

Chapter 3
Budgetary Management

Chapter 3: Budgetary Management

Introduction

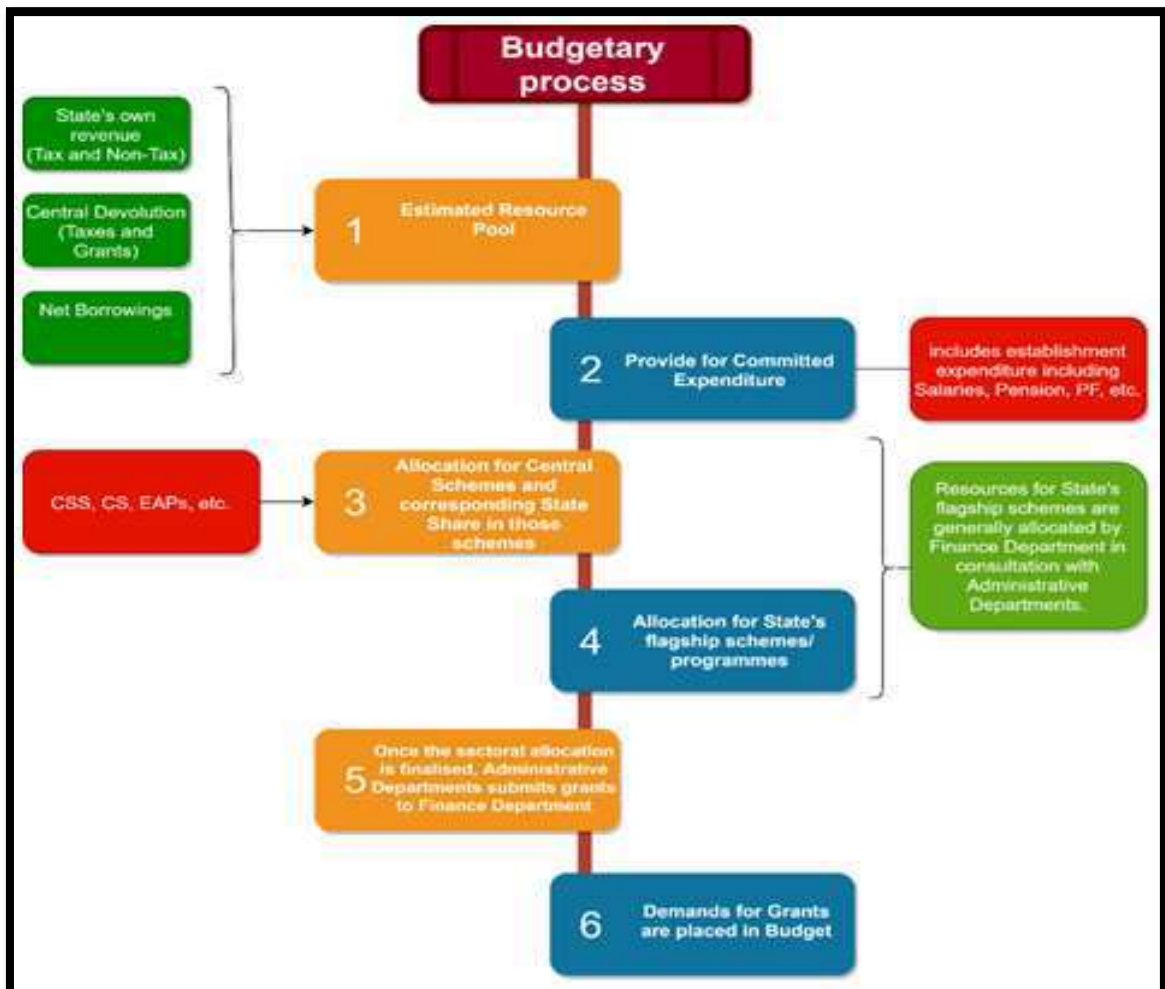
This chapter reviews the allocative priorities of the State Government and comments on transparency of budget formulation and effectiveness of its implementation. Effective financial management ensures that policy decisions are taken and implemented successfully at the administrative level without wastage or diversion of funds.

3.1 Budget process

Budgeting is a means to ensure efficient use of public resources. Every financial year, Finance Department of Government of Goa (FD) prepares a statement of all receipts and expenditure expected to be realised or incurred during the year. This statement is referred to as the Annual Financial Statement (popularly known as the Budget), as specified in Article 202 of the Constitution of India.

Budget process commences with the issue of the budget circular, normally in August each year, which guides the departments in framing their estimates for the next financial year. A typical budget preparation process is shown in the flow chart below.

Chart 3.1: Budget preparation process



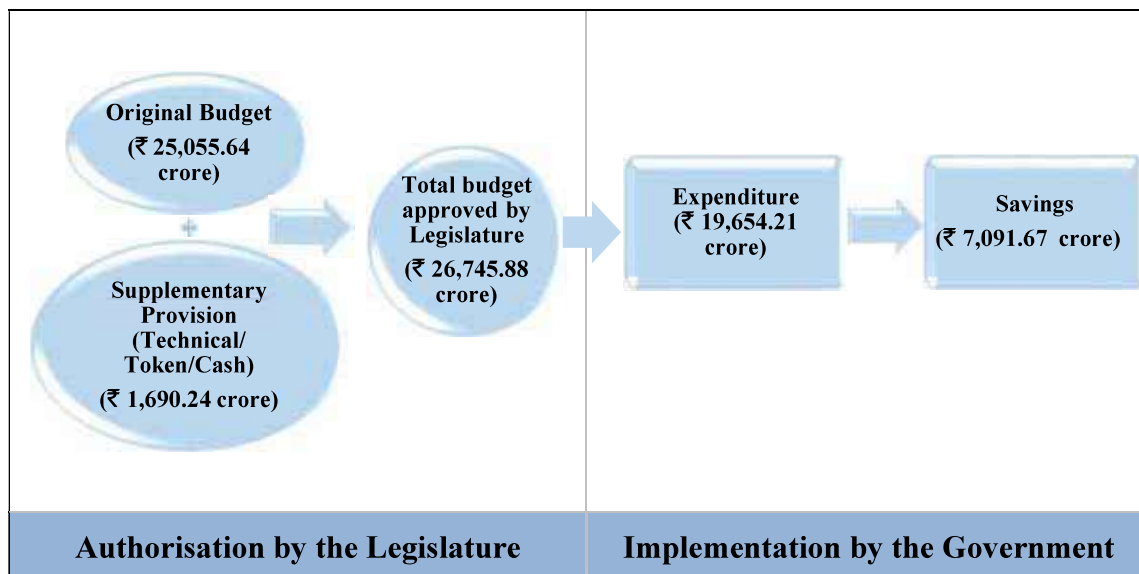
(CSS: Centrally Sponsored Schemes; CS: Central Schemes.)

As soon as the detailed estimates and grants are passed by the Legislative Assembly in accordance with the procedure laid down in Articles 202-204 of the Constitution, FD communicates to all heads of departments and other budget controlling officers in writing, the allotments placed at their disposal during the budget year. Grant allocation communicating the grants are forwarded to the administrative departments concerned. FD also sends copies of the budget documents to the Accountant General. FD uploads all the relevant information and budgetary data on the ‘e-DDO online fund allocation system’ and access to the same is available to the authorities concerned.

FD also reviews requests made for supplementary grants and re-appropriations by the departments during the year. Apart from supplementary grants, re-appropriation can also be 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.

Total amounts approved by the State Legislature in the original and supplementary budget, expenditure and savings during 2021-22 are depicted below.

Chart 3.2: Original and supplementary budget, expenditure and savings during 2021-22



(Source: Appropriation Accounts of the State)

Budget procedure envisages that 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 be neither larger nor smaller. Budget estimates of receipts should be based on existing rates of taxes, duties, fees *etc.*

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

Summarised position of total budget provision, disbursements and savings/excesses during 2021-22 is given in Table 3.1.

Table 3.1: Budget provision, disbursements and savings/excesses during 2021-22*(₹ in crore)*

Total budget provision		Disbursements		Net savings(-)/excesses(+)	
Voted	Charged	Voted	Charged	Voted	Charged
22500.02	4245.86	15187.22	4466.99	(-)7312.80	(+)221.13

(Source: Appropriation Accounts of the State)

It could be seen from the table above that net savings of ₹ 7,312 crore occurred in the voted section while charged expenditure amounting to ₹ 221 crore was incurred in excess of budget provision during 2021-22.

3.1.2 Charged and voted disbursements

As per Article 112(2) of the Constitution, a distinction is made between charged and voted expenditure. Charged expenditure is the expenditure charged on the revenues of the State and not subject to the vote of Legislative Assembly under the Constitution. Voted expenditure is subject to the vote of Legislative Assembly. Article 202(3) of the Constitution specifies categories of expenditure that can be charged on the Consolidated Fund of the State.

Trend analysis of classification of total disbursements under charged and voted sections during the last five years (2017-22) is given below.

Table 3.2: Voted and charged disbursements and savings during 2017-22*(₹ in crore)*

Year	Disbursements		Net savings(-)/excesses(+)		Percentage savings under voted section (utilisation)
	Voted	Charged	Voted	Charged	
2017-18	11484.95	3234.28	(-)3795.26	269.83	25 (75)
2018-19	11949.05	4779.95	(-)4611.36	2315.94	28 (72)
2019-20	11906.67	3619.21	(-)6855.54	824.16	37 (63)
2020-21	12620.32	5423.62	(-)6703.04	2600.36	35 (65)
2021-22	15187.22	4466.99	(-)7312.80	221.13	33 (67)

(Source: Appropriation Accounts of the State)

It may be seen from the table above that State Government utilised only 63 **per cent** to 75 **per cent** of total voted provisions during 2017-22. Repeated low utilisation over the years indicated poor budgetary management by the State Government. Audit is of the view that the State Government needs to prepare its budget estimates more realistically.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of expenditure of the Government for each financial year, compared with the grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution. 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 budget. Appropriation Accounts, thus, facilitate an understanding of utilisation of funds, management of finances including

monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure without authority of law

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 a new scheme/service should not be incurred without provision of funds, except after obtaining additional funds by re-appropriations, supplementary grants/appropriations or an advance from the Contingency Fund of the State.

Expenditure without budget provision

During 2021-22, State Government incurred an expenditure of ₹ 4.68 crore under six grants and one appropriation without any budget provision, as shown in Table 3.3.

Table 3.3: Expenditure without budget provision during 2021-22

Sr. No.	Name of Grant/Appropriation	Head of Account	Expenditure without provision (₹ in crore)
1	A2- Debt Services	6003-00-109-02-Loans from HUDCO	0.27
2	21- Public Works Department	2059-01-051-01-Office Buildings	0.42
3	21- Public Works Department	5054-04-796-01- Scheduled Tribe Development Scheme	3.04
4	26- Fire and Emergency Services	4059-01-051-01- Purchase of premises (excise)	*
5	35- Higher Education	2205-00-101-02- Goa College of Music	0.01
6	48- Health Services	2210-03-103-02- Primary Health Centre	0.21
7	64- Agriculture	4202-00-102-02- Capital Outlay on Education, Sports, Art and Culture	0.66
8	74- Water Resources	2701-04-001-08- Salauli Irrigation Project	0.02
9	74- Water Resources	2701-04-001-11- Anjunem Medium Irrigation Project	*
10	74- Water Resources	2711-01-103-02- Flood Control Works	0.05
Total			4.68

(Source: Appropriation Accounts of the State)

(* Sr. No. 4: ₹ 1,644, and Sr. No. 9: ₹ 26,442)

Expenditure without budget provision during 2020-21 was ₹ 26.03 crore.

During the exit conference, Finance Department replied that due to misclassification of expenditure by various departments and non-passing of transfer entries for the same, there had been cases of expenditure without budget

provision. Further, the Department also stated that it would look into the issue and take steps to reconcile the expenditure with the controlling officers.

Recommendation 1: State Government may ensure that expenditure is incurred only within the budget provision.

3.3.2 Unnecessary or excessive supplementary grants

During a financial year, if the amount provided for a purpose is found to be inadequate or the need arises for an expenditure on some object or service for which no provision has been made, the State Legislature can sanction a supplementary provision.

State Legislature approved supplementary provisions of ₹ 1,690 crore in 55 grants and two appropriations for the year 2021-22. However, in 30 cases (supplementary provisions of ₹ five crore or more in each case), expenditure incurred (₹ 8,410 crore) was below the original provisions of ₹ 10,985 crore (Appendix 3.1). Thus, supplementary provisions aggregating ₹ 1,312 crore obtained during the year in these 30 cases proved unnecessary.

Recommendation 2: The State Government needs to strengthen the estimation of fund requirements, and review the basis of supplementary provisions to avoid unnecessary allocations.

3.3.3 Unspent amounts and surrendered appropriations and/or large savings/surrenders

While preparing budget estimates, utmost care must be taken to ensure that estimates are as close as possible to the likely expenditure during the year.

During 2021-22, cases of substantial savings were noticed. Total gross savings under various grants/appropriations amounted to ₹ 7,607 crore which was 28 **per cent** of the total authorisation (₹ 26,746 crore) during the year.

Of the total gross savings of ₹ 7,607 crore, savings of ₹ 100 crore or more amounting to ₹ 4,800 crore (63 **per cent**) occurred in 19 out of 88 grants, as detailed in Table 3.4.

Table 3.4: Grants with savings of ₹ 100 crore or more

(₹ in crore)						
Sr. No.	No. and name of grant	Total provision	Actual Expr.	Savings	Surrenders	Savings after surrender
Revenue (voted)						
1	13- Transport	272.11	160.04	112.07	112.05	0.02
2	17- Police	711.63	609.70	101.93	103.58	(-)1.65
3	21- Public Works	1671.99	1331.18	340.81	340.12	0.69
4	34- School Education	1826.39	1495.43	330.96	314.75	16.21
5	42- Sports and Youth Affairs	232.20	72.85	159.35	158.58	0.77
6	48- Health Services	808.84	668.36	140.48	136.53	3.95
7	55- Municipal Administration	235.98	77.45	158.53	136.65	21.88
8	57- Social Welfare	487.10	304.25	182.25	176.43	5.82

(₹ in crore)

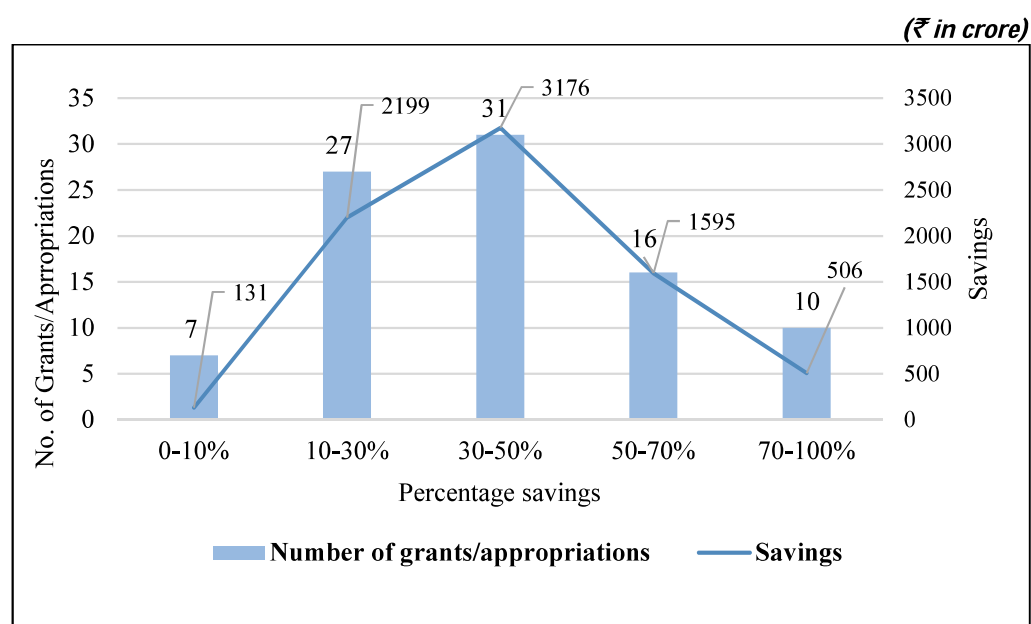
Sr. No.	No. and name of grant	Total provision	Actual Expr.	Savings	Surrenders	Savings after surrender
Revenue (voted)						
9	58- Women and Child Development	600.57	449.55	151.02	148.89	2.13
10	81- Department of Tribal Welfare	139.14	29.31	109.83	90.65	19.18
Capital (voted)						
11	21- Public Works	2054.43	799.13	1255.30	1284.91	(-)29.61
12	31- Panchayats	169.00	51.06	117.94	117.94	00
13	32- Finance	545.21	250.00	295.21	295.21	00
14	47- Goa Medical College	245.50	74.87	170.63	170.58	0.05
15	48- Health Services	245.90	96.68	149.22	147.88	1.34
16	55- Municipal Administration	411.66	196.35	215.31	215.31	00
17	74- Water Resource	425.76	192.93	232.83	233.05	(-)0.22
18	76- Electricity	699.04	263.80	435.24	428.93	6.31
19	82- Information Technology	140.80	00	140.80	140.80	00
Total		11923.25	7122.94	4799.71	4752.84	46.87

(Source: Appropriation Accounts of the State)

Main reasons for substantial savings during the year 2021-22, as furnished in the Appropriation Accounts, were non-implementation of schemes, non-receipt of cash assignment by various sub-divisions of PWD, non-filling of vacant posts, less work sanctioned, administrative reasons, non-clearance of bills, non-receipt of scholarships/stipend bills/medical reimbursement/LTC *etc.*

Distribution of number of grants/appropriations grouped by percentage of savings and total savings in each group amounting to ₹ 7,607 crore (gross savings) during 2021-22 is shown in Chart 3.3 below.

Chart 3.3: Number of grants/appropriations with total savings



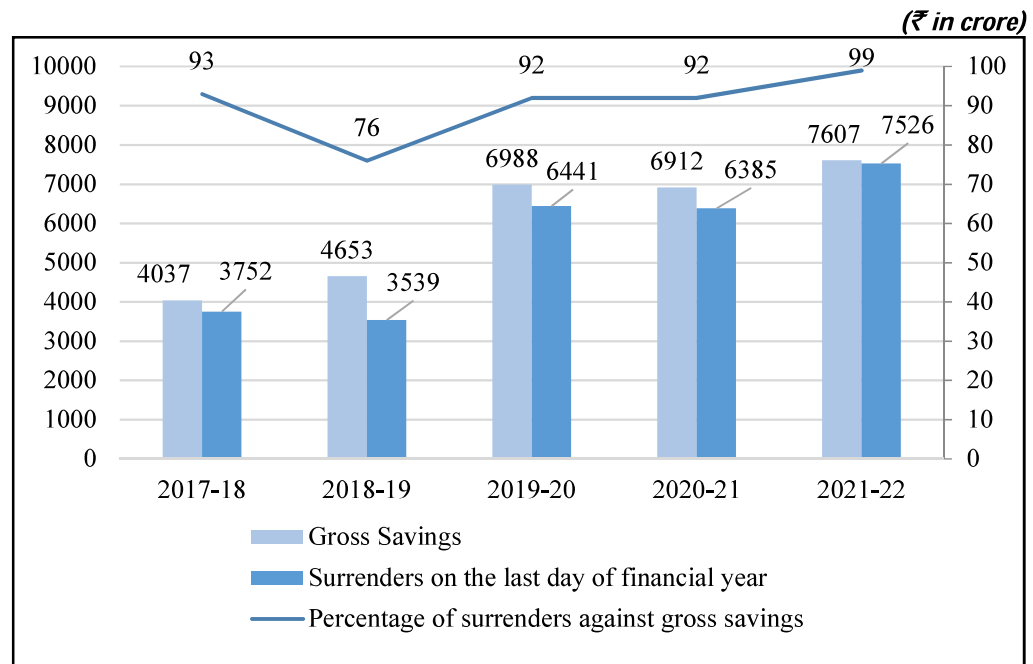
(Source: Appropriation Accounts of the State)

Substantial surrenders

It is the duty of the Budget Controlling Officers to ensure that all anticipated savings are surrendered as soon as these are identified, without waiting until the end of the year, unless they are definitely required to meet excess requirement under some other units of the same grant. No savings can be held in reserve by the Budget Controlling Officers for meeting possible future excess requirements.

Trend analysis of quantum of surrenders made on the last day of the financial year *vis-à-vis* gross savings for five-year period is shown in Chart 3.4.

Chart 3.4: Savings and surrenders on the last day of financial year during 2017-22



(Source: Appropriation Accounts of the State)

As may be seen from Chart 3.4, against the gross savings of ₹ 7,607 crore during the year, ₹ 7,526 crore (99 *per cent*) was surrendered on the last day of the financial year (31 March 2022).

Under-utilisation of budget grants

Audit scrutiny revealed that eight out of 88 grants utilised less than or equal to 30 *per cent* of the budget allocation during 2021-22. The status of utilisation under these eight grants in 2021-22 and previous four years (2017-21) is shown in Table 3.5.

Out of these eight grants, utilisation under Grant No. 63 (Rajya Sainik Board) was persistently less than 30 *per cent* of the total budget allocation during the last five years (2017-22). This was indicative of systemic problems in monitoring of budget utilisation and, thus, warrants a review by the State Government for corrective action.

Table 3.5: Grants with budget utilisation of less than or equal to 30 per cent in 2021-22 and previous four years (2017-21)

(₹ in crore)

Sr. No.	Grant	2017-18	2018-19	2019-20	2020-21	2021-22	No. of years*	Budget 2021-22	Total budget (5 years)
1	27 Official Language	45%	36%	35%	30%	22%	2	19.75	66.52
2	45 Department of Archives	54%	38%	35%	49%	11%	1	81.80	210.47
3	46 Museum	20%	23%	26%	31%	17%	4	13.97	51.67
4	60 Employment	40%	8%	10%	23%	19%	4	9.21	82.55
5	63 Rajya Sainik Board	25%	17%	28%	21%	9%	5	10.40	17.31
6	81 Department of Tribal Welfare	69%	58%	51%	34%	30%	1	287.14	1261.94
7	82 Information Technology	48%	31%	13%	27%	29%	3	283.62	1429.21
8	83 Mines	27%	60%	23%	12%	15%	4	43.06	204.09
Total								748.95	3323.76

(Source: Appropriation Accounts of the State)

* Number of years with utilisation below 30 per cent

Shaded areas show under-utilisation of grants (less than or equal to 30 per cent)

Repeated under-utilisation of grants was indicative of deficient budgeting. This needs to be examined by the State Government and necessary corrective action taken.

Anticipated savings not surrendered

In 19 cases involving 16 grants, out of total savings of ₹ 2,134 crore, ₹ 181 crore was not surrendered (₹ one crore and above in each case), as detailed in Appendix 3.2. Timely surrender of unspent balances could have ensured their productive use in other areas with shortfalls.

Surrenders in excess of actual savings

In six grants, ₹ 1,615 crore was surrendered against savings of ₹ 1,569 crore, leading to excess surrender of ₹ 46 crore during 2021-22 (₹ one crore and above), as shown in Table 3.6.

Table 3.6: Surrenders in excess of savings

(₹ in crore)

Sr. No.	No. and Name of grant	Total provision	Expenditure	Savings	Amount surrendered	Excess surrender
Revenue (voted)						
1	02 General Administration and Coordination	109.88	81.23	28.65	30.14	1.49
2	17 Police	711.63	609.70	101.93	103.58	1.65
3	31 Panchayats	364.75	278.61	86.14	95.62	9.48
4	51 Goa Dental College	45.58	39.01	6.57	7.71	1.14
5	74 Water Resources	230.98	140.76	90.22	92.58	2.36
Capital (voted)						
6	21 Public Works	2054.43	799.13	1255.30	1284.91	29.61
Total		3517.25	1948.44	1568.81	1614.54	45.73

(Source: Appropriation Accounts of the State)

Directorate of Accounts did not furnish the reasons for surrenders in excess of actual savings (March 2023).

From the foregoing, it is evident that the departments concerned did not exercise necessary controls over the progress of expenditure through periodical reviews and necessary corrective action.

Persistent savings

In 10 cases involving eight grants, there were persistent savings of more than ₹ 100 crore ranging from 14 *per cent* to 95 *per cent* during the last three years as detailed in Table 3.7.

Table 3.7: Persistent savings under various grants

(₹ in crore)

Sr. No.	No. and name of grant	Year	Total provision	Actual expenditure	Savings	Percentage of savings
Revenue (voted)						
1	21 Public Works	2019-20	797.97	602.78	195.19	24
		2020-21	885.69	683.37	202.32	23
		2021-22	1671.99	1331.18	340.81	20
2	34 School Education	2019-20	1586.69	1332.08	254.61	16
		2020-21	1605.98	1380.29	225.69	14
		2021-22	1826.39	1495.43	330.96	18
3	48 Health Services	2019-20	681.78	488.91	192.87	28
		2020-21	748.82	539.61	209.21	28
		2021-22	808.84	668.36	140.48	17
4	55 Municipal Administration	2019-20	308.76	148.06	160.70	52
		2020-21	238.03	91.88	146.16	61
		2021-22	235.98	77.45	158.53	67
5	58 Women and Child Development	2019-20	503.54	320.24	183.30	36
		2020-21	563.52	295.31	268.21	48
		2021-22	600.57	449.55	151.02	25
Capital (voted)						
6	21 Public Works	2019-20	1407.40	431.20	976.20	69
		2020-21	1316.61	626.86	689.75	52
		2021-22	2054.43	799.13	1255.30	61
7	31 Panchayats	2019-20	122.45	8.70	133.75	93
		2020-21	133.21	18.33	114.88	86
		2021-22	169.00	51.06	117.94	70
8	32 Finance	2019-20	512.00	235.00	277.00	54
		2020-21	462.00	320.00	142.00	31
		2021-22	545.21	250.00	295.21	54
9	47 Goa Medical College	2019-20	192.16	86.59	105.57	55
		2020-21	210.60	69.38	141.22	67
		2021-22	245.50	74.87	170.63	70
10	55 Municipal Administration	2019-20	483.79	25.02	458.77	95
		2020-21	437.00	59.89	377.11	86
		2021-22	411.66	196.35	215.31	52

(Source: Appropriation Accounts of the State)

Persistent savings, as per Appropriation Accounts, were mainly due to short/non-release of funds by the State Government and reduction of expenditure under office expenses.

Persistent savings indicated that controls in the departments concerned with regard to preparation of budget estimates was not effective. On the other hand, several projects of the State Government could not be completed due to paucity of funds, as discussed in paragraph 3.4.2.

Case Study: Persistent savings in Goa Medical College

The expenditure incurred by Goa Medical College (GMC) against its total allocations during the five-year period 2017-22 is as shown in the tables below.

Capital (Voted)				
Year	Allocation	Expenditure	Savings	Percentage of savings
2017-18	91.87	19.44	72.43	78.84
2018-19	138.41	52.66	85.75	61.95
2019-20	192.16	86.59	105.57	54.94
2020-21	210.60	69.38	141.22	67.06
2021-22	245.50	74.87	170.63	69.50
Total	878.54	302.94	575.6	65.52
Revenue (Voted)				
Year	Allocation	Expenditure	Savings	Percentage of savings
2017-18	313.46	310.41	3.05	0.97
2018-19	423.4	358.24	65.16	15.39
2019-20	456.83	390.52	66.31	14.52
2020-21	580.88	467.44	113.44	19.53
2021-22	657.55	565.02	92.53	14.07
Total	2432.12	2091.63	340.49	14.00

(Source: Appropriation Accounts of the State for the respective years)

It may be seen that savings under the capital head ranged between 55 and 79 per cent in GMC during 2017-22. Poor utilisation of capital allocation by GMC resulted in failure to create public health infrastructure as envisaged in the successive budgets. GMC attributed (May 2022) persistent savings to delay in according administrative approvals and expenditure sanctions by the competent authorities for various public health infrastructure projects.

During the exit conference, Finance Department stated that persistent savings were mainly due to non-release of Central and State shares for the schemes operated under various grants.

Grants with ‘Nil’ expenditure

During 2011-12 to 2021-22, entire budget provision of ₹ 33.84 crore under capital section in respect of Grant No. 63 (Rajya Sainik Board) remained unutilised at the end of each financial year, as shown in Table 3.8.

Table 3.8: ‘Nil’ expenditure under capital section

Year	Total Provision	Actual Expenditure	(₹ in lakh)
			Savings
2011-12	304.00	0.00	304.00
2012-13	330.00	0.00	330.00
2013-14	100.00	0.00	100.00
2014-15	100.00	0.00	100.00
2015-16	300.00	0.00	300.00
2016-17	300.00	0.00	300.00
2017-18	300.00	0.00	300.00
2018-19	300.00	0.00	300.00
2019-20	200.00	0.00	200.00
2020-21	250.00	0.00	250.00
2021-22	900.00	0.00	900.00
Total	3384.00	0.00	3384.00

(Source: Appropriation Accounts for the respective years)

Recommendation 3: State Government needs to be more realistic in preparation of budget estimates by taking into consideration the past performance of the departments in utilisation of grants, before allocating funds in the future.

3.3.4 Excess expenditure and its regularisation

Article 204 of the Constitution provides that no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by Law by the State Legislature.

Further, article 205 of the Constitution provides that if any money has been spent in excess of the amount granted during a financial year, the same would require regularisation by the State Legislature.

Failure to do so is in contravention of Constitutional provisions and defeats the objective of ensuring accountability of the executive to the Legislature over utilisation of public money.

There was an excess disbursement of ₹ 12,505.45 crore pertaining to the years 2008-09 to 2021-22, which was yet to be regularised by the State Legislature, as detailed in Table 3.9.

Table 3.9: Excess expenditure from 2008-22 requiring regularisation

(₹ in crore)

Year	Grant No. /Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts		Status of regularisation
			Voted	Charged	
2008-09 to 2014-15	8 Grants and 5 appropriations		171.44	1168.60	Not Regularised
2015-16	08	Treasury and Accounts Administration, North Goa	51.62	-	Not Regularised
	A2	Debt Services	-	2278.83	Not Regularised
2016-17	08	Treasury and Accounts Administration, North Goa	2.71	-	Not Regularised
	16	Collectorate, North Goa	0.15	-	Not Regularised
	A2	Debt Services	-	1680.34	Not Regularised
2017-18	01	Legislature Secretariat	0.20	-	Not Regularised
	08	Treasury and Accounts Administration, North Goa	173.56	-	Not Regularised
	50	Goa College of Pharmacy	0.22	-	Not Regularised
	A2	Debt Services	-	337.98	Not Regularised
2018-19	79	Goa Gazetteer	0.01	-	Not Regularised
	A2	Debt Services	-	2358.53	Not Regularised
2019-20	A2	Debt Services	-	956.85	Not Regularised
2020-21	A2	Debt Services	-	2808.95	Not Regularised
2021-22	08	Treasury and Accounts Administration, North Goa	161.73	-	Not Regularised
	A2	Debt Services	-	353.73	Not Regularised
Total			561.64	11943.81	Not Regularised
Grand total (2008-2022)			12505.45		

(Source: Appropriation Accounts of the State)

As may be seen from the table above, an excess disbursement of ₹ 11,989.99 crore¹ pertaining to the years 2008-09 to 2020-21 had not been regularised by the State Legislature.

Further, there was also an excess disbursement of ₹ 515.46 crore over the authorisation made by the State Legislature under one grant and one appropriation during the financial year 2021-22. The excess disbursement of ₹ 515.46 crore pertained to Debt Services - A2 (₹ 353.73 crore) and Treasury and Accounts Administration, North Goa - Grant No. 08 (₹ 167.73 crore), as detailed in Table 3.10.

¹ ₹ 12,505.45 crore – ₹ 515.46 crore

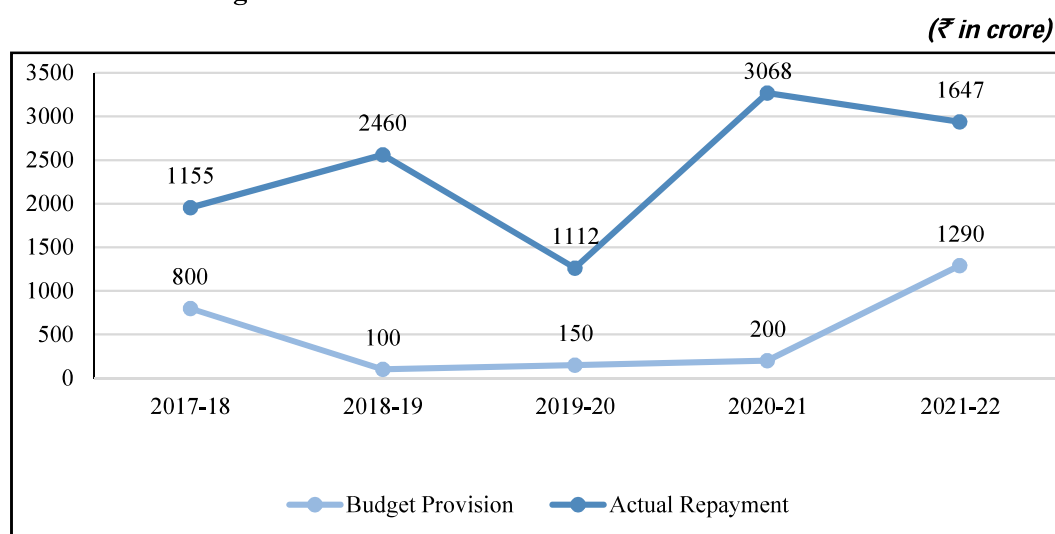
Table 3.10: Major Head-wise excess disbursement over authorisation during 2021-22

(₹ in crore)

Sr. No.	Grant No.	Major Head	Major description Head	Total provision	Re-appropriation	Total	Expr.	Excess (+)/ saving(-)	Reasons for excess stated by FD	
1	2	3	4	5	6	7 = 5+6	8	9= 8-7	10	
1	A2	6003	Internal Debt of the State Government	2163.91	(+) 1.60	2165.51	2522.97	357.46	Mainly due to more repayment of ways and means advances than anticipated.	
2		6004	Loans and Advances from Government	104.24	(-)5.27	98.97	95.24	(-)3.73		
Total (Charged)				2268.15	3.67	2264.48	2618.21	353.73		
3	8	2030	Stamp and Registration	7.57	(-)1.04	6.53	5.29	(-)1.24	-	
4		2054	Treasury and Accounts Administration	28.24	(-)3.09	25.15	22.03	(-)3.12		
5		2071	Pensions and Other Retirement Benefits	1455.89	(-)3.36	1452.53	1633.84	181.31		Mainly due to payment of arrears of pre-2016 revision of pension & non-estimation of expenditure in connection with payment of retirement/ death gratuity for employees covered under New Pension Scheme.
6		2075	Miscellaneous General Service	24.83	(-)12.13	12.70	0.57	(-) 12.13		
7		2235	Social Security and welfare	14.50	(-)2.50	12.00	8.91	(-) 3.09		
Total (Voted)				1531.03	22.12	1508.91	1670.64	161.73		
Grand Total				3799.18	25.79	3773.39	4288.85	515.46		

(Source: Appropriation Accounts of the State)

As may be seen from Table 3.9, State Government incurred excess expenditure under Capital Head A2 - Debt Services persistently over the last seven years (2015-22). The excess expenditure, as indicated in the Appropriation Accounts of the relevant year, was primarily due to less provisions made for repayment of ways and means advances. This is illustrated in Chart 3.5 for the five-year period (2017-22).

Chart 3.5: Budget provision and actual repayment of ways and means advances during 2017-22

(Source: Appropriation Accounts of the State)

Evidently, State Government violated articles 204 and 205 of the Constitution by not only incurring expenditure without Legislative authorisation but also failing to regularise such unauthorised expenditure.

Recommendation 4: Excess expenditure over grants needs to be avoided through more effective budgetary controls.

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projections and gap between expectations and actuals

Summarised position of actual expenditure during 2021-22 in 91 grants/appropriations is given in Table 3.11.

Table 3.11 : Actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)

	Nature of expenditure	Original Grant/App.	Supplementary grant/app.	Total provision	Actual expr.*	Net savings (-)/excesses (+)	Surrender during March	
							Amount	As percentage of total provision
Voted	I. Revenue	14772.80	929.96	15702.76	12479.64	(-)3223.13	3252.24	20.71
	II. Capital	6048.75	728.70	6777.45	2703.71	(-)4073.74	4100.39	60.32
	III. Loans & Advances	19.81	0.00	19.81	3.87	(-)15.94		
	Total	20841.36	1658.66	22500.02	15187.22	(-)7312.80	7352.63	32.68
Charged	IV. Revenue	1944.11	31.57	1975.68	1848.21	(-)127.47	165.05	8.47
	V. Capital	5.70	0.00	5.70	0.57	(-)5.13	5.13	90
	VII. Public Debt	2264.48	0.00	2264.48	2618.21	(+)353.73	3.67	0.16
	Total	4214.29	31.57	4245.86	4466.99	(+)221.13	173.85	4.09
	Grand Total	25055.65	1690.23	26745.88	19654.21	7091.67	7526.48	28.14

(Source: Appropriation Accounts of the State)

*Figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 100.96 crore; Capital: ₹ 23.36 crore; Total: ₹ 124.32 crore).

Net savings of ₹ 7,092 crore was the result of gross savings of ₹ 7,607 crore in 88 grants and three appropriations under revenue section and 71 grants and one appropriation under capital section, offset by an excess of ₹ 515 crore under one grant and one appropriation. Supplementary provisions of ₹ 1,690 crore was obtained during the year which constituted seven *per cent* of the original provision.

Gross savings (₹ 7,607 crore) constituted 28 *per cent* of the total budget provision of ₹ 26,746 crore, and was more than four times the supplementary provisions (₹ 1,690 crore) made during the year. This indicated that supplementary provisions were made without proper scrutiny of requirements.

Overall trend of original budget, actual expenditure and savings/excesses during 2017-22 is detailed in Table 3.12.

Table 3.12: Original budget, actual expenditure and savings/excesses during 2017-22

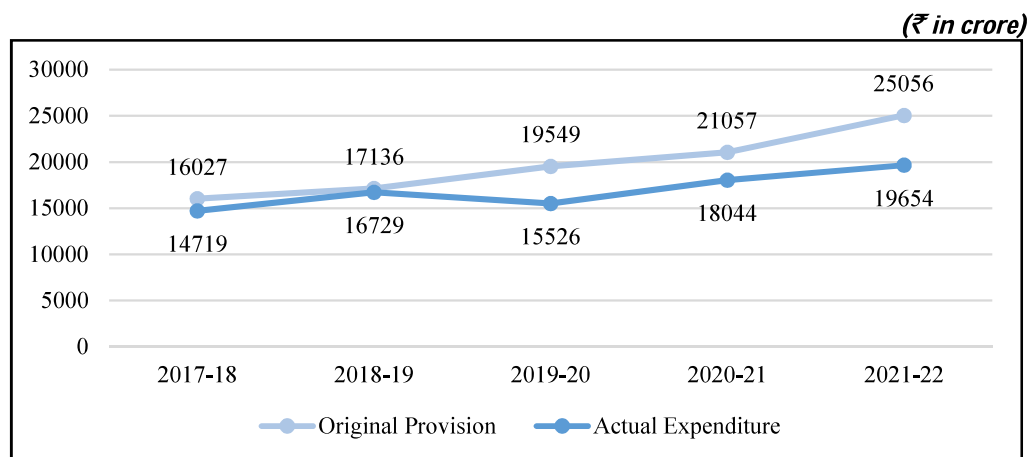
	2017-18	2018-19	2019-20	2020-21	2021-22
Original budget	16027.00	17135.75	19548.69	21056.35	25055.65
Supplementary budget	2217.66	1888.67	2008.57	1090.27	1690.23
Total provision	18244.66	19024.42	21557.26	22146.62	26745.88
Percentage of supplementary provision to original budget	13.84	11.02	10.27	5.18	6.75
Actual expenditure	14719.23	16729.00	15525.88	18043.94	19654.21
Net savings (-)/excesses (+)	(-)3525.43	(-)2295.42	(-)6031.38	(-)4102.68	(-)7091.67
Percentage of savings to total provision	19.32	12.07	27.98	18.52	26.52
Budget utilisation (per cent)	80.68	87.93	72.02	81.48	73.48

(₹ in crore)

(Source: Appropriation Accounts of the State)

As seen from the table above the percentage of supplementary provisions to original provisions ranged between five *per cent* and 14 *per cent* during 2017-22. Supplementary provisions, however, proved unnecessary, as savings were significantly higher than the supplementary provisions in all the five years. Further, against the total provisions, unutilised provisions or savings ranged between 12 *per cent* and 28 *per cent* during 2017-22.

Chart 3.6: Original provision vis-à-vis actual expenditure during 2017-22



(Source: Appropriation Accounts of the State)

It may be seen from the Chart 3.6 that expenditure was significantly below the original budget provisions throughout the period from 2019-22, indicating that supplementary provisions made by the State Government during the same period was not necessary.

3.4.2 Supplementary budget and opportunity cost

At times, while demanding supplementary provision, the departments report to Legislature large additional requirements for different purposes under various schemes/activities, but finally they are unable to spend not only the entire supplementary provision but also the original budget provision. As a result, substantial amounts of grants are left unutilised. At the same time, some of the schemes/projects remain incomplete for want of funds and the intended benefits do not reach the public at large. Further, delay in programme/project implementation has the attendant risk of cost escalation. Thus, the opportunity cost of unutilised budget provision is significant.

Table 3.13 presents the details of 19 such cases involving 16 grants where excessive/unnecessary supplementary provisions resulted in savings of ₹ 100 crore or more in each case during 2021-22.

Table 3.13: Unutilised grants of ₹ 100 crore or more against original/supplementary provision

<i>(₹ in crore)</i>						
Sr. No.	Name of grant	Original provision	Supplementary provision	Total	Actual expr.	Unutilised grants/savings
1	13 Transport (Revenue Voted)	226.49	45.62	272.11	160.04	112.07
2	17 Police (Revenue Voted)	656.09	55.54	711.63	609.70	101.93
3	21 Public Works (Revenue Voted)	1671.99	00	1671.99	1331.18	340.81
4	34 School Education (Revenue Voted)	1796.07	30.32	1826.39	1495.43	330.96
5	42 Sports and Youth Affairs (Revenue Voted)	230.95	1.26	232.21	72.85	159.36
6	48 Health Services (Revenue Voted)	705.84	103.00	808.84	668.36	140.48
7	55 Municipal Administration (Revenue Voted)	234.04	1.95	235.99	77.45	158.54
8	57 Social Welfare (Revenue Voted)	408.05	79.05	487.10	304.25	182.85
9	58 Women and Child Development (Revenue Voted)	478.80	121.77	600.57	449.55	151.02
10	81 Department of Tribal Welfare (Revenue Voted)	129.14	10.00	139.14	29.31	109.83
11	21 Public Works (Capital Voted)	1854.16	200.27	2054.43	799.13	1255.30
12	31 Panchayats (Capital Voted)	169.00	00	169.00	51.06	117.94
13	32 Finance (Capital Voted)	460.21	85.00	545.21	250.00	295.21
14	47 Goa Medical College (Capital Voted)	85.50	160.00	245.50	74.87	170.63
15	48 Health Services (Capital Voted)	245.90	00	245.90	96.68	149.22

Sr. No.	Name of grant	Original provision	Supplementary provision	Total	Actual expr.	Unutilised grants/savings
16	55 Municipal Administration (Capital Voted)	295.80	115.86	411.66	196.35	215.31
17	74 Water Resources (Capital Voted)	425.76	00	425.76	192.93	232.83
18	76 Electricity (Capital Voted)	699.04	00	699.04	263.80	435.24
19	82 Information Technology (Capital Voted)	140.80	00	140.80	00	140.80
Total		10913.63	1009.64	11923.27	7122.94	4800.33

(Source: Appropriation Accounts of the State)

As per information provided by the State Government, 141 projects with a progressive expenditure of ₹ 248.61 crore pertaining to irrigation, water supply and sanitation (30 projects) and roads, bridges and buildings (111 projects) were incomplete as on March 2022, due to paucity of funds. The savings due to unnecessary supplementary provisions could have been used for the purpose of these projects.

3.4.3 Progress of expenditure

Government funds should be evenly spent throughout the year. Rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates temporary cash crunches due to mismatch of Government receipts and expenditure, especially during the fag end of the financial year.

In the State of Goa, no significant rush of expenditure was noticed during 2021-22, as shown in the Table 3.14.

Table 3.14: Progress of expenditure during 2021-22

Sr. No.	Month	Expenditure (₹ in crore)	Monthly expenditure as percentage of total expenditure
1	April	1080	6.39
2	May	1004	5.94
3	June	1294	7.65
4	July	1170	6.92
5	August	1345	7.95
6	September	1332	7.88
7	October	1181	6.98
8	November	1262	7.46
9	December	1549	9.16
10	January	1399	8.28
11	February	1862	11.01
12	March	2430	14.38
	Total	16908*	100

(Source: Monthly Civil Accounts of the State)

* This does not include disbursements made on account of loans and advances during the year (₹3.84 crore).

3.5 Outcome of review of selected grants

The authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing timely and accurate estimates and ensuring that the grants placed at

their disposal are spent only on the objects for which it has been provided and to surrender savings if no longer required.

With a view to ascertaining how far the departments were adhering to these instructions, Audit selected the following two grants:

Grant No. 34 - School Education

Directorate of Education deals with the organization, development and regulation of school education in the State. The Directorate aims to provide quality education across the wide spectrum of schools, spanning from pre-school to higher secondary schools.

Grants for school education consists of six Major Heads namely 2202- General Education, 2203- Technical Education, 2235- Social Security and Welfare, 2071- Pensions and Other Retirement Benefits, 2075- Miscellaneous General Services and 4202- Capital Outlay on Education, Sports, Art and Culture.

Grant No. 58 - Women and Child Development

Directorate of Women and Child Development aims at promoting social and economic empowerment of women through policies and programmes, creating awareness about rights and enable them to realise their full potential. Similarly, the department's mission for care, development and protection of children is focused on providing institutional and legislative support, access to learning for children and enabling them to grow to their full potential.

This grant consists of four Major Heads namely 2235- Social Security and Welfare, 2236- Nutrition, 2071- Pensions and Other Retirement Benefits and 4235- Capital Outlay on Social Security and Welfare.

3.5.1 Budget and expenditure

A summary of overall budget provision, actual disbursements and savings under Grant No. 34 and 58 for the years 2019-22 is shown in Table 3.15.

Table 3.15: Budget provision and actual expenditure under Grant No. 34 and 58

(₹ in crore)

Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of savings
Grant No. 34: School Education (Revenue-voted)						
2019-20	1477.69	109.00	1586.69	1332.08	254.61	16.05
2020-21	1605.98	0.00	1605.98	1380.29	225.69	14.05
2021-22	1796.07	30.32	1826.39	1495.43	330.96	18.12
Grant No. 34: School Education (Capital-voted)						
2019-20	146.85	5.00	151.85	60.49	91.36	60.16
2020-21	145.85	0.00	145.85	0.18	145.67	99.88
2021-22	45.42	50.00	95.42	13.30	82.12	86.06
Grant No. 58: Women and Child Development (Revenue-voted)						
2019-20	483.98	19.56	503.54	320.25	183.29	36.40
2020-21	512.42	51.10	563.52	295.31	268.21	47.60
2021-22	478.80	121.77	600.57	449.55	151.02	25.15
Grant No. 58: Women and Child Development (Capital-voted)						
2019-20	17.48	0.00	17.48	0.41	17.07	97.65
2020-21	36.60	0.00	36.60	0.14	36.46	99.62
2021-22	33.47	0.00	33.47	0.78	32.69	97.67

(Source: Appropriation Accounts of the State for respective years)

It may be seen that in Grant No. 34, there were persistent savings under capital section ranging from 60.16 *per cent* to 99.88 *per cent* during 2019-22. Further, unnecessary supplementary provisions were made under this grant even though actual expenditure was below the original provisions under revenue section (2019-20 & 2021-22) and capital section (2019-20 & 2021-22).

In Grant No. 58, there were persistent savings ranging from 97.65 *per cent* to 99.62 *per cent* (under capital section) during 2019-22.

Main reasons for savings under these two grants, as indicated in the Appropriation Accounts, were non-finalisation of proposals, fewer bills received than expected, fewer purchases, fewer claims from beneficiaries, non-recruitment of staff, non-undertaking of works *etc.*

3.5.2 Non-utilisation of entire provision

In seven sub-heads under Grant No. 34 and one sub-head under Grant No. 58, there were 100 *per cent* savings against provisions made during 2021-22. The provisioned amount remained un-utilised due to non-implementation of schemes/programmes.

Table 3.16: Details of Sub Heads with substantial surrenders during the year 2021-22

(₹ in lakh)

Sr. No.	Head of Account	Total Grant/ Appropriation	Amount surrendered	Percentage of surrender
Grant No. 34				
1	2202-01-800-21- Grants for children with special needs	200.00	200.00	100.00
2	2202-02-796-03- Mid Day Meal	200.00	200.00	100.00
3	2202-02-796-04- Financial assistance for ST children for purchase of books and examination fees	500.00	500.00	100.00
4	2202-02-800-11- Computer literacy and studies in schools	200.00	200.00	100.00
5	2202-02-800-33- Laptop scheme-2011 for students of XI standard	1500.00	1500.00	100.00
6	2202-02-800-34- Upgradation and strengthening of Goa Board of Secondary and Higher Secondary Education	1400.01	1400.01	100.00
7	4202-01-800-13- Infrastructure works for Sanjay Centre for Special Education	2000.00	2000.00	100.00
Grant No. 58				
1	2235-02-103-37- Mahila police volunteers scheme	231.00	231.00	100.00

(Source: Appropriation Accounts of the State)

3.5.3 Substantial savings under sub-heads

Scrutiny of Grant No. 34 and 58 for the year 2021-22 showed that budget allocations under 14 schemes were surrendered (ranging from ₹ 1.34 crore to ₹ 138.55 crore) in the last month of the financial year (amount exceeding ₹ one crore in each case).

Table 3.17: Substantial savings surrendered in the last month of the year

(₹ in lakh)

Sr. No.	Name of scheme	Total grants	Expenditure	Surrenders	Percentage of surrenders
Grant No. 34					
1	2202-01-106-10- Samagra Shiksha	6000.00	2871.96	1809.79	30.16
2	2202-01-800-10- Establishment of Bal Bhavan	950.00	675.00	275.00	28.95
3	2202-01-800-21- Grants for Children with Special need	200.00	11.32	188.69	94.35
4	2202-01-800-33- Special Grants to Konkani/Marathi School	800.00	204.75	595.25	74.41
5	2202-02-110-01- Salary and Maintenance Grants to non- Govt, Secondary Schools	75000.00	61039.26	13854.73	18.47
6	2202-02-800-08- Vocational Guidance at +2 stage	5080.00	3935.02	1136.99	22.38
7	4202-01-201-01- Buildings(Education)	1000.00	4.53	993.66	99.37
8	4202-01-202-01- Buildings(Education)	1000.00	127.76	872.06	87.21
Grant No. 58					
1	2235-02-102-03- Integrated Child Development Scheme including Health cover	6284.35	5267.98	921.69	14.67
2	2235-02-103-02- Yashashvini	158.00	4.96	153.06	96.87
3	2235-02-103-05- Swawlamban	1000.00	251.10	748.90	74.89
4	2235-02-103-09- Fin. Incentives to Mother who deliver a Girl Child (Mamata)	651.00	134.30	516.65	79.36
5	4235-02-102-01- Construction of Anganwadi Centre and Godown	3000.00	22.67	2978.35	99.28
6	4235-02-106-01- Construction of Institutional Complex and Protective Home Building	137.00	2.78	134.24	97.99

(Source: Appropriation Accounts of the State)

3.5.4 Inappropriate re-appropriations

In seven sub-heads under Grant No. 34 and Grant No. 58, funds available after re-appropriation from these sub-heads were not sufficient to meet the obligations, resulting in excess expenditure of ₹ 558.45 lakh during 2019-22 (excess expenditure of ₹ 20 lakh and above). Details are shown in Table 3.18.

Table 3.18: Inappropriate re-appropriations resulting in excess expenditure

(₹ in lakh)

Sr. No.	Year	Head of Account	Original budget	Funds available after re-appropriation	Final expenditure	Excess expenditure
Grant No. 34						
1	2019-20	2202-01-106-01 - Government Primary School	16472.00	15274.55	15426.94	152.39
2	2019-20	2202-02-109-02 - Government High Schools	8288.01	7375.14	7398.55	23.41
3	2020-21 ²	2202-01-106-01 - Government Primary School	16942.60	16304.69	16361.01	56.32
Total			41702.61	38954.38	39186.5	232.12

² No cases of inappropriate re-appropriations were noticed during 2021-22.

Sr. No.	Year	Head of Account	Original budget	Funds available after re-appropriation	Final expenditure	Excess expenditure
Grant No. 58						
1	2019-20	2235-02-001-01-Directorate of Women and Child Development	302.52	200.23	233.80	33.57
2	2019-20	2235-02-102-03-Integrated Child Development Scheme including Health Cover	4385.27	3768.24	3815.32	47.08
3	2019-20	2235-02-106-01-Programme for Delinquent Children	392.83	59.82	268.31	208.49
4	2020-21	2235-02-001-01-Directorate of Women and Child Development	625.52	205.25	242.44	37.19
Total			5706.14	4233.54	4559.87	326.33

(Source: Appropriation Accounts of the State for the respective years)

3.5.5 Rush of expenditure

Women and Child Development Department (Grant No. 58) spent ₹ 14.57 crore out of total expenditure of ₹ 15.68 crore (93 *per cent*) in March 2022, indicating rush of expenditure in the last month of financial year. Details are given in Table 3.19.

Table 3.19: Flow of expenditure during March of the year

(₹ in lakh)				
Sr. No.	Head of Account (up to Sub Head)	Expenditure during March 2022	Total expr. incurred during the year	Percentage of expenditure incurred during March 2022
1	2235-02-102-19- Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA)	45.80	45.82	99.96
2	2235-02-102-25-National Nutrition Mission	305.49	374.79	81.51
3	2235-02-103-08- Indira Gandhi Matritva Sahyog Yojna (IGMSY)	68.61	92.89	73.86
4	2235-02-103-32-National Creche Scheme for Children of Working Mothers	14.10	14.10	100
5	2235-02-108-11-District Child Protection Unit	1023.41	1040.44	98.36
Total		1457.41	1568.04	92.94

(Source: Appropriation Accounts of the State)

3.5.6 Non-receipt of Utilisation Certificates

Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantee institutions³ and after verification, these should be forwarded to the Directorate of Accounts within 12 months from the date of their sanction, unless specified otherwise.

As on 31 March 2022, 1,029 UCs involving ₹ 161.95 crore for the period 1994-21 under Grant No. 34 and 427 UCs involving ₹ 14.16 crore for the period 1991-21 under Grant No. 58 were outstanding, as shown in Table 3.20.

³ Government-aided schools, Anganwadi centers, Child Development Project Offices *etc.*

Table 3.20: Non-receipt of Utilisation Certificates

Name of Grant	Year	(₹ in crore)	
		No. of UCs awaited	Amount
34 - School Education	Up to March 2018-2019	910	137.73
	2019-20	82	20.63
	2020-21	37	3.59
	Total	1029	161.95
58 - Women & Child Development	Up to March 2018-2019	305	6.76
	2019-2020	57	3.57
	2020-2021	65	3.83
	Total	427	14.16

(Source: Information furnished by Directorate of Accounts, Government of Goa)

3.6 Conclusion

- State Government incurred an expenditure of ₹ 4.68 crore without any budget provision under six grants and one appropriation. This was in violation of Article 204 of the Constitution, which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by law by the State Legislature.
- At the end of the financial year, 26.52 *per cent* of the total budgetary provision remained unutilised. Supplementary provisions, constituting 6.75 *per cent* of the original budget, made during the year proved unnecessary, as savings were significantly higher than the supplementary provisions.
- Excess expenditure amounting to ₹ 515.46 crore during the current year as well as ₹ 11,989.99 crore for the period from 2008-09 to 2020-21 was pending regularisation, in terms of Article 205 of the Constitution.
- Persistent savings of ₹ 100 crore or more were noticed during the last three years (2019-22) under Municipal Administration, Public Works and Panchayats.