
Chapter-3

BUDGETARY MANAGEMENT

CHAPTER 3

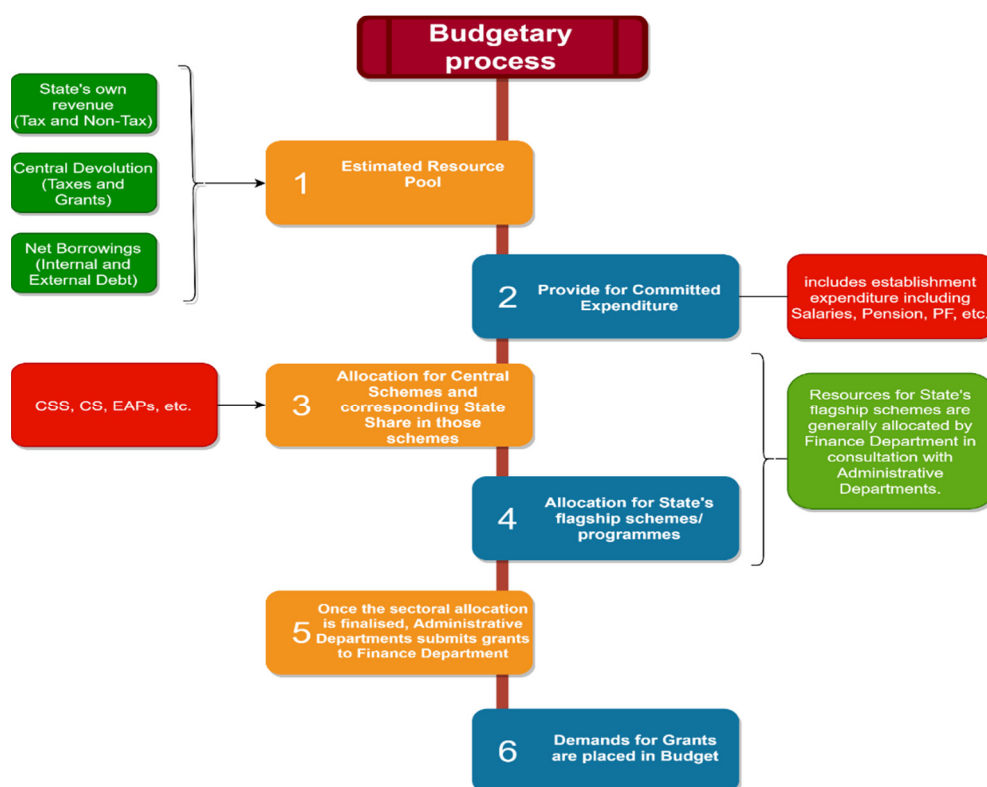
BUDGETARY MANAGEMENT

Introduction

This chapter reviews the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without the diversion of funds. It is based on the audit of Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

3.1 Budget Process

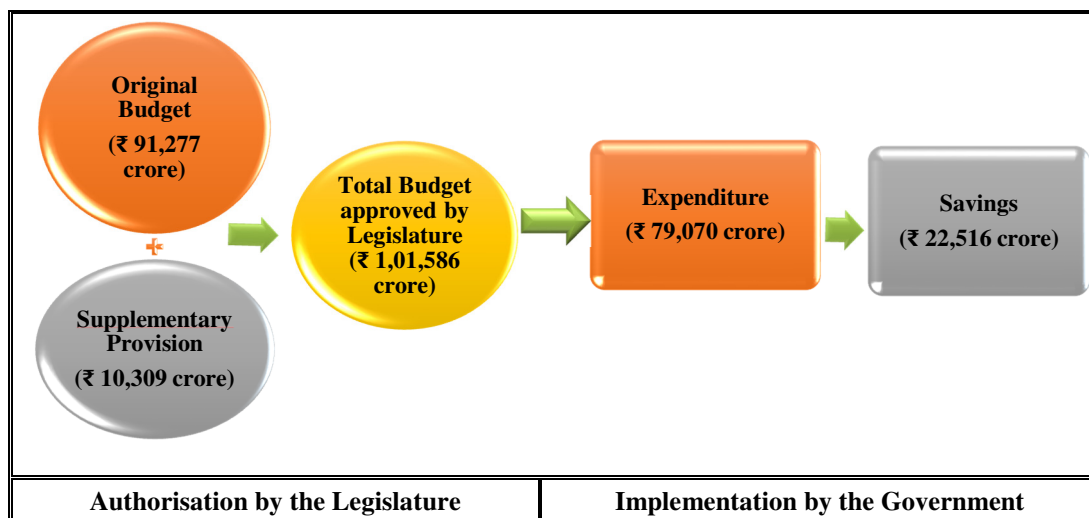
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The Budget process commences with the issuance (normally in August-September each year) of the Budget Circular by the Finance Department, containing instructions to be followed by all departments, in the preparation of revised estimates for the current year and the Budget Estimates for the next financial year. It also contains sample formats for the preparation of the estimates for maintaining uniformity. The budget preparation process in a State is given in the figure below:



Legislative authorisation is the *sine qua non* for incurrence of all expenditure by the State Government. To guide individual Government departments, the State Government has framed financial rules and provided for delegation of financial powers which establish limits for incurrence of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations.

Apart from supplementary grants, re-appropriations are also used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of the budget are depicted in **Chart 3.1**.

Chart 3.1: Components of the Budget



Source: Appropriation Accounts

Audit of appropriations is conducted to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and whenever the expenditure required to be charged under the provisions of the Constitution, is so charged. Also, it is ascertained whether the expenditure so incurred is in conformity with the law, relevant rules and regulations and instructions.

3.1.1 Summary of total provisions, actual disbursements and savings during financial year

A summarised position of total budget provision, disbursement and savings/excess with its further bifurcation into voted/charged are given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/excess during the financial year
(₹ in crore)

Nature of expenditure	Total budget		Disbursement		Net Savings (+)/ excess (-)	
	Voted	Charged	Voted	Charged	Voted	Charged
(I) Revenue	76,384.41	6,823.49	57,356.33	6,627.09	19,028.08	196.39
(II) Capital	11,573.67	0	9,376.90	0	2,196.77	0
(III) Loans and Advances and Inter State Settlement	2,444.49	4,360.13	1,462.98	4,247.08	981.51	113.05
Total	90,402.57	11,183.62	68,196.21	10,874.17	22,206.36	309.44

During 2021-22, the total savings of ₹ 22,515.81 crore (22.16 per cent of the total budget) was the result of savings of ₹ 19,513.33 crore in 53 voted grants

and five appropriations under the Revenue Section and ₹ 3,291.33 crore in 35 grants and one appropriation under the Capital Section. There was an excess expenditure of ₹ 288.85 crore in one appropriation and one grant (13-Interest Payment and 15-Pension) under Revenue Section.

Further, it was observed that out of total savings of ₹ 22,515.81 crore during 2021-22 savings of ₹ 15,903.22 crore occurred under 10¹ grants, the reasons for which have not been appropriately explained in the Appropriation Accounts. Further, these grants had persistent total savings ranging from ₹ 8,138.75 crore to ₹ 14,685.90 crore, during the previous four years.

It was also noticed that, nearly all the savings were surrendered in the month of March 2022, leaving the Finance Department virtually no time to reallocate the funds to other needy departments, defeating the objective of achieving efficiency in budget management.

A detailed review of the Appropriation Accounts of the Government of Jharkhand for the year 2021-22 revealed that, except in a few cases, reasons for savings/excess against the budget provisions of the schemes/sub-heads had not been furnished by the departments.

3.1.2 Charged and Voted disbursements

Break-up of total disbursement into charged and voted, during the last five years (2017-22), is given in **Table 3.2**.

Table 3.2: Charged and voted disbursement during 2017-18 to 2021-22

(₹ in crore)

Year	Disbursements		Saving (+)/ Excess (-)	
	Voted	Charged	Voted	Charged
2017-18	60,105.66	7,709.46	14,191.49	154.67
2018-19	57,908.04	8,022.04	18,727.57	1,496.17
2019-20	61,431.27	9,661.98	23,466.38	205.01
2020-21	65,496.72	8,961.87	21,919.51	-100.02
2021-22	68,196.22	10,874.17	22,206.36	309.44

Table 3.2 shows that the budget provisions under the voted section, were not fully utilised by the departments and huge savings occurred every year during the financial years 2017-18 to 2021-22. It was also seen that, except in 2020-21, a large share of the provisions under the charged section had not been utilised in the last five years (2017-18 to 2021-22) and were surrendered by the departments.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules

¹ 1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division) (₹ 791.00 crore), 10-Energy Department (₹ 1,662.23 crore), 18- Food, Public Distribution & Consumer Affairs Department (₹ 834.03 crore), 20-Health, Medical Education and Family Welfare Department (₹ 1,644.42 crore), 36-Drinking Water and Sanitation Department (₹ 2,151.61 crore), 42-Rural Development Department (Rural Development Division) (₹ 2,456.54 crore), 55-Rural Development Department (Rural Works Division) (₹ 1,569.22 crore), 56- Rural Development Department (Panchayati Raj Division) (₹ 1,863.38 crore), 59- School Education and Literacy Department (Primary & Adult Education Division) (₹ 1,668.57 crore) and 60- Women, Child Development and Social Security Department (₹ 1,262.22 crore)

appended to the Appropriation Act, passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of the budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.2.1 Expenditure incurred without budget provision

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Expenditure on new scheme/service should not be incurred without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

As per Article 115(1)(a) and 205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/ State assembly earlier, including a new activity or a new form of investment.

‘New Instrument of Service’ means relatively large expenditure arising out of important expansion of an existing activity.

Audit scrutiny revealed that in three grants/appropriation, expenditure was incurred without budget provision in seven cases. The total expenditure incurred without provision was ₹ 1,254.20 crore during the year. Details are given in **Table 3.3**.

Table 3.3: Summary of Expenditure without Budget Provision

Grant/ Appropriation	Expenditure (₹ in crore)	Number of Schemes/ Sub Heads
1-Agriculture, Animal Husbandry & Co-operative Department (Agriculture Division)	0.14	2
14-Repayment of Loans	1,254.06	5
Total	1,254.20	7

As can be seen from **Table 3.3**, huge expenditure, without budget provision, was incurred on Repayment of Loans during 2021-22. Expenditure on Repayments of Loans is a committed expenditure and the State is expected to be well aware of such liabilities at the time of preparation of the estimates. However, sufficient budgetary provisions were not made by the State to cover the expenditure. Further, in Water Resources Department, under the Major Head 4701- Capital outlay on medium irrigation, a huge amount was shown under ‘Suspense- Miscellaneous Work advances’ under Minor Head 799 as

expenditure of ₹ 102.54 crore which was pending for final settlement in the final head of accounts.

3.2.2 Balance under Minor Head-800 of Major Head-8443

During verification of Statement No. 21 of the Finance Accounts, it was observed that every year, a significant amount remained as balance under Minor Head-800 of Major Head-8443. However, in 2021-22, deposit under this head decreased significantly to ₹ 0.85 crore and the disbursement from this head increased to ₹ 121.72 crore, leading to a balance of ₹ 265.36 crore at the end of the year. The amount credited under this head mainly pertains to allocation for compensation of land acquisition.

In December 2019, Government of Jharkhand, in consultation with AG (A&E), directed the State authorities to operate under Minor Head 106-Personal Deposit accounts of Major Head 8443-Civil Deposits. Accordingly, PD accounts in 24 district treasuries had been opened in the name of District Land Acquisition Officers, but the amount previously booked under Minor Head 800 was not fully transferred to the PD accounts.

3.2.3 Unnecessary supplementary grants

Rule 117 of the Bihar Budget Manual (BM), as adopted by Jharkhand, states that supplementary grants should be obtained in consultation with the Finance Department to meet new specific items of expenditure or to cover probable excesses in the voted grant. Further, as per comments below Rule 57 of BM, the officer responsible for preparing the estimates should be sure that there is no provision for a greater sum than that which can be spent.

As detailed in **Appendix 3.1**, out of the total supplementary budget provision of ₹ 14,627 crore, supplementary provisions aggregating ₹ 8,369.35 crore (57.22 *per cent*) in 49 cases (₹ 0.50 crore or more in each case), during the year, proved unnecessary as the expenditure did not come up even to the level of the original provision.

3.2.4 Unnecessary or excessive re-appropriation

‘Re-appropriation’ - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.

During verification of grant registers, surrender orders, re-appropriation orders *etc.*, it was observed that in several schemes, additional funds were provided injudiciously to 16 sub-heads, during 2021-22 (**Appendix 3.2**), which proved excessive. Under these schemes/sub-heads, in spite of savings, ₹ 419.75 crore was provided through re-appropriation which resulted in savings of ₹ 472.47 crore.

3.2.5 Unspent amount and surrendered appropriations and/or large savings/ surrenders

Budgetary allocations, based on unrealistic proposals and poor monitoring mechanism, results in huge savings of the budget provisions.

3.2.5.1 Savings above ₹ 100 crore or more

Out of total savings of ₹ 22,516 crore, savings of ₹ 21,122 crore (93.81 per cent) occurred in 24 grants², each amounting to more than ₹ 100 crore (**Appendix 3.3**). No reasons for such large savings were given by the departmental authorities.

Further, during 2021-22, savings in 14 grants under revenue section was ₹ 500 crore or more and reasons for such savings were not furnished by the departments. Huge savings without justification was indicative of unrealistic budget proposals, poor expenditure monitoring mechanism, weak scheme implementation capacity/ weak internal control in the departments. Details are given in **Appendix 3.4**.

Savings of more than 35 per cent in seven grants during the last five years are given in **Table 3.4**.

Table 3.4: Grants/Appropriations with non-utilisation of more than 35 per cent of budget provisions

Sl. No.	Grant	(in per cent)					No. of years*	Budget 2021-22 (₹ in crore)
		2017-18	2018-19	2019-20	2020-21	2021-22		
Revenue								
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	46	53	39	65	23	4	3,306.55
2	26-Labour, Employment and Training Department	45	32	50	57	48	4	387.27
3	36- Drinking Water and Sanitation Department	9	25	65	65	73	3	2,625.68
4	42- Rural Development Department (Rural Development Division)	40	33	36	30	32	2	7,606.54
5	51- SC, ST, Backward Class welfare Department	42	35	30	46	35	4	1,663.03
6	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	43	55	76	47	46	5	181.40
Capital								
1	26-Labour, Employment, Training and Skill Development Department	56	87	87	58	30	4	74.31
2	60- Women, Child Dev. and Social Security Department	100	100	98	89	83	5	70.95

* Number of years with savings above 35 per cent

These grants were related to the social and economic services and the expenditure was to be made for development purposes. However, the Government was unable to utilise the provisions year after year depriving the envisaged benefits to the targeted beneficiaries. As can be seen from the table above, savings under Grant No. 60 was between 83 per cent and 100 per cent during the last five years as funds provided for construction works for rehabilitation centres, working women hostels, anganwadi kendras etc., were surrendered without giving any reason.

² Of these, 23 grants relate to revenue (₹ 18,649 crore), 7 relate to capital (₹ 2,502 crore) and 6 relate to both.

3.2.6 Surrender of funds in excess of ₹ 10 crore at the end of March

Verification of Appropriation Accounts of the State revealed that out of total savings of ₹ 22,516 crore, savings of ₹ 10 crore or more amounting to ₹ 22,277 crore (99 per cent) was surrendered at the end of March 2022, leaving no scope for the Government to utilise the funds on other development schemes as detailed in **Appendix 3.5**.

Chart 3.2: The distribution of the number of Grants/Appropriations grouped by the percentage of savings along with total savings

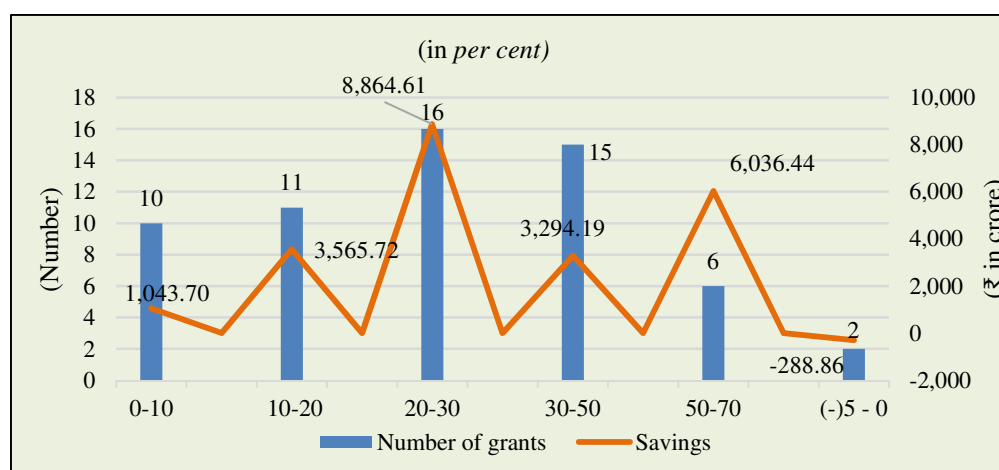
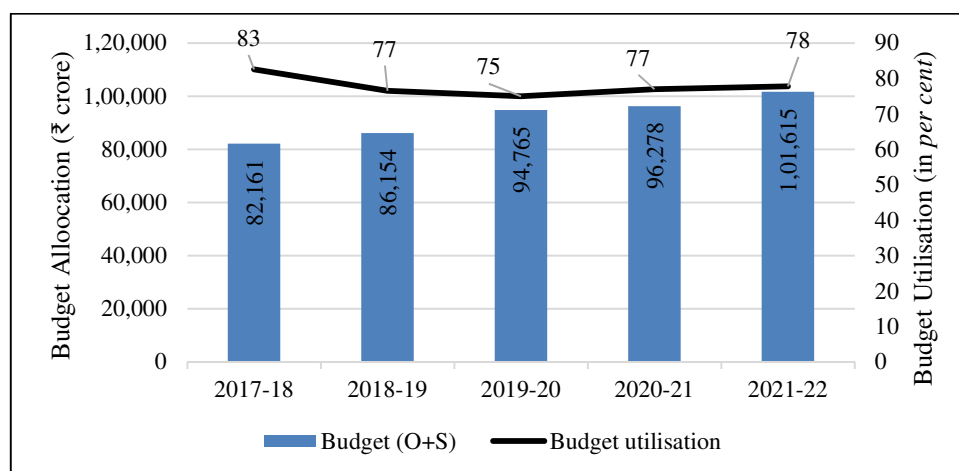


Chart 3.3: Budget Utilisation during 2017-18 to 2021-22



As evident from **Chart 3.2**, 27 grants had savings between 10 and 30 per cent whereas, 15 grants had savings between 30 and 50 per cent. Six grants had savings of more than 50 per cent. Further, **Chart 3.3** shows the budget allocations and its utilisation percentage during the last five years.

3.2.7 Excess expenditure and its regularisation

Article 205(1) (b) of the Constitution provides that, if any money has been spent on any service during a financial year, in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess. This implies that, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature for the Financial Year.

Non-regularisation of excess disbursement over grant/appropriation for extended periods violates Article 205 of the Constitution which provides for regularisation of the excess grants by the State Legislature. Failure to regularise excess disbursement over grant is in contravention of constitutional provisions and defeats the objective of ensuring accountability of the executive to the Legislature.

3.2.7.1 Excess expenditure relating to 2021-22

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring legislative sanction but is also indicative of poor planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

As observed in the Appropriation Accounts, excess expenditure of ₹ 98.89 crore was incurred in one appropriation (13- Interest Payment) and ₹ 189.97 crore in one grant (15-Pension) during 2021-22.

3.2.7.2 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining unregularised for extended periods dilutes legislative control over the executive. Excess disbursement over grant/appropriation amounting to ₹ 3,473.63 crore relating to 11 grants pertaining to the years 2001-02 to 2020-21 is yet to be regularised by the State Legislature as detailed in **Appendix 3.6**.

Three Grants/Appropriations (13-Interest payments, 14-Repayment of Loans and 15-Pension) accounted for ₹ 790.38 crore (22.75 per cent), ₹ 967.57 crore (27.85 per cent) and ₹ 1,541.58 crore (44.38 per cent) of the total excess expenditure during 2000-01 to 2020-21 which is yet to be regularised. Excess expenditure of previous years has not been regularised even after being reported repeatedly in the State Finances Audit Report.

3.2.8 Grant-in-aid for creation of capital assets

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid are given for specified purpose of supporting an institution including creation of assets.

During 2021-22, ₹ 5,358.62 crore was given as grants to the bodies and authorities of the State for creation of capital assets. However, no such grant was booked as capital expenditure in the accounts of the State.

3.3 Comments on transparency of budgetary and accounting process

3.3.1 Budget projection and gap between estimates and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on realistic proposals, a good expenditure monitoring mechanism and strong scheme implementation capacities/internal controls, lead to optimal utilisation of funds on various developmental needs.

Table 3.5: Summarised position of expenditure vis-à-vis budget (Original/Supplementary) provisions during 2021-22

(₹ in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Expenditure	Net Savings	Surrender during March	
Voted	Revenue	68,949.44	7,434.97	76,384.41	57,356.33	19,028.08	All surrenders were made in the month of March	
	Capital	9,661.27	1,912.40	11,573.67	9,376.90	2,196.77		
	Loans & Advances	1,571.59	872.90	2,444.49	1,462.98	981.51		
	Total	80,182.30	10,220.27	90,402.57	68,196.21	22,206.36		
Charged	Revenue	6,805.57	17.92	6,823.49	6,627.09	196.40		
	Capital	0.00	0.00	0.00	0.00	0.00		
	Public Debt- Repayment	4,289.13	71.00	4,360.13	4,247.08	113.05		
	Total	11,094.70	88.92	11,183.62	10,874.17	309.45		
Grand Total		91,277.00	10,309.19	1,01,586.19	79,070.38	22,515.81		

Source: Appropriation Accounts

Table 3.5 shows that out of the total provision of ₹ 1,01,586.19 crore, an amount of ₹ 79,070.38 crore was spent by the State departments and ₹ 22,515.81 crore (22.16 per cent) remained unutilised during 2021-22. The unutilised amount was surrendered in the month of March.

Table 3.6: Original Budget, Revised Estimate and Actual Expenditure during 2017-22

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Original Budget	75,673.42	80,200.00	85,429.00	86,370.00	91,277.00
Supplementary Budget	6,487.86	5,953.81	9,335.64	9,908.07	10,309.19
Revised Estimate	82,161.28	86,153.82	94,764.64	96,278.07	1,01,586.19
Actual Expenditure	67,815.12	65,930.08	71,093.25	74,458.59	79,070.38
Savings	14,346.16	20,223.74	23,671.39	21,819.49	22,515.81
Percentage of savings	17.46	23.47	24.98	22.66	22.16

As evident from **Table 3.6**, a large part of the budget provisions was not utilised during 2017-18 to 2021-22 and surrendered by the departmental officers. No appropriate reasons were also recorded for these savings. These savings were much more than the supplementary provisions of the State which was indicative of budgetary allocations having been made based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal control *etc.*

3.3.2 Supplementary budget and opportunity cost

At times, while obtaining supplementary provision, the departments' report to legislature, large additional requirement for different purposes under various schemes/activities; but they are unable to spend even the original budget provision which leads to large savings. At the same time, some of the schemes remain incomplete due to want of funds. Further, delay in completion leads to escalation of project cost. Cases of unnecessary/excessive supplementary provisions despite savings are given in **Table 3.7**.

Table 3.7: Unnecessary/excessive supplementary provisions despite savings

(₹ in crore)

Sl. No.	Name of the Grant	Original allocation	Supplementary	Total	Expenditure	Unutilised funds
1	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	2,970.84	335.71	3,306.55	2,530.48	776.07
2	18- Food, Public Distribution and Consumer Affairs Department	2,034.43	170.55	2,204.98	1,406.67	798.31
3	39- Home, Jail and Disaster Management Department (Disaster Management Division)	1,264.56	446.78	1,711.34	966.61	744.73
4	42- Rural Development Department (Rural Development Division)	7,148.89	457.65	7,606.54	5,165.31	2,441.22
5	48-Urban Development and Housing Department (Urban Development Division)	2,796.12	158.24	2,954.36	2,440.19	514.17
6	51- ST, SC, Minority and Backward Class Welfare Department (ST, SC, Minority and Backward Class Welfare Division)	1,536.87	126.16	1,663.03	1,080.74	582.28
7	55-Rural Development Department (Rural Works Division)	1,974.17	20.88	1,995.05	467.27	1,527.78
8	56- Rural Development Department (Panchayati Raj Division)	2,617.21	46.26	2,663.47	803.64	1,859.83
9	58-School Education and Literacy Department (Secondary Education Division)	3,000.92	25.00	3,025.92	2,470.32	555.60
10	59- School Education and Literacy Department (Primary and Adult Education Division)	8,447.83	32.80	8,480.63	6,812.06	1,668.57
11	60- Women, Child Development and Social Security Department	5,253.87	410.90	5,664.77	4,461.58	1,203.19
12	10-Energy Department	1,762.00	880.95	2,642.95	1,500.09	1,142.86
	Total	40,807.71	3,111.88	43,919.59	30,104.96	13,814.61

3.3.2.1 Non-utilisation of funds allocated to some major schemes

Review of the Appropriation Accounts of the State revealed that there were persistent large savings out of funds allocated for several schemes. Persistent large savings in the last three years resulted in non-completion of the schemes and the envisaged benefits could not be achieved. Some of these schemes are shown in **Table 3.8**.

Table 3.8: Year-wise savings under some major schemes

(₹ in crore)

Sl. No.	Name of Scheme/Head	2019-20		2020-21		2021-22	
		Budget	Savings	Budget	Savings	Budget	Savings
36-Drinking Water and Sanitation Department							
1	4215-01-102-02-Rural Piped Water Supply Scheme	322.55	141.02	207.57	66.52	205.02	57.27
42- Rural Development Department (Rural Development Division)							
2	2501-06-101-05-Swarna Jayanti Gram Swarojgar Yojana for General (CASC)	205.21	86.26	300.00	107.71	300.00	100.77

Sl. No.	Name of Scheme/Head	2019-20		2020-21		2021-22	
		Budget	Savings	Budget	Savings	Budget	Savings
3	2501-06-796-05-Swarna Jayanti Gram Swarojgar Yojana for General (CASC)	150.77	100.81	126.00	25.20	126.00	31.91
51-Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department (Scheduled Tribe, Scheduled Caste and Backward Class Welfare Division)							
4	2225-01-789-59-Post-entrance Scholarships	27.00	4.86	27.00	5.05	25.00	18.00
5	2225-01-789-61-Primary School Scholarships	12.27	7.97	8.00	5.22	6.00	2.79

From the above table, it can be seen that there were huge savings in the schemes under social and economic services like Rural Piped Water Supply Scheme and Swarna Jayanti Gram Swarojgar Yojana during the last three years, which not only raises the issue of effectiveness of budgetary procedure of the State but also deprived the beneficiaries of benefits under the schemes.

3.3.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

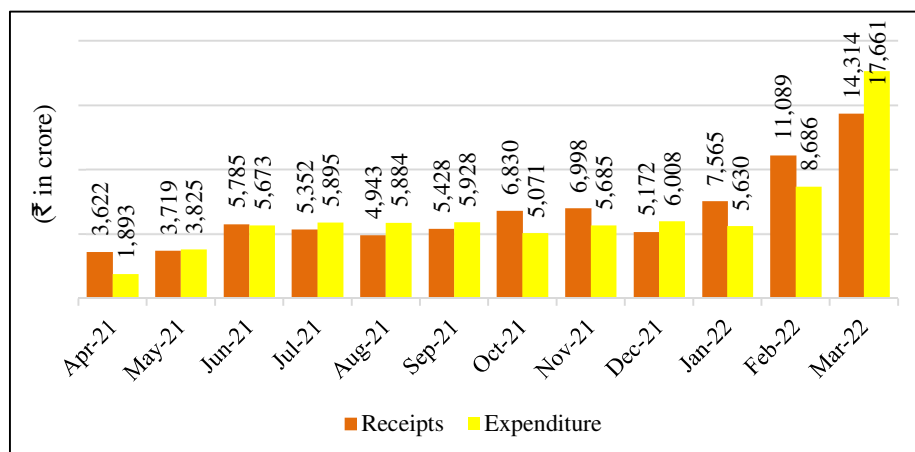
Several policy initiatives taken up by Government were not executed which deprived the beneficiaries of the intended benefits. However, reasons for non-utilisation of the provisions were not given by the departments. Savings in such schemes deprives other departments of the funds which they could have utilised. In 301 cases, 100 *per cent* of the provision (₹ one crore and above in each case) amounting to ₹ 4,718.87 crore was surrendered, resulting in non-implementation of schemes/programmes as detailed in **Appendix 3.7**.

3.4 Rush of expenditure

Rule 113 of the Bihar Budget Manual (as adopted by Jharkhand) stipulates that rush of expenditure in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of revenue expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

It was observed that ₹ 171.31 crore was drawn on AC bills in March 2022 of which ₹ 11.55 crore was drawn on the last day of the financial year mainly by the Health & Family Welfare Department and the Social Welfare Department.

During the year 2021-22, ₹ 17,661 crore comprising 22.34 *per cent* of total expenditure (₹ 79,070 crore) was spent in March 2022. High percentage of expenditure in March indicates that uniform flow of expenditure, a primary requirement of budgetary control, was not maintained. Rush of expenditure in the closing month of the financial year is against the provision of the Budget Manual and entails risk of misuse of public money and unhealthy practices. Month-wise receipts and expenditure during FY 2021-22 have been shown in **Chart 3.4**.

Chart 3.4: Monthly receipts and expenditure of the State during 2021-22

Further, it was observed, that under 29 major heads, expenditure of 40 per cent and above, amounting to ₹ 6,056.57 crore (45.99 per cent), was incurred in the last quarter of the year against the total expenditure of ₹ 13,170 crore under these heads as detailed in **Appendix 3.8**. Of this, an expenditure of ₹ 4,645.47 crore (35.27 per cent of the total expenditure under these heads) was incurred in the month of March 2022.

3.5 Audit of Budgetary provision of Grant No. 55 – Rural Development Department (Rural Works Affairs)

3.5.1 Introduction

Seventy five per cent of the population of Jharkhand lives in villages. The first priority of the Rural Development Department (Rural Works Affairs) is to provide all weather connectivity to these villages. The main objective of the Department is to upgrade, strengthen and maintain the village roads and bridges.

The total budget provision of the Department was ₹ 2,678.92 crore during 2021-22. Details of budget and its utilisation are given in **Table 3.9**.

Table 3.9: Details of budget provision, expenditure and savings during 2021-22

(₹ in crore)

Details	Capital Voted	Revenue Voted	Total
Original Grant	679.70	1,974.17	2,653.87
Supplementary Grant	4.16	20.89	25.05
Total Grant	683.86	1,995.06	2,678.92
Expenditure	642.43	467.27	1,109.70
Saving	41.43	1,527.79	1,569.22
Surrender	41.43	1,527.79	1,569.22

Source: Appropriation Accounts 2021-22.

3.5.2 Scope of Audit

Departmental Secretariat of the Rural Development Department (RDD) and 25 units³ in eight⁴ districts were selected for audit of the budgetary process.

Audit findings

3.5.3 Persistent Savings

During examination of the Department's budget and expenditure trends during the last four year (2018-19 to 2021-22), it was noticed that the department had persistent savings and the percentage of savings in comparison to the budget estimates remained very high as detailed in **Table 3.10**.

Table 3.10: Trend of savings during last four years in RDD (RWA)

(₹ in crore)

Years	Heads	Original	Supplementary	Total	Expenditure	Saving	Percentage of savings
2018-19	Revenue	1,234.97	1,219.08	2,454.05	2,382.27	71.78	07
	Capital	2,170.80	0.00	2,170.80	1,941.16	229.64	
	Total	3,405.77	1,219.08	4,624.85	4,323.43	301.42	
2019-20	Revenue	1,945.38	155.70	2,101.08	950.56	1,150.52	41
	Capital	2,195.80	0.00	2,195.80	1,574.72	621.08	
	Total	4,141.18	155.70	4,296.88	2,525.28	1,771.60	
2020-21	Revenue	1,839.57	0.00	1,839.57	845.62	993.95	39
	Capital	776.70	105.00	881.70	817.87	63.83	
	Total	2,616.27	105.00	2,721.27	1,663.49	1,057.78	
2021-22	Revenue	1,974.17	20.89	1,995.06	467.27	1,527.79	59
	Capital	679.70	4.16	683.86	642.43	41.43	
	Total	2,653.87	25.05	2,678.92	1,109.70	1,569.22	

Source: Appropriation Accounts 2018-22.

As shown in **Table 3.10**, the department had huge persistent savings during 2019-20 to 2021-22. During the period, savings ranged between 39 *per cent* and 59 *per cent* which was not only indicative of preparation of budget by the department without obtaining the actual requirements from the district units but also shows the inability of the department to utilise the fund. Non-utilisation of huge funds also resulted in non-completion of State schemes included in the budget for the year.

3.5.4 Delay in submission of Budget Estimates

Rule 62 of Bihar Budget Manual as adopted by Government of Jharkhand (GoJ) provide the budget calendar for correct and timely preparation of the budget for the State. Finance Department, GoJ revised (November 2020) the prescribed dates of submission of Estimate of Establishment Expenditure and General Budget after approval of the Minister concerned to 21st December 2020 and 06th January 2021 respectively against the stipulated date of 1st October in the Budget Manual.

It was noticed that the Department had submitted the Budget Estimates (BEs) for Establishment Expenditure and General Budget to the Finance Department on 30th December 2020 and 24th February 2021 with a delay of

³ Under Secretary, RDD, Ranchi and three offices of Executive Engineer, Special Division, REO & NREP in eight selected districts.

⁴ (i) Chatra (ii) Dhanbad (iii) Dumka (iv) Giridih (v) Godda (vi) Hazaribag (vii) Ranchi (viii) Saraikela Kharsawan

nine days and 49 days respectively against the target date prescribed by the Finance Department. Further, as per instructions⁵ (04.12.2020) of the Department, the prescribed date for submission of Budget Estimates of Establishment Expenditure by the field offices was 7 December 2020.

In the test-checked divisions/DDOs, it was noticed that the Budget Estimates for Establishment Expenditure were submitted by the DDOs to the Rural Development Department with delays ranging from seven to 154 days. BEs for establishment expenditure were not submitted at all by six DDOs. Details are given in **Table 3.11**.

Table 3.11: Delay/non-submission of budget estimates by field offices

Sl. No.	Name of Districts	Name of Offices/Divisions	Due date of submission	Actual date of submission	Delay (in days)
1	Ranchi	O/o the Under Secretary, RDD (Works Division)	07.12.2020 (vide letter no. 05 (Budget-10)-343/2020 RWD 1868 dated 04.12.2020)	Not submitted	
		O/o the EE, RDSD		14.12.2020	07
		O/o the EE, RWD		18.12.2020	11
		O/o the NREP		Not submitted	
2	Hazaribag	O/o the EE, RDSD		24.12.2020	17
		O/o the EE, RWD		14.12.2020	07
		O/o the NREP		23.12.2020	16
3	Giridih	O/o the EE, RDSD		21.12.2020	14
		O/o the EE, RWD		19.12.2020	12
		O/o the NREP		Not submitted	
4	Dhanbad	O/o the EE, RDSD		17.12.2020	10
		O/o the EE, RWD		23.12.2020	16
		O/o the NREP		Not submitted	
5	Saraikela Kharsawan	O/o the EE, RDSD		02.01.2021	26
		O/o the EE, RWD		Not submitted	
		O/o the NREP		10.05.2021	154
6	Chatra	O/o the EE, RDSD	17.12.2020	10	
		O/o the EE, RWD	15.12.2020	08	
		O/o the NREP	Not submitted		
7	Dumka	O/o the EE, RDSD	17.12.2020	10	
		O/o the EE, RWD	17.12.2020	10	
		O/o the NREP	19.12.2020	12	
8	Godda	O/o the EE, RDSD	22.12.2020	15	
		O/o the EE, RWD	03.03.2021	86	
		O/o the NREP	26.04.2021	140	

3.5.5 Impact of Single Nodal Account

With a view to bringing about more effective cash management and bring more efficiency in public expenditure management, it was decided by the GoI (July 2021) that all the State Governments and ministries of GoI will designate a Single Nodal Account (SNA) for implementing each Centrally Sponsored Scheme (CSS). SNA was to be opened for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct government business by the State Government.

During verification of records of Jharkhand State Rural Roads Development Authority (JSRRDA) under the Rural Development Department (Rural Works Division), it was noticed that SNA was opened in the State Bank of India, Hatia, Ranchi branch for PMGSY scheme/programme, and all balances

⁵ Letter no. 05 (Budget-10)-343/2020 प्र.का.वि. 1868

amounting to ₹ 1,514.29 crore was transferred into the account, during 2021-22. Accounts were maintained in OMMAS (Online Management, Monitoring and Accounting System), which is the chief mechanism to monitor PMGSY scheme. During the year 2021-22, ₹ 714.04 crore was spent, leaving a balance of ₹ 800.25 crore, at the end of the year. No refund of the unspent balance was made to GoI by the State on the ground that no such direction has been received from MoRD. However, an amount of ₹ 36.56 crore (60 per cent of total interest earned amounting to ₹ 60.93 crore) was refunded to MoRD as per directions received.

During 2021-22, funds (₹ 950 crore) were not released by the GoI to the State in view of the condition in the guidelines that further release will be made only after utilisation of at least 75 per cent of the funds released earlier. State share amounting to ₹ 535 crore provided in the budget was also not released by the State Government.

Further, verification of accounts of JSRRDA revealed that, during the year 2020-21, the closing balance was shown ₹ 1,514.29 crore in place of ₹ 1,596.25 crore for which no reason was provided. Details are given in **Table 3.12**.

Table 3.12: Age-wise detail of SNA of JSRRDA

(₹ in crore)

Year	OB	Fund received	Interest	Other Misc.	Total fund	Expenditure	Balance	Balance as per audit
2015-16	27.10	890.00	2.21	8.97	928.28	732.05	131.23	196.33
2016-17	131.23	2,083.57	0.00	0.65	2,084.22	948.69	1,135.53	1,331.86
2017-18	1,135.53	922.24	20.14	3.00	2,080.91	1,142.66	938.25	1,134.58
2018-19	938.25	2,231.57	45.49	7.18	3,222.49	1,144.21	2,078.28	2,274.61
2019-20	2,070.00	625.22	66.61	7.51	2,769.34	1,292.20	1,584.45	1,681.75
2020-21	1,584.45	876.37	-357.03	472.05	2,575.84	1,076.89	1,514.29	1,596.25

It was also noticed that ₹ 348.36 crore was also lying in the SNA of maintenance fund in a separate account in same branch of the bank at the end of the year 2021-22 for which no reason was given by the JSRRDA.

3.5.6 Avoidable Supplementary Provision

As per comments below Rule 57 of Bihar Budget Manual (as adopted by Jharkhand), the officer responsible for preparing estimates should be sure that no provision is made for a greater sum than that which can be spent.

During audit, it was noticed that during the year 2021-22, out of 40 schemes (24 under revenue & 16 under capital), additional funds were provided through supplementary provisions to four schemes (under revenue heads) in which original provisions of ₹ 381.02 crore had remained unutilised. Details are given in **Table 3.13**.

Table 3.13: Details of Avoidable Supplementary provisions

(₹ in crore)

Sl. No.	Head	Sub Head	Original	Expenditure	Supplementary
1	2515-00-001-27	27-Superintending Engineer (Rural Works Department, Regional Establishment)	78.29	60.23	0.19
2	2515-00-102-65	65-Grants to JSRRDA under PMGSY for repair of roads	140.00	140.00	10.00
3	2515-00-796-65	65-Grants to JSRRDA under PMGSY for repair of roads	160.00	160.00	10.00
4	3451-00-090-16	16-Rural Works Department	2.73	2.68	0.13
Total			381.02	362.91	20.32

Source: Appropriation Accounts for the year 2021-22

Out of the original provision of ₹ 381.02 crore during the year 2021-22 for the schemes shown in the above table, the Department incurred an expenditure of ₹ 362.91 crore leading to savings of ₹ 18.11 crore. Further, an additional fund of ₹ 20.32 crore was provided to those schemes through the supplementary provisions which was against the provisions of the BM.

Further, it was also noticed that under two schemes, only 26 per cent and 49 per cent of the supplementary provisions were utilised as detailed in **Table 3.14**.

Table 3.14: Details of part utilisation of Supplementary provisions

(₹ in crore)

Sl. No.	Head	Sub Head	Original	Supplementary	Part utilisation of Supplementary Provision
1	4515-00-103-10	10-Chief Minister's Village Bridge Scheme	90.00	1.00	0.26 (26%)
2	4515-00-796-10	10-Chief Minister's Village Bridge Scheme	100.00	1.00	0.49(49%)
Total			190.00	2.00	0.75 (38%)

3.5.7 Budget Estimate prepared without obtaining requirements

According to Rule 65 of the Budget Manual (BM), the Controlling Officer (CO) should examine the budgets received from the Disbursing Officers (DO) to see that they are correct, that all details and explanations have been given, and that the explanations are adequate.

It was noticed during audit, that provisions of BM were not followed and the budget estimates for the General Budget (State, Central and Centrally Sponsored Schemes) were prepared at the Department level, without obtaining/ assessing the actual requirements from the DOs, who are finally responsible to execute the work and utilise the fund. Thus, preparation of budget estimates without obtaining requirement from DOs is one of the reasons for the huge savings of ₹ 1,569.22 crore (59 per cent) out of the total budget provision of ₹ 2,678.92 crore during 2021-22.

3.5.8 Non-utilisation and surrender of entire budget provision

As per comments below Rule 57 of BM, the officer responsible for preparing the estimates should be sure that no provision should be made for a greater sum than that which can be spent.

- Scrutiny of records revealed that for the year 2021-22, budget provision of ₹ 1,351.05 crore under 16 sub-heads were made by the Department. However, the entire amount was not utilised by the Department and was surrendered as detailed in **Appendix 3.9**.

Besides, the entire budget amounting to ₹ 0.80 crore, provided for different purposes during 2021-22, were surrendered as detailed in **Table 3.15**.

Table 3.15: Surrender of entire budget

(₹ in crore)

Sl. No.	Purpose	budget provision	Expenditure
1	For purchase of 10 vehicles for successful implementation of PMGSY and to improve infrastructure of PIUs monitoring cell	0.40	0.00
2	For consultancy services for proper monitoring of rural roads schemes and GIS mapping	0.10	0.00
3	For strengthening for better management of rural connectivity programme especially PMGSY	0.10	0.00
4	For strengthening of PIUs for check & monitoring of construction of rural roads including outsourcing infrastructure under PMGSY	0.10	0.00
5	For State training for making new technologies familiar and to maintain quality in implementing the schemes in the line of National Training Policy, 2012	0.10	0.00
Total		0.80	0.00

Further, test-check revealed that, despite non-utilisation of entire provision of ₹ 3.30 crore in 2020-21, an amount of ₹ 0.30 crore was provided during 2021-22 in six sub-heads which was also not utilised and surrendered by the Department as detailed in **Table 3.16**.

Table 3.16: Non-utilisation of funds in two consecutive years

(₹ in crore)

Sl. No.	Head	Provisions in 2020-21	Provisions in 2021-22	Purpose
1	2515-Minimum needs Programme (State Scheme)	0.25	0.05	Strengthening of PIU (001-Direction and Administration)
2	2515-Minimum needs Programme (State Scheme)	1.20	0.05	Strengthening and Upgradation of JSRRDA
3	2515- Training of Personnel/Officers under State Training Policy (State Scheme)	0.20	0.05	003-Training
4	2515-Minimum needs Programme (State Scheme)	0.25	0.05	Strengthening of PIU (796-Tribal Area Sub-plan)
5	2515-Minimum needs Programme (State Scheme)	1.20	0.05	Strengthening and Upgradation of JSRRDA (796-Tribal Area Sub-plan)
6	2515- Training of Personnel/Officers under State Training Policy (State Scheme)	0.20	0.05	Training (796-Tribal Area Sub-plan)
Total		3.30	0.30	

- In the test-checked divisions/offices, it was noticed that the entire provision of ₹ 8.58 lakh made under 25 heads/sub-heads had not been utilised and surrendered at the end of the financial year as shown in **Table 3.17**.

Table 3.17: Non-utilisation and surrender of entire budget provision

(₹ in lakh)

Sl. No.	Name of Districts	Name of Offices/Divisions	No. of units where surrenders made	Allotment	Expenditure	Surrender
1	Ranchi	O/o the Under Secretary, RDD (Works Division)	04	4.50	0.00	4.50
		O/o the EE, RDSD	03	0.82	0.00	0.82
		O/o the EE, RWD	01	0.05	0.00	0.05
2	Hazaribag	O/o the EE, RDSD	02	0.68	0.00	0.68
3	Giridih	O/o the EE, RDSD	02	0.17	0.00	0.17
4	Dhanbad	O/o the NREP	01	0.03	0.00	0.03
5	Saraikela Kharsawan	O/o the EE, RDSD	04	1.11	0.00	1.11
6	Chatra	O/o the EE, RDSD	01	0.17	0.00	0.17
		O/o the EE, NREP	01	0.03	0.00	0.03
7	Dumka	O/o the EE, RDSD	01	0.30	0.00	0.30
		O/o the EE, RWD	01	0.20	0.00	0.20
		O/o the NREP	01	0.04	0.00	0.04
8	Godda	O/o the EE, RDSD	01	0.05	0.00	0.05
		O/o the EE, RWD	01	0.30	0.00	0.30
		O/o the NREP	01	0.03	0.00	0.03
Total			25	8.58	0.00	8.58

Non-utilisation of provisions and its surrender without specifying reasons was indicative of improper estimation by the Department without following the provisions of Budget Manual and instructions issued by the Finance Department. The huge savings could have been avoided if the Department had submitted realistic estimation of expenditure, in the format (Comprehensive Outlay of Budget Transaction), issued by the Finance Department.

3.5.9 Surrender of funds at the fag end of the financial year

As per Rule 112 of the Budget Manual, all anticipated savings should be surrendered to Government immediately as soon as they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. Further, as per Rule 135, the aim should be to keep the expenditure just within the modified grant. Surrenders, being generally made between 28th February and 15th March, a careful study of ten monthly figures and watch over the progress of expenditure should enable a controlling officer to fix upon his ultimate requirements with a reasonable degree of exactness.

Audit observed that against the budget provision of ₹ 2,678.92 crore (₹ 683.86 crore under capital head and ₹ 1,995.06 crore under revenue head), ₹ 1,569.22 crore (₹ 41.43 crore under capital head and ₹ 1,527.79 crore under revenue head), was surrendered at the end of the financial year by the Department

Further, scrutiny of records of test-checked divisions revealed that surrender of ₹ 1.64 crore (61 *per cent* of total provisions of ₹ 2.72 crore in 60 sub-heads) was made at the fag end of the financial year on grounds such as 'in

anticipation of expenditure' and 'late allocation of fund' *etc.* as detailed in **Appendix 3.10**.

In reply, it was stated that funds were not utilised/surrendered earlier due to late allotment of funds, in anticipation of expenditure, technical problems in treasuries *etc.* Surrender at the fag end of the financial year leaves no scope for the Government to utilise the funds on other schemes which remained incomplete due to paucity of fund.

3.5.10 Rush of expenditure

As per Rule 113 of the Budget Manual, rush of expenditure, particularly in the closing months of the financial year, will ordinarily be regarded as a breach of financial regularity. Hence, rush of expenditure particularly in the closing month should be avoided.

Audit observed that out of the total expenditure of ₹ 1,109.70 crore, expenditure of ₹ 235.06 crore (21 *per cent*) was incurred in the month of March 2022. Scrutiny further revealed that in four out of 40 sub-heads, expenditure during the month of March, ranged between 49 and 83 *per cent* of the total expenditure during the year. It was further seen in the test-checked divisions/ DDOs that expenditure under various heads, ranged between 30 to 100 *per cent* in the month of March, as detailed in **Appendix 3.11**.

3.5.11 Non-reconciliation of departmental expenditure figures

Rule 134 of the Budget Manual requires that the Controlling Officer should arrange to reconcile departmental accounts, with the books of the Principal Accountant General (A&E), on a monthly basis, to avoid chances of misclassification of expenditure and receipts.

Audit observed that during the year 2021-22, out of the total expenditure of ₹ 1,109.70 crore, expenditure of ₹ 562.14 crore was not reconciled by the controlling officer of the Department with the books of the Principal Accountant General as shown in **Table 3.18**.

Table 3.18: Details of non-reconciliation of departmental expenditure
(₹ in crore)

Sl. No.	Major Heads	Total Expenditure (As per Appropriation Accounts)	Reconciled amount	Un-reconciled amount
1	2505	11.17	0.20	10.97
2	2515	453.42	13.91	439.51
3	3451	2.68	0.00	2.68
4	4515	642.43	533.45	108.98
Total		1,109.70	547.56	562.14

Further, in the test-checked divisions/ DDOs, an amount of ₹ 47.69 crore, out of total expenditure of ₹ 54.25 crore under establishment head, was not reconciled during the year 2021-22, as shown in **Table 3.19**.

Table 3.19: Non-reconciliation of departmental expenditure figure

(₹ in crore)

Sl. No.	Name of Districts	Name of Offices/Divisions	Total expenditure	Reconciled amount	Unreconciled amount
1	Ranchi	O/o the Under Secretary, RDD (Works Division)	3.84	0.00	3.84
		O/o the EE, RDSD	3.61	0.00	3.61
		O/o the EE, RWD	3.83	0.00	3.83
		O/o the Director, NREP	1.52	0.00	1.52
2	Giridih	O/o the EE, RDSD	2.32	0.00	2.32
		O/o the EE, RWD	2.81	0.00	2.81
		O/o the EE, NREP	0.39	0.00	0.39
3	Hazaribag	O/o the EE, RDSD	2.69	0.00	2.69
		O/o the EE, RWD	2.42	0.00	2.42
		O/o the EE, NREP	0.41	0.00	0.41
4	Dhanbad	O/o the EE, RDSD	2.12	0.00	2.12
		O/o the EE, RWD	2.59	0.00	2.59
		O/o the EE, NREP	0.35	0.00	0.35
5	Saraikela Kharsawan	O/o the EE, RDSD	2.83	2.07	0.76
		O/o the EE, RWD	1.27	0.00	1.27
		O/o the EE, NREP	0.27	0.11	0.16
6	Chatra	O/o the EE, RDSD	1.67	0.00	1.67
		O/o the EE, RWD	1.33	0.00	1.33
		O/o the EE, NREP	0.44	0.00	0.44
7	Dumka	O/o the EE, NREP	0.28	0.00	0.28
		O/o the EE, RDSD	2.73	0.00	2.73
		O/o the EE, RWD	0.16	0.00	0.16
8	Godda	O/o the EE, RDSD	10.22	6.38	3.84
		O/o the EE, RWD	2.77	0.00	2.77
		O/o the EE, NREP	1.38	0.00	1.38
Total			54.25	8.56	45.69

Non-reconciliation of figures with the books of the A.G. (A&E), shows non-observance of the financial rules of the State by the controlling officers and entails the risk of misclassification of expenditure in the accounts.

3.5.12 Irregular payment to contractors as Miscellaneous Addition

As per user manual of National eMARG (Electronic Maintenance of Rural Roads under PMGSY) for Ministry of Rural Development, GoI Accounts Officer (AO) can enter miscellaneous addition or deduction in approved amount by giving remarks for the same.

Audit observed that in five out of 16 divisions, ₹ 135.84 lakh was approved by eMARG system for maintenance of rural roads under PMGSY, whereas ₹ 226.88 lakh was paid to the contractors. As per records it was seen that a miscellaneous deduction of ₹ 1.46 lakh was made from the bills and further a miscellaneous addition of ₹ 92.50 lakh was made in the approved amount (₹ 135.84 lakh) without giving any proper reason as required in the guidelines. Hence, irregular payment of ₹ 92.50 lakh was made to the contractors as miscellaneous addition. Detail given in **Table 3.20**.

Table 3.20: Details of payment as Miscellaneous Addition

(₹ in lakh)

Sl. No.	Name of Division/office	Total Expenditure	Approved by eMARG	Misc. Addition	Remarks
1	O/o the EE, RDSD, Giridih	32.98	25.18	7.80	
2	O/o the EE, RWD, Giridih	101.31	75.30	26.01	
3	O/o the EE, RDSD, Hazaribag	33.69	24.01	9.68	
4	O/o the EE, RWD, Hazaribag	11.15	10.71	1.90	1.46 (Misc. Deduction)
5	O/o the EE, RWD, Godda	47.75	0.64	47.11	
Total		226.88	135.84	92.50	

In reply, the EE stated that the amount was paid to contractors as miscellaneous addition to achieve their agreement value as per instructions of Chief Engineer, JSRRDA.

Additional payment of ₹ 92.50 lakh to the contractors without recording the reasons for the same in the eMARG system is against financial propriety and the possibility of misuse of Government money cannot be ruled out.

3.5.13 Payment through cheques instead of through eMARG System

As per guidelines, payments for maintenance work under PMGSY were to be mandatorily done through the eMARG system *w.e.f.* 01.04.2020. The contractors were required to submit monthly bills by the 10th day of the succeeding month (on web based software utility eMARG) and if the bills for any month were not received from the contractors, their rights to receive payment were forfeited and no payment were be made.

Scrutiny revealed that ₹ 13.14 crore was paid to contractors from PMGSY maintenance fund without using eMARG System *i.e.*, payments were made to contractors directly through cheques which was against the guidelines. Detail of payments made are given in **Table 3.21**.

Table 3.21: Details of amount paid to contractors without using eMARG

Sl. No.	Name of Divisions	Amount paid (₹ in crore)	
		Under PMGSY Maintenance fund	Paid up to
1	O/o the RWD, Ranchi	2.13	March'22
2	O/o the RDSD, Giridih	0.11	March'22
3	O/o the RWD, Giridih	0.66	June'21
4	O/o the EE, RDSD, Hazaribag	0.23	March'22
5	O/o the EE, RWD, Hazaribag	0.59	August'21
6	O/o the EE, RWD, Dhanbad	0.05	June'21
7	O/o the EE, RDSD, Saraikela Kharsawan	0.14	June'21
8	O/o the EE, RWD, Saraikela Kharsawan	1.54	February'22
9	O/o the EE, RWD, Chatra	0.53	September'21
10	O/o the EE, RDSD, Dumka	0.24	September'21
11	O/o the EE, RWD, Dumka	2.90	October'21
12	O/o the EE, RWD, Godda	4.02	February'22
Total		13.14	

In reply, the EEs (Dumka and Hazaribag) stated that payments were made to the contractors for works allotted prior to 01.04.2020 on the instructions of Chief Engineer, JSRRDA.

The reply is not convincing as all the payments were to be made mandatorily through eMARG after 01.04.2020, as per GoI instructions, which was not followed.

3.5.14 Parking of funds in SNA- ₹ 1,148.61 crore

As per the Appropriation Act, funds drawn from the Treasury should be utilised within the financial year. Further, Rule 174 of the Jharkhand Treasury Code (JTC) stipulate that no money shall be drawn from the treasury in anticipation of demand or to prevent lapse of budget grants. If under special circumstances, money is drawn in advance, under the orders of a competent authority, the unspent balance of the amount so drawn should be refunded to the Treasury by short drawal in the next bill or with a challan at the earliest possible opportunity and in any case before the end of the financial year in which the amount is drawn.

It was noticed that in 13 out of the 16 test-checked divisions, ₹ 67.96 crore under PMGSY programme fund and ₹ 3.20 crore under PMGSY maintenance fund (total ₹ 71.16 crore) had not been utilised and was parked in the SNA, which was included in the total outstanding balance of ₹ 1,148.61 crore (₹ 800.25 crore under PMGSY programme fund and ₹ 348.36 crore under PMGSY maintenance fund) in the JSRRDA. Details are given in **Table 3.22**.

Table 3.22: Details of fund parked in bank account

(₹ in crore)

Sl. No.	Name of DRDAs	Funds parked in bank accounts		
		Programme fund	Maintenance fund	Total
1	O/o the RWD, Ranchi	0.39	0.43	0.82
2	O/o the RDSD, Giridih	0.84	0.02	0.86
3	O/o the RWD, Giridih	15.42	0.61	16.03
4	O/o the EE, RDSD, Hazaribag	2.56	0.06	2.62
5	O/o the EE, RWD, Hazaribag	2.41	0.60	3.01
6	O/o the EE, RWD, Dhanbad	0.01	0.29	0.30
7	O/o the EE, RDSD, Saraikela Kharsawan	1.90	0.23	2.13
8	O/o the EE, RWD, Saraikela Kharsawan	5.77	0.20	5.97
9	O/o the EE, RDSD, Chatra	5.17	0.30	5.47
10	O/o the EE, RWD, Chatra	31.59	0.04	31.63
11	O/o the EE, RDSD, Dumka	0.05	0.27	0.32
12	O/o the EE, RWD, Dumka	1.51	0.15	1.66
13	O/o the EE, RDSD, Godda	0.34	0.00	0.34
Total		67.96	3.20	71.16

Thus, ₹ 71.16 crore which was not immediately required was drawn from the Treasury by the 13 test-checked units and parked in SNA (Bank Account) in violation of provisions of JTC code.

3.5.15 Other findings

- **Non-maintenance of Measurement Book (MB)**

As per provision in JPWA Code (Rule 244), the Measurement Book is the most important record since it is the basis of all accounts quantities, whether work done by daily labourers, by the piece or by contract, or of materials

received which have to be counted or measured. The description of the work must be lucid so as to admit of easy identification and check.

Audit observed that an amount of ₹ 4.39 crore was paid to contractors under PMGSY maintenance fund in the subsequent five years from the date of completion of work through eMARG system without maintaining Measurement Books as detailed in **Table 3.23**.

Table 3.23: Details of payment without maintaining Measurement Books

(₹ in crore)

Sl. No.	Name of Divisions	Work value	Remarks
1	O/o the EE, RDS, Giridih	0.42	MB not maintained
2	O/o the EE, RDS, Chatra	0.17	MB not maintained
3	O/o the EE, RWD, Chatra	1.43	MB not maintained
4	O/o the EE, RDS, Dumka	0.29	MB not maintained
5	O/o the EE, RWD, Dumka	1.97	MB not maintained
Total		4.39	

Non-maintenance of this crucial record constituted a serious irregularity. In the absence of MBs, it was not possible to ascertain the quantity of work done during the period.

- **Non-maintenance of Cash Book**

As per Note below Rule 19 of JTC, a complete record of transactions relating to the Treasury will be kept in the Accountant's Cash Book either in a manual register or on the computer system. Further, as per instructions (06.11.2019) of the Finance Division, Planning Cum Finance Department, Government of Jharkhand, Cash Book (CB) should be maintained and updated in every Government Office. The balance in the Cash Book should be certified by an authorised officer every month.

Audit observed that CBs, in respect of establishment expenditure, were not maintained/written by the Executive Engineer, Rural Development Special Division- Ranchi, Hazaribag and Dumka.

CB was being maintained by EE, RDS, Ranchi after the matter had been raised by Audit. However, Hazaribag and Dumka divisions had not started maintaining/writing CBs.

Non-maintenance of Cash Book is a serious irregularity and is against the provisions of the JTC. Moreover, the possibility of misutilisation of Government money cannot be ruled out.

- **Outstanding Remittances**

As per rule 42 of JTC, receipts should be remitted to Government Account by cash, cheques, bank pay orders, bank credit challans or through net banking/e-receipt facility.

Audit observed that, in the test-checked divisions, receipts amounting to ₹ 1.94 crore, as shown in **Table 3.24**, under the PMGSY programme fund (₹ 1.90 crore) and under the maintenance fund (₹ 0.04 crore), which were shown as outstanding balance, on Online Management, Monitoring and Accounting System (OMMAS) and electronic maintenance of Rural Roads under PMGSY (eMARG) portal, respectively, had not been remitted into the Government Account, as of October 2022.

Table 3.24: Details of Outstanding Remittances

Sl. No	Name of Divisions	Amount of outstanding remittances (₹ in lakh)	
		Programme Fund	Maintenance Fund
1	O/o the EE, RDSD, Hazaribag	90.32	0.00
2	O/o the EE, RDSD, Giridih	28.71	0.00
3	O/o the EE, RDSD, Saraikela	12.78	0.00
4	O/o the EE, RWD, Chatra	27.39	0.00
5	O/o the EE, RDSD, Dumka	29.24	0.00
6	O/o the EE, RWD, Saraikela	-	0.78
7	O/o the EE, RWD, Chatra	-	0.04
8	O/o the EE, RWD, Dumka	-	3.57
9	O/o the EE, RDSD, Godda	1.73	0.00
10	O/o the EE, RWD, Godda	-	0.03
	Total	190.17	4.42

Further, the outstanding remittance balance of the PMGSY programme funds, in four divisions, was shown as negative in OMMAS (₹ 67.74⁶ crore). The EEs were not able to provide any reason for the same and stated that the matter will be examined and findings will be communicated to Audit. Reply was awaited (as of October 2022).

- **Discrepancy in Cash Book balances**

In 11 out of the 16 test-check divisions, it was noticed that closing balance of PMGSY programme fund in the Cash Book was ₹ 60.50 crore whereas, closing balance as per OMMAS was ₹ 83.76 crore. It was further noticed that closing balance of PMGSY maintenance fund in cash book was ₹ 2.24 crore against closing balance of ₹ 3.49 crore in OMMAS. Details are given in **Table 3.25**.

Table 3.25: Details of balances in Cash Book

S.N.	Name of Divisions	(₹ in lakh)			
		Closing balance of PMGSY programme fund		Closing balances of PMGSY maintenance fund	
		As per Cash Book	As per OMMAS	As per Cash Book	As per OMMAS
1	O/o the EE, RDSD, Giridih	84.12	158.72	1.72	1.67
2	O/o the EE, RWD, Giridih	1,542.00	1,218.70	61.45	69.22
3	O/o the EE, RDSD, Hazaribag	255.63	255.63	6.35	3.40
4	O/o the EE, RWD, Hazaribag	241.08	241.08	59.79	4.01
5	O/o the EE, RWD, Dhanbad	1.03	2.71	28.66	0.88
6	O/o the EE, RWD, Saraikela Kharsawan	576.90	296.85	19.96	16.89
7	O/o the EE, RWD, Chatra	3,159.45	3,146.94	4.30	10.41
8	O/o the EE, RDSD, Dumka	4.69	2,725.61	26.98	54.13
9	O/o the EE, RWD, Dumka	151.36	123.29	15.39	63.14
10	O/o the EE, RDSD, Godda	33.69	39.32	0.00	0.00
11	O/o the EE, RWD, Godda	0.00	166.99	0.00	125.67
	Total	6,049.95	8,376.14	224.15	349.18

In reply, EEs of the concerned divisions stated that matter will be examined in consultation with technical experts at the departmental level and findings will be communicated to Audit.

- **Non-completion of works**

The main objective of the Rural Development Department (Rural Works Affairs) is upgradation and strengthening of village roads and bridges and its

⁶ i) RWD, Saraikela Kharsawan: ₹ 980.94 lakh, ii) RWD, Chatra: ₹ 1,854.41 lakh and iii) RWD, Dumka, : ₹ 1,348.06 lakh

maintenance. Improving connectivity of rural areas through all-weather roads is an effective way of poverty eradication.

In 11 out of the 16 test-checked divisions, it was noticed that five works under Pradhan Mantri Gram Sadak Yojana (PMGSY) and 43 works under Mukhya Mantri Gram Setu Yojana (MMGSY) were not completed in the stipulated time as detailed in **Table 3.26**.

Table 3.26: Details of non-completion of works

(₹ in crore)

Sl. No.	Name of Districts	Name of Divisions	Name of Schemes	No. of works	Due date of completion	Expenditure up to March'22	Physical progress up to March'22
1	Ranchi	O/o the EE, RDS	MMGSY	03	08.09.2020 to 09.10.2021	5.85	30 to 80 %
		O/o the EE, RWD	PMGSY	05	09.08.2019 to 27.06.2021	3.17	95 %
			MMGSY	04	30.05.2018 to 13.08.2021	6.94	76 to 95 %
2	Giridih	O/o the EE, RDS	MMGSY	05	13.07.2018 to 13.01.2022	14.56	60 to 98 %
		O/o the EE, RWD	MMGSY	03	06.10.2020 to 30.10.2020	2.42	80 to 92 %
3	Hazariabag	O/o the EE, RDS	MMGSY	05	27.07.2016 to 30.10.2021	23.40	35 to 82 %
		O/o the EE, RWD	MMGSY	04	04.03.2019 to 23.10.2020	4.01	20 to 85 %
4	Dhanbad	O/o the EE, RWD	MMGSY	01	30.11.2019	0.71	90 %
5	Saraikela Kharsawan	O/o the EE, RDS	MMGSY	04	14.06.15 to 30.12.2021	26.46	50 to 97 %
		O/o the EE, RWD	MMGSY	06	31.10.2018 to 18.05.2021	05.26	45 to 95 %
6	Chatra	O/o the EE, RWD	MMGSY	02	17.10.2019 & 10.07.2020	0.98	50 & 80 %
7	Dumka	O/o the EE, RWD	MMGSY	02	29.01.2020 & 16.01.2019	2.18	65 & 66 %
8	Godda	O/o the EE, RDS	MMGSY	01	15.01.2022	3.88	82 %
		O/o the EE, RWD	MMGSY	03	21.02.2019 to 23.08.2020	5.37	35 to 85 %
Total				48		105.19	

Despite budget provision, the works were not completed in time leading not only to time over run but also deprived beneficiaries of the intended benefits.

The Executive Engineers, in charge of the concerned divisions, stated that works could not be completed in time due to delays in obtaining forest clearance, local hindrance and the COVID-19 pandemic. It was further stated that letters have been issued to other contractors who are delaying the works.

- **Non-completion of Schemes announced in budget speech**

Scrutiny of the records of the Department for the year 2021-22 revealed that physical achievements of three schemes, announced in the budget speech to be completed during 2021-22, were between 33 and 63 *per cent*. Details are given in **Table 3.27**.

Table 3.27: Physical & financial progress of schemes announced in budget speech

(₹ in crore)

Sl. No	Name of schemes	Target as per budget speech (in km)	Achievement (in km)	Achievement	Budget Provision	Expenditure	
1	PMGSY	Roads	621	389	63 %	1,000.00	714.04 [#]
		Bridge	104	26	25 %		
2	RCPLWEA-Roads	444	145	33 %	485.00	79.54	
3	State Sponsored Schemes- Roads	2000	708.92	35 %	400.00	238.08	
Total		3,169	1,268.92	40 %	1,885.00	1,031.66 (55 %)	

[#] Expenditure from previous balance

As can be seen from the above table, against the budget provisions of ₹ 885 crore, expenditure on these schemes shown against serial number two and three was ₹ 317.62 crore (36 per cent) and the schemes remained incomplete during the year. Budget provision on PMGSY during the year 2021-22 remained unutilised and was surrendered by the department.

3.6 Audit of Budgetary provision of Grant No. 39- Home, Jail and Disaster Management Department (Disaster Management Division)

3.6.1 Introduction

Jharkhand has been historically affected by different types of natural and human disasters. The Government of Jharkhand has taken steps to strengthen its mitigation, preparedness, and response, recovery, and rehabilitation strategies to reduce the risk of disasters in the State by creating a State Disaster Management Authority at the State level and District Disaster Management Authorities at the district level in all the 24 Districts.

To meet the above responsibilities, the State Government had provided a budget of ₹ 1,711.34 crore during 2021-22 to the Department as detailed in **Table 3.28** along with utilization.

Table 3.28: Details of budget provision, expenditure and savings during 2021-22

(₹ in crore)

Details	Capital Voted	Revenue Voted	Total
Original Grant	00	1,264.56	1,264.56
Supplementary Grant	00	446.78	446.78
Total Grant	00	1,711.34	1,711.34
Expenditure	00	966.61	966.61
Savings	00	744.73	744.73
Surrender	00	744.62	744.62
Excess Expenditure	00	00	00

Source: Appropriation Accounts of the Government of Jharkhand for the year 2021-22.

3.6.2 Scope of Audit

Departmental Secretariat of Home, Jail and Disaster Management Department (Disaster Management Division) and eight⁷ districts were selected for audit of the budgetary process.

⁷ (i) Ranchi (ii) Chaibasa (iii) Jamshedpur (iv) Bokaro (v) Palamu (vi) Dumka (vii) Deoghar and (viii) Gumla

3.6.3 Persistent Savings

Review of records relating to budget and expenditure during the last four years (2018-19 to 2021-22) revealed that the Department not only had persistent savings but also that the percentage of savings was very high in comparison to the budget estimates during the period as detailed in Table 3.29.

Table 3.29: Trend of savings during the last four years in Home, Jail and Disaster Management Department (Disaster Management Division)

Years		Original	Supplementary	Total	Actual Expenditure	Saving	Percentage of savings
2018-19	Revenue	713.08	195.06	908.14	470.33	437.81	48.21
	Capital	00	00	00	00	00	
	Total	713.08	195.06	908.14	470.33	437.81	
2019-20	Revenue	718.82	407.88	1126.70	437.42	689.28	61.18
	Capital	00	00	00	00	00	
	Total	718.82	407.88	1,126.70	437.42	689.28	
2020-21	Revenue	985.12	912.50	1,897.61	1,375.94	521.67	27.49
	Capital	00	00	00	00	00	
	Total	985.12	912.50	1,897.61	1,375.94	521.67	
2021-22	Revenue	1,264.56	446.78	1,711.34	966.61	744.73	43.52
	Capital	00	00	00	00	00	
	Total	1,264.56	446.78	1,711.34	966.61	744.73	

Source: Appropriation Account 2018-22

As shown in the above table, savings of the Department, except during 2020-21, was more than 40 per cent. This is not only indicative of the inability of the Department to utilise the funds but also resulted in non-completion of State schemes included in the budget during the year.

3.6.4 Delay in submission of Budget Estimates

Scrutiny of records revealed that the timelines as provided in Rule 62 of the Budget Manual, was not followed by the Department, and against the target date of 21 December 2020, the Disaster Management Division submitted Budget Estimates (BEs) of the establishment to the Finance Department on 19 January 2021 *i.e.*, with a delay of 29 days.

Non-compliance of budget calendar not only affects the schedule of preparation of budget estimates but also curtails the time required for its scrutiny at different levels.

3.6.5 Estimates prepared without assessing the actual requirements

According to Rule 65 of the Budget Manual (BM), the Controlling Officer (CO) should examine the budgets received from the Disbursing Officers (DO) to see that they are correct, that all details and explanations have been given, and that the explanations are adequate.

It was noticed that Rule 65 of BM was not followed and the budget estimates for General Budget (State, Central and Centrally Sponsored Schemes) and Establishment Expenditure were prepared at the Department level without obtaining/assessing the actual requirements from the DOs who are finally responsible to execute the work and utilise the funds.

Preparation of the budget without obtaining requirement from DOs was one of the reasons for the substantial savings of ₹ 744.73 crore (43.52 per cent) against the total provision of ₹ 1,711.34 crore during 2021-22.

3.6.6 Non-reconciliation of departmental expenditure figures

Rule 134 of the Budget Manual requires that the Controlling Officer should arrange to reconcile departmental accounts with the books of the Principal Accountant General (A&E) on a monthly basis to avoid chances of misclassification of expenditure and receipts.

It was observed that during the year 2021-22, out of the total expenditure of ₹ 966.61 crore, expenditure of ₹ 964.50 crore was not reconciled by the Controlling Officer of the Department with the books of the Principal Accountant General (A&E) as detailed in **Table 3.30**.

Table 3.30: Details of non-reconciliation of departmental expenditure

(₹ in crore)

Sl. No.	Major Heads	Total expenditure (As per Appropriation Accounts)	Reconciled amount	Unreconciled amount
1	2245	966.61	2.11	964.50
2	2235			
Total		966.61	2.11	964.50

3.6.7 Avoidable Supplementary provision

As per comments below Rule 57 of the Budget Manual, the officer responsible for preparing estimates should be sure that provision is not made for a sum greater than that which can be spent. It was noticed that during 2021-22, original grant of ₹ 0.80 crore was provided in three sub-heads, of which ₹ 0.01 crore was spent by the Department. In spite of savings of ₹ 0.79 crore from original grants, a supplementary grant of ₹ 6 crore was provided which proved unnecessary. Similarly, in one sub-head of account, original grant of ₹ 295 crore and supplementary grant of ₹ 195 crore (1st supplementary: ₹ 95 crore and 2nd supplementary: ₹ 100 crore) was provided, against which expenditure was ₹ 340.32 crore, resulting in savings of ₹ 149.68 crore, which indicated that supplementary provision of funds was avoidable. Detail given in **Table 3.31**.

Table 3.31: Detail of avoidable supplementary provision

(₹ in crore)

S.N.	Head	Original grant	Supplementary	Expenditure	Savings
1	2245-02-101-03	0.50	2.00	0.01	2.49
2	2245-02-104-01	0.00	2.00	0.00	2.00
3	2245-02-112-01	0.30	2.00	0.00	2.30
4	2245-80-102-01	295.00	195.00	340.32	149.68
Total		295.80	201.00	340.33	156.47

3.6.8 Surrender on the last day of the financial year

It was observed that the Home, Jail and Disaster Management Department (Disaster Management Division) had not followed Rule 112 of the BM and surrendered ₹ 744.62 crore (₹ 6.70 crore under Major Head 2235 and ₹ 737.92 crore under Major Head 2245) against the total provision of

₹ 1,711.34 crore (according to Treasury MIS) on 31 March 2022 as detailed in **Appendix 3.12**, leaving no scope for utilisation of the funds on other important schemes.

3.6.9 Non implementation of SDMF Guidelines by the State

Non-receipt of ₹ 113.25 crore from GoI due to non-constitution of State Disaster Mitigation Fund (SDMF)

As per Section 7.1 of the SDRF Guidelines, the State Government was required to constitute a State Disaster Mitigation Fund (SDMF), under the Major Head – 8121 General and Other Reserve Fund- 130 State Disaster Mitigation Fund.

It was observed that SDMF was not constituted at all and the provisions in the guidelines in this regard were not followed as of October 2022. The amount required to be accounted for in SDMF was credited under the SDRF Head 8121-122.

Further, on the recommendations of the Fifteenth Finance Commission, separate allocation was to be made to SDMF from the year 2021-22 onwards. During the year 2021-22, Central Government had to release ₹ 113.25 crore and the State Government had to release its corresponding share of ₹ 37.75 crore to SDMF. Neither the Central Government nor the State share was released. Thus, due to non-constitution of the SDMF, the State could not avail the Central share amounting to ₹ 113.25 crore.

3.6.10 Huge difference of figures between Cash Book and Bank Account due to non-entry of transactions

Test-check of records of the District Nazarat, office of the Deputy Collector (NDC), Ranchi, revealed that the balance on 31 March 2021, as per the General Cash Book, was ₹ 45,43,20,103.48. However, the balance in the bank account was ₹ 7,52,84,156.50, a difference of ₹ 37,90,35,946.98. Further, it was noticed that the NDC office had unpassed vouchers of ₹ 28,44,19,477 and advance of ₹ 9,45,78,206.01 (totaling ₹ 37,89,97,683.01) in the Cash Book. Hence, after taking unaccounted vouchers and advances into account there was a difference of ₹ 38,263.97 between the bank account and Cash Book as on 31 March 2021. It was also noticed that the Cash Book for the year 2021-22 was not being maintained by the office. Non-maintenance of Cash Book is not only a case of gross violation of financial rules but also entails risk of misappropriation of public money and unhealthy practices. No reasons, in this regard, was provided by the NDC office. Details of cash balances of the NDC as on 31 March 2021 is given in **Appendix 3.13**.

3.6.11 Suspected misappropriation of ₹ 1,85,290

During COVID-19 pandemic, vehicles like Pick-up vans, Mini trucks and Cars were used in the district for management purposes like transportation of labourers, monitoring by the officials etc. A cross-check of vouchers of the District Nazarat, office of the Deputy Collectors (NDC) Ranchi and Bokaro, with VAHAN application of GoI revealed that vehicles claimed in vouchers

as Pick-up vans, Mini trucks and Cars were actually two wheelers. However, requests have been sent to the concerned DTOs for further verification and authentication of vehicle types which is awaited. Detail of vehicles pointed out during audit were as under:

- (i) Vehicles used for delivery of relief material to every block and panchayat of Bokaro district for COVID-19 management were paid ₹ 2,32,900 on 25.04.2020 through voucher number 10/2020-21, of which vouchers amounting to ₹ 35,880 seemed to be doubtful. The details of vehicles and payment made are given in **Table 3.32**.

Table 3.32: Details of vehicles and payment made

Vehicle number	Vehicle type recorded on voucher	Vehicle detected on m-Parivahan site	Period of use	Amount paid (in ₹)
JH09AQ1600	Pick-up van	Splendor	March & April 2020	7,860
JH09AF7264	Pick-up van	TVS Apache	March 2020	3,930
JH09AK0178	Pick-up van	Pulsar	March 2020	3,930
JH09AT2706	Tata 407	Glamour	March 2020	4,410
JH09AM3175	Tata 1109	Platina	March 2020	6,750
JH09L8476	Tata 1109	Motor cycle	April 2020	9,000
Total				35,880

- (ii) Vouchers regarding payment to vehicles used for delivery of relief material to every block and panchayat of Ranchi district for COVID-19 management amounting to ₹ 1,49,410 seemed to be doubtful. The details of vehicles and payment made are given in **Table 3.33**.

Table 3.33: Details of vehicles and payment made

S.N.	Vehicle number	Vehicle type	Vehicle detected on m-Parivahan site	Period of use	Number of days	Rate per day	Amount paid
1	JH01AB8886	Maruti Desire	Motorcycle	24.03.20 to 11.06.20	80	1,360	1,08,800
2	JH05H2200	Qualis	Motorcycle	01.08.21 to 31.08.21	31	1,310	40,610
Total							1,49,410

Since, the specifications of vehicles claimed in the vouchers were not correct, suspected misappropriation of government money amounting to ₹ 1,85,290 (₹ 35,880 and ₹ 1,49,410) could not be ruled out. The Department may review and take action on similar cases throughout the State.

3.6.12 Other points

3.6.12.1 Delayed installation of DG sets and pipelines for oxygen plants in hospitals - ₹ 1.64 crore.

Home, Jail and Disaster Management Department (Disaster Management Division), Jharkhand, Ranchi allotted ₹ 3 crore (May 2021) to East Singhbhum district for control of the COVID-19 pandemic.

Test check of records of District Nazarat, office of the Deputy Collector (NDC), East Singhbhum, Jamshedpur, revealed that for treatment of COVID-19 pandemic patients, installation work of DG sets for PSA oxygen plants

and installation of pipelines for flow of oxygen in wards of hospitals in East Singhbhum district was taken up. The allotted work for supply of pipelines and oxygen and installation of DG sets were to be completed within three days of award of work (May 2021). It was observed that the work of installation of pipelines for oxygen flow and installation of DG sets was delayed by three months and completed in November 2021, after crossing the peak of the COVID-19 pandemic. Due to delay in installation, intended benefits could not be provided to the COVID-19 patients.

Details of installation of pipelines and DG sets in the hospitals of the district are given in **Table 3.34**.

Table 3.34: Details of installation of pipeline and DG sets

Bill No. & Date	Name of hospital	Work	Name of Agency	Date of completion	Amount	Delay (in days)
271/21-22 24.11.21	C H C Musabani	Centralised	Shree Fashion, Bistupur	23.10.21	23,95,790	47 to 51
	C H C Chakulia	Oxygen		01.11.21		
	CHC Dhalbhumgarh	Pipeline		27.10.21		
285/21-22	C H C Baharagora	Centralised	Shree Fashion, Bistupur	27.10.21	36,91,940	18 to 51
	C H C Patmada	Oxygen		23.10.21		
	C H C Jugsalai	Pipeline		24.09.21		
308/21-22 08.12.21	C H C Chakulia	DG set	Kamal Enterprises	26.11.21	11,21,000	-
185/21-22 09.09.21	C H C Ghatshila	DG set	Kamal Enterprises	24.08.21	43,98,080	10
	SH Jamshedpur		Kamal Enterprises	17.08.21		
	C H C Ghatshila	Centralised Oxygen Pipeline	Shree Fashion, Bistupur	23.08.21		
409/21-22 02.02.22	SH Jamshedpur	DG set	Kamal Enterprises	20.01.21	5,15,000	-
519/21-22 12.03.22	SH Jamshedpur	Centralised Oxygen Pipeline	Shree Fashion, Bistupur	11.06.21	42,79,340	72
				30.08.21		
				30.08.21		
Gross Total					1,64,01,150	

Further, status of COVID-19 patients in Jharkhand during the period of delay shown in above has been given in **Table 3.35**.

Table 3.35: Status of COVID-19 patients in Jharkhand

Date	Number of COVID patients	Number of recovered patients	Number of deaths
05.05.2021	2,57,345	1,94,433	3,205
17.08.2021	3,47,620	3,42,253	5,131
24.09.2021	3,48,162	3,42,964	5,133
23.10.2021	3,48,562	3,43,244	5,135
26.11.2021	3,49,184	3,43,935	5,140

Source: Arogya Setu app

In view of the spread of COVID-19 and the related deaths, all the oxygen plants had to be installed within the stipulated time. However, due to the delayed installation of oxygen plants, pipelines, DG sets *etc.* in various hospitals of East Singhbhum, the intended benefits could not be provided to the beneficiaries.

3.6.12.2 Unfruitful expenditure- ₹ 11.21 lakh

Verification of Community Health Centres, Baharagora, Chakulia and Dhalbhumgarh of East Singhbhum district on 04.08.2022, revealed that DG sets installed in the Community Health Center, Chakulia, costing ₹ 11.21

lakh, had not been utilised for the purpose, as the newly installed 500 LMP Oxygen Plant was not operational. It was stated by the operator that the oxygen plant had never been used. Thus, expenditure of ₹ 11.21 lakh incurred on DG sets of CHC, Chakulia, remained unfruitful.

Further, certificate for installation of oxygen pipeline in Community Health Center, Chakulia, required to be given by the Medical Officer-in-charge, was instead given by the Block Accounts Manager (BAM), Chakulia (November 2021), who was not authorised to give the certificate.

3.6.12.3 Non-maintenance of Cash Book

Scrutiny of records of the District Nazarat, Office of the Deputy Collector, East Singhbhum, relating to allotment and sub allocation of Disaster Management funds, amounting to ₹ 1,10,56,000, revealed that the following sub allocation of funds (as shown in **Table 3.36**) was made to the District Supply Officer, East Singhbhum, Jamshedpur.

Table 3.36: Sub-allocation of funds to DSO, East Singhbhum

S. N.	Office	Sub allotted amount	
		Allotment order no.	Amount (in ₹)
1	District Supply Officer, East Singhbhum, Jamshedpur	971/र. Date 24.04.2020	34,16,000
2		1125/र. Date 08.05.2020	14,70,000
3		1252/र. Date 02.06.2020	20,00,000
4		1856/र. Date 25.07.2020	17,70,000
5		2071/र. Date 10.08.2020	19,20,000
6		4303/र. Date 04.11.2020	4,80,000
Total			1,10,56,000

The sub-allotted amount shown in the table above was spent by the District Supply Officer, East Singhbhum, Jamshedpur but the amount was neither entered in the receipt side nor in the expenditure side of the DSO's Cash Book related to Disaster Management.

Similarly, scrutiny of records of allotment and sub allotment of Disaster Management funds amounting to ₹ 96 lakh by the Deputy Collector, Dumka to the District Nazarat, Office of the Deputy Collector, Dumka revealed that the entries were not made either in the receipt side or in the expenditure side, of the Cash Book. Details are given in the **Table 3.37**.

Table 3.37: Sub allotted amount (NDC, Dumka)

Sl. No.	Office	Sub-allotted amount		
		Allotment order no.	Amount (in ₹)	Available utilisation certificate
1	District Nazarat, Office of the Deputy Collector, Dumka	53/जी.आ.प्र.को. Dumka/15.05.21	15,00,000	15,00,000
2		168/जी.आ.प्र.को. Dumka/14.12.21	81,00,000	52,61,195
Total			96,00,000	67,61,195

Non-entry of transactions in the Cash Book is a serious irregularity and is fraught with the risk of embezzlement/misappropriation.

3.6.12.4 Surrender of funds though required: ₹ 3.26 crore

Test check of records of the District Nazarat, Office of the Deputy Collector (NDC), Ranchi, revealed that the Home, Jail and Disaster Management Department, Jharkhand, Ranchi, had allotted ₹ 7,92,50,000 (December 2021) for compensation to persons affected by natural calamity (COVID-19). It was observed that compensation of ₹ 4,66,50,000 were given to the next of kin of 343 out of 1,607 deceased persons and the balance of ₹ 3,26,00,000 was surrendered by the Department in March 2022.

Non-payment of compensation to the next of kin of deceased persons despite availability of funds indicated the inability of the Department to utilise the funds in time.

3.7 Conclusion

During 2021-22, the total savings of ₹ 22,515.81 crore (22.16 per cent of the total budget) under the grants was indicative of improper budget estimation. Further, these grants had persistent total savings of at least ₹ 8,138.75 crore during each of the last four years.

Supplementary provisions aggregating ₹ 8,369.35 crore (57.22 per cent) in 49 cases (₹ 0.50 crore or more in each case) during the year, proved unnecessary as the expenditure did not come up even to the level of the original provisions.

Excess disbursement over grant/appropriation amounting to ₹ 3,473.63 crore, pertaining to the years 2001-02 to 2020-21, is yet to be regularised by the State Legislature. Further, excess expenditure of ₹ 288.86 crore was incurred in one appropriation (13- Interest Payment) and in one grant (15- Pension) during 2021-22.

3.8 Recommendations

- *Government should be more realistic in its budgetary assumptions and ensure efficient control mechanisms to curtail savings.*
- *The Government may ensure that expenditure does not exceed the amount authorised by the Legislature. Moreover, steps should be taken to regularise the excess expenditure of previous years.*
- *The Rural Development Department and Home, Jail and Disaster Management department should institute appropriate mechanisms to enforce proper implementation and monitoring of budget so that the savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*

