016.39	9,616.00	2,400.39
2015-16	Tax Revenue	40,436.10	36,425.31	4,010.79
	Non- Tax Revenue	13,731.25	11,131.24	2,600.01
2016-17	Tax Revenue	45,087.63	40,623.15	4,464.48
	Non- Tax Revenue	15,239.46	11,873.67	3,365.79
2017-18	Tax Revenue	53,061.52	48,396.90	4,664.62
	Non- Tax Revenue	17,023.61	14,297.97	2,725.64

2.5.3 Shortcomings in Development Schemes

The Revised estimates for development schemes during 2017-18 was assessed at ₹ 39,772.65 crore. An amount of ₹ 33,551.85 crore were spent on development schemes which was 84.36 per cent of the above amount and less than the projections. Variations were due to the following facts:

- i) A total of 25 schemes with an approved outlay of ₹ 4,105.26 crore for 2017-18 were not implemented and withdrawn in revised estimates (**Appendix 2.8**).
- ii) Provision of ₹ 2,110.83 crore made under 25 schemes in approved outlay for 2017-18 was reduced to ₹ 144.93 crore in the Revised Estimates, but no expenditure was incurred under these schemes (**Appendix 2.9**) for which the reasons were not given.
- iii) Provisions of ₹ 83.73 crore were made under 15 schemes in approved outlay and in revised outlay, but no expenditure was incurred during the year 2017-18 (**Appendix 2.10**).
- iv) The provision of ₹ 167.06 crore made under 10 schemes was increased to ₹ 290.89 crore against which expenditure of ₹ 37.22 crore was incurred during the year 2017-18 which was 22 per cent of the original estimates. Further augmentation of funds through supplementary grants proved unnecessary as the total expenditure was less than the original estimates (**Appendix 2.11**).
- v) 55 development schemes for which the outlay of ₹ 4,265.33 crore approved for execution during 2017-18 was reduced to ₹ 2,697.74 crore in the revised estimates. Only ₹ 1,593.43 crore was spent on these schemes which was 59 per cent of the revised outlay (**Appendix 2.12**).
- vi) One scheme for which provision of ₹ 50 crore was approved for execution during 2017-18 was reduced to ₹ 20 crore in the revised estimate, but expenditure of ₹ 34.95 crore was incurred which was 175 per cent of revised estimate.
- vii) 56 schemes for which provision of ₹ 2,066.88 crore was made in approved outlay as well as in revised estimates, but expenditure of ₹ 937.18 crore was incurred which was less than the provision made as detailed in **Appendix 2.13**.
- viii) Three schemes for which no provision was made in approved outlay but included in revised estimate ₹ 8.47 crore. Expenditure of ₹ 2.73 crore on these schemes was less than the provision made as detailed in **Appendix 2.14**.

- ix) Two schemes for which provision of ₹ 155.03 crore was approved for execution during 2017-18 was increased to ₹ 184.53 crore in the revised estimate, but expenditure of ₹ 237.19 crore was incurred which was 129 *per cent* of revised estimate as detailed in **Appendix 2.14**.
- x) Five new schemes for which provision of ₹ 30.90 crore was made in revised estimates and two schemes for which provision was enhanced from ₹ 2.55 crore to ₹ 9.12 crore in revised estimates but no expenditure was incurred during the year 2017-18 as shown in (**Appendix 2.15**).
- xi) The provision of ₹ 987.08 crore made under 12 schemes was increased to ₹ 2,505.53 crore against which expenditure of ₹ 1,809.85 crore was incurred during the year 2017-18. Further, augmentation of funds through supplementary grants proved excessive as the total expenditure of these schemes were 72 *per cent* of the revised estimates (**Appendix 2.16**).

2.6. Outcome of review of Selected Grants

A review of budgetary procedure and control over expenditure of two grants (Grant No. “10-Technical Education” and Grant No. “24-Irrigation”) was conducted (July-August 2018). Magnitude of variations in original grants, supplementary demands and actual expenditure were analysed.

2.6.1 Grant No.10- Technical Education

Important points noticed during review of the grant for 2017-18 are detailed below:

- (i) The overall position of budget provision, actual disbursements and savings/excesses under Revenue Voted Section for the last five years (2013-14 to 2017-18) is given in **Table 2.8**.

Table 2.8: Detail of budget provisions, actual disbursements and savings/excesses

Year	Original provision	Supplementary	Total	Expenditure	Saving(-)/Excess (+) (In <i>per cent</i>)
2013-14	373.50	Nil	373.50	294.82	(-) 78.68 (21)
2014-15	491.20	Nil	491.20	354.12	(-) 137.08 (28)
2015-16	464.72	9.00	473.72	380.25	(-) 93.47 (20)
2016-17	421.42	50.00	471.42	373.23	(-) 98.19 (21)
2017-18	437.84	Nil	437.84	345.23	(-) 92.61 (21)

* Figures in parenthesis show percentage of savings to total provision

There were persistent saving ranging between 20 and 28 *per cent* under Revenue (Voted) Section indicating non-achievement of the projected budget provisions during 2013-18. This shows that unrealistic provisions were made in budget.

- (ii) Against budget provision of ₹ 254.04 crore in 12 sub-heads under Revenue (Voted) Section, an expenditure of ₹ 161.29 crore was incurred which resulted in saving of ₹ 92.75 crore during the year. There were savings ranging between 18 and 100 *per cent* of the total provision as per detail given in **Appendix 2.17**.
- (iii) In seven sub heads, there were persistent savings during 2015-18 ranging between 14 and 100 *per cent* of the total provision as per detail given in **Appendix 2.18**.
- (iv) Entire budget provision of ₹ 26.01 crore made for four⁷ schemes/heads remained unutilized at the end of the financial year 2017-18 and whole budget provision amounting to ₹ 26.01 crore was withdrawn through re-appropriation.
- (v) Out of total expenditure of ₹ 17.78 crore in 10 schemes, an expenditure of ₹ 11.56 crore (65 *per cent*) was incurred on these schemes during the last quarter during 2017-18 and ₹ 9.75 crore (55 *per cent*) in March 2018. Out of these 10 schemes, 100 *per cent* expenditure was incurred on five schemes during the last quarter (**Appendix 2.19**).

2.6.2 Grant No. 24-Irrigation

Important points noticed during review of the grant for 2017-18 are detailed below:

- (i) The overall position of budget provisions, actual disbursements and savings/excesses under the grant for the last five years (2013-14 to 2017-18) is given in **Table 2.9**.

⁷ (i) Implementation of Recommendation of Haryana Governance Reform Authority (HGRA) by Technical Education (₹ 0.01 crore), (ii) Modernisation of existing polytechnics (₹ six crore) (iii) Setting up of Indian Institute of Information Technology (IIT), Killohard, Sonapat (₹ 10 crore) and (iv) Establishment of National Institute of Fashion Technology, Panchkula (₹ 10 crore).

Table 2.9: Details of budget provisions, actual disbursements and savings/excesses

Year	Section	Original provision	Supplementary	Total	Expenditure	Saving(-)/ Excess (+) (In per cent)
		(₹ in crore)				
2013-14	Revenue (V)	1,509.37	Nil	1,509.37	1,126.83	(-) 382.54 (25)
	Capital (V)	639.00	Nil	639.00	852.26	(+) 213.26 (33)
2014-15	Revenue (V)	1,621.54	3.95	1,625.49	1,113.49	(-) 512.00 (31)
	Capital (V)	510.24	Nil	510.24	913.13	(+) 402.89 (79)
2015-16	Revenue (V)	1,717.22	Nil	1,717.22	1,358.06	(-) 359.16 (21)
	Capital (V)	550.20	50.00	600.20	811.20	(+) 211.00 (35)
2016-17	Revenue (V)	1,867.32	Nil	1,867.32	1,355.20	(-) 512.12 (27)
	Capital (V)	655.50	Nil	655.50	832.49	(+) 176.99 (27)
2017-18	Revenue (V)	1,910.16	12.27	1,922.43	1,402.80	(-)519.63 (27)
	Capital (V)	764.17	60.65	824.82	915.94	(+)91.12 (11)

* Figures in parenthesis show percentage of savings/excesses to total provision

There were persistent saving ranging between 21 and 31 *per cent* under Revenue (Voted) Section of the total provision indicating non-achievement of the projected budget provision during 2013-18.

Further, an expenditure of ₹ 915.94 crore incurred against the budget provision of ₹ 824.82 crore (original ₹ 764.17 crore and supplementary ₹ 60.65 crore) under Capital (Voted) Head during 2017-18. This resulted in excess expenditure of ₹ 91.12 crore which requires regularisation from Legislature. **In this grant, excess expenditure of more than ₹ 50 crore had been observed consistently (ranging between 11 and 79 *per cent* of total provision) under Capital (Voted) Section for the last five years.**

The Government may consider taking up the matter with Public Accounts Committee secretariat for regularisation of excess expenditure.

- (ii) Against the total budget provision of ₹ 217.27 crore (budget provision: ₹ 205 crore and supplementary provision: ₹ 12.27 crore) under Area Development Programme for Canal Area schemes an expenditure of ₹ 105 crore was incurred resulting in saving of ₹ 112.27 crore (52 *per cent* of total provision). Supplementary provision of ₹ 12.27 crore obtained under the scheme, proved unnecessary as the expenditure did not come up to the level of the original provision.
- (iii) Under Revenue Head, an expenditure of ₹ 168.26 crore was incurred against budget provision of ₹ 840.69 crore in eight sub-heads which resulted saving of ₹ 672.43 crore. There were savings ranging between 52 and 96 *per cent* of the total provision. Under Capital Head, against budget provision of ₹ 669.15 crore in 12 sub heads, an expenditure of ₹ 370.83 crore was incurred which resulted saving of ₹ 298.32 crore. Against budget provision of ₹ 70 crore in one sub-head under Capital Charged Head, an expenditure of ₹ 57.61 crore was incurred which

resulted saving of ₹ 12.39 crore (18 per cent) as details given in **Appendix 2.20**.

- (iv) Under Revenue Head, an amount of ₹ 109.27 crore was surrendered out of total savings of ₹ 571.40 crore in 10 schemes during 2017-18. Under Capital Head, an amount of ₹ 53.57 crore in four schemes was surrendered out of total savings of ₹ 62.21 crore. Thus, savings were not fully surrendered indicating inadequate financial control and the fact that these funds could not be utilized on other development schemes/programmes of the Government (**Appendix 2.21**).
- (v) Against the saving of ₹ 30.32 crore in three cases under Capital (Voted) and ₹ 12.39 crore in one case of Capital (Charged) Head during 2017-18, a sum of ₹ 32.43 crore and ₹ 13.83 crore respectively were surrendered as details given in **Table 2.10**. The excess surrenders of ₹ 2.11 crore and ₹ 1.44 crore respectively reflected poor financial management.

Table 2.10: Detail of excess surrender

Sr. No.	Name of Scheme and Head of Account	Budget	Expenditure	Saving	Amount surrendered	Excess
Capital (Voted)		(₹ in crore)				
1	Improvement in Construction works and rehabilitation of Water Courses in Scheduled Castes Population in the State(4700-16-789-99)	35.00	14.94	20.06	21.40	1.34
2	Other Expenditure: Annuity of Lands(4701-07-800-97)	20.00	14.66	5.34	5.80	0.46
3	Data Collection of Irrigation Projects	20.00	15.08	4.92	5.23	0.31
Total Capital (Voted)		75.00	44.68	30.32	32.43	2.11
Capital (Charged)						
4	Other Expenditure: Payment of Land compensation(4701-80-800-98)	70.00	57.61	12.39	13.83	1.44
Total Capital (Charged)		70.00	57.61	12.39	13.83	1.44

- (vi) The entire budgetary provision of ₹ 114.03 crore remained unutilized at the end of the financial year 2017-18 in 12 minor heads/schemes and whole budget provision amounting to ₹ 114.03 crore was withdrawn through re-appropriation (**Appendix 2.22**).
- (vii) In 24 cases, the expenditure of ₹ 441.55 crore was incurred without any provision in the original estimates/supplementary demands and without any re-appropriation orders (**Appendix 2.23**).
- (viii) In 13 sub heads, there were persistent savings during 2015-18 ranging between 11 and 100 per cent of the total provision as per details given in (**Appendix 2.24**).
- (ix) Out of total expenditure of ₹ 170.57 crore for 2017-18 on seven schemes, an expenditure of ₹ 113.84 crore (67 per cent) was incurred during the last quarter of the year 2017-18 (**Appendix 2.25**).

2.6.3 Delay in submission of Budget Estimates

Budget estimates for the year 2017-18 were required to be submitted to the Finance Department by the Administrative Departments and Heads of various offices before 4th November 2016. Contrary to this, it came to notice during review of Grant No.10 and 24 that Head of offices submitted their estimates to Finance Department on 10th November 2016⁸, 21th November 2016⁹ and 4th January 2017¹⁰ respectively after delays ranging between six days and 61 days.

2.7 Conclusion

During 2017-18, expenditure of ₹ 1,02,962.69 crore was incurred against total grants and appropriations of ₹ 1,24,990.40 crore. Overall savings of ₹ 22,027.71 crore were the result of saving of ₹ 22,568.31 crore in various grants and an appropriation offset by excess expenditure of ₹ 540.60 crore under two grants which required regularisation under Article 205 of the Constitution of India in addition to excess expenditure of ₹ 256.98 crore for the period 2016-17.

In 59 cases, ₹ 22,731.21 crore were surrendered at the end of the financial year (more than ₹ 10 crore surrender in each case). In 15 cases, ₹ 9,158.16 crore was surrendered including an excess surrender of ₹ 345.16 crore than actual savings indicating inadequate budgetary control in these departments. Out of savings of ₹ 8,637.78 crore in 23 cases, savings of ₹ 418.09 crore were not surrendered. There were also cases of injudicious re-appropriations.

⁸ Budget estimate submitted by Director, Technical Education Department.

⁹ Budget estimate submitted by Additional Chief Secretary, Revenue and Disaster Management Department.

¹⁰ Budget estimate submitted by Engineer-in-Chief, Irrigation Department.