

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

The Comptroller and Auditor General of India performs the audit of appropriations to ascertain whether the expenditure actually incurred under various grants underlying in the budget, is within the authorisations given under the Appropriation Act for the year and whether charged appropriations are as required to be charged under the provisions of the Constitution. It also seeks to ascertain whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

The State Budget Manual (SBM), stipulates that the estimates of expenditure should be as accurate as possible. An avoidable excess in an estimate is as much a financial irregularity as an excess in the actual expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should neither be more nor less.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2017-18 against 55 grants/appropriations is given in **Table 2.1** below:

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

(₹ in crore)

Nature of expenditure		Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Amount surrendered on 31 March 2018	Percentage of savings surrendered by 31 March 2018
Voted	I Revenue	1,26,967.39	12,196.47	1,39,163.86	1,29,274.51	(-) 9,889.35	9,800.70	9,800.70	99.1
	II Capital	27,443.80	354.83	27,798.63	21,837.92	(-) 5,960.70	5,602.55	5,602.55	94.0
	III Loans and Advances	780.08	586.84	1,366.92	1,334.02	(-) 32.91**	286.12	286.12	-
Appropriation to Contingency Fund		-	-	-	-	-	-	-	-
Total Voted		1,55,191.27	13,138.14	1,68,329.41	1,52,446.45	15,882.96	15,689.37	15,689.37	98.8
Charged	IV Revenue	19,782.10	284.88	20,066.98	19,966.74	(-) 100.24	103.17	103.17	-
	V Capital	- ¹	0.47	0.47	0.46	(-) 0.01	- ²	- ²	-
	VI Public Debt-Repayment	11,680.64	- ³	11,680.64	11,673.66	(-) 6.98	6.98	6.98	100.0
Total Charged		31,462.74	285.35	31,748.09	31,640.86	107.23	110.15	110.15	
Grand Total		1,86,654.01	13,423.49	2,00,077.50	1,84,087.31*	15,990.19	15,799.52	15,799.52	98.8

* The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 3,399.73 crore and Capital: ₹ 1,215.11 crore Total: ₹ 4,614.84 crore).

** Less savings shown against surrender under loans and advances due to savings offset by additional funds through re-appropriation in various Major Heads under mainly grants no. 29-Urban Plan and Regional Development, 48- Power and 51- Special Component Plan for Welfare of Scheduled Castes.

Source: Appropriation Accounts

- ¹ Only ₹ 7,000.
- ² Only ₹ 6,000
- ³ Only ₹ 1,000.

Table 2.1 indicates that supplementary provision aggregating to ₹ 13,423.49 crore obtained during 2017-18 proved unnecessary as the actual expenditure did not even come up to the level of original grant/appropriation. The overall savings of ₹ 15,990.19 crore was the result of savings in 43 grants and 44 appropriations under Revenue Section and 35 grants and four appropriations under Capital Section.

The Accountant General, Accounts and Entitlement (A&E), Rajasthan called for explanation from the Controlling Officers on the significant variations in savings/excesses in 1,294 sub-heads. However, explanations in respect of 750 sub-heads (saving: 563 and excess: 187) were not received (October 2018).

2.3 Financial accountability and budget management

2.3.1 Excess Expenditure

As per para 8.5(5) of SBM, Budget Controlling Officer will ensure that expenditure does not exceed the budget allocation. Para 24.1 of SBM also provided that Expenditure shall neither be incurred in excess of the sanctioned allotment for any purpose nor on the items for which no provision has been made in the budget.

In 24 cases under seven grants, there was excess expenditure of more than ₹ one crore which was also more than 10 *per cent* of the total provisions of the sub-heads of the grants (**Appendix 2.1**). Even though there was overall savings in the grant, re-appropriation within the grant was not done.

Excess expenditure incurred over budgetary allocation indicates deficient budgetary and expenditure controls.

2.3.2 Rush of expenditure

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

During 2017-18, 42.37 *per cent* (₹ 76,035 crore) of the total expenditure (₹ 1,79,473 crore) was incurred during last quarter of the current financial year. However, 37.68 *per cent* (₹ 64,442 crore) of the total receipts (₹ 1,71,015 crore) was received during last quarter only. The expenditure has increased from 29.08 *per cent* (₹ 47,141 crore) incurred in last quarter of the previous year 2016-17.

During 2017-18, in respect of 76 sub-heads under 20 grants, expenditure of ₹ 34,800.16 crore exceeding ₹ 100 crore and more than 30 *per cent* of the total expenditure in each case was incurred in the last quarter of the financial year which was 59.4 *per cent* of total expenditure (₹ 58,609.15 crore). Of this, ₹ 28,025.64 crore (47.8 *per cent*) was spent in March 2018 alone as detailed in **Appendix 2.2**.

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

Table 2.2: Cases of Rush of expenditure towards the end of the Financial Year 2017-18

(₹ in crore)

S. No.	Head of Account	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2018	
			Amount	% of total expenditure	Amount	% of total expenditure
1.	2040-Taxes on Sales, Trades etc.	999.69	589.91	59.0	519.10	51.9
2.	2075- Miscellaneous General Services	572.95	570.93	99.6	570.15	99.5
3.	2245- Relief on account of Natural Calamities	3,335.65*	1,907.65	57.2	1,486.81	44.6
4.	2501- Special Programmes for Rural Development	922.10	636.33	69.0	495.56	53.7
5.	2801- Power	23,442.56	16,695.96	71.2	15,103.86	64.4
6.	4250-Capital Outlay on Other Social Services	214.42	165.74	77.3	131.97	61.5
7.	4801- Capital Outlay on Power Projects	3,849.92	3,408.69	88.5	3,297.23	85.6
8.	4802- Capital Outlay on Petroleum	66.30	66.30	100.0	66.30	100
9.	6003-Internal Debt of the State Government	11,040.38	7,205.76	65.3	5,525.95	50.1

Source: Information compiled by office of the AG (A&E), Rajasthan.

* Expenditure of ₹ 1,810.52 crore was met from SDRF at the end of the year.

Incidentally, out of ₹ 30,295.29 crore transferred/deposited in Personal Deposit Account during 2017-18, ₹ 4,035.89 crore (13.3 per cent) was transferred in March 2018 alone, as detailed in **Paragraph 3.5**.

Thus, substantial expenditure incurred by the departments during the last quarter/month of the year was indicative of inadequate financial control over the expenditure.

Recommendation: 8

The Departments should regularly monitor progress of expenditure throughout the year and control rush of expenditure during the last quarter/month.

2.3.3 Savings

The cases of substantial savings were noticed from budget allocation during the financial year, raising questions about the credibility of the budgeting process and budget monitoring.

The outcome of Appropriation audit revealed that out of total savings of ₹ 15,990.19 crore during the year 2017-18, in case of 21 grants amounting to ₹ 14,459.22 crore (90 per cent), the savings exceeded ₹ 100 crore in each case, as indicated in **Appendix 2.3**.

This indicates that the provisions of Chapter 13 of the SBM were not followed during preparation of budget estimates of expenditure by the departments and Budget Controlling Officers of these grants, which resulted in savings of ₹ 14,459.22 crore.

Recommendation: 9

The State Government should prepare budget as per actual requirement and ensure its optimum utilisation.

2.3.4 Persistent savings

In 9 cases involving 8 grants there were persistent savings of more than ₹ 100 crore ranging from 12.5 per cent to 59.7 per cent during last three years as per details given in *Appendix 2.4*.

Reasons for persistent savings were mainly due to non/less release of share/funds by GoI. Other reasons reported were slow progress of work, non-receipt of sanction from GoI, non/less execution of work, non-availability of land, posts remaining vacant etc.

The persistent savings over the years were indicative of over assessment of requirement of funds by the State Government in their Appropriation Act without adequate scrutiny and proper monitoring of the flow of expenditure and trends of expenditure during previous years.

The Public Accounts Committee in its 86th (March 2016) and 153rd (March 2017) Reports had also recommended to take effective measure to avoid cases of persistent savings in future and ensure due diligence while preparing budget estimates. However, inspite of these recommendations, the incidence of persistent savings continued during 2017-18 also.

2.3.4.1 A detailed review of persistent savings under Grant No. 19-Public Works and Grant No. 30-Tribal Area Development was undertaken. Significant audit findings are discussed below:

Grant No. 19 – Public Works

Public Works Department (PWD) is mainly entrusted with construction and maintenance of Roads (National Highway, State Highway and main Districts roads), Bridges, Government buildings (Residential and Non Residential) and Public Parks. All the activities related to construction and maintenance of work under PWD is administered by Principal Secretary, PWD in Rajasthan.

The overall position of budgetary provision, expenditure and savings during the period 2015-18 is detailed below:

Budget vis-a-vis expenditure under PWD

(₹ in crore)

Head of Accounts	2015-16				2016-17				2017-18			
	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender/ Re-appropriation	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender/Re-appropriation	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender/Re-appropriation
Revenue Voted	439.99	401.95	38.04 (8.65)	37.89	469.89	402.56	67.33 (14.33)	66.92	467.27	419.91	47.36 (10.14)	47.18
Capital Voted	1,142.22	823.09	319.13 (27.93)	301.33	1,617.69	719.52	898.17 (55.52)	893.21	1,509.83	884.68	625.15 (41.41)	630.51
Total	1,582.21	1,225.04	357.17	339.22	2,087.58	1,122.08	965.50	960.13	1,977.10	1,304.59	672.51	677.69

Source: Appropriation Accounts

Detailed audit of budget and expenditure under this grant shows that:

- The unutilised budget provision/savings under revenue section of the grant ranged from 8.65 per cent to 14.33 per cent during 2015-16 to 2017-18.
- The unutilised budget provision/savings under capital section of the grant ranged from 27.93 per cent to 55.52 per cent during 2015-16 to 2017-18.
- In Revenue section, out of final savings of ₹ 47.36 crore during 2017-18, a sum of ₹ 0.18 crore was not surrendered and surrender of ₹ 5.36 crore was excessive under capital section as against the final savings of ₹ 625.15 crore.

Head wise position of Savings

It was observed that during 2015-16 to 2017-18, a substantial portion of the budget allocation remained unutilised every year under certain heads as depicted in the table below, indicating non achievement of projected financial outlay in the respective years. This also indicate that the budget allocations were made without considering the provision under para 13.7 of the SBM.

							(₹ in crore)
Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reasons for savings intimated by the department	Audit Comments
2059- Public Works 80- General 053-Maintenance and Repairs 04- Registrar Revenue Board -Committed	2015-16	5.00	4.10	0.90	18.0	Non-receipt of proposal for repair from the respective Offices of District Collector and non- execution of work in time by PWD.	Trend of expenditure and availability of proposals for repair was not kept in view during preparation of Budget by the department. Persistent huge savings indicate faulty estimation.
	2016-17	13.70	2.30	11.40	83.2		
	2017-18	5.00	2.97	2.03	40.6		
4059-Capital Outlay on Public Works 80- General 001- Direction and Administration 01-Percentage Charges (General Area) 91- Percentage charges for establishment expenditure(2059)	2015-16	25.73	18.62	7.11	27.6	Actual expenditure was less than the budgeted allocation in these years which resulted in less credit on account of percentage charges.	The trend of expenditure in previous years was not kept in view while allocating funds for ensuing year. Persistent huge savings indicate faulty estimation.
	2016-17	34.77	17.78	16.99	48.9		
	2017-18	32.15	15.62	16.53	51.4		
4059-Capital Outlay on Public Works 80- General 001- Direction and Administration 01-Percentage Charges (General Area) 93- Percentage charges for Roads and Bridges (3054)	2015-16	9.65	6.98	2.67	27.7	Actual expenditure was less than the budgeted allocation in these years which resulted in less credit on account of percentage charges.	The trend of expenditure in previous years was not kept in view while allocating funds for ensuing year. Persistent huge savings indicate faulty estimation.
	2016-17	13.04	6.67	6.37	48.8		
	2017-18	12.06	5.86	6.20	51.4		
4059-Capital Outlay on Public Works 80- General 051- Construction 01- General Building (Land Revenue) 01- Through the Chief Engineer, Public Works Department	2015-16	69.57	69.54	0.03	0.0	Work could not be completed due to slow progress of work by the PWD.	Non-utilisation of fund within stipulated time for construction work led to blocking of funds. Further, escalation of cost cannot also be ruled out on delayed works.
	2016-17	110.18	95.85	14.33	13.0		
	2017-18	119.82	41.21	78.61	65.6		
4059-Capital Outlay on Public Works 80- General 051- Construction 03- General Building (Administration of Justice) 01- New High Court Building, Jodhpur (through the RSRDC)	2015-16	70.00	20.00	50.00	71.4	The amounts shown as expenditure have only been transferred to the PD account of RSRDC during 2015-16 to 2017-18. Work could not be started due to non approval of new works at high level.	This indicates lack of coordination on the part of the department for getting the requisite approval for the work.
	2016-17	20.52	15.52	5.00	24.4		
	2017-18	35.00	20.00	15.00	42.9		
4059-Capital Outlay on Public Works 80- General 051- Construction	2015-16	35.20	26.10	9.10	25.9	Non-availability/ dispute of land.	Non-allotment/dispute of land could have been avoided with proper planning.
	2016-17	37.19	18.19	19.00	51.1		
	2017-18	38.66	21.16	17.50	45.3		

Financial Management and Budgetary Control

Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reasons for savings intimated by the department	Audit Comments
04- General Building (Jails) 01- Through the Chief Engineer, Public Works Department							
4059-Capital Outlay on Public Works 80- General 051- Construction 07- General Building (Cooperative Department) 01- Through the Chief Engineer, Public Works Department	2015-16	4.24	0.85	3.39	80.0	Delay in tender process due to late receipt of administrative and financial sanction.	Department should have pursued with concerned authority to ensure timely release of requisite sanctions.
	2016-17	4.38	2.32	2.06	47.0		
	2017-18	1.69	0.03	1.66	98.2		
4059-Capital Outlay on Public Works 80- General 051- Construction 26-General building (Employment Office)	2015-16	3.72	0.34	3.38	90.9	In respect of construction work of Employment Office building at Bharatpur, the work could not be completed due to stay on construction by Indian Archaeological Survey Department. The work of construction of Jaipur office building is in progress.	The Department should follow-up the matter persistently with Indian Archaeological Survey Department. This indicates lack of monitoring and coordination on the part of the department for getting timely release of requisite sanctions.
	2016-17	2.43	0.98	1.45	59.7		
	2017-18	2.29	0.21	2.08	90.8		
4059-Capital Outlay on Public Works 80- General 051- Construction 29- General Building (Construction of Transport Buildings) 01- Construction of Building and Driving track	2015-16	5.59	4.13	1.46	26.1	Non/late allotment of land.	Non/late allotment of land could have been avoided with proper planning.
	2016-17	2.72	2.45	0.27	9.9		
	2017-18	4.08	2.04	2.04	50.0		
4059-Capital Outlay on Public Works 80- General 051- Construction 42- General Building (Director, Treasury and Accounts Department)	2015-16	8.86	4.86	4.00	45.1	Land dispute in some places, stay on mining of gravel soil by Hon'ble court and delay in sanction of construction work due to changing in land side/ design and increased estimates.	Proposal for capital expenditure should have been prepared with proper planning and feasibility study.
	2016-17	7.99	2.82	5.17	64.7		
	2017-18	9.29	4.18	5.11	55.0		
4059-Capital Outlay on Public Works 80- General 051- Construction 54-Directorate of Gopalan	2015-16	3.68	0.71	2.97	80.7	Delay in tender process due to late receipt of financial and administrative sanction and stay on mining of gravel soil by the Hon'ble court.	This indicates that the department did not make timely efforts to release required sanctions.
	2016-17	4.42	2.37	2.05	46.4		
	2017-18	3.35	2.21	1.14	34.0		
4202-Capital Outlay on Education, Sports, Art and Culture 01- General Education 202-Secondary Education 01-Building 90- Construction Works	2015-16	12.72	6.79	5.93	46.6	Due to delay in starting of construction work by PWD.	The department could not ensure required level of progress, timely completion and implementation of the work.
	2016-17	43.08	30.29	12.79	29.7		
	2017-18	19.22	13.73	5.49	28.6		
4210-Capital Outlay on Medical and Public Health 03- Medical Education, Training and Research 105-Allopathy 06-Medical College, Kota 90- Construction Works	2015-16	10.95	8.86	2.09	19.1	Due to delay in sanction for excess/extra items/ preparation of map and stay on mining of gravel soil by the Hon'ble court.	This indicates that the Department did not make timely efforts to release required sanction. The trend of Expenditure in previous years not kept in view.
	2016-17	8.05	4.37	3.68	45.7		
	2017-18	18.94	9.99	8.95	47.3		
4235-Capital Outlay Social Security and Welfare 02- Social Welfare 102- Child Welfare 01- Building 90- Construction Works	2015-16	4.52	4.42	0.10	2.2	Delay in tender process due to late receipt of sanction, non-availability of land and stay on mining of gravel soil by the Hon'ble court.	This indicates that the Department did not make timely efforts to release required sanction. Non-availability of land could have been avoided with proper planning.
	2016-17	4.49	3.10	1.39	31.0		
	2017-18	5.31	3.16	2.15	40.5		

Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reasons for savings intimated by the department	Audit Comments
4250- Capital Outlay on Other Social Services 201- Labour 02-Divisional and Districts Office 90- Construction works	2015-16	-*	0	-*	100.0	Non- allotment/ availability of land for construction of utility and information centre in the districts.	Non allotment of land could have been avoided with proper planning.
	2016-17	5.17	0.34	4.83	93.4		
	2017-18	3.28	0.38	2.90	88.4		
4853- Capital Outlay on Non-Ferrous Mining and Metallurgical Industries 01- Mineral Exploration and Development 004- Research and Development 06-Khanij Bhawan 90- Construction Works	2015-16	10.32	10.07	0.25	2.4	Construction work not timely completed by PWD	The department could not ensure required level of progress, timely completion and implementation of the work.
	2016-17	7.52	5.05	2.47	32.8		
	2017-18	4.96	1.19	3.77	76.0		
4250- Capital Outlay on Other Social Services 203- Employment 02- Training 91- Percentage Charges for Establishment Expenditure	2015-16	2.03	0.23	1.80	88.7	Reasons were not furnished by the department.	Reason were not furnished by the department despite request made by audit vide letter (May-July 2018).
	2016-17	8.42	0.49	7.93	94.2		
	2017-18	6.98	2.57	4.41	63.2		

* ₹ 1000

The persistent savings in the above cases indicates improper planning, inadequate financial control and lack of monitoring over the expenditure on the part of the department to ensure timely implementation and completion of work.

Percentage Charges

Percentage charges are charged exclusively by PWD as a part of cost of their establishment and tool and plants on Capital Projects undertaken by it. Percentage charges are imposed over and above the total cost of the project at a fixed rate. There are three components of the percentage charges; (i) establishment charges (8 per cent) imposed by PWD for ensuring timely progress and quality of work undertaken by private contractors who have been awarded projects, (ii) tool and plants cost (2 per cent) and (iii) establishment cost of work charged employee of PWD (3 per cent). Year wise position of credited percentage charges is given below:

Year wise position of percentage charges

(₹ in crore)				
Year	Budget provision	Credited amount (per cent)	Surrender/re-appropriation	Non surrender
2015-16	69.70	44.78 (64.2)	22.62 (32.5)	2.30 (3.3)
2016-17	110.26	42.55 (38.6)	64.80 (58.7)	2.91 (2.7)
2017-18	105.41	48.27 (45.8)	56.95 (54.0)	0.19 (0.2)

The department stated (July-August 2018) that the reason of savings was due to levy of percentage charges on the actual expenditure on work.

While reviewing 'persistent savings' under the same Grant i.e. Grant No 19 (Public Works), the Public Accounts Committee in its 86th Report of March 2016 had recommended preparation of budget estimates in future based on trends of expenditure in previous years. In spite of this, persistent savings in the above grant during 2015-18 indicates that the trend of expenditure in previous years was not kept in view and the estimation was faulty.

Grant No. 30 – Tribal Area Development

The fifth schedule of the Indian Constitution deals with the administration and control of Scheduled Areas as well as Scheduled Tribes residing in these areas. The Tribal Area Development Department (TAD) was established in year 1975 for the overall development of tribal community residing in Rajasthan.

The objectives of department are overall development of the Scheduled Area such as economic, social, cultural and intellectual development; preparation, coordination, control and monitoring of various schemes for tribal development; bringing level of administration in tribal areas in equivalence to other areas and up-gradation of living status of tribal communities.

TAD Department is under administrative control of Principal Secretary (TAD), Rajasthan, Jaipur. Commissioner, TAD, Udaipur is responsible for preparation, initiation and execution of schemes for tribal development.

The overall position of budgetary provision, expenditure and savings during 2015-18 is detailed below:

Budget vis-a-vis expenditure under Tribal Area Development department

(₹ in crore)

Head of Accounts	2015-16				2016-17				2017-18			
	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender / Reappropriation	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender/ Reappropriation	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender/ Reappropriation
Revenue	6,715.05*	5,507.54	1,207.51 (17.98)	1,204.35	9,113.00*	7,378.93	1,734.07 (19.03)	1,729.12	10,700.33*	9,363.32	1,337.01 (12.50)	1,333.33
Capital	8,754.72*	8,045.56	709.16 (8.10)	704.24	4,680.83*	4,346.48	334.35 (7.14)	330.04	3,645.45*	3,017.19	6,28.26 (17.23)	636.93
Total	15,469.77	13,553.10	1,916.67	1,908.59	13,793.83	11,725.41	2,068.42	2,059.16	14,345.78	12,380.51	1,965.27	1,970.26

* Includes supplementary provision of ₹ 0.68 lakh, ₹ 0.22 lakh, ₹ 1,843.36 crore under Revenue Section and supplementary provision of ₹ 6,101.53 crore, ₹ 13.93 crore and ₹ 0.18 lakh under Capital Section during 2015-16, 2016-17 and 2017-18 respectively.

From above table, these are the following observation:

- The unutilised budget provision/savings under revenue section of the grant ranged from 12.50 per cent to 19.03 per cent during 2015-16 to 2017-18
- The unutilised budget provision/savings under capital section of the grant ranged from 7.14 per cent to 17.23 per cent during 2015-16 to 2017-18.
- During 2015-16 and 2016-17, supplementary provision of ₹ 0.68 lakh and ₹ 0.22 lakh was unnecessary and during 2017-18, ₹ 1,843.36 crore under Revenue Section was excessive by ₹ 1,337.01 crore in view of the final savings.
- Similarly, during 2016-17 and 2017-18 supplementary provision of ₹ 13.93 crore and ₹ 0.18 lakh respectively under Capital Section was unnecessary in view of the savings.

Head-wise position of savings

It was observed that during 2015-16 to 2017-18, a substantial portion of the budget allocation remained unutilised every year under the following heads indicating non achievement of projected financial outlay in the respective years. This also indicates that the budget allocation was made without considering the provision under para 13.7 of the SBM.

							(₹ in crore)
Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reasons for savings intimated by the department	Audit comments
2202-General Education 02-Secondary Education 107-Scholarships 06-Pre-matric scholarships to students of scheduled tribes 02- Pre-matric Scholarships	2015-16	66.49	15.84	50.65	76.2	Less expenditure incurred by the state Government due to direct transfer of fund to students accounts under Direct Benefit Scheme (DBT) by GoI.	The Department did not kept in view the trend of previous year expenditure before making budget provision because the DBT scheme was started in 2015-16.
	2016-17	67.00	16.94	50.06	74.7		
	2017-18	68.00	24.79	43.21	63.5		
2210-Medical and Public Health 06-Public Health 796- Tribal Area Sub-plan 07- Nishulk Janch Yojana 01- Through the Director, Medical and Health Services	2015-16	19.13	11.72	7.4	38.7	Due to posts remaining vacant.	Keeping provision for vacant posts was in contravention of provision of para 13.18.2(a) of the SBM.
	2016-17	16.05	13.98	2.06	12.8		
	2017-18	18.42	15.27	3.16	17.1		
2211-Family Welfare 796- Tribal Area Sub-plan 07-NishulkJanchYojana 03- National Urban Health Mission	2015-16	39.17	10.55	28.62	73.1	Non-release of funds by GoI led to less release of State's share.	This indicates lack of monitoring and implementation of scheme by the Department.
	2016-17	15.84	0.87	14.97	94.5	Less receipt of fund from GoI due to savings in previous year's expenditure.	
	2017-18	22.91	0.00	22.91	100.0	Non-release of funds by GoI led to less release of State's share.	
2401-Crop Husbandry 796-Tribal Area Sub-plan 51-Through the Horticulture Department 13-National Agriculture Forestry and Bamboo Mission	2015-16	0.26	0.04	0.22	84.6	Non/late sanction of work plan by GoI under the scheme.	This indicate lack of pursuance with the concerned sanctioning authority for timely release of requisite sanctions by the Department
	2016-17	0.39	0.03	0.36	92.3		
	2017-18	0.27	0.00	0.27	100.0		
4059-Capital Outlay on Public Works 80-General 796-Tribal Area Sub-plan 02-General Building (Treasury and Accounts Department 01-construction of Building	2015-16	0.99	0.91	0.08	8.1	Non starting of work in some places due to land dispute, changes in the site plan/design of land, late release of sanction of construction work due to delay in approval and due to increase in estimates.	This indicates lack of proper planning of the Department.
	2016-17	1.21	0.26	0.95	78.5		
	2017-18	2.20	0.70	1.50	68.2		
4059-Capital Outlay on Public Works 80-General 796-Tribal Area Sub-plan 05-judical Building(tribal Area Sub plan)	2015-16	15.81	1.23	14.58	92.2	Non/less expenditure incurred on construction work by the Department, non-approval of blue print for new court complex in Banswara, Dholpur, Abu and non-approval of drawing of court complex in Pratapgarh district.	Non utilization of funds for intended purpose within stipulated time for construction works which led to blocking of funds. Further, escalation of cost cannot also be ruled out on delayed works. This indicates lack of pursuance of matter with the concerned authority for timely release of requisite sanctions and approval of blue print by the Department.
	2016-17	23.03	5.59	17.44	75.7		
	2017-18	20.09	4.75	15.34	76.4		
4202-Capital Outlay on Education, Sports, Art and Culture 01-General Education 796-Tribal Area Sub-plan 11-Block Institute for Teachers Education 90 -Construction Work	2015-16	1.78	0.00	1.78	100.0	Non-release of funds by GoI led to less release of State's share.	This indicates lack of pursuance by the Department with GoI for timely release of requisite sanction.
	2016-17	1.58	1.58	0.00	0.0		
	2017-18	1.17	0.00	1.17	100.0		

Financial Management and Budgetary Control

Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reasons for savings intimated by the department	Audit comments
4210- Capital Outlay on Medical and Public Health 02- Rural Health Services (Directorate, Medical and Health Services) 796- Tribal Area Sub-plan 03- NABARD Loan based Schemes 03-Construction of Community Health Centers	2015-16	2.95	1.11	1.84	62.4	Non availability of land, encroachment of land and delay in sanction of tender.	This indicates lack of proper planning by the Department and delay in tendering process for entrustment of work indicates systematic deficiencies.
	2016-17	15	3.28	11.72	78.1		
	2017-18	6.87	3.15	3.72	54.1		
4215- Capital Outlay on Water Supply and Sanitation 01- Water Supply 796- Tribal Area Sub-plan 01- Rural Water Supply Schemes 10-Narmada Water Supply Scheme (F.R.) (NABARD)	2015-16	6.89	3.11	3.78	54.9	Slow progress of work by contractor.	The Department/State Government could not ensure required level of progress of work. Further, escalation of cost cannot also be ruled out on delayed works.
	2016-17	3.51	1.42	2.09	59.5		
	2017-18	1.86	0.8	1.06	57.0		
4215- Capital Outlay on Water Supply and Sanitation 01- Water Supply 796- Tribal Area Sub-plan 01- Rural Water Supply Schemes 27- Barmer Lift Canal Water Supply Project Phase-2	2015-16	2.95	2.19	0.76	25.8	Slow progress of work by contractor.	It is the responsibility of the Department/State Government to ensure required level of progress of work with timely decision, implementation and monitoring. Further, escalation of cost cannot also be ruled out on delayed works.
	2016-17	3.85	0.84	3.01	78.2		
	2017-18	10.21	0.64	9.57	93.7		
4217-Capital Outlay on Urban Development 03-Integrated Development of Small and Medium Towns 796-Tribal Area Sub-plan 07-Urban Roads and Drains etc.(ROB) 01- For Various Urban Bodies	2015-16	16.87	14.2	2.67	15.8	Late availability of land with consequent delay in RUB/ROB (alignment) work.	This indicates lack of proper planning by the Department.
	2016-17	20.25	5.18	15.07	74.4		
	2017-18	9.45	3.86	5.59	59.2		
4700-Capital Outlay on Major Irrigation 02- Chambal Project (Commercial) 796-Tribal Area Sub-plan 01-Through the Area Development Commissioner, Chambal 02- Left Main Canal	2015-16	3.49	0.01	3.48	99.7	Non-issue of separate sanctions for work related to revamping project in respect of ST beneficiaries and tribal beneficiaries.	Trend of expenditure in previous years, restructuring of scheme not kept in view before making budget provision by the Department.
	2016-17	2.95	0.38	2.57	87.1		
	2017-18	5.35	0.01	5.34	99.8		
4853-Capital Outlay on Non-Ferrous Mining and Metallurgical Industries 01-Mineral Exploration and Development 796-Tribal Area Sub-plan 04-Expenditure relating to environment reform and health in mining areas 01-Through the Public Works Department, Road Construction in mining areas	2015-16	0.00	0.00	0.00	-	Due to less expenditure incurred by the PWD.	It was the responsibility of the Department/State Government to ensure required level of progress of work with timely decision, implementation and monitoring. Further, escalation of cost cannot also be ruled out on delayed works.
	2016-17	14.00	2.61	11.39	81.4		
	2017-18	40.00	7.24	32.76	81.9		
5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 796-Tribal Area Sub-plan 08-Roads recouped from State Road Development Fund (M.D.R.) 90-Construction Works-	2015-16	28.67	4.78	23.89	83.3	Non issue of Administrative and Financial sanction due to non-constitution of the Board in time and delay in tendering process due to late issue of sanctions.	It was the responsibility of the Department/State Government to ensure required level of progress of work with timely decision, implementation and monitoring. Further, escalation of cost cannot also be ruled out on delayed works. This also indicates lack of proper planning by the Department.
	2016-17	25.09	0.16	24.93	99.4		
	2017-18	16.11	4.19	11.92	74.0		

During Scrutiny of the grant it was observed that in 2015-16, 2016-17 and 2017-18 budget provision of ₹ 9.26 crore, ₹ 62.00 crore and ₹ 125.87 crore respectively were made under various schemes of this grant which remained entirely unutilized as detailed in **Appendix 2.5**.

Thus, the savings against total budget provision during 2015-18 exhibited persistent trends which were indicative of over assessment in requirement of funds under various heads by the department without adequate scrutiny and proper monitoring of the flow of expenditure.

2.3.5 Unnecessary/excessive supplementary provision

Para 24.2 of SBM stipulates that during the course of a financial year, the amount provided for the purpose is found to be inadequate or need arises for an expenditure on some object or service for which no provision has been made, a supplementary provision can be sanctioned by the Legislature. During 2017-18, supplementary provisions of ₹ one crore or more in each case, aggregating to ₹ 3,160.89 crore, obtained in 28 cases, proved unnecessary as the expenditure did not even come up to the level of the original provision (**Appendix 2.6**). Out of these, 6 cases where supplementary provisions of more than ₹ 100 crore in each case proved unnecessary are given below in **Table 2.3**:

Table 2.3: Cases where supplementary provisions (more than ₹ 100 crore) proved unnecessary during 2017-18

(₹ in crore)					
Sl. No.	Number and Name of the Grant	Original Provision	Expenditure	Supplementary Provision	Reasons for supplementary provisions
Revenue-Voted					
1	15- Pensions and Other Retirement Benefits	14,162.71	13,919.97	787.71	For payment of pension and retirement benefits and contribution of Government under NPS.
2	24- Education, Art and Culture	22,778.94	22,665.12	696.60	For payment of arrear of pay and allowances.
3.	27-Drinking Water Scheme	3,401.13	3,299.12	148.60	For payment of electric charges under water supply schemes.
4.	29- Urban Plan and Regional Development	4,437.26	3,881.28	547.63	For transfer of urban cess to Rajasthan Urban Development Fund and grant to local bodies for construction of Gaurav Path.
5.	33- Social Security and Welfare	4,968.16	4,902.68	171.71	For payment under Social Security Pension and Palanhar Yojana.
Capital Voted					
6.	29- Urban Plan and Regional Development	1,371.38	950.74	130.20	Capital investment in Smart City Corporation.

Source: Appropriation Accounts

In all the above cases, it was seen that provision for supplementary grants proved unnecessary as the actual expenditure was even less than the original budget estimates.

This indicates deficiencies in estimation of requirement of funds for the remaining period of the financial year and failure to monitor the flow of expenditure by these departments. Thus, unnecessary supplementary provisions were made without assessing the actual requirements of funds under these sub-heads.

2.3.6 Excessive/unnecessary re-appropriation of funds

As per para 23.3 of SBM, re-appropriations are permissible only when it is known or anticipated that appropriation for the unit from which funds are diverted will not be utilized in full or that savings can definitely be affected in it. Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed.

Injudicious re-appropriation of funds proved excessive, unnecessary or insufficient and resulted in excess expenditure of ₹ 250.47 crore in 121 sub-heads and final savings of ₹ 444.88 crore in 318 sub-heads. The final excesses/savings after re-appropriation was more than ₹ one crore in 29 head of accounts (*Appendix 2.7*). There was insufficient re-appropriation in 17 head of accounts, unnecessary re-appropriation in five head of accounts and excessive re-appropriation in seven head of accounts.

This indicates that the availability/requirement of funds was not properly assessed before its reappropriation.

2.3.7 Unexplained re-appropriations

Para 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2018) by the Finance Department, revealed that out of 1,917 explanations, 514 cases were clearly explained in the re-appropriation orders. Explanations in the remaining 1,403 cases were of general nature like ‘actual requirement’, ‘based on latest assessment’ and ‘restriction of expenditure’.

The above tendency of non-specific explanations goes against the principle of transparency stipulated in Section 4 of FRBM Act.

2.3.8 Anticipated savings not surrendered

As per para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. In accordance with the provisions of the SBM, it is the duty of the Budget Controlling Officers to ensure that all anticipated savings are surrendered to Government immediately when they are foreseen, without waiting till the end of the year, unless they are definitely required to meet excesses under some other units under the same grant. No savings can be held in reserve by them for meeting possible future excesses.

In 15 cases (12 grants), where savings were ₹ one crore and above aggregating to ₹ 8,782.39 crore, an amount of ₹ 302.80 crore was not surrendered

(Appendix 2.8). Early surrender could have ensured more productive use of resources in other areas where there may be shortfall.

This indicates lack of realistic financial planning and weak financial control leading to savings not being surrendered.

The Departments did not furnish (October 2018) reasons/explanations for non-surrendering of ₹ 302.80 crore.

Recommendation: 10

All anticipated savings should be surrendered on time so that funds can be utilised for other purposes.

2.3.9 Lump sum provision

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

During 2017-18, in 80 cases under 22 grants (where surrender was more than ₹ 15 crore and also more than 50 per cent of budget provision), lump sum provision of ₹ 5,940 crore was made in the estimates. Out of this, a sum of ₹ 4,707.59 crore (79.3 per cent) remained unutilized and was surrendered at the fag end of the year (Appendix 2.9). Reasons for making lump sum budget provisions in these cases were not furnished (October 2018) by the Government.

2.3.10 Surrender in excess of actual savings/excess

In six grants and one appropriation, an amount of ₹ 2,105.35 crore was surrendered against the savings/excess of ₹ 1,990.58 crore, which was in excess by ₹ 114.77 crore (Appendix 2.10).

This indicated that the Departments failed to exercise necessary budgetary controls over the flow of expenditure through the monthly expenditure statements.

The Departments did not furnish any reasons/explanations regarding surrender in excess of actual savings (October 2018).

2.3.11 Non-utilization of entire provision under scheme/heads.

During scrutiny of appropriation account it was observed that budget provisions were made under various schemes which remained entirely unutilized. During 2017-18, the entire provision of ₹ 10 crore or more in each case made under 25 schemes/heads aggregating to ₹ 1,927.77 crore was not utilized. The details are given in Appendix 2.11.

This indicates that the budget provision for these schemes/heads was prepared without properly assessing the actual requirement.

2.3.12 Expenditure incurred without Budget provision

As per para 24.1 of SBM, expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget.

However, it was observed that an amount of ₹ 2.20 crore was incurred under head '4702-Capital Outlay on Minor Irrigation-101-Surface Water-11-Rajasthan Water Sector Livelihood Improvement Project-02-Proportionate expenditure' transferred from Major Head 2701-Establishment in Grant No. '46-Irrigation' without any original or supplementary budget provision.

Reasons for expenditure under this Major Head without any budget provision have not been intimated (October 2018).

Recommendation: 11

Budget Controlling Officers should endeavor to prepare realistic budget estimates keeping in view the trends of expenditure during previous years to avoid cases of savings/excess, unnecessary re-appropriations and surrenders at the end of the year.

2.4 Review of selected grants

With a view to have detailed analysis of a particular grant, Grant No.27-Drinking Water Scheme was selected. This analysis encompasses comment on Budget and Expenditure, Receipts with respect to Revised Estimates, Excess expenditure after re-appropriation/surrender, unnecessary/excessive supplementary provision, non-utilisation of entire provision, persistent savings and status of schemes in Chief Minister's previous Budget Speech under this grant.

2.4.1 Grant No.27- Drinking Water Scheme

Public Health Engineering Department (PHED) is committed to provide potable water to every citizen of the State. PHED with a state wide office network and use of state of art Reverse Osmosis, de-fluoridation, Supervisory control and Data Acquisition (SCADA), IT and solar Energy technology is providing safe drinking water in the remotest places of Rajasthan. PHED is shifting from ground water based schemes to surface water source based schemes in a phased manner.

The Grant is administered by Principal Secretary, PHED. The allocation of budget to PHED constituted ₹ 7,451.24 crore (4.43 per cent) of the total State Voted Budget (₹ 1,68,329.41 crore) during 2017-18. This Grant is mainly constituted of three schemes viz. Rural Water Supply Scheme, Urban Water Supply Scheme and Sewerage and Sanitation.

The overall budgetary position, expenditure and savings during 2015-18 is detailed below in the table:

(₹ in crore)

	2015-16				2016-17				2017-18			
	Total (O+S)	Expenditure	Savings	Surrender	Total (O+S)	Expenditure	Savings	Surrender	Total (O+S)	Expenditure	Savings	Surrender
Revenue	2,859.54*	2,765.76	93.78	88.62	3,176.93*	2,913.73	263.20	260.26	3,549.73*	3,299.12	250.61	246.91
Capital	3,594.78	3,113.31	481.47	475.97	3,876.33	2,980.11	896.22	878.97	3,901.51	3,218.49	683.02	675.45
Total	6,454.32	5,879.07	575.25	564.59	7,053.26	5,893.84	1,159.42	1,139.23	7,451.24	6,517.61	933.63	922.36

*Includes supplementary provision of ₹ 252.58 crore, ₹ 339.95 crore, ₹ 148.60 crore under revenue section during 2015-16, 2016-17 and 2017-18 respectively.

Detailed audit of Budget and expenditure under the grant showed that:

- (i) During 2017-18, out of final savings of ₹ 933.63 crore (12.5 per cent), major savings were related to Rural Water Supply Scheme (₹ 578.58 crore). Specific reasons for savings were not intimated by the department.
- (ii) During 2017-18, out of final savings of ₹ 250.61 crore (7.1 per cent) under revenue section, an amount of ₹ 3.70 crore remained un-surrendered in respect of mainly 14 heads of accounts and out of final savings of ₹ 683.02 crore under capital section, an amounts of ₹ 7.57 crore remained un-surrendered.

2.4.1.1 Excess expenditure after reappropriation/surrender

As per SBM, the concerned Budget controlling officer is responsible for excess expenditure after surrender/re-appropriation.

During 2017-18 an amount of ₹ 6.31 crore was incurred in respect of two heads⁴ of accounts in excess of the available budget provisions after re-appropriation/surrender.

2.4.1.2 Unnecessary/excessive supplementary provision

As per SBM supplementary grant is required to be taken when the amount sanctioned in the original appropriation is found inadequate for the expenditure to be incurred during the year.

During 2017-18 the supplementary grant of ₹ 148.60 crore allotted in revenue section proved unnecessary as the expenditure was not up to the level of the original budget provision. The provision of ₹ 148.60 crore was through supplementary provision to meet increased expenditure on power charges. Similarly, during 2015-16 and 2016-17 the supplementary grant of ₹ 252.58 crore and ₹ 339.95 crore allotted in revenue section was excessive.

Significant cases where supplementary provisions proved unnecessary during 2017-18, are given below:

⁴ (i) 4215-01-101-01-61 (Urban Water Supply Scheme, Jodhpur): ₹ 0.07 crore and (ii) 4215-01-102-45 (Nagaur Lift Canal Project-Phase-II (EAP)): ₹ 6.24 crore.

(₹ in crore)

Name of Heads	Year	Original Provision	Expenditure	Supplementary	Reasons for supplementary provisions
2215-01-101-12 Other Urban Water Supply Schemes	2017-18	576.60	560.82	40.00	Due to increase in expenditure on power charges
2215-01-102-01 Other Rural Water Supply Schemes	2017-18	1,395.50	1,386.68	100.00	

Unnecessary/excessive supplementary provision shows that the department failed to assess the actual requirement of funds for implementation of scheme/work/programme.

2.4.1.3 Non-utilisation of entire provision

As per SBM the estimate of expenditure should be as accurate as possible. Cases where entire provisions were not utilized during 2017-18, are given below:

(₹ in crore)

Year	Schemes	Provision	Savings	Reasons intimated by the department
2017-18	Chambal-Dholpur-Bharatpur Project phase I and Part II (Urban)	15.68	15.68	Non-execution of works
	Drinking Water Project of Villages of Block of Sajjangerh and Kushalgarh of District Banswara from Mahi Dam (Rural)	4.81	4.81	
	Water Purification System Programme in the Schools of Rural Areas	5.90	5.90	
	Misc. Public Works Advances	5.00	5.00	Reasons not intimated by the department.

This indicates that the budget provisions were prepared on *ad hoc* basis without assessing the actual requirement.

2.4.1.4 Persistent saving

As per SBM actual expenditure incurred in last three years, and revised estimates for the current year should be taken into consideration for preparing estimates for the ensuing financial year and the estimates of expenditure should be as accurate as possible.

Funds amounting to ₹ 6,447.27 crore (98.9 per cent) of the total expenditure of ₹ 6,517.61 crore were related mainly to three schemes, Rural Water supply Scheme- ₹ 3,945.73 crore, Urban Water Supply Scheme- ₹ 2,118.93 crore and Sewerage and Sanitation – ₹ 382.61 crore during 2017-18.

Savings in respect of two major schemes which were surrendered at the end of financial year are discussed below:

(₹ in crore)

Name of scheme	Year	Provision	Surrender (per cent)	Reasons intimated by the department
Urban water supply schemes				
Chambal-Baler-Sawaimadhopur Water Supply Scheme	2016-17	10.31	8.01 (78)	Due to slow progress of work by contractor.
	2017-18	24.05	18.57 (77)	
Nagur Lift Canal Phase-I	2016-17	9.00	5.58 (62)	The work related to package no. 4 (Merta) was cancelled (May 2016) due to slow progress of work. The procedure for awarding new tender was started for the remaining work but decision could not be taken due to court stay.
	2017-18	10.00	5.07 (51)	
Rajarah-Bungi Water Supply Scheme	2015-16	16.91	9.44 (56)	Because of demand for home-to-home water connection by the local villagers, the work could not be executed.
	2016-17	10.31	6.68 (65)	
	2017-18	4.12	3.21 (78)	
Urban Water Supply Scheme, Jodhpur (EAP).	2015-16	103.05	74.01 (72)	Due to slow progress of construction by contractor in some packages and delay in preparation of proposal of technical sanction and tender in other packages.
	2016-17	61.83	23.98 (39)	Due to slow progress of work
	2017-18	104.42	41.85 (40)	Three Tenders being under consideration for approval/ with Court and one tender being cancelled.
Renovation of Urban Water Supply Scheme for Kishangrah Town	2016-17	27.48	6.87 (25)	Due to late receipt of sanction from National Highway Authority of India.
	2017-18	13.68	3.41 (25)	
Renovation of Urban Water Supply Scheme for Pratapgarh Town	2016-17	27.48	17.21 (63)	Proposal for sanction is under process with Forest Department
	2017-18	20.48	3.44 (17)	Due to late receipt of sanction by the Forest Department and slow progress of work by the contractor.
Water Supply Scheme aided from National Capital Region Planning Board (NCRPB)	2017-18	85.61	47.73 (56)	Delay in execution of scheme due to encroachment of allotted land by local person and dispute in land allotment.
Computerisation/SCADA system/e-governance etc	2017-18	20.50	20.20 (99)	Due to work related to this scheme attached with Central Sponsored Scheme AMRIT.
Rural water supply schemes				
Devniya-Shergarh-Chhaba Water Supply Scheme	2015-16	72.48	36.56 (50)	Work was not completed due to delay in tender process for IEC activities and village distribution.
	2016-17	27.01	13.57 (50)	Due to cancellation of tender
	2017-18	10.00	9.81 (98)	Non-release of funds by GoI led to less release of State's share.
Water Purification System Programme in the schools of Rural Areas	2015-16	4.40	4.40 (100)	Due to non-execution of works by the company (executing agency).
	2016-17	4.40	4.40 (100)	
	2017-18	5.90	5.90 (100)	
Chambal-Baler-Sawai Madhopur Water Supply Scheme	2016-17	30.92	22.30 (72)	Due to slow progress of work by the contractor
	2017-18	28.33	17.58 (62)	
Boravas-Mandana Water Supply Project	2015-16	9.54	5.44 (57)	Due to non-receipt of sanction from the Forest Department.
	2016-17	6.87	3.06 (45)	Due to late receipt of sanction by the Forest Department.
	2017-18	18.63	11.60 (62)	
National Rural Drinking Water Quality Control and Monitoring Programme	2015-16	17.50	9.61 (55)	Reasons have not been intimated by the Department.
	2016-17	17.50	13.83 (79)	
	2017-18	15.25	12.71 (83)	
Barmer Lift Canal Water Supply Project Phase-II	2015-16	11.29	7.12 (63)	Due to slow progress of work by the contractor.
	2016-17	20.92	12.38 (59)	
	2017-18	37.64	35.07 (93)	

Financial Management and Budgetary Control

Name of scheme	Year	Provision	Surrender (per cent)	Reasons intimated by the department
National Rural Drinking Water Programme (DDP)	2016-17	94.74	55.97 (59)	Reasons have not been intimated by the Department.
	2017-18	63.17	28.16 (45)	
Narmada F.R. Cluster	2016-17	9.74	9.04 (93)	Due to slow progress of work by the firm.
	2017-18	65.98	24.30 (37)	Non-release of funds by GoI led to less release of State's share.
Bisalpur Dudu Water Supply Scheme (NABARD)	2016-17	57.43	34.35 (60)	Due to late approval of project by Water and Health Samiti and slow progress of work by the firm.
	2017-18	35.68	16.76 (47)	Due to slow progress of work by the contractor
Narmada Project (NABARD)	2015-16	35.06	21.65 (62)	Due to slow progress of work by the contractor.
	2016-17	16.63	10.63 (64)	
	2017-18	7.71	5.12 (66)	
Nagaur Lift Canal Phase-I	2015-16	34.09	9.87 (29)	Due to slow progress of work by the contractor.
	2016-17	28.17	8.82 (31)	The work related to package no. 4 (Merta) was cancelled (May 2016) due to slow progress of work. The procedure for awarding new tender was started for the remaining work but decision could not be taken due to court stay.
	2017-18	33.66	22.89 (68)	Due to work related to package no. 4 under consideration of court.
Bisalpur-Dudu Project (Chaksu-Phagi-Bassi)	2016-17	141.30	24.06 (17)	Due to late allotment of land for pond, late receipt of sanction from NHAI and slow progress of work by the contractor.
	2017-18	96.87	29.61 (31)	Due to slow progress of work by the contractor
Modernisation, Strengthening, Renovation and Upgradation of Department	2015-16	3.00	1.48 (49)	Due to non-receipt of proposal of renovation/modernisation from the subordinate offices.
	2016-17	5.00	2.08 (42)	Due to reduction of plan ceiling by the Finance Department, GoR.
	2017-18	5.00	3.35 (67)	Due to non-receipt of proposal of renovation/modernisation from the subordinate offices.
Barmer Lift Canal Water Supply Project-II Part-B (cluster scheme of 68 villages)	2016-17	36.89	26.17 (71)	Due to late allotment of land for pond and slow progress of work by the contractor.
	2017-18	26.86	19.27 (72)	Due to slow progress of work by the contractor.
National Rural Drinking Water Programme- Earmarked 5 per cent fund for water quality	2015-16	37.33	16.09 (43)	Expenditure met from separate fund allotted by Niti Ayog.
	2016-17	48.78	30.82 (63)	
	2017-18	22.40	11.92 (53)	
NRDWP-Assistance amount-Support Fund	2015-16	25.00	7.93 (32)	Reasons have not been intimated by the Department.
	2016-17	25.00	12.58 (50)	
	2017-18	20.00	9.42 (47)	

The above observations show that the Department did not utilise the budgeted funds in respect of important development works/programme/schemes as mentioned above which led to surrender of huge amount ranging from 17 per cent to 100 per cent of the actual provision.

2.4.1.5 Status of schemes in previous Budget speech

During Budget Speech of 2015-16, the Chief Minister announced that a new water supply distribution centre would be constructed in Kho Nagoriyan area for remaining one package under Jaipur-Bisalpur Water Supply Project.

The Department stated (September 2018) that Administrative Sanction (April 2018) and Technical Sanction (May 2018) were issued by the

Government. Tender has been issued and technical bid would be opened on 31 August 2018. However, work was not started during 2015-18.

2.4.1.6 Receipts

The position of Budget Estimates, Revised Estimates and Actual Receipts under heads during the period 2015-18 is summarised below:

Statement of Receipt during 2015-18

(₹ in lakh)

S. No.	Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+)/ (-) Shortfall	Percent variation to Revised Estimates
1.	0215-01-102-01-02-01 Water Supply Scheme, Ajmer (District)	2015-16	232.00	170.00	210.39	40.39	23.76
		2016-17	286.00	425.00	315.30	-109.70	25.81
		2017-18	560.00	560.00	385.32	-174.68	31.19
2.	0215-01-102-01-02-02 Water Supply Scheme, Alwar (District)	2015-16	260.00	191.00	273.07	82.07	42.97
		2016-17	305.00	400.00	294.22	-105.78	26.45
		2017-18	515.00	515.00	348.71	-166.29	32.29
3.	0215-01-102-01-02-09 Water Supply Scheme, Bundi (District)	2015-16	43.00	50.00	55.64	5.64	11.28
		2016-17	78.50	230.00	127.02	-102.98	44.77
		2017-18	242.00	242.00	105.14	-136.86	56.55
4.	0215-01-102-01-02-11 Water Supply Scheme, Churu (District)	2015-16	606.00	565.00	479.45	-85.55	15.14
		2016-17	896.70	730.00	567.76	-162.24	22.22
		2017-18	790.00	790.00	705.67	-84.33	10.67
5.	0215-01-102-01-02-18 Water Supply Scheme, Jaisalmer (District)	2015-16	23.00	150.00	258.93	108.93	72.62
		2016-17	240.00	700.00	678.08	-21.92	3.13
		2017-18	780.00	780.00	905.68	125.68	16.11
6.	0215-01-102-01-02-22 Water Supply Scheme, Jodhpur (District)	2015-16	160.00	235.00	236.23	1.23	0.52
		2016-17	374.20	500.00	513.57	13.57	2.71
		2017-18	645.00	645.00	2029.7	1384.70	214.68
7.	0215-01-102-01-02-24 Water Supply Scheme, Kota (District)	2015-16	111.00	235.00	123.81	-111.19	47.31
		2016-17	376.30	400.00	269.87	-130.13	32.53
		2017-18	420.00	420.00	200.13	-219.87	52.35
8.	0215-01-103-01-19 Water Supply Scheme, Dungarpur	2015-16	79.00	100.00	88.08	-11.92	11.92
		2016-17	144.00	245.00	153.21	-91.79	37.47
		2017-18	260.00	260.00	171.12	-88.88	34.18
9.	0215-01-103-01-21 Water Supply Scheme, Ganganagar	2015-16	1,270.00	790.00	460.37	-329.63	41.73
		2016-17	1,118.14	900.00	504.4	-395.60	43.96
		2017-18	950.00	950.00	602.33	-347.67	36.60
10.	0215-01-103-01-30 Water Supply Scheme, Sawai Madhopur	2015-16	319.00	146.00	164.48	18.48	12.66
		2016-17	212.70	175.00	220.9	45.90	26.23
		2017-18	300.00	300.00	249.92	-50.08	16.69
11.	0215-01-800-01 Partnership amount under Urban water Supply	2015-16	13.00	35.00	31.65	-3.35	9.57
		2016-17	48.00	750.00	654.15	-95.85	12.78
		2017-18	805.00	805.00	113.02	-691.98	85.96

It was observed that in above cases, the deviation in actual receipts from the revised estimates ranged between 0.52 per cent and more than 100 per cent which indicated deficiency in estimation of receipts.

While reviewing 'budget formulation and budgetary control' under the same Grant i.e. Grant No 27 (Drinking Water Scheme), the Public Accounts Committee in its 114th Report of September 2016 had recommended preparation of realistic budget estimates in accordance with the provisions of State Budget Manual. In spite of the direction of the PAC, the budgetary irregularities continue to persist.

2.5 Irregularities in submission of Detailed Contingent Bills against Abstract Contingent Bills

Rule 219 regulates preparation and drawal of Abstract Contingent (AC) Bill and submission of Detailed Contingent (DC) Bill to the Accountant General. Rule 220(1) provides for submission of DC bills within a period of three months from the drawal of AC bills (except in case of purchase of machinery/equipments and other articles from abroad by opening of letter of credit, the DC bills may be rendered to the competent authority within six months of the drawal of AC bills).

Last five years position depicting Pendency in submission of Detailed Contingent bills against Abstract Contingent bills at the end of the year

(₹ in crore)

S. No.	Year up to	AC bills drawn		DC bill received		Outstanding AC bills	
		Number	Amount	Number	Amount	Number	Amount
1.	2013-14	40,701	4,174.63	39,619	3,851.06	1,082	323.57
2.	2014-15	43,965	4,794.52	43,597	4,505.59	368	288.93
3.	2015-16	45,244	5,203.47	44,992	4,929.59	252	273.88
4.	2016-17	46,426	5,847.82	46,206	5,476.07	220	371.75
5.	2017-18	47,239	6,323.92	47,105	5,894.73	134	429.19

The outstanding amount of AC bills increased from ₹ 323.57 crore in 2013-14 to ₹ 429.19 crore in 2017-18. Though there is decrease in number of outstanding bills; the fact remains that outstanding balance of ₹ 429.19 crore is still outstanding in AC bills as on 30 June 2018. Further, during 2017-18 outstanding amount of AC bills increased by 15.5 per cent over the previous year. Year wise details of outstanding AC bills are given below:

Pendency in submission of Detailed Contingent bills against Abstract Contingent bills

(₹ in crore)

S.No.	Year	AC bills drawn		DC bill received		Outstanding AC bills	
		Number	Amount	Number	Amount	Number	Amount
1.	Up to 2010-11	34,266	3,106.65	34,258	3,103.53	8	3.12
2.	2011-12	1,471	197.72	1,471	197.72	0	0
3.	2012-13	1,834	253.84	1,833	252.80	1	1.04
4.	2013-14	3,130	616.42	3,129	614.62	1	1.80
5.	2014-15	3,264	619.89	3,260	615.72	4	4.17
6.	2015-16	1,279	408.95	1,278	407.70	1	1.25
7.	2016-17	1,182	644.35	1,172	482.84	10	161.51
8.	2017-18	813	476.10	704	219.80	109	256.30
Total		47,239	6,323.92	47,105	5,894.73	134	429.19

Major Head wise details of pending AC bills as well as amount outstanding for the period up to June 2018 is detailed in *Appendix 2.12*.

(i) *Delay in Adjustment of AC bills through DC bills*

Rule 8(2) of General Financial and Accounts Rule (GF&ARs), 2017 prescribed that funds shall be withdrawn only if required for immediate payment and the expenditure or payment is authorised by the competent authority.

In following 8 cases the DC bills for adjustment of funds were submitted with delay ranging from 2 months to 9 years after the prescribed period. This is inclusive of five cases involving refund of unspent amount of ₹ 61.37 lakh.

(₹ in lakh)

S. No.	Name of Office	Major Head	AC Bills No. & Date	Amount	DC bill No. and Date (Amount)	Amount deposited through Challan	Delay in Months
1.	Superintendent, PBM Hospital, Bikaner	2210	323/07.06.2017	6.85	1440/07.03.2018 (6.85)	-	6
2.	District Collector, Disaster Management and Relief Department, Barmer	2245	11/27.07.2017	2.00	02/24.04.2018 (2.00)	-	6
3.	District Collector, Disaster Management and Relief Department, Udaipur	2245	49/03.03.2017	2,776.62	41/24.08.2018 (2,720.56)	56.06	14
4.	CEO, Zila Parishad, Alwar	2515	711/02.03.2009	11.29	70/07.05.2018 (8.06)	3.23	110
5.	Additional District Collector, Revenue Board, Udaipur	2053	524/08.03.2017	5.00	22/25.04.2018 (3.87)	1.13	13
6.	Commanding Officer, 01 Rajasthan Armed SQ, NCC, Jaipur	2204	85/14.11.2017	2.22	1/04.05.2018 (1.85)	0.37	2
7.	District Collector, Jaipur	2052	293/10.8.2017	2.00	27/05.04.2018 (1.42)	0.58	4
8.	Registration and Stamp Department, Ajmer	2029	510/01.01.2014	125.24	598/27.3.2018 (125.24)	-	44
		2029	511/01.01.2014	41.75	599/27.3.2018 (41.75)	-	44
Total						61.37	

Non-submission of DC Bills within prescribed time breaches financial discipline and entails risk of misappropriation and fraud.

(ii) *Irregularities in adjustment of AC bills*

Test check of information furnished by eight departments in 10 cases revealed that AC bills were drawn but remained unadjusted despite lapse of period of six months to ten years, as detailed below:

(₹ in lakh)

S.No.	Name of Office	AC bill		Amount drawn	Reason given by Department of delay
		Major Head	No. and date		
1.	District Collector, Disaster Management and Relief Department (DMRD), Alwar	2245	813/19.03.2013	103.50	Non-recovery of embezzlement amount (₹ 25,99,830) so far.
2.	District Collector, DMRD, Bharatpur	2245	72/4.9.2008	19.01	Due to pending departmental checking.
3.	Directorate, Ayurved Department, Rajasthan, Ajmer	2210	436/14.03.2014	179.70	Provisional utilisation certificate has been submitted by Rajasthan Medical Services Corporation Limited. Vouchers of ₹ 177.33 lakh has been received by the

Financial Management and Budgetary Control

S.No.	Name of Office	AC bill		Amount drawn	Reason given by Department of delay
		Major Head	No. and date		
					Department and vouchers of ₹ 2.36 lakh are still pending and remaining amount of ₹ 0.01 lakh has been returned by RMSC.
4.	Revenue Board, Ajmer	2029	183/05.03.2008	292.18	Bill and balance amount has been received and details of bills are awaited from National Informatics centre Services Inc. (NICSI), New Delhi.
5.	Director, State Forensic Laboratories (SFL), Rajasthan, Jaipur	2055	283/06.01.2015	57.00	Import process of equipment through State Trading Corporation of India, New Delhi is under process.
		2055	395/27.03.2015	180.50	
		2055	396/27.03.2015	9.60	
		2055	367/29.03.2017	25.00	
		2055	368/29.03.2017	239.00	
6.	Additional Director (Administration), Mining and Zeology, Udaipur	4853	12345/27.11.17	526.92	Due to non-submission of Utilisation certificate by RAJCOMP Info Service, Jaipur.
		4853	482/10.01.2018	2.01	
		4853	583/27.03.2018	50.00	
		2853	436/24.11.2017	0.68	
7.	Dy. Director, Cattle Breeding Farm, Kumher (Bharatpur)	2403	61/02.12.2017	1.00	DC bills are under submission in Treasury, Bharatpur for adjustment.
		2403	59/02.12.2017	2.50	
		2403	60/02.12.2017	1.50	
		2403	63/02.12.2017	5.00	
8.	District Education Officer, Kota	2202	33/30.5.1992	0.26	Recovery is pending from the pension of concerned official. Request is made for recovery to Director, pension, Jaipur
9.	Principal, S.P. Medical College, Bikaner	2210	1479/30.3.2016	5.61	Reasons for pendency have not been intimated by the Department.
		2210	1480/30.3.2016	124.89	
		2210	1263/22.3.2017	32.58	
		2210	1337/30.03.2017	24.58	
		2210	1317/29.03.2017	20.25	
		2210	1264/22.03.2017	18.27	
		2210	1289/27.03.2017	74.04	
		2210	1265/22.03.2017	1.77	
		4210	1782/24.03.2015	169.96	
4210	1266/22.03.2017	19.28			
10.	Additional District Collector, Udaipur	2245	36/22.11.2016	13,007.32	DC bills are under submission in Treasury, Udaipur for adjustment.

The reasons given by the departments are not tenable because non-submission of DC bills could have been avoided with proper planning and pursuance. Non-receipt of vouchers, non-submission of UCs and delay in purchase indicates lack of monitoring and systemic deficiencies in the Departments.

During checking of the AC bills whose DC bills were pending, it was found that significant amount were drawn against AC bills mostly in the month of March, especially in the last week of the March which indicates that the drawals were primarily for the purpose of exhausting the budget provisions and indicates inadequate Budgetary Control.

(iii) Secretary, Rajasthan Subordinate and Ministerial Services Selection Board, Jaipur drew an AC bill (299/06.10.2016) of ₹ 2.00 lakh for payment of honorarium to the examiners. The amount of ₹ 2.00 lakh were provided by the bank in the form ₹ 1000. However, amount of ₹ 2.00 lakh could not be utilised for the intended work. Meanwhile, GoI announced (08 November 2016) demonetisation of all ₹ 500 and ₹ 1000 banknotes. Despite, efforts made by

the Board for depositing the ₹ 1000 banknotes with the bank, the notes could not be deposited/changed. It was intimated by the RBI, Jaipur that (April-October 2017) after demonetisation the notes cannot be deposited. Directorate, Treasury and Account, Rajasthan, Jaipur intimated (July 2018) that the efforts and correspondences are being made by the department with RBI, Mumbai for changing the demonetised notes.

Delay in depositing the DC bills and unspent amount was in contravention of provisions contained in Rule 219 and Rule 220(1) of GF&ARs. This indicates lack of monitoring and systemic deficiencies in the Departments.