

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. It also contains a detailed analysis of other specific budget together with the Achievement Report.

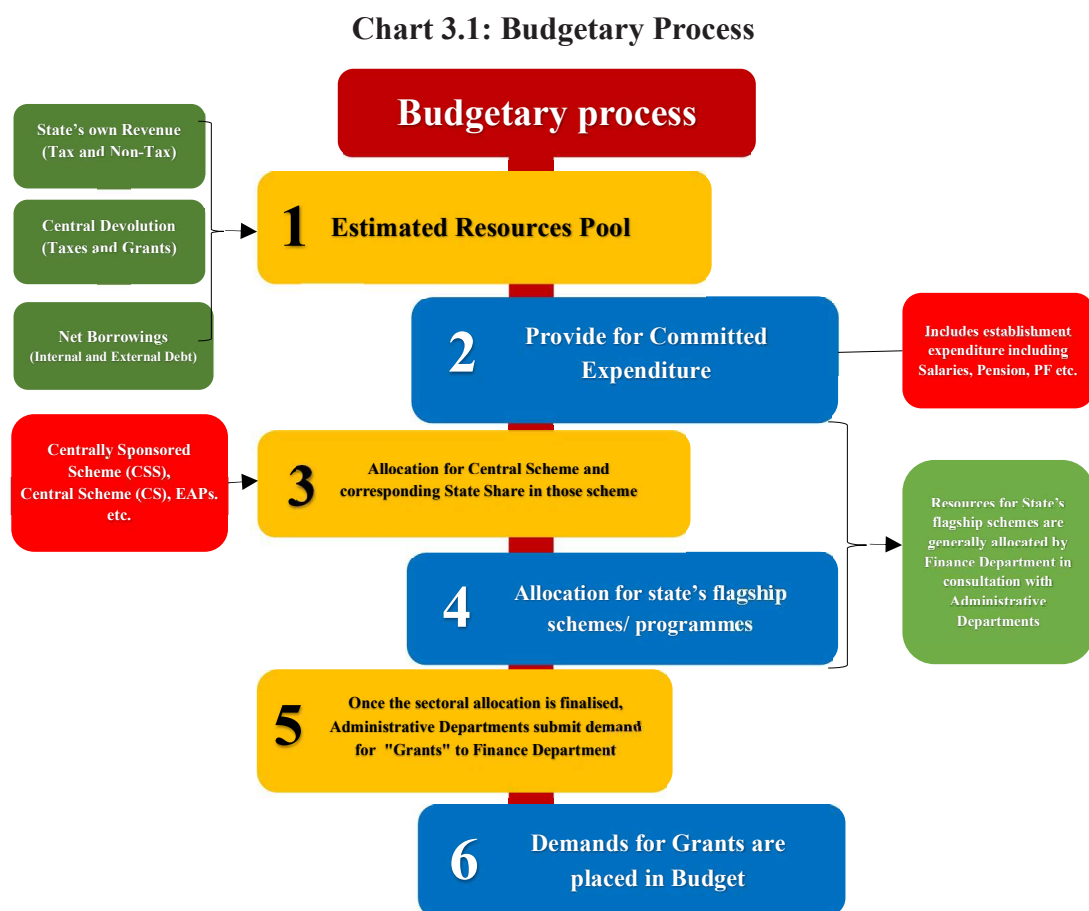
3.1 Budget Process

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 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. This takes place, normally in August-September each year as prescribed in the Bihar Budget Manual.

The State initiated a project for seamless integration of all financial activities, namely, the Comprehensive Financial Management System (CFMS), from 01 April 2019, which replaced the Comprehensive Treasury Management Information System (CTMIS). Budget Preparation is one of the sub-modules of Budget Management under CFMS. However, the State did not revise the Bihar Treasury Code, to synchronise it with the CFMS era of accounting and authorised the Finance Department to issue guidelines in this regard, in the form of circulars, till a comprehensive amendment of the Bihar Treasury Code was notified.

Legislative authorisation is the *sine qua non* for the incurring of all expenditure by the State Government. The State Government has framed financial rules and provided for delegation of financial powers for the incurrence of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations. Apart from supplementary grants, Re-appropriation can also be used to re-allocate funds within a Grant. Review of Budget process in two Departments are discussed in subsequent paras.

A typical budget preparation process in a State is given in **Chart 3.1**.



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

A summary of the total budget provisions, disbursements and savings, with their further bifurcation into 'voted' and 'charged' components, is given in **Table 3.1**.

Table 3.1: Budget provisions, disbursements and savings during 2022-23

(₹ in crore)

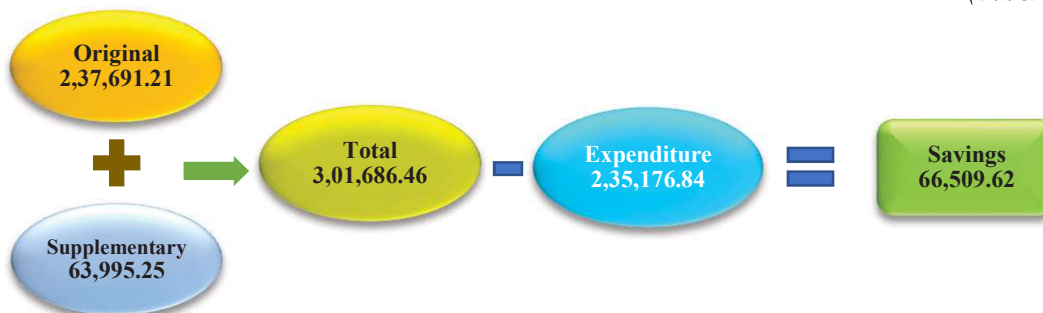
	Total Budget Provisions		Total Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	2,20,987.62	17,962.60	1,70,439.38	16,787.93	50,548.24	1,174.67
Capital	45,974.55	0.00	31,541.69	0.00	14,432.86	0.00
Public Debt	0.00	14,670.03	0.00	14,351.08	0.00	318.95
Loans and Advances	2,091.66	0.00	2,056.76	0.00	34.90	0.00
Total	2,69,053.83	32,632.63	2,04,037.83	31,139.01	65,016.00	1,493.62
	3,01,686.46		2,35,176.84		66,509.62	

(Source: Detailed Appropriation Accounts for the year 2022-23)

The various components of the budget are depicted in the chart below:

Chart 3.2: Components of the budget

(₹ in crore)



Authorised by Legislature

Implemented by Government

(Source: Detailed Appropriation Accounts for the year 2022-23)

The total expenditure of ₹ 2,35,176.84 crore was overstated by a net amount of ₹ 988.42 crore (overstated by ₹ 3,713.42 crore due to clearance of O.B. suspense amount placed in previous years and understated by ₹ 2,725.00 crore, as this amount was placed under OB Suspense in F.Y. 2022-23).

Budget Estimates (BEs) of the State were prepared for ₹ 2,37,691.21 crore. Thereafter, Supplementary Provisions (SP) of ₹ 63,995.25 crore were also made totalling the Total Budget (TB) of the State to ₹ 3,01,686.46 crore. However, during financial year 2022-23, the State had spent only ₹ 2,35,176.84 crore, which was approximately 98.94 *per cent* of the original budget. Resultantly, a sum of ₹ 66,509.62 crore was reported as savings against the final budget indicating that the budget was inflated to that extent.

As evident from **Chart 3.2**, the State Government incurred expenditure of 77.95 *per cent* (4.78 *per cent* more than FY 2021-22) against the total provisions made during 2022-23, resulting in saving of 22.05 *per cent*. The supplementary provisions of ₹ 63,995.25 crore, therefore, became unnecessary, as the expenditure was not even up to the level of original provisions.

Further, in the process of preparation of the main budget for the year 2022-23, the State Government prepared some Specific Budgets *i.e.*, Outcome Budget, Gender Budget, Child Welfare Budget, Green Budget and Achievement Reports thereon. These budgets were analysed, and the results thereof are discussed in the subsequent paragraphs of this report.

3.1.2 Charged and Voted disbursements

A break-up of the total disbursements, into 'charged' and 'voted' during the last five years (from 2018-19 to 2022-23), is shown in **Table 3.2**.

Table 3.2: Charged and Voted Expenditure during 2018-19 to 2022-23

(₹ in crore)

Financial Year	Total Budget Provisions		Disbursements		Savings/Excess		Savings against Total Provisions (per cent)	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2018-19	1,90,375.36	19,114.48	1,42,022.79	18,294.88	48,352.56	819.60	25.40	4.29
2019-20	2,08,629.14	19,858.04	1,30,506.24	19,135.68	78,122.90	722.36	37.45	3.64
2020-21	2,24,274.43	21,248.16	1,48,348.42	19,566.98	75,926.04	1,681.18	33.85	7.91
2021-22	2,41,479.13	23,917.74	1,71,395.87	22,806.33	70,083.26	1,111.41	29.02	4.65
2022-23	2,69,053.83	32,632.63	2,04,037.83	31,139.01	65,016.00	1,493.62	24.16	4.58

(Source: Appropriation Accounts for respective years)

The overall savings of ₹ 66,509.62 crore during 2022-23 were more than the size of the supplementary budget of ₹ 63,995.25 crore, obtained during the year.

3.1.3 Budget Marksmanship

3.1.3.1 Aggregate Budget Outturn

The Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. Summary of this break-up is given in Table 3.3.

Table 3.3: Aggregate Budget Outturn of Financial Year 2022-23

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE* (3)-(2)	Percentage Deviation
(1)	(2)	(3)	(4)	(5)
Revenue	1,91,956.69	1,87,227.31	(-) 4,729.38	(-) 2.46
Capital	45,734.52	47,949.53	2,215.01	4.84
Total	2,37,691.21	2,35,176.84	(-) 2,514.37	(-) 1.06

(Source: Detailed Appropriation Account for the year 2022-23)

*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

In the Revenue section, the deviation in outturn, compared with the BEs, was (-) 2.46 per cent. This was due to deviation between 0 and ± 25 per cent in 32 grants, between more than ± 25 per cent and ± 50 per cent in 15 grants, between more than ± 50 per cent and ± 100 per cent in three grants. Further, there was no budget and expenditure under the revenue section in one grant (14 : Repayment of Loans).

In the Capital section, deviation in outturn, compared with the BEs was (+) 4.84 per cent. This was due to deviation between 0 and ± 25 per cent in seven grants, between more than ± 25 per cent and ± 50 per cent in eight grants, between more than ± 50 per cent and

± 100 per cent in nine grants and equal to or more than 100 per cent in five grants.

In the capital section of the grants, the following were noticed:

- ✦ No provision was made in respect of 19 grants.
- ✦ In three grants, (04: Cabinet Secretariat Department, 11: BC and MBC Welfare Department and 44: SC and ST Welfare Department), no expenditure was incurred against the Budget provisions of ₹ 231.66 crore during the financial year, while there was surrender of ₹ 33.50 crore under the Grant no 11 (BC and MBC Welfare Department).

3.1.3.2 Expenditure Composition Outturn

The Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition, as described in **Table 3.4**.

Table 3.4: Expenditure Composition: Outturn Financial Year 2022-23

(₹ in crore)

Description	Original Approved Budget (BE)	Revised Estimate (RE)	Actual Outturn	Difference between RE & BE	Difference between Actual outturn and RE*	Percentage Deviation of Column 6 in relation to R.E.
1	2	3	4	5 (3-2)	6 (4-3)	7
Revenue	1,91,956.69	2,33,598.19	1,87,227.31	41,641.50	(-) 46,370.88	(-) 19.85
Capital	45,734.52	56,136.64	47,949.53	10,402.12	(-) 8,187.11	(-) 14.58
Total	2,37,691.21	2,89,734.83	2,35,176.84	52,043.62	(-) 54,557.99	(-) 18.83

(Source: Appropriation Accounts 2022-23)

* Excess of actuals outturn over revised estimate is denoted as (+) figure and shortage of actuals outturn over revised provision is denoted as (-) figure

In the Revenue section, the deviation in actual outturn, compared with the REs was (-) 19.85 per cent. This was due to deviation between 0 and ± 25 per cent in 31 grants, between more than ± 25 per cent and ± 50 per cent in 15 grants and between more than ± 50 per cent and ± 100 per cent in four grants.

In the Capital section, the deviation in outturn compared with the REs was (-) 14.58 per cent. This was due to deviation between 0 and ± 25 per cent in 11 grants, between more than ± 25 per cent and ± 50 per cent in eight grants, between more than ± 50 per cent and ± 100 per cent in nine grants and equal to or more than 100 per cent in one grant.

In Bihar, the original budget provisions were supplemented by three Supplementary Provisions during the year 2022-23 and the original budget was enhanced to ₹ 3,01,686.46 crore (by 26.92 per cent). Outturn variance against the total budget is described in **Table 3.5**.

Table 3.5: Outturn variance against the total budget (during 2022-23)

(₹ in crore)

Description	Total Budget	Expenditure	Outturn variance	
			Amount	As percentage of total budget
Revenue	2,38,950.22	1,87,227.31	(-) 51,722.91	(-) 21.65
Capital	62,736.24	47,949.53	(-) 14,786.71	(-) 23.57
Total	3,01,686.46	2,35,176.84	(-) 66,509.62	(-) 22.05

(Source: Appropriation Accounts 2022-23)

In the Revenue section, the deviation in outturn, compared with the Total Budget, was (-) 21.65 per cent. This was due to deviation between 0 and ± 25 per cent in 30 grants, between more than ± 25 per cent and ± 50 per cent in 16 grants, between more than ± 50 per cent and ± 100 per cent in four grants.

In the Capital section, deviation in outturn, compared with the Total Budget was (-) 23.57 per cent. This was due to deviation between 0 and ± 25 per cent in 12 grants, between more than ± 25 per cent and ± 50 per cent in nine grants and between more than ± 50 per cent and ± 100 per cent in eight grants.

In the capital section of grants, the following were noticed:

- ✦ No provisions were made in respect of 18 grants under the Capital section.
- ✦ Although there was a provision of ₹ 431.66 crore under the Capital section of four grants (04: Cabinet Secretariat Department; 11: BC and MBC Welfare Department; 39: Disaster Management Department and 44: SC and ST Welfare Department), no expenditure was incurred their against and ₹ 33.50 crore was surrendered under one grant (11: BC and MBC Welfare Department).

3.2 Appropriation Accounts

The Appropriation Accounts depict the original budget provisions, supplementary grants, surrenders, savings, and re-appropriations distinctly, and indicate the 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 the utilisation of funds, the management of finances and monitoring of budgetary provisions.

Audit of appropriation accounts 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.

3.3 Integrity of the Budgetary and accounting process

Integrity of the Budget means, “public funds are being spent properly and according to the interest of the public”. The budget must be credible, and the information contained in the fiscal and financial report must be reliable. Budget integrity and

accountability would ultimately depend on the capacity of the Department to programme the expenditure realistically, implement their programmes and schemes timely and efficiently.

3.3.1 Transfers not mandated by the Appropriation Act/Detailed Demands for Grants (into Public Account/ Bank Accounts)

It was seen that the provisions of funds in the budget were made and referred to the Administrative Departments, by the Finance Department, for incurring expenditure. The concerned Department then drew the entire amount provisioned and deposited them in the public account, for further payment/execution, even if they were not required for immediate use.

It was observed that, in 447 schemes¹ across the Appropriation Accounts, ₹20,015.61 crore were transferred/deposited in the public account, during the financial year. Some major examples of such cases of ₹ 500 crore and more are detailed in **Table 3.6**.

Table 3.6: ₹ 500 crore and more transferred to MH-8443 & MH-8448

(₹ in crore)

Description	Total Budget	Total Expenditure	Transferred to Public Account
Revenue			
18-3456001020306 - National Food Protection Mission	564.34	499.19	499.19
20-2210012000209 - National Health Mission including National Rural Health Mission	550.00	543.70	543.70
37-3054041050001 - Rural Road- Other maintenance expenditure	3,050.00	3,057.74	2,981.14
Capital			
35-4070000510107 - Chief Minister Area Development Scheme	807.82	792.32	792.32
37-4515001030518 - Mukhya Mantri Gram Sampark Yojana (World Bank Aided)	700.00	700.00	700.00
37-4515001030519 - Chief minister village Connectivity plan (NDB)	700.00	700.00	700.00
37-4515007890104 - Mukhya Mantri Gram Sampark Yojana	1,425.47	1,424.05	725.47
48-5075601900101 - Patna Metro Rail Corporation LTD.	959.00	959.00	959.00
Total	8,756.63	8,676.00	7,900.82

(Source: Appropriation Accounts and VLC Data)

It was also noticed that, out of the total expenditure, 24.56 *per cent* of the capital expenditure, 68.38 *per cent* of the expenditure under loans and advances and 4.81 *per cent* of the revenue expenditure, were deposited in Civil Deposit and Deposits of Local Funds. Details of the Heads by which the funds were transferred to the Deposit Account (MH-8448 and 8443) are shown in **Table 3.7**.

¹ Schemes refer to Bill code up to sub-head level.

Table 3.7: Details of funds transferred to the Major Head 8443 and 8448

(₹ in crore)

Head	Transferred to MH-8448				Transferred to MH-8443			
	2019-20	2020-21	2021-22	2022-23	2019-20	2020-21	2021-22	2022-23
Receipt	76.67	276.69	325.57	438.83	0	0	0.05	0.59
Revenue Expenditure	8,456.84	11,876.36	12,454.01	8,780.60	248.79	538.88	435.82	228.14
Capital Expenditure	11,485.31	9,166.60	10,564.51	9,965.26	893.12	1,330.20	1,394.31	1,307.33
Loans & Advances	609.38	605.79	731.48	1,406.50	0	0	0	0
Total	20,628.20	21,925.44	24,075.57	20,591.19	1,141.91	1,869.08	1,830.18	1,536.06

(Source: VLC data)

Further, out of 51 Grant controlling officers, 19 disclosed the status of amount transferred to DDO's bank accounts. Among those 19 grants, 11 Grants submitted 'nil' report, whereas eight grants submitted the details of amount transferred to the DDO's accounts during F.Y. 2022-23, for incurring expenditure thereagainst. Cases of such transfer of amounts more than ₹ 10 crore are described in **Table 3.8**.

Table 3.8: Details of funds transferred to DDO's Bank Accounts

(₹ in crore)

Sl. No.	Grant No.	Name of Department	Amount transferred during 2022-23	Amount spent out of total amount transferred during 2022-23	Balance as on 31 st March 2023
1	10	Energy	16,549.12	16,207.87	341.25
2	39	Disaster Management	670.09	642.63	27.45
3	41	Road Construction	947.01	219.49	727.52
4	43	Science & Technology	55.31	43.30	12.01
Total			18,221.53	17,113.29	1,108.23

(Source: Summarised Appropriation Account 2022-23)

It is evident from **Table 3.8** that large amounts were transferred from the consolidated fund to the public account, leading to parking of funds.

This indicates an inflated picture of the expenditure incurred and understatement of the figures of receipts of the State Government, during the financial year.

3.3.2 Unnecessary/excess supplementary grants

As per Article 205 of the Constitution of India, a Supplementary or Additional Grant or Appropriation, over the provision made by the Appropriation Act for the year, can be made during the current financial year.

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess expenditure by Re-Appropriation, the Secretary in the Department concerned, proposes to the Finance Department, for Supplementary or Additional Grant or Appropriation, which is subsequently approved by the legislature, through Supplementary Budget.

During 2022-23, in 22 cases of 20 grants, supplementary provisions amounting to ₹ 18,491.79 crore (₹ 100 crore or more in each case) proved unnecessary/excess and remained fully unutilised, as the expenditure (₹ 83,802.17 crore) had not been recorded even up to the level of the original provisions (₹ 1,03,251.69 crore), as detailed in *Appendix 3.1*. Further, in one grant namely ‘04-Cabinet Secretariat’, total expenditure of ₹ 241.51 crore was less than the Supplementary provisions of ₹ 277.69 crore.

Further, in seven of the 22 cases reported above, having involvement of ₹ 14,722.95 crore, the amount of each supplementary provision was ₹ 1,000 crore and more. Allocations of supplementary budget to grants, despite having savings against original allocation, are likely to be resulted in paucity of funds for other departments.

3.3.3 Unnecessary and Excess Re-Appropriation

‘Re-appropriation’ means the transfer of savings, by a competent authority, from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation. The Government is thus allowed to re-appropriate provisions from one unit of appropriation to another within the same Grant, altering the destination of an original provision for one purpose to another, subject to the limits and restrictions laid down.

From the Detailed Appropriation Accounts for the year 2022-23, it was noticed that:

- ✦ Re-appropriation of ₹ 771.37 crore in 35 cases, under 15 grants, proved unnecessary (re-appropriation not required), as the final savings (₹ 10 crore or more in each case) were ₹ 2,175.63 crore (*Appendix 3.2*).
- ✦ An amount of ₹ 1,778.05 crore, provided through re-appropriation, in nine cases under five grants, proved excess (amount re-appropriated was more than what was required), in view of the final savings (₹ 10 crore or more in each case) of ₹ 909.60 crore (*Appendix 3.3*). This indicated injudicious re-appropriation, without assessing actual requirements.

Augmentation of provisions through re-appropriation orders proved unnecessary/excess because expenditure did not come up to the level of the original/total budget provisions.

3.3.4 Unspent amounts, surrendered appropriations and/or Large Savings/ Surrender

During 2022-23, there were 49 cases of savings under voted and charged expenditure related to 35 Grants, each of ₹ 100 crore or more, amounting to a total of ₹ 65,132.21 crore (23.68 *per cent* of total provision of ₹ 2,75,095.43 crore), as detailed in *Appendix 3.4*.

Further, there was significant variation of 20 *per cent* or more between total Budget and expenditure in 32 Grants, which resulted in huge savings of ₹ 53,766.73 crore (32 *per cent* of total provision of ₹ 1,67,550.87 crore). The reasons for these variations have not been appropriately explained in the Appropriation Accounts (*Appendix 3.5*).

In 21 cases involving 20 Grants, there were persistent total savings of ₹ 43,357.27 crore and above (savings of ₹ 200 crore or more in each grant/appropriation), during each of the five years, as detailed in *Appendix 3.6*. Persistent savings indicate that budget

allocations had been made without considering the trends of expenditure in previous years.

Grant-wise savings of ₹ 2,000 crore and more in 2022-23, along with the last four years' savings, are shown in **Table 3.9**.

Table 3.9: Grants/Appropriations with savings of more than ₹ 2,000 crore in 2022-23 with last four years trend

(₹ in crore)

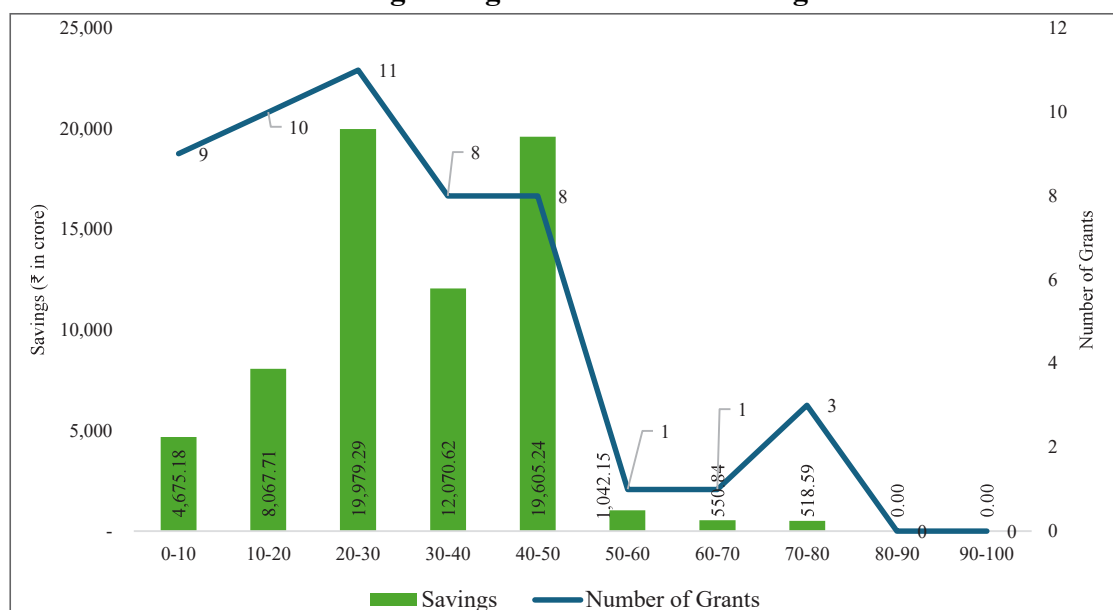
Grant-Department	2018-19	2019-20	2020-21	2021-22	2022-23
21-Education Department	10,081.81	12,140.67	11,784.91	12,877.72	13,796.59
20-Health Department	2,359.27	3,582.55	4,056.45	6,085.46	8,543.32
16-Panchayati Raj Department	1,837.67	4,891.60	4,675.44	5,367.03	4,910.47
37-Rural Works Department	7,553.55	8,518.95	6,439.24	4,841.88	4,463.00
48-Urban Development and Housing Department	2,064.28	3,250.51	3,952.81	4,640.19	4,394.35
42-Rural Development Department	6,323.92	8,900.63	8,531.89	9,206.77	3,318.65
22-Home Department	764.90	2,133.08	2,643.70	4,192.63	3,258.08
03-Building Construction Department	1,211.20	4,205.01	3,830.73	2,522.82	2,880.66
15-Pension	662.21	1,414.68	796.52	1,527.51	2,324.24
51-Social Welfare Department	3,409.41	2,339.24	2,223.48	2,244.40	2,295.38
Total savings in these grants	36,268.22	51,376.92	48,935.17	53,506.41	50,184.74
Total savings during the year (all 51 grants)	49,172.17	78,845.26	77,607.22	71,194.67	66,509.62
Percentage saving in grants reported above	73.76	65.16	63.05	75.16	75.45

(Source: Appropriation Accounts for the respective year)

Further, there was surrender of ₹ 20,104.08 crore (₹ 100 crore or more in each case) under 12 Grants as in **Appendix 3.7** and, in three grants, the amount of surrender was even more than the supplementary provisions.

Chart 3.3 depicts the number of grants/appropriations, grouped by the percentage of savings, along with their total savings during the financial year.

Chart 3.3: Number of Grants/Appropriations grouped by the percentage of Savings along with their total savings



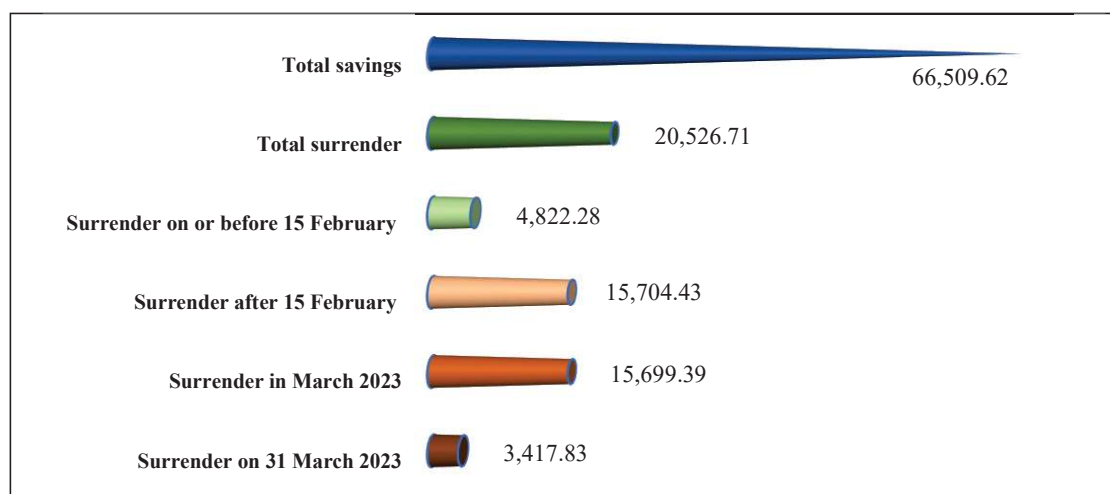
(Source: Appropriation Accounts for the year 2022-23)

Chart 3.3 shows that five, out of 51 grants, had savings more than 50 *per cent*, whereas, in 16 grants, the amount of saving was in the range of 30-50 *per cent*, which is significantly higher than their overall savings of 22.05 *per cent* against the total budget.

As per Para 104 of the Bihar Budget Manual, 2016, no amount out of the savings should be held in reserve for meeting additional expenditure not definitely foreseen or not already approved by the competent authority. Further surrender of savings is to be submitted by 15th of February of the concerned financial year. In exceptional cases, surrenders may be submitted up to 31st March of that financial year. Savings and surrenders, before the end of financial year 2022-23, are shown in **Chart 3.4**.

Chart 3.4: Savings and surrenders before the close of FY 2022-23

(₹ in crore)



(Source: Appropriation Accounts for the year 2022-23)

As evident from **Chart 3.4**, a balance of ₹ 15,704.43 crore (76.51 *per cent* of total amount surrendered) was surrendered after 15th February, in violation of the stipulated provisions under the Bihar Budget Manual.

3.3.5 Grants-in-aid for creation of capital assets

Grants-in-Aid (GIA) are payments in the nature of assistance, donations or contributions, made by one government to another government, body, institution or individual. GIA are given for specified purpose of supporting an institution including construction of assets. As per IGAS-2, GIA disbursed by a grantor to a grantee, shall be classified and accounted for as revenue expenditure, irrespective of the purpose for which the funds are disbursed, as GIA is to be spent by the grantee, except in cases where they had been specifically authorised by the President on the advice of the CAG of India.

As per Statement 10 of the Finance Accounts 2022-23 (Vol-I), the total funds released as GIA during 2022-23 were ₹ 79,940.88 crore, of which funds allotted for creation of Capital Assets were ₹ 20,019.34 crore (25.04 *per cent*), as described in **Table 3.10**.

Table 3.10: Trend of GIA for capital creation

(₹ in crore)

Financial Year	Total GIA	Growth in per cent	GIA for Capital Creation	Percentage of GIA utilised for Capital Creation	Growth in per cent
2018-19	51,764.29	19.39	14,023.84	27.09	232.14
2019-20	46,581.54	(-)10.01	5,569.37	11.96	(-) 60.29
2020-21	54,928.98	17.92	27,340.81	49.77	390.91
2021-22	65,015.01	18.36	6,177.94	9.50	(-) 77.40
2022-23	79,940.88	22.96	20,019.34	25.04	224.05

(Source: Finance Accounts of the relevant years)

3.4 Comments on effectiveness of budgetary and accounting process

To enhance the effectiveness of the budgetary and accounting processes in the departments, Government needs to set annual objectives for each performance indicator of the budgetary control system, so that departments strive to achieve the annual set objectives for each indicator.

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for the achievement of various fiscal indicators. A summarised position of the actual Expenditure *vis-à-vis* the budget (Original/ Supplementary) provisions, during the financial year 2022-23, is depicted in **Table 3.11**.

Table 3.11: Summarised position of Actual Expenditure *vis-à-vis* Budgetary provisions, during 2022-23

(₹ in crore)

Nature of Expenditure		Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total Grant/ Appropriation	Actual Expenditure	Savings	Amount surrendered	Amount surrendered in March 2023	Percentage of savings surrendered in March 2023 (Col.8/ Col.6×100)
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Voted	I-Revenue	1,74,028.69	46,958.93	2,20,987.62	1,70,439.38	50,548.24	15,307.73	13,418.29	26.55
	II-Capital	29,749.64	16,224.91	45,974.55	31,541.69	14,432.86	5,218.43	2,281.10	15.80
	III-Loans and Advances	1,314.85	776.81	2,091.66	2,056.76	34.90	0.01	0.00	0.00
	Total Voted	2,05,093.18	63,960.65	2,69,053.83	2,04,037.83	65,015.00	20,526.17	15,699.39	24.15
Charged	IV- Revenue	17,928.00	34.60	17,962.60	16,787.93	1,174.67	0.54	0.00	0.00
	V-Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	VI-Public Debt- Repayment	14,670.03	0.00	14,670.03	14,351.08	318.95	0.00	0.00	0.00
	Total Charged	32,598.03	34.60	32,632.63	31,139.01	1,493.62	0.54	0.00	0.00
Grand Total		2,37,691.21	63,995.25	3,01,686.46	2,35,176.84	66,509.62	20,526.71	15,699.39	23.60

(Source: Appropriation Accounts for the year 2022-23)

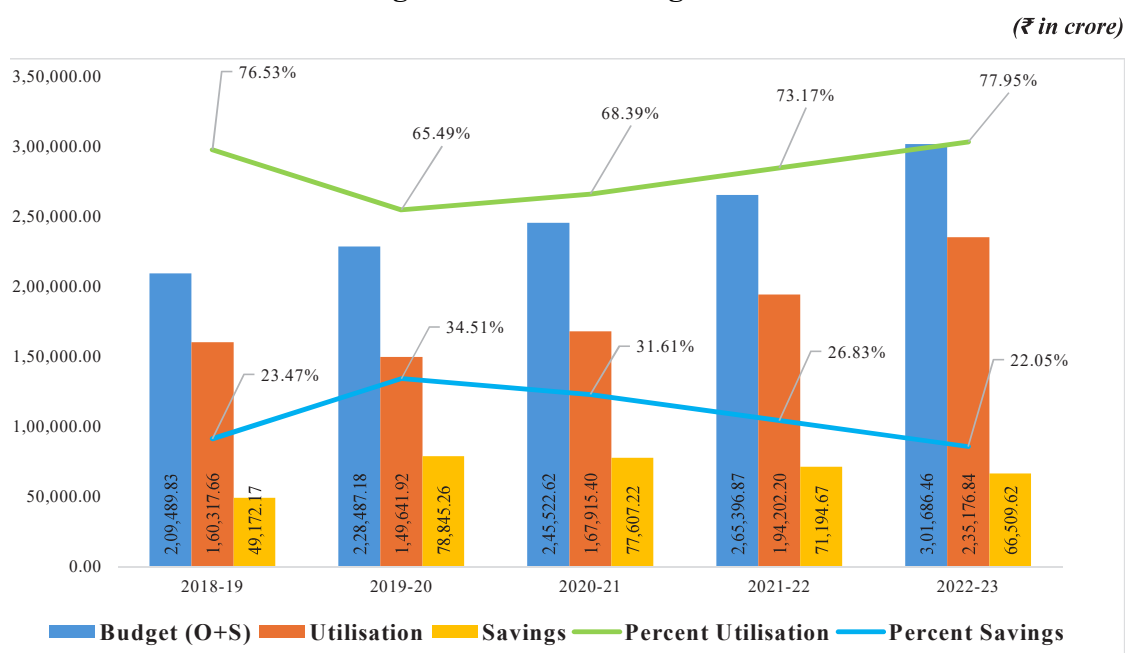
Note: The expenditure includes recoveries/refund of revenue expenditure amounting to ₹ 3,251.09 crore and recoveries of capital expenditure amounting to ₹ 21.87 crore adjusted as reduction of expenditure.

As evident from **Table 3.11**, the expenditure incurred during the year was only ₹ 2,35,176.84 crore (77.95 *per cent*) against the total provisions of ₹ 3,01,686.46 crore. This indicated that the supplementary provisions of ₹ 63,995.25 crore were avoidable, since the expenditure did not reach even up to the level of the original provisions (₹ 2,37,691.21 crore).

Overall savings of ₹ 66,509.62 crore resulted from savings of ₹ 51,722.91 crore in 46 grants and eight Appropriations under the Revenue section and savings of ₹ 14,786.71 crore in 35 Grants/Appropriations under the Capital section, including seven grants under Loans and Advances and one grant under Public Debt Repayments.

Out of the total savings of ₹ 66,509.62 crore, only 30.86 *per cent* were surrendered (₹ 20,526.71 crore) during the year. This resulted in non-surrender of savings aggregating ₹ 45,982.91 crore (69.14 *per cent* of total savings). The total savings were 103.93 *per cent* of the supplementary provisions. Trends in the percentage of overall savings, against the overall provisions in the budget, are shown in **Chart 3.5**.

Chart 3.5: Budget Utilisation during 2018-19 to 2022-23



(Source: Appropriation Accounts of respective years)

The trend analysis shows that during the last five years, the overall savings ranged from 22.05 *per cent* to 34.51 *per cent*, in regard to the total budget. It indicates inaccurate estimation and the inability of the Planning & Development Department and Finance Department, to ensure effective budgetary planning and control.

Further, there were cases of non-utilisation of the entire provision of ₹ 4,640.34 crore in 185 Scheme Head of accounts under 26 grants/ appropriations. Out of these cases, total budget provisions of ₹ 4,053.49 crore, in 32 cases under 12 grants/ appropriations, remained unutilised (₹ 25 crore and above in each case), as detailed in **Appendix 3.8**.

Trends in the original budget, revised estimate and actual expenditure, for the Financial Years 2018-19 to 2022 -23, are given in **Table 3.12**.

Table 3.12: Original Budget, Revised Estimate and Actual Expenditure, during 2018-19 to 2022-23

(₹ in crore)

Sl. No.	Description	2018-19	2019-20	2020-21	2021-22	2022-23
1	Original Budget	1,76,990.27	2,00,501.01	2,11,761.50	2,18,302.70	2,37,691.21
2	Supplementary Budget	32,499.56	27,986.17	33,761.12	47,094.17	63,995.25
3	Total budget (TB) (1+2)	2,09,489.83	2,28,487.18	2,45,522.62	2,65,396.87	3,01,686.46
4	Revised Estimate (RE)	1,92,620.88	2,18,729.55	2,29,716.91	2,58,632.52	2,89,734.83
5	Actual Expenditure (AE)	1,60,317.66	1,49,641.92	1,67,915.40	1,94,202.20	2,35,176.84
6	Savings (3-5)	49,172.17	78,845.26	77,607.22	71,194.67	66,509.62
7	Percentage of supplementary to the original provision	18.36	13.96	15.94	21.57	26.92
8	Percentage of overall saving/excess to the overall provision	23.47	34.51	31.61	26.83	22.05
9	TB-RE	16,868.95	9,757.63	15,805.71	6,764.35	11,951.63
10	RE-AE	32,303.22	69,087.63	61,801.51	64,430.32	54,557.99
11	(TB-RE) as <i>per cent</i> of TB	8.05	4.27	6.44	2.55	3.96
12	(RE-AE) as <i>per cent</i> of TB	15.42	30.24	25.17	24.28	18.08

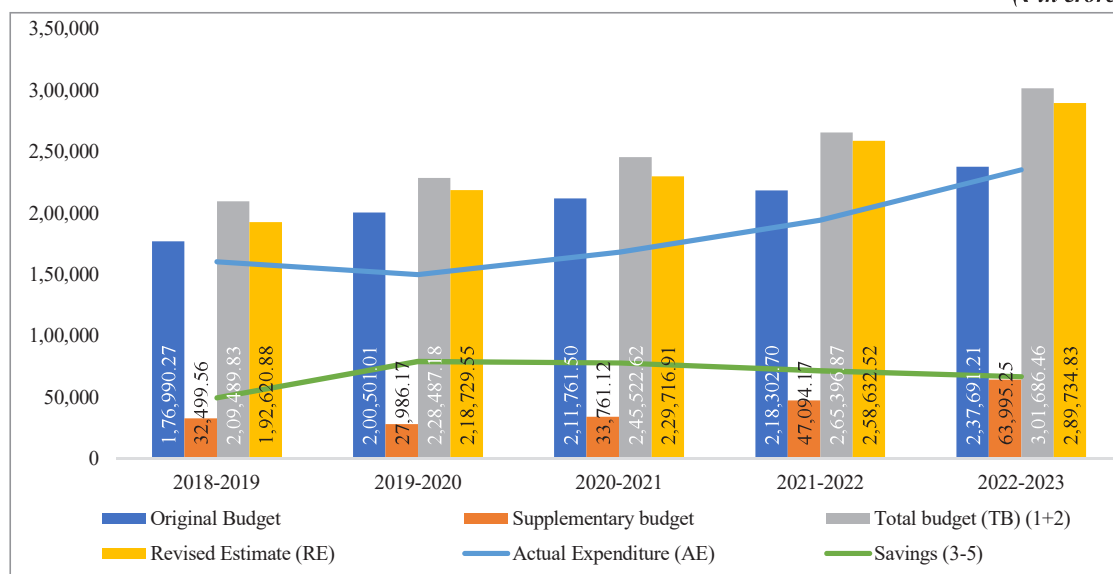
(Source: Annual Financial Statement and Appropriation Accounts of Respective Financial Years)

Table 3.12 shows that supplementary provisions of ₹ 63,995.25 crore, during 2022-23, constituted 26.92 *per cent* of the original provision, as against 21.57 *per cent* in the previous year. It is noteworthy that in each year the budget estimates were projected lower than revised estimates of the preceding financial year, but the budget provisions were increased with the supplementary provisions, ranging from 13.96 *per cent* to 26.92 *per cent*. Further, in each financial year, actual expenditure was also significantly lower than the Original Budget.

Further trends of budget estimates, revised estimates, and actual expenditure are depicted in **Chart 3.6**.

Chart 3.6: Trends of BEs, REs and Actuals

(₹ in crore)



(Source: Annual Financial Statements and Appropriation Accounts of the respective Financial Years)

Table 3.12 and **Chart 3.6** reflect budgetary provisions being based on unrealistic proposals, as Budget Estimates were inflated and the actual Expenditure was less than the original Budgetary Provisions (B.Es).

3.4.2 Missing/ Incomplete Explanations for Variation from Budget

The following norms were adopted for comments on the Appropriation Accounts for Bihar State, as described below in **Table 3.13**.

Table 3.13 Criteria for comments on the Appropriation Accounts

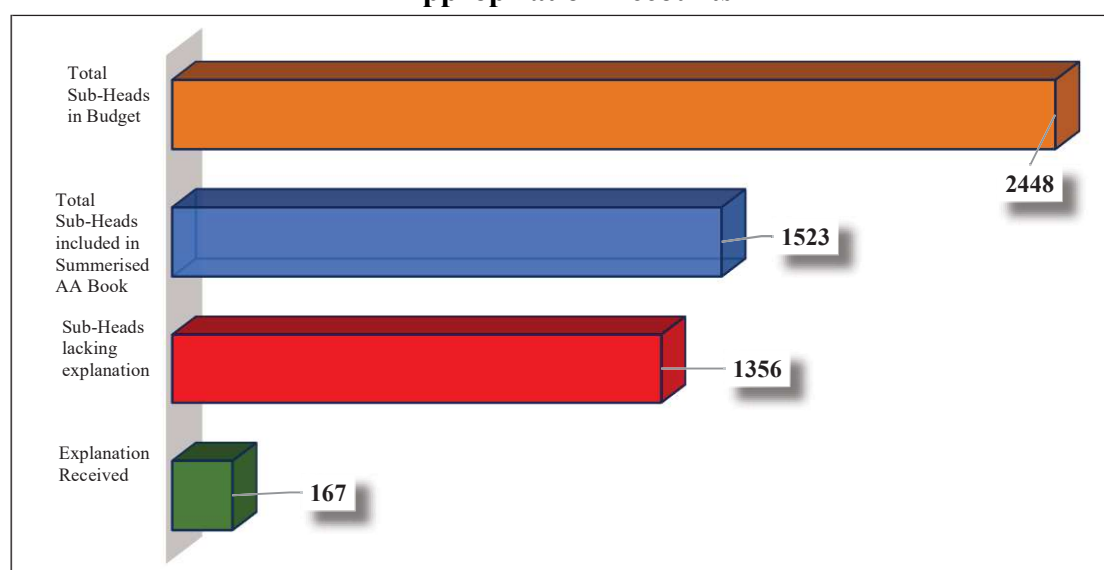
Sl. No.	Grant wise Budget Provision	Saving(-) / Excess(+)	Sub head wise norm
1	2	3	4
1	Up to ₹ 5.00 crore	₹ 5.00 lakh	At the Sub-head level in each case amount shown in Column No. 3 or 10 <i>per cent</i> of Sub-head wise provision, whichever is more
2	More than ₹ 5.00 crore but less than ₹ 50.00 crore	₹ 10.00 lakh	
3	More than ₹ 50.00 crore but less than ₹ 100.00 crore	₹ 15.00 lakh	
4	More than ₹ 100.00 crore but less than ₹ 500.00 crore	₹ 20.00 lakh	
5	More than ₹ 500.00 crore	₹ 25.00 lakh	

Accountant General (A&E), Bihar, provided the draft Appropriation Accounts to the Controlling Officers of the Departments, seeking the reasons/explanations for the variations in expenditure, with reference to approved budgetary allocation, in keeping with the limits set by the PAC.

The Controlling Officers, however, provided explanations for variations in the expenditure *vis-à-vis* budgeted allocations in 10.96 *per cent* of total cases only. Reasons for variation were called for in respect of 1523 cases under all 51 Grants/Appropriations. However, reasons for variations, in respect of only 167 cases under 25 Grants/ Appropriations, were furnished by the Controlling Officers of Government Departments.

The status of explanations, received in case of variations in the Appropriation Accounts, requiring explanation, is shown in **Chart 3.7**.

Chart 3.7: Summary of Explanation for Variations in the Appropriation Accounts



(Source: Appropriation Accounts of the financial year 2022-23)

1523 sub-heads, included in AA Books, together accounted for savings of ₹ 45,923.32 crore in 50 Grant/ Appropriation and an excess of ₹ 1,498.09 crore in 23 Grant/ Appropriation. Out of these, variations have been explained only in 99 Sub-heads covering a savings of ₹ 2,453.79 crore and 68 Sub-heads covering an excess of ₹ 1,278.36 crore and variations in respect of 1356 Sub-heads covering savings of ₹ 43,469.53 crore (94.66 *per cent*) and an excess of ₹ 219.73 crore (14.67 *per cent*) remain unexplained due to non-receipt of replies from the concerned departments of State Government.

In the absence of explanation for variations between the budgeted allocations and their utilisation limits, the informational utility of the Appropriation accounts, for enabling the financial accountability of the Government and legislative control over budget, remained void.

3.4.3 Large Variations at the Sub-head level remaining unexplained

As explained earlier, the monetary limits and/or percentages prescribed, if any, by the State PAC, may be followed while selecting the heads for comments on variations in the Appropriation Accounts. In case of Appropriation Accounts for the Union Government, the limits were set by the Central PAC.

Make the reporting more useful and effective in accordance with present status and size of the budget, a proposal for revision in the reporting norms was initiated by Ministry of Finance, GoI on the ground that the current limits had been effective since 1993-94. Since then, the size of Union Budget had gone up by 28 times, necessitating an upward revision of the materiality level or ceiling for comment/ explanation in Appropriation Accounts. The Central PAC (17th Lok Sabha, 2019-20), in its first report of December 2019, titled ‘Revision of ceiling for exception reporting in Appropriation Accounts’, had reviewed the ceiling for sub-head level comments in the appropriation account, and raised the limits upwards.

The revised and earlier limits for explaining variations at the Sub-Head level, are described in **Table 3.14**.

Table 3.14: Norms set by the Central PAC for Explaining Variations at Sub-Head Level

Pre-Revised Norm (from 1993-94)	Revised Norm (from 2018-19)
Variation (Excess or Savings) exceeding ₹ 100 lakh are explained	Variation (Excess or Savings) exceeding ₹ 500 lakh are explained
All cases where the Variation (Excess or Savings) exceeds 10 per cent of the sanctioned provision or ₹ 50 lakh whichever is higher are explained	All cases where the Variation (Excess or Savings) exceeds 10 per cent of the sanctioned provision or ₹ 250 lakh whichever is higher are explained
If there is a supplementary, all cases where savings exceeds 10 per cent of the supplementary or ₹ 5 lakh whichever is higher are explained	If there is a supplementary, all cases where savings exceeds 10 per cent of the supplementary or ₹ 100 lakh whichever is higher are explained
When Grant as a whole exceeded , Sub-Heads involving excess of ₹ 1 Lakh are picked up	When Grant as a whole exceeded , Sub-Heads involving excess of ₹ 25 lakh are picked up

As can be seen, the norms set by the Central PAC cover a wider range of cases requiring explanation for variation.

The State of Bihar, however, has continued with the same criteria, even after a lapse of around 20 years or more, though it is not known when these criteria were set for this purpose. During a span of years, the size and volume of Budget of the state has increased manifold, as detailed in **Table 3.15**.

Table 3.15: Timeline description of the State Budget size and expenditure

(₹ in crore)

Financial Year	Budget Size	Expenditure	Volume of increase w.r.t. to Budget Size of 2005-06
2005-06	28,976.40	22,568.47	
2020-21	2,45,522.59	1,67,915.40	847.32
2021-22	2,65,396.87	1,94,202.20	915.91
2022-23	3,01,686.46	2,35,176.84	1,041.15

(Source: Appropriation Accounts of the respective years)

It is evident from **Table 3.15** that the Budget provisions has increased 10.41 times *w.r.t.* the year 2005-06 (₹ 28,976.40 crore). Some examples of the larger grants are given in **Table 3.16**.

Table 3.16: Some of the largest grants, in terms of Budget size

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Budget Provisions
1	21	Education	55,892.37
2	15	Pension	25,467.93
3	42	Rural Development	21,731.56
4	20	Health	20,557.27
5	10	Energy	16,549.12

(Source: Appropriation Accounts of F. Y. 2022-23)

Thus, the present criteria do not reflect a contemporary view of the Appropriation Accounts. While the Central PAC had set a limit of ₹ 5.00 crore, for explaining variation (Excess or Savings), irrespective of the percentage of deviation from the Budget provisions, there is no analogous norm in Bihar.

3.4.4 Large Variations from Budget at the Grant level

The Public Accounts Committee (10th Lok Sabha, 1990-91), in its 60th Report, *vide* Paras 1.22 and 1.24, had observed that savings of ₹ 100 crore or above are indicative of defective budgeting, as well as shortfall in performance in a Grant or Appropriation. It was, therefore, decided by the Public Accounts Committee, that each year, a detailed explanatory note, in respect of savings of ₹ 100 crore or above, shall be furnished by the respective Ministry/Department, to the Committee.

As regards explanations for large Savings at the Grant level, there is no such requirement presently set by the State PAC. Even if the limit of ₹ 100 crore, applicable for the Centre is considered, explanations would be necessitated in 159 subheads under 30 out of the 51 Grants/ Appropriations. As observed in **Para 3.4.1, Charts 3.5 and 3.6**, significant under-utilisation of the Budget in each of the last 5 years were noticed.

3.4.5 Pronouncements of schemes and non-provision of budgetary support against such pronouncements

During the financial year of 2022-23, the State Government made several major policy pronouncements in the budget, regarding social welfare and other schemes under various departments.

Audit observed many cases where the Budget estimates were more than ₹ 10 crore but no expenditure had been incurred during the F.Y. 2022-23, resulting in non-achievement of intended goals, as detailed in **Table 3.17**.

Table 3.17: Schemes for which provisions were made but expenditure thereon was not incurred

(₹ in crore)

Sl. No.	Department	Scheme	Budget estimates	Revised estimates
1	Agriculture	Rashtriya Krishi Vikas Yojana	226.66	91.58
2		Prampragat Krishi Vikash Yojana	91.35	-
3		Sub Mission on seed and planting Material	28.78	-
4	SC & ST Welfare	Pradhan Mantri Adarsh Gram Yojana (PMAGY)	40.00	-
5	Minority Welfare	Mukhyamantri Alpsankhyak Rojgar Rin Yojana and Share Capital of the State Minority Financial Corporation	100.00	100.00
6		State Post Matric Scholarship	30.00	-
7	Sugarcane Industries	Incentive for Sugar Mills	60.00	60.00
Total			576.79	251.58

(Source: Data received from the concerned departments)

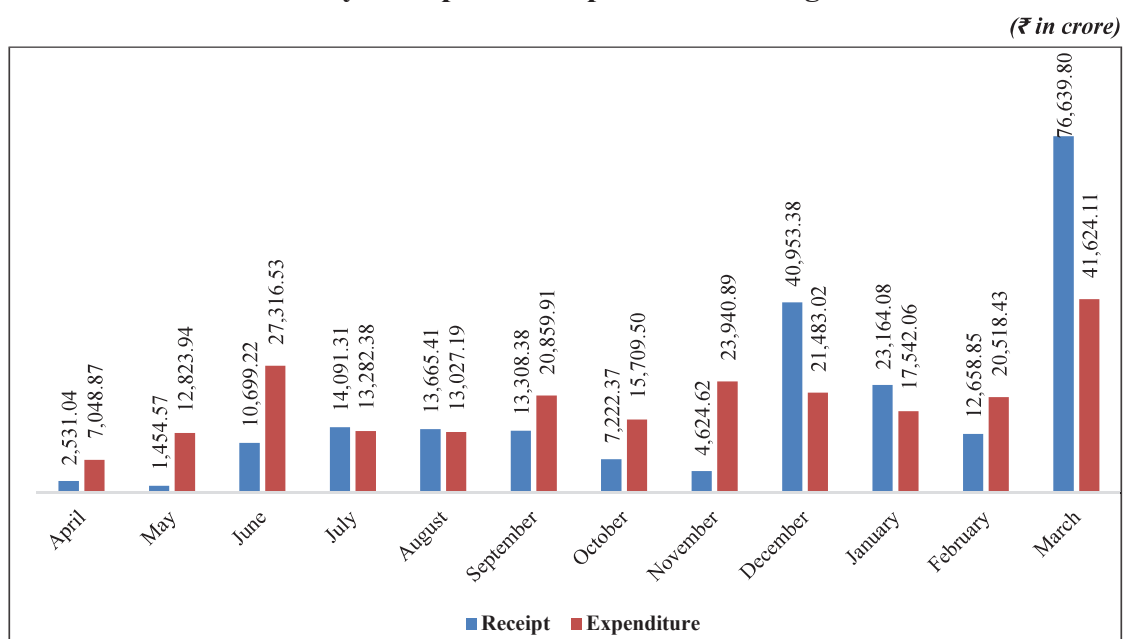
Reasons for revision of estimates were not intimated by the concerned departments. Non-provision of budgetary support to schemes deprives the beneficiaries of the intended benefits of such schemes.

3.4.6 Rush of Expenditure

Rule 125 of the Bihar Budget Manual (BBM), 2016, stipulates that, late allotments should be avoided unless they are inevitable. Uniform flow of expenditure is essential for ensuring budgetary control.

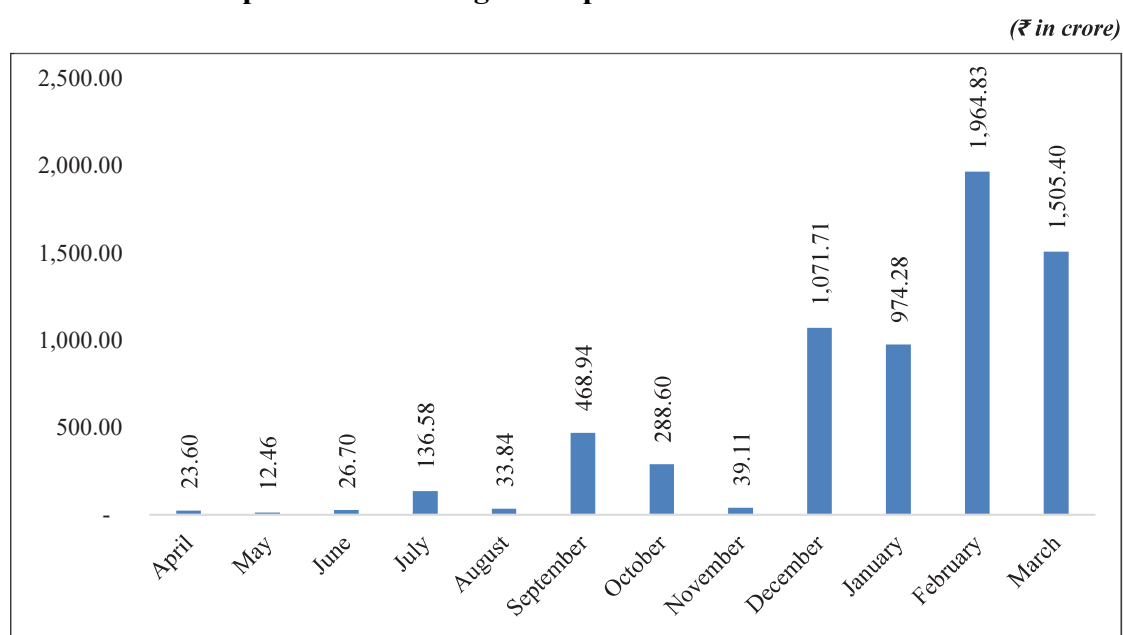
During 2022-23, in nine departments, expenditure of ₹ 17,396.36 crore (58.86 *per cent*) was incurred during the last quarter and in the month of March 2023, expenditure of ₹ 10,424.10 crore (35.27 *per cent*) was incurred, out of the total expenditure of ₹ 29,553.80 crore (detailed in **Appendix 3.9**). Hundred *per cent* expenditure, amounting to ₹ 7,695.44 crore (₹ 10 crore and above in each case), was incurred in the month of March 2023, under 48 schemes sub-heads of 19 grants, as detailed in **Appendix 3.10**.

Further, for the overall appropriation, the expenditure in March 2023 was 17.70 *per cent* of the total expenditure, whereas the receipts in March 2023 were 34.68 *per cent* of the overall receipts, during the year. Month-wise trend of receipts and expenditure, for the financial year, is shown in **Chart 3.8**.

Chart 3.8: Monthly Receipts and Expenditure during the FY 2022-23

(Source: Monthly Expenditure Report and Monthly Civil Accounts 2022-23)

Appendix 3.9 further shows that, during March 2023, percentage-wise (78.13 per cent) highest expenditure (₹ 1,081.67 crore), was incurred in Grant No. 18 – Food and Consumer Protection Department, but overall maximum expenditure of ₹ 1,505.40 crore was incurred under Grant No. 48 – Urban Development and Housing Department. The total budgetary provisions of the Urban Development and Housing Department was ₹ 10,940.41 crore (Original: ₹ 8,175.94 crore and Supplementary: ₹ 2,764.47 crore-March 2023) and the total actual expenditure of the department was ₹ 6,546.06 crore, during the year. Month-wise expenditure is depicted in **Chart 3.9**.

Chart 3.9: Month-wise expenditure in Urban Development and Housing Department with highest expenditure in March 2023

(Source: Monthly Expenditure Report 2022-23)

Substantial expenditure incurred by the departments, at the fag end/last month of the year, indicated deficient financial management and inadequate expenditure control. Rush of expenditure towards the end of the financial year indicated inadequate control over expenditure monitoring.

3.4.7 Advances from Contingency Fund

The Contingency Fund of the State was established under the Bihar Contingency Fund Act, 1950, in terms of the provisions of Articles 267 (2) and 283 (2) of the Constitution of India.

The State Government increased the corpus of the Contingency Fund from ₹ 350 crore to ₹ 9,500.00 crore, on a temporary basis, for the period from 1 April 2022 to 30 March 2023. The increase in corpus was for relief on natural calamities like drought and earthquake and to meet the State share of Central Government sponsored schemes, for which sufficient budgetary provisions of corresponding state share had not been made. Fifty *per cent* of the total amount (₹ 9,150.00 crore so enhanced) was to be used only for natural calamities.

It was observed that the State Government had made 116 withdrawals amounting to ₹ 6,395.47 crore, from the Contingency Fund, out of which major 15 withdrawals, amounting to ₹ 3,327.42 crore (52 *per cent*), were made for foreseeable nature of expenditure (*Appendix 3.11*).

Further, during 2018-19 to 2022-23, the expenditure under major head 2245 (Relief on account of Natural Calamities), ranged from 12.98 *per cent* to 66.07 *per cent* of the funds drawn from the Contingency Fund, as shown in **Table 3.18**.

Table 3.18: Expenditure on natural calamities from the Contingency Fund

(₹ in crore)

Sl. No.	Year	Total expenditure from Contingency Fund	Expenditure on natural calamities	Percentage of expenditure incurred on natural calamities to the total expenditure
1	2018-19	4,353.49	1,725.00	39.62
2	2019-20	3,529.76	2,332.00	66.07
3	2020-21	5,825.42	2,925.53	50.22
4	2021-22	3,981.79	1,125.00	28.25
5	2022-23	6,395.47	830.00	12.98

(Source: Finance Department, GoB)

The expenditure on natural calamities was only 12.98 *per cent* of the total expenditure of ₹ 6,395.47 crore from the Contingency Fund, which is the least in the last five years. Although the corpus of the Contingency Fund is being constantly increased in proportion to the budget size, expenditure on natural calamities is continuously decreasing in both terms, *i.e.*, amount and percentage. Low expenditure on natural calamities has forfeited the intended purpose of the Contingency Fund.

3.5 Review of selected grants

A review of the budgetary procedure and control over expenditure was conducted in respect of Grant No.-01 'Agriculture Department' and Grant No.- 36 'Public Health

Engineering Department’, on the basis of the savings/excess and magnitude of the Grants and Supplementary demands, made during the period 2020-23. The results of the review are detailed below:

3.5.1 Grant No.-01 “Agriculture Department”

Agriculture is the backbone of the Bihar’s economy, with 77 *per cent* of workforce generating nearly 24.84 *per cent* of the State Domestic Product (2022-23 (Q)). Agriculture is the single largest private sector occupation in Bihar.

The Agriculture Department, headed by its Principal Secretary, functions through its three directorates, *viz.* Directorate of Agriculture, Directorate of Soil Conservation and Directorate of Horticulture along with 2² Corporations, 2³ Agencies, 2⁴ Agriculture Universities and Divisional Joint Director (DJD) at the division/ Commissionerate level reporting to the Principal Secretary, while the District Agriculture Officer, at the district level, reports to the DJD.

Eight major heads, *viz.* 2401 - Crop Husbandry, 2402 - Soil and Water Conservation, 2415 - Agriculture Research and Education, 2435 - Other Agricultural Programmes, 3451 - Secretariat-Economic Services, 3475 - Other General Economic Services, 4401 - Capital Outlay on Crop Husbandry and 6401 - Loans for Crop Husbandry, are operated under the grant.

3.5.1.1 Budget and Expenditure

The overall position of budget provisions, actual disbursements and savings under the grant, for the last four financial years (2019-20 to 2022-23), is given in **Table 3.19**.

Table 3.19: Budget and Expenditure during the period 2019-23

(₹ in crore)

Year	Section	Budget Provisions	Total	Expenditure	Un-utilized provisions with percentage
2019-20	Revenue-Original (V)	2,938.77	3,471.93	2,152.49	1,319.44
	Supplementary	533.16			(38)
	Capital-Original (V)	20.00	146.91	0.00	146.91
	Supplementary	126.91			(100)
2020-21	Revenue-Original (V)	3,102.81	3,324.47	1,498.54	1,825.93
	Supplementary	221.66			(54.92)
	Capital-Original (V)	50.00	110.55	0.00	110.55
	Supplementary	60.55			(100)
2021-22	Revenue-Original (V)	3,235.47	3,802.72	1,698.00	2,104.72
	Supplementary	567.25			(55.35)
	Capital-Original (V)	100.00	273.66	229.93	43.73
	Supplementary	173.66			(15.98)
2022-23	Revenue-Original (V)	3,054.31	3,758.30	2,073.73	1,684.57
	Supplementary	703.98			(44.82)
	Capital-Original (V)	530.00	621.33	497.71	123.62
	Supplementary	91.33			(19.90)

(Source: Appropriation Accounts of the respective years)

Figures in parenthesis indicate percentage to the total budget provisions.

² Bihar Rajya Beej Nigam Limited and Bihar Food & Vegetable Development Corporation.

³ Bihar State Seed Certification Agency & Bihar Agricultural Management & Extension Training Institute (BAMETI).

⁴ Rajendra Agriculture University, Pusa (Samastipur) and Bihar Agriculture University, Sabour (Bhagalpur).

It is evident from the **Table 3.19** that the unutilised budget provisions, under the Capital (Voted) and Revenue (Voted) section ranged between 15.98 to hundred *per cent* and 38 to 55.35 *per cent*, respectively.

3.5.1.2 Non-surrender of savings

It was noticed that the Department had not surrendered 70.09 *per cent* to 87.92 *per cent* of the savings, made during 2019-20 to 2022-23, as shown in **Table 3.20**.

Table 3.20: Non-surrender of savings

(₹ in crore)

Year	Revenue (V)			Capital (V)			Overall
	Savings	Surrender	Per cent of non-surrender	Savings	Surrender	Per cent of non-surrender	Per cent of non-surrender
2019-20	1,319.44	423.06	67.94	146.91	0	100	71.15
2020-21	1,825.93	234.01	87.18	110.55	0	100	87.92
2021-22	2,104.72	623.58	70.37	43.73	19.07	56.39	70.09
2022-23	1,684.57	497.73	70.45	123.61	30.00	75.73	70.81

(Source: Appropriation Accounts of the respective years)

Consistent large savings and comparatively less surrenders denote the poor budgetary and financial management of the Department.

3.5.1.3 Persistent savings

It was observed that a substantial portion of the budgetary provisions had remained unutilised (above ₹ 50 crore), under five heads of Account, during 2020-21 to 2022-23, as shown in **Table 3.21**.

Table 3.21: Persistent savings above ₹ 50 crore

(₹ in crore)

Sl. No.	Head of Account	2020-21	2021-22	2022-23
		Amount (per cent)		
1	2401000010011	173.27 (39.72)	178.66 (38.04)	183.98 (36.89)
2	2401001090103	149.47 (90.04)	78.85 (86.36)	99.60 (50.01)
3	2401001090106	69.93 (33.70)	110.44 (42.75)	66.30 (28.89)
4	2401001090216	107.69 (74.14)	148.73 (72.84)	131.03 (98.67)
5	2401001090316	59.78 (70.21)	51.85 (58.73)	53.96 (97.53)

(Source: Appropriation Accounts of the respective years)

Figures in parenthesis indicate percentage to total budget provision.

Persistent savings over the years indicated improper estimation under these schemes or non-achievement of the projected financial outlays in the respective years.

3.5.1.4 Entire provisions remained unutilised

It was observed that entire budgetary provisions had remained unutilised under seven schemes (six Centrally Sponsored Schemes (CSS) and one State Plan Schemes), during 2022-23.

Table 3.22: Entire Budget Provisions remaining completely unutilised during 2022-23(*₹ in crore*)

Sl. No.	Name of Schemes	Total Budget	Expenditure
Centrally Sponsored Schemes (CSS)			
1	National Food Security Mission (NFSM) (oilseeds)	9.11	-
2	Prampragat Krishi Vikash Yojana	91.35	-
3	National e-governance plan	3.33	-
4	Submission on seed and planting material	28.78	-
5	Rashtriya Krishi Vikas Yojana (RKVY)	226.66	-
6	Pradhan Mantri formalization of micro food processing enterprises	12.15	-
Total		371.38	-
State Plan Schemes			
7	Interest Subsidy on Crop Loan	21.50	-
Total		21.50	-
Grant Total		392.88	-

(Source: Agriculture Department, GoB)

It was also observed that under one CSS *i.e.*, Prime Minister Micro Fund Enterprise Upgradation Scheme (PM FME), the entire budgetary provisions of ₹ 330.60 crore (₹ 213.03 crore during 2021-22 and ₹ 117.57 crore during 2022-23), had remained unutilised, defeating the objective of the scheme to support groups engaged in Agri-food processing, such as Farmer Producer Organisations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives, along their entire value chain.

Saving of the total budgetary provisions indicates that the budget planning was unrealistic.

3.5.1.5 Unnecessary Supplementary Provisions

Scrutiny of the budget document and appropriation accounts, for the year 2022-23, revealed that:

- ✦ Under 55 scheme heads, against the original budget provisions of ₹ 1,486.40 crore, the department could spend only ₹ 876.31 crore (58.95 *per cent*). Supplementary provisions of ₹ 270.42 crore under these schemes proved unnecessary.
- ✦ Against the original provisions of ₹ 8.93 crore, under 19 scheme heads wherein no expenditure was incurred, supplementary provisions of ₹ 27.22 crore had been made. Out of these 19 scheme heads, ₹ 20.28 crore had been provisioned as supplementary budget, in six scheme heads, without any original provision, but no expenditure was incurred in these heads. Thus, the supplementary provisions proved unnecessary, as the Department had failed to utilise even the original budget.

Injudicious allocation of supplementary provisions showed inefficient and weak budgetary management and financial discipline.

3.5.1.6 Unnecessary re-appropriation of funds

It was observed that augmentation of provisions through re-appropriation also proved unnecessary, as the expenditure did not come up to the level of the original budget provision, as shown in **Table 3.23**.

Table 3.23: Unnecessary re-appropriation of funds

(₹ in crore)

Sl. No.	Head of Account	Original provision	Re- appropriation	Expenditure
1	2401001090106	182.60	9.50	163.26
2	2401007890106	35.20	1.83	28.54
3	2401007960134	2.20	0.11	0.85
4	2415010040107	12.53	1.11	7.14
5	2415017890107	2.42	0.21	1.16
6	2401000010011	494.05	0.71	314.79
7	3451000900007	8.82	0.40	5.46
Total		737.82	13.87	521.20

(Source: Appropriation Account for the year 2022-23)

3.5.2 Grant No.-36 “Public Health and Engineering Department”

The main objectives of the Public Health and Engineering Department are to provide safe, accessible and adequate drinking water supply to the rural population and to reach the un-reached population by covering all households with at least one tap house connection and also provision for drinking water supply to all households covered under existing piped water supply schemes.

To provide drinking water through tap connections, for every household in rural areas, Single Village Piped Water Supply Schemes (SVS), Piped Water Supply Schemes (PWS), Ward wise Piped Water Supply Schemes (WLS) and Multi-Village Piped Water Supply Schemes (MVS), are being implemented across the state. Seven major heads were being operated under the Grant, as shown in **Table 3.24**.

Table 3.24: Major heads and description operated under Grant no. 36

Sl. No.	Major Head	Description
1	2059	Public Works
2	2215	Water Supply and Sanitation
3	2216	Housing
4	2251	Secretariat – Social Services
5	4059	Capital Outlay on Public Works
6	4215	Capital Outlay on Water Supply and Sanitation
7	4216	Capital Outlay on Housing

(Source: Detailed Appropriation Accounts 2022-23)

3.5.2.1 Budget and Expenditure

Details of budget provisions, Expenditure and savings under the grant, for the last three years, viz., from 2020-21 to 2022-23, are shown in **Table 3.25**.

Table 3.25: Budget and Expenditure during 2020-21 to 2022-23

(₹ in crore)

Year	Section	Budget Provisions	Total Budget	Expenditure (percentage)	Un-utilized provision and its percentage
2020-21	Revenue-Original(V)	606.45	1,074.48	626.92 (58.35)	447.56 (41.65)
	Supplementary	468.03			
	Capital-Original(V)	5,250.00	5,850.00	4,751.32 (81.22)	1,098.68 (18.78)
	Supplementary	600.00			
2021-22	Revenue-Original(V)	539.16	919.16	685.64 (74.59)	233.52 (25.40)
	Supplementary	380.00			
	Capital-Original(V)	2,431.10	2,931.10	1,976.17 (67.42)	954.93 (32.58)
	Supplementary	500.00			
2022-23	Revenue-Original(V)	920.33	1,020.33	829.84 (81.33)	190.49 (18.67)
	Supplementary	100.00			
	Capital-Original(V)	1,460.05	1,460.05	1,313.11 (89.94)	146.94 (10.06)
	Supplementary	0.00			
Grand Total			13,255.12	10,183.00	

(Source: Appropriation Accounts of the respective years)

Figures in parenthesis indicate percentage to total budget provision.

It is evident from **Table 3.25** that un-utilised budget provisions, under the Capital (voted) and Revenue (voted) components, ranged between 10.06 *per cent* to 32.58 *per cent* and 18.67 *per cent* to 41.65 *per cent*, respectively.

3.5.2.2 Budget Estimates prepared without obtaining requirements

According to Rules 65 of the Bihar Budget Manual (BBM), 2016, the Controlling Officer (CO) should examine the budgets received from the Disbursing Officers, to see that they are correct, that all details and explanations have been given, and that explanations are adequate, and, if inadequate, the provision should be altered. The Department, however, had prepared budget estimates (State, Central and Centrally Sponsored Schemes) at the Department level, without obtaining requirements from disbursing officers. Consequently, large variations were noticed between the expenditure and budget provisions of the Department, leading to significant savings, as mentioned above.

3.5.2.3 Non-surrender of savings

Details of unutilised funds/savings, during 2020-21 to 2022-23, except during 2021-22 (surrender of only 31.97 *per cent*), are depicted in **Table 3.26**.

Table 3.26: Non-surrender of savings

(₹ in crore)

Financial Year	Revenue (V)			Capital (V)			Over-all
	Savings	Surrender	Percentage of surrender	Savings	Surrender	Percentage of surrender	
2020-21	447.56	-	-	1,098.68	-	-	-
2021-22	233.52	-	-	954.93	380.00	39.79	31.97
2022-23	190.49	-	-	146.94	-	-	-

(Source: Appropriation Accounts of the respective years)

Consistent large savings and comparatively less surrenders indicate poor budgetary and financial administration on part of the department.

3.5.2.4 Persistent savings

A substantial portion of the budget provisions had remained unutilised under 17 heads of account, used for execution of various schemes, during 2020-21 to 2022-23. The percentage-wise and amount-wise persistent savings, in four heads of account each, during 2020-21 to 2022-23, are shown in **Table 3.27**.

Table 3.27: Persistent savings

(₹ in crore)

Sl. No.	Head of Account	FY 2020-21	FY 2021-22	FY 2022-23
Amount-wise				
1	4215-01-102-0230 National Rural Drinking Water Programme (Centrally Sponsored Scheme)	231.59 (46.50)	331.97 (99.99)	237.55 (71.55)
2	4215-01-789-0114 Chief Minister drinking water Determination Scheme (Quality Affected Area)	95.66 (17.35)	60.06 (19.86)	29.78 (15.33)
3	2215-01-101-0004 Urban Water Supply Schemes (Establishment and Committed Expenditure)	24.28 (17.50)	27.09 (39.50)	26.32 (38.03)
4	2215-01-102-0001 Rural Water Supply Scheme (Establishment and Committed Expenditure)	52.58 (17.24)	56.22 (27.24)	20.19 (11.01)
Percentage-wise				
1	4059-01-051-0128 Construction of Government office building (State Scheme)	9.94 (99.40)	5.00 (100.00)	14.86 (100.00)
2	4216-01-051-0103 Construction of Government Residential Building (State Scheme)	5.00 (100.00)	1.79 (89.50)	10.00 (100.00)
3	4215-01-102-0134- Construction of Rural Water Supply Schemes -Saat Nishchay-2 ⁵	- -	10.00 (100.00)	5.00 (100.00)
4	2215-02-003-0102- Grant for running of Training-cum- research centre (PRANJAL)	1.00 (100.00)	0.53 (53.00)	0.50 (100.00)

(Source: Appropriation Accounts of the respective years)

Figures in parenthesis indicate percentage to total budget provisions.

This indicates preparation of unreal Budget Estimates and Revised Estimates. Timely surrender of savings could have helped the Finance Department in re-appropriating the funds to other schemes, where additional provisions were required, without seeking supplementary budget.

3.5.2.5 Entire provisions remaining unutilised

Under five heads of accounts, the entire budgetary provisions remained unutilised during 2022-23, as shown in **Table 3.28**.

⁵ Budgetary allocations were not made during F. Y. 2020-21.

Table 3.28: Entire provision remained unutilised

(₹ in crore)

Sl. No.	Head of Account – Scheme name	Budget Provisions in 2022-23
1	4215-01-102-0134- Construction of Rural Water Supply Schemes -Saat Nishchay-2	5.00
2	4059-01-051-0128 Construction of Government office building (State Scheme)	14.86
3	4215-01-789-0212 National Rural Drinking Water Programme (Centrally Sponsored Scheme)	64.00
4	4216-01-051-0103 Construction of Government Residential Building (State Scheme)	10.00
5	2215-02-003-0102- Grant for running of Training- cum- research Centre (PRANJAL)	0.5

(Source: Appropriation Accounts for the year 2022-23)

3.5.2.6 Rush of expenditure in the month of March 2023

In eight, out of 14 schemes/programmes, run by the Department, the expenditure incurred ranged from 11.36 *per cent* to 58.18 *per cent*, in the month of March 2023, as shown in **Table 3.29**.

Table 3.29: Irregular/inconsistent flow of expenditure under Grant No. 36

(₹ in crore)

Sl. No.	Scheme	Total Expenditure incurred in F.Y. 2022-23	Expenditure incurred in March 2023	
			Amount	Per cent
1	Mukhya Mantri Rural Drinking Water Nishchay Yojana (Quality Affected)	693.84	117.87	16.99
2	Mukhya Mantri Rural Drinking Water Nishchay Yojana (Non-Quality Affected-WIMC)	48.63	28.29	58.18
3	Mukhya Mantri Rural Drinking Water Nishchay Yojana (Non-Quality Affected)	40.55	8.43	20.78
4	Functioning of water Quality Monitoring	0.85	0.41	48.23
5	Rural pipe water supply scheme	0.28	0.13	46.42
6	Construction of new tube wells/sanitary wells	22.86	5.30	23.18
7	Strengthening of water supply and sanitation facilities in urban areas	0.44	0.05	11.36
8	Gramin Jalapurty Yojana ke parichalan awam rakh rakhaw	525.77	129.48	24.63

(Source: As per records of PHED, GoB)

This indicates that a uniform flow of expenditure was not maintained, which was the primary requirement of budgetary control.

3.5.2.7 Unnecessary Supplementary Provisions

Supplementary provisions of ₹ 100 crore (Revenue-Voted), in one head of account *i.e.*, 2215-01-102-0107 during the year 2022-23, proved unnecessary, as the expenditure of ₹ 415.53 crore did not reach up even to the level of original provisions of ₹ 445.00 crore.

3.5.2.8 Unnecessary re-appropriation of funds

During 2022-23, re-appropriations under three schemes/ sub-heads (**Table 3.30**), proved unnecessary. Under these three schemes/sub-heads, additional funds of ₹ 1.07 crore were provided through re-appropriation.

Table 3.30: Unnecessary re-appropriation of funds

(₹ in crore)

Sl. No.	Head of Account	Original budget	Re-appropriation	Expenditure	Saving out of Total provision
1	2215-01-102-0001 Rural Water Supply Scheme (Establishment and Committed Expenditure)	183.13	0.32	163.26	20.19
2	2215-01-102-0002 Hand Tube wells, Tanks, Wells and High Flow Tube wells (Establishment and Committed Expenditure)	164.88	0.32	148.39	16.82
3	2251-00-090-0016 Secretariat-Social Services-PHED	1.64	0.43	1.72	0.34
Total		349.65	1.07	313.37	37.35

(Source: Appropriation Accounts of 2022-23)

3.5.2.9 Non-reconciliation/mismatch of departmental expenditure

Rule 96 of the Bihar Budget Manual, 2016, stipulates that the Controlling Officer should arrange to reconcile departmental accounts with the books of the Accountant General (A&E), on a monthly/quarterly basis to avoid chances of misclassification of expenditure and receipts.

As the Online Reconciliation Module under the CFMS was inoperative, the reconciliation work was being carried out by other facilitation module out of CFMS but the data was not being modified accordingly resulting in the difference of ₹ 4.20 crore in amount of expenditure between CFMS data and Appropriation Account which was observed in F.Y. 2022-23.

Some significant cases are detailed in **Table 3.31**.

Table 3.31: Non-reconciliation/mismatch of departmental expenditure

(₹ in crore)

Sl. No.	Name of Scheme	Head of Account	Expenditure (As per AA)	Expenditure (As per CFMS)
1	National Rural Drinking Water Programme (Centrally Sponsored Scheme)	4215-01-102-0230	94.45	0.00
		4215-01-796-0217	2.50	0.00
2	Rural Water Supply Scheme (Tube wells, Wells and Hand pumps) (State Scheme)	4215-01-102-0103	17.09	19.69
3	Chief Minister drinking water Determination Scheme (Quality Affected Area) (State Scheme)	4215-01-789-0114	164.38	177.05
		4215-01-789-0115	21.90	5.30
		2215-01-102-0106	41.64	33.88
4	Operation and maintenance of rural water supply scheme-Saat Nishchaya-2 (State Scheme)	2215-01-102-0107	415.53	525.77
Grand Total			757.49	761.69

(Source: Appropriation Accounts for the year 2022-23 & CFMS)

3.6 Review of specific budgets

Women, children, environment, forest, and climate change are one of the most vulnerable parts in a society and public funds meant for them require more attention, transparency, and logical approach. Bihar prepared a Gender Budget, Child Welfare Budget and Green Budget, during 2022-23.

3.6.1 Review of Gender Budget

3.6.1.1 Budget Provisions

GoI presented the Gender Budget for the first time in Budget 2005-06. Government of Bihar adopted this practice in 2008-09. The Social Welfare Department acts as the nodal department to co-ordinate and monitor the linked schemes.

An overview of the gender budget, for five years (2018-19 to 2022-23), is presented in **Table 3.32**.

**Table 3.32: Resources allotted for the Gender Budget
in the Original Budget Provisions (as per BEs)**

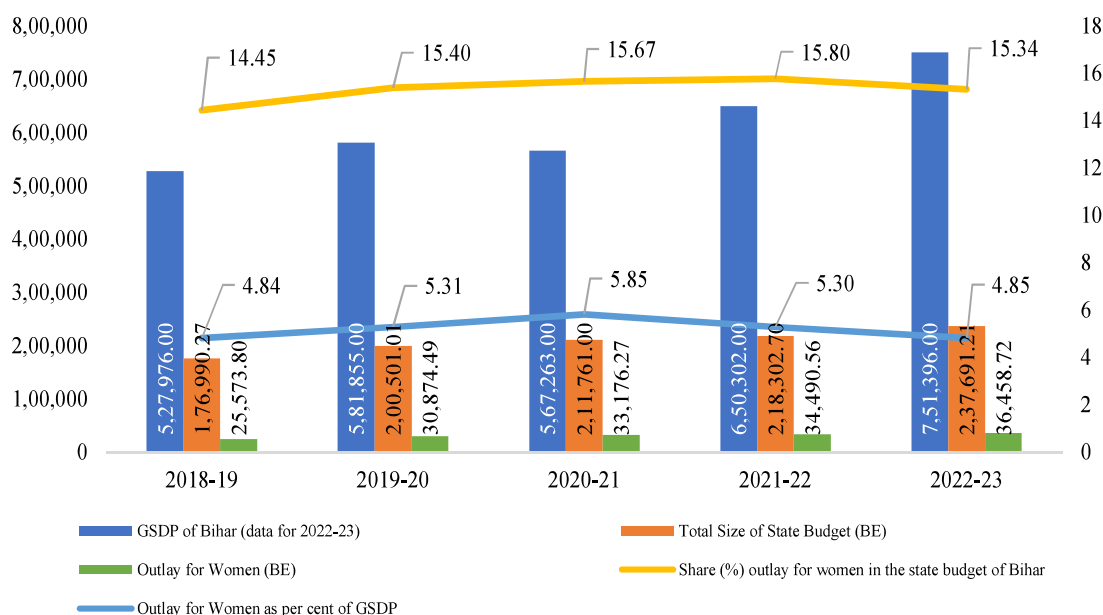
(₹ in crore)

Details	2018-19	2019-20	2020-21	2021-22	2022-23
Outlay for Women (BEs)	25,573.80	30,874.49	33,176.27	34,490.56	36,458.72
Total Size of State Budget (BEs)	1,76,990.27	2,00,501.01	2,11,761.00	2,18,302.70	2,37,691.21
Share (<i>per cent</i>) outlay for women in the state budget of Bihar	14.45	15.40	15.67	15.80	15.34
Outlay for Women as <i>per cent</i> of GSDP	4.84	5.31	5.85	5.30	4.85

(Source: Gender Budget 2022-23, Department of Finance, Government of Bihar)

During 2022-23, ₹ 36,458.72 crore was allotted (as per BEs) for the Gender Budget for 615 schemes⁶, under 20 departments. However, only 84 schemes (Category ‘A’ schemes), designed specially to benefit women, were running under 11 Departments. The expenditure proposed under Category ‘A’ (100 *per cent* allotment for women) and Category ‘B’ (30 *per cent* or more but less than 100 *per cent* allotment for women) schemes, within the budget, was ₹ 12,619.65 crore and ₹ 23,839.07 crore (531 schemes), respectively. **Chart 3.10** highlights the percentage of gender budget, with regard to the GSDP and total budget (BEs), during 2018-19 to 2022-23.

⁶ As per count of Bill Codes, as mentioned in the Budget, Gender Budget, or Detailed Appropriation Accounts.

Chart 3.10: Gender Budget as a percentage to total Budget and GSDP(*₹ in crore and in per cent*)

(Source: Budget and Gender Budget 2022-23; GSDP – MoSPI, GoI)

- ✦ The share of the gender budget, as a percentage of the total State Budget, in 2022-23 (BEs), was 15.34 *per cent*, marking a decrease of 0.46 *per cent* from the previous year.
- ✦ The overall gender budget increased from ₹ 34,490.56 crore in 2021-22 (BEs), to ₹ 36,458.72 crore in 2022-23 (BEs). There was an increase of overall 5.71 *per cent* (4.43 *per cent* in Category ‘A’ and 6.39 *per cent* in category ‘B’ schemes).

However, no Standard Operating Procedure (SOP) for monitoring the Gender budget, for an effective, efficient and accountable planning and budgeting system, by means of mapping and utilising resources targeting women, was prepared.

3.6.1.2 Financial Performance

Gender responsiveness is relevant throughout the budget cycle, including in the planning and design of budgetary policies that promote gender equality, the allocation of resources to implement them, the tracking of resources to ensure that adequate resources are allocated, and policies are implemented as intended, and the monitoring and evaluation of the efficiency and effectiveness of policies, including their impacts evaluated or differentiated by gender.

Financial achievements of the Gender Budget 2022-23 are described in **Table 3.33**.

Table 3.33: Financial performance of the Gender Budget

(₹ in crore)

Scheme Category	Group (by expenditure per cent)	No. of Schemes	Original Gender Budget Provisions (BEs)	Net Budget/ Funds available for expenditure (as per AA)	Expenditure incurred against available funds
A	Zero	7	29.37	29.37	-
	01 per cent to 50 per cent	16	537.15	1,018.36	353.66
	51 per cent to 75 per cent	19	5,674.27	6,257.82	4,366.25
	76 per cent to 100 per cent	42	6,378.86	13,483.13	13,541.41
	Total A	84	12,619.65	20,788.68	18,261.32
B	Zero	127	619.97	1,981.36	(-) 0.50
	01 per cent to 30 per cent	96	1,656.05	5,593.84	956.72
	More than 30 per cent but less than 100 per cent	308	21,563.05	76,179.27	58,824.21
	Total B	531	23,839.07	83,754.47	59,780.43
Grand Total		615	36,458.72	1,04,543.15	78,041.75

(Source: Gender Budget with Appropriation Accounts 2022-23)

During FY 2022-23, out of the total expenditure of ₹ 78,041.75 crore (₹ 18,261.32 crore: Category 'A' schemes and ₹ 59,780.43 crore: Category 'B' schemes), as per the Appropriation Accounts of the State, 76.60 per cent of the expenditure was made in Category 'B' schemes. As the information in the budget shows the overall expenditure, the expenditure incurred exclusively for women, could not be arrived at.

During the last five years, Ministries/Departments reported stagnated provisions in the Gender Budget and the scope and manner of reporting was not changed. Some Departments, like the Animal and Fisheries Resource Department and Co-operative Department, which are important for gender equality, were not reporting in the Gender Budget at all. Further, though the Food and Consumer Protection Department was included in the gender budget every year, no provision for women, thereagainst, was shown during the last three years.

3.6.1.3 Gender Budget vs Appropriation Accounts

The Gender Budget was compared with the Appropriation Accounts, and it was found that 615 schemes had been reported in the General Budget.

The Financial data of Gender Budget (Category ‘A’ schemes) was compared with the Appropriation Accounts, in respect of four major departments, in terms of the number of the schemes and budget provisions made thereunder, *i.e.*, Rural Development (RD), Health, Social Welfare (SW) and Education Departments. Out of the total of 71 schemes in these departments, nine related to the Health Department, 13 related to the Education Department, 18 related to the RDD and 31 related to the SWD. The budget and expenditure, under these departments, during 2022-23, are described in **Table 3.34**.

Table 3.34: Budget and Expenditure under four major Departments

(₹ in crore)

Grant No.	Department	Budget	Gender Budget	Budget estimate in Category ‘A’	No. of schemes	Achievement (No. of schemes)			
						Zero	01 per cent to 50 per cent	51 per cent to 75 per cent	76 per cent to 100 per cent
20	Health	20,557.27	2,690.80	1,334.69	9	1	4	1	3
21	Education	55,892.37	10,909.20	1,143.93	13	1	0	4	8
42	Rural Development	21,731.56	12,147.41	8,793.17	18	3	1	10	4
51	Social Welfare	13,488.03	5,083.28	840.50	31	1	8	3	19
Total		1,11,669.23	30,831.59	12,112.29	71	6	13	18	34

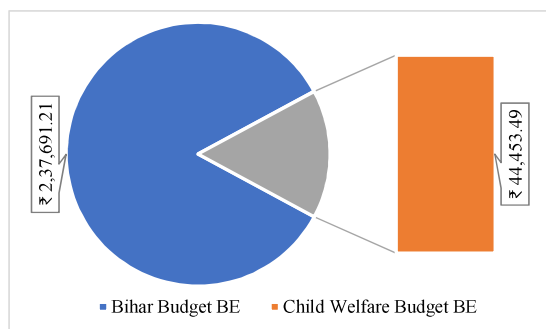
(Source: Budget Documents and Detailed Appropriation Accounts for 2022-23)

As can be seen from **Table 3.34**, RDD did not incur expenditure under three schemes and the Health, Education and SW Departments each did not incur expenditure under one scheme.

The State Government had not reported on the performance of the Gender Budget of the previous years, in the Gender Budget of 2022-23. In the absence of any performance reports/records including the actual expenditure incurred, the effectiveness of the schemes’ targets to extend benefits to women, under Gender Budgeting, could not be ascertained.

3.6.2 Review of the Child Welfare Budget

In Bihar, 42 *per cent* of the total population (5.18 crore children (2.45 crore Girl child (47 *per cent*)) falls under the age group of 0 to 18 years. In accordance with the United Nations Convention on the Rights of the Child (NCT) and the National Policy on the Child, 2013, GoB started to prepare/process Child Welfare Budget from the year 2013-14. A sum of ₹ 44,453.49 crore (18.70 *per cent* of the original budget of the State), was earmarked (BEs) for the Child Welfare Budget: 2022-23. The schemes in the budget, however, were specified either by percentages or amounts provisioned in



the budget. Therefore, it could not be ensured how much expenditure was incurred on children, specifically.

The department-wise (13) details of State Child Welfare Budget from 2020-21 to 2022-23, are shown in **Table 3.35**.

Table 3.35: Department-wise State Child Welfare Budgets

(₹ in crore)

Grant No.	Department	2020-21 (Actuals)	2021-22 (BEs)	2022-23 (BEs)	Deviation (in per cent)
8	Art, Culture and Youth	0.68	15.20	14.20	(-) 6.58
11	BC and EBC Welfare	383.27	1,487.51	1,649.57	10.89
16	Panchayati Raj	3,364.02	0.00	3,707.31	100.00
19	Environment, Forest and Climate Change	0.39	0.00	2.27	100.00
20	Health	151.90	257.04	63.01	(-) 75.49
21	Education	22,244.02	31,939.99	33,682.73	5.46
22	Home	0.25	12.52	18.80	50.15
26	Labour Resources	0.63	3.00	1.50	(-) 50.00
30	Minority Welfare	120.33	131.00	131.00	-
35	Planning and Development	41.54	0.00	0.00	-
36	Public Health Engineering	566.33	252.48	292.15	15.71
44	SC and ST Welfare	779.08	1,376.03	1,259.37	(-) 8.48
51	Social Welfare	3,250.62	3,389.22	3,631.59	7.15
Total		30,903.06	38,863.99	44,453.49	14.38

(Source: Child Welfare Budget 2022-23, Department of Finance, Government of Bihar)

The total budget allocation for children increased by 14.38 *per cent* (₹ 5,589.50 crore) over the previous year's budget.

Although, the GoB has prepared a Standard Operating Procedure and a Child Budget Manual for Child Budgeting, with the objective of strengthening the institutional mechanisms for child responsive public finances, Child Welfare Schemes have not been mapped/marked separately in the main budget.

The budgetary provisions of the Child Welfare Budget 2022-23 (BEs), under various components, are shown in **Table 3.36**.

Table 3.36: Child Welfare Budgets from 2020-21 to 2022-23

(₹ in crore)

Financial Year	Budget	Establishment and committed		State Scheme		Centrally Sponsored Scheme	
		Amount	Per cent	Amount	Per cent	Amount	Per cent
2020-21 (Actuals)	30,903.05	11,893.83	38.49	3,940.79	12.75	15,068.43	48.76
2021-22 (BEs)	38,863.99	11,281.25	29.03	6,262.63	16.11	21,320.11	54.86
2022-23 (BEs)	44,453.49	15,960.18	35.90	5,839.34	13.14	22,653.97	50.96

(Source: Child Welfare Budget of the year 2022-23)

As per Appropriation Accounts (2022-23), in 119 (53 *per cent*), out of 226 schemes, the expenditure incurred was below 75 *per cent*. Financial achievements, against the budgetary provisions, are shown in **Table 3.37**.

Table 3.37: Financial performance of the Child Welfare Budget (2022-23)

(₹ in crore)

Sl. No.	Group (by per cent expenditure)	No. of Schemes	Total Budget (as per DAA)	Expenditure (as per DAA)
1	100	107	45,485.17	41,836.73
2	75	37	8,685.73	5,336.97
3	50	46	18,075.49	6,871.41
4	Zero	34	1,167.75	-
5	Error	2	-	24.76
Total		226	73,414.14	54,069.87

(Source: Child Welfare Budgets and Appropriation Accounts of the year 2022-23)

Table 3.37 shows that expenditure had not been incurred in 34 schemes, despite availability of funds amounting to ₹ 1,167.75 crore. Further, in two schemes, expenditure of ₹ 24.76 crore was reported in the Detailed Appropriation Accounts (DAA⁷), without any budgetary provision.

The Child Welfare Budget of the State (including Central and State Schemes), for the years from 2020-21 to 2022-23, categorised on the basis of the provisions described in the National Policy for Children, 2013, is detailed in **Table 3.38**.

Table 3.38: Overview of the Child Welfare Budget (BEs) 2020-21 to 2022-23, as per the National Policy for Children, 2013

(₹ in crore)

Segment	2020-21 (BEs)			2021-22 (BEs)			2022-23 (BEs)		
	No. of schemes	Amount	Per cent	No. of schemes	Amount	Per cent	No. of schemes	Amount	Per cent
Survival, Health and Nutrition	44	4,246.90	11.40	40	3,590.32	9.28	62	7,386.61	16.62
Education and Development	140	32,701.34	87.77	140	34,819.06	89.95	140	36,825.76	82.84
Protection	18	208.66	0.56	18	198.93	0.51	18	210.82	0.47
Participation	7	100.68	0.27	7	100.67	0.26	6	30.30	0.07
	209	37,257.58	100	205	38,708.98	100	226	44,453.49	100

(Source: SFAR for the year 2021-22 and CWB of the year 2022-23)

As can be seen from **Table 3.38**, the resource allocation for protection of the children was only 0.47 per cent (₹ 210.82 crore) of the total Child Welfare Budget and 0.09 per cent of the Main Budget of Bihar, for Financial Year 2022- 23.

3.6.3 Review of the Green Budget

Green budgeting means using the tools of budgetary policymaking to help achieving environmental and climate goals.

Bihar is an agrarian State, and the agro forestry plays a major role in its economy. The State had notified area of total green cover (outside and inside the forest area) spread

⁷ Detailed Appropriation Accounts (DAA) are the detailed accounts of the Government, reflecting sub-head/scheme-wise expenditure in a financial year, compared against the amounts of voted grants and the charged appropriations against these sub-heads/schemes.

over about 13331 sq. km., with the tree area, outside the notified forest area, being 6454 sq. km. Presently, the total green cover of state is 14.16 *per cent* of its geographical area (94163 sq. km.). Bihar is the first State in the country to prepare and exercise green budgeting, in line with GoI. The State prepared its first green budget in March 2020 (for FY 2020-2021).

The State compiled the expenditure to be incurred on the components across the departments. Also, SOP for the Green Budget, which could have assisted in effective, efficient, and accountable planning and budgeting of resources, targeting the issues of environment sustainability, adaptation to climate change, pollution reduction, biodiversity and development of green infrastructure as envisaged, was not prepared. A summary of the provisions of the Green Budget is given in **Table 3.39**.

Table 3.39: Green Budget provisions during 2022-23

(₹ in crore)

Sl. No.	Details	FY 2020-21 Budget Estimates	FY 2021-22 Budget Estimates	Current FY 2022-23 Budget Estimates	Increase/ decrease in comparison to previous FY (in percentage)
1	Total state budget outlay	2,11,761.49	2,18,302.70	2,37,691.21	8.88
2	Total scheme budget allocations of identified departments under green budget	81,176.46	79,359.73	79,255.54	(-)0.13
3	Total allocation of schemes/ programmes budget identified by the department	27,162.85	29,337.33	28,380.42	(-)3.26
4	Total green budget components of identified schemes/ programmes	5,693.88	7,682.91	7,399.16	(-)3.69
5	Percentage of green budget from the total allocation identified by the department	7.01	9.68	9.34	(-)3.56
6	Percentage of green budget from the total scheme/ programmes of the identified department	21.00	26.19	26.07	(-)0.45

(Source: Green Budget for the year 2022-23)

Audit observed that:

- ✦ 292 schemes, across 18⁸ departments comprising budgetary provisions of ₹ 7,399.16 crore, were included in the Green Budget 2022-23 (BEs). The State reported an increase of budgetary provisions of 0.35 *per cent*, over the previous year. The provisions (BEs), for the Green Budget, however, decreased by 3.69 *per cent*.
- ✦ Out of 93 schemes (in 12 Departments), categorised as Group “A” schemes (with 100 *per cent* provision), 80 *per cent* to 100 *per cent* allocations were utilised only in 35 schemes. In 10 schemes, 50 *per cent* to 80 *per cent* and in 26 schemes, up to 50 *per cent* of the provisions (₹ 59.93 crore against ₹ 719.08 crore), were utilised. In another 22 schemes no expenditure was incurred, against the available budget of ₹ 417.14 crore during the year.

⁸ One department i.e., Industries Department is listed in the Green Budget neither provision was made thereunder nor expenditure was incurred.

- ✦ 12 schemes were found to have been categorised in more than one Group and two⁹ schemes were found in same group twice, with different amounts of provision, in the green budget of 2022-23. These errors have been ignored in course of review of the Green Budget.

Department-wise expenditure trends revealed that all the 12 departments could spend only ₹ 2,443.74 crore (63.17 *per cent*), against ₹ 3,868.32 crore of the total Green Estimates for the identified schemes/programmes with 100 *per cent* allocation. This indicated that these departments were not justifying the purpose of introduction of the Green Budget, as they had failed to spend the 37 *per cent* of the allocations. The Environment, Forest and Climate Change Department could spend only ₹ 502.05 crore (74.03 *per cent*), against the total allocation of ₹ 678.21 crore.

Group-wise performance of the schemes is detailed in **Table 3.40**.

Table 3.40: Performance of schemes under Green Budget

(₹ in crore)

Group	Share (in <i>per cent</i>)	No. of Schemes		Total Budget	Expenditure incurred	Achievement (in <i>per cent</i>)
		Green Budget (BE)	Appropriation Accounts			
A	100	93	93	3,868.32	2,443.74	63.17
B	75-90	23	23	504.16	Could not be ascertained as specific items under defined percentage including budget and expenditure thereagainst was not available.	
C	50-75	31	31	3,517.62		
D	25-50	39	39	3,956.92		
E	05-25	61	61	7,203.39		
F	01-05	45	45	9,316.28		
Total		292	292	28,366.70		

(Source: Green Budget with appropriation Account for the year 2022-23)

In the absence of any specific performance reports/records, including the actual expenditure incurred, the effectiveness of the schemes could not be ascertained by Audit. Further, the Green Budget and the Appropriation Accounts had not been mapped with each other. Therefore, Audit could not ascertain the amount of expenditure incurred on the Green Budget, from the Appropriation Accounts.

GoB placed a disclaimer in the Green Budget 2022-23, to the effect that:

- I. analysis of the programmatic budget estimates is not sufficient to evaluate the compliance with national and international goals/commitments of environmental sustainability and climate change;
- II. The green budget has accounted only for gross budget estimates and actual allocation and expenditure of identified department-wise schemes and programmes, hence the results do not express net status of outcomes or expenditures and
- III. Environmental regulations are not included in the scope of the budget process. Also, the green budget does not evaluate the efficiency of environmental expenditures.

⁹ 19-2406011050105 in group A, 01-2401007890335 in group C.

This indicated that the Government had prepared the Green Budget without any significant indicators for measuring the outcomes of expenditures incurred in respect of schemes included under Green Budget. Further, the achievement of targets/goals for which these allocations were made could not be measured or ascertained.

3.7 Review of the Outcome Budget and Achievement Report thereon

Outcome budget determines the physical features in relation to the amounts spent by the Government. The Achievement Report on the Outcome Budget presents the achievements against the targets. It provides information about possible outcomes to the public and can ensure transparency and accountability of the government in its financial dealings. The objective of the Outcome Budget was to establish a co-relationship between the financial budget and performance budget and to track not just the intermediate physical outputs but also the outcomes.

In Bihar, the outcome Budget and Achievement Book, showing significant possible physical results, was started in 2006-07.

Table 3.41: Number of schemes, alongwith Budget Provisions thereagainst and expenditure incurred thereon, during 2022-23

(₹ in crore)

Sl. No.	Budget	No of Schemes ¹⁰	Budget	Expenditure as per AA
1	Appropriation Account (BEs)	2139	2,37,691.21	2,31,451.30
2	Outcome Budget (BEs)	1404	1,29,863.44	1,30,181.14
3	Achievement Report (Actuals)	894	1,05,974.98	1,19,935.86

(Source: Appropriation Accounts along with Outcome, Gender, Child Welfare and Green Budgets 2022-23)

Two departments *i.e.*, Agriculture and Public Health Engineering, were selected for review of the Outcome Budget for 2022-23.

3.7.1 Financial Outlays *vis-à-vis* Outcome Budget

3.7.1.1 Aggregate Budget Outturn with respect to the Outcome Budget and Achievement Book

The State Government did not set any criteria for the number of schemes that would appear in the ‘Outcome Budget’ and ‘Achievement Book’. The schemes detailed in the ‘Achievement Book’, are out of the schemes reported in Outcome Budget. During 2022-23, out of the 2139 schemes included in the budget estimates, 1404 schemes featured in the Outcome Budget. The Achievement Book, prepared against the Outcome Budget, however, featured 894 schemes only. Scheme group-wise financial and physical achievement (irrespective of bill code), against each group of schemes, are detailed in **Table 3.42** and **3.43**.

¹⁰ Number of schemes (Bill Codes) included in Original Budget Estimate 2022-23.

Table 3.42: Physical Achievements against budget provisions

Scheme Group	Total no. of Heads of accounts/ Bill code/sub-scheme			Percentage of schemes included in Outcome Budget	Percentage of schemes reported in Achievement Book against original budget
	Original Budget	Outcome Budget	Achievement report		
Central Sponsored/Sector Schemes	432	426	228	98.61	52.78
Establishment and committed	928	205	130	22.09	14.01
State Schemes	779	773	536	99.23	68.81
Total	2139	1404	894	65.64	41.80

(Source: Appropriation Accounts for the year 2022-23)

Only 65.64 *per cent* and 41.80 *per cent*, of the schemes of the Original Budget, were included in the Outcome Budget and Achievement Book, respectively. Only 63.67 *per cent* of the schemes included in the Outcome Budget were evaluated through the Achievement Book. As such, achievements against the remaining schemes were not reported upon.

Further, at the end of the financial year, the number of schemes was enhanced from 2139 to 2448. Against these added schemes, achievements were not reported upon in the Outcome Budget, or in the Achievement Book.

Financial Achievements, against the original budget provisions, on the basis of budget provisions of the schemes included in the Outcome Budget, are detailed in **Table 3.43**.

Table 3.43: Financial Achievements against budget provisions

(₹ in crore)

Scheme Group	Total Budget (Outcome Budget)	Expenditure incurred	Expenditure (per cent)
Central Sponsored/Sector Schemes	87,274.73	56,640.46	64.90
Establishment and committed	34,580.83	26,825.27	77.57
State Schemes	59,321.84	46,715.42	78.75
Total	1,81,177.40	1,30,181.15	71.85

(Source: Appropriation Accounts for the year 2022-23)

It can be seen from **Table 3.43** that, against the total provisions of ₹ 1,81,177.40 crore for these schemes, only 71.85 *per cent* (₹ 1,30,181.15 crore) funds were spent during the year.

3.7.1.2 Aggregate Budget Outturn with respect to Outcome Budget and Achievement Report of nine major grants/departments

GoB manages its financial mechanism through 51 grants and 44 departments. Out of these 44 departments, nine departments contribute to 70 *per cent* of the total budget of the state (₹ 1,81,742.38, crore out of ₹ 3,01,786.46 crore). The financial achievements, against each group of schemes, are detailed in **Table 3.44**.

Table 3.44: Financial Achievements against budget provisions*(₹ in crore)*

Grant - Department	Budget 2022-23			Outcome Budget vs Achievement Report 2022-23				
	No. of schemes	Budget	Expenditure	No. of Schemes in Outcome Budget	No. of schemes in Achievement Book	Budget against Achievement Book Schemes	Expenditure reported in Achievement Book	Per cent Achievement
21 – Education	218	55,892.37	42,095.78	164	114	40,420.03	34,980.18	86.54
42 - Rural Development	76	21,731.56	18,412.91	66	46	21,099.02	18,002.96	85.33
20 – Health	200	20,557.27	12,013.95	82	47	9,843.21	6,077.59	61.74
10 – Energy	26	16,549.12	16,207.98	13	9	2,501.35	2,426.89	97.02
22 – Home	102	15,070.01	11,811.93	16	14	1,555.64	887.94	57.08
37 - Rural Works	17	13,941.96	9,478.96	13	11	9,707.70	6,231.85	64.19
16 - Panchayati Raj	46	13,571.65	8,661.18	39	31	12,086.70	8,250.39	68.26
51 - Social Welfare	138	13,488.03	11,192.66	92	67	12,435.55	10,185.31	81.90
48 - Urban Development and Housing	125	10,940.41	6,546.06	83	35	3,868.56	2,136.07	55.22
Total	948	1,81,742.38	1,36,421.41	568	374	1,13,517.76	89,179.18	78.56

(Source: Appropriation Accounts for the year 2022-23)

As evident from the **Table 3.44**:

- Against 948 schemes across nine departments, targets/outcomes against only 568 (59 *per cent*) schemes were fixed/included in Outcome Budget. Further, achievements against only 374 (65 *per cent* of 568 and 39 *per cent* of 948) schemes were reported in the ‘Achievement Book’, for the year 2022-23.
- Financial achievements against schemes of ₹ 89,179.18 crore (49 *per cent* of ₹ 1,81,742.38 crore) had been reported in Achievement Book.

In the absence of full disclosure of all schemes in Achievement Book, which were contained in Outcome budget, the objective of preparing these reports was not achieved. Further, by not setting up any criteria for the number of schemes that would appear in the ‘Outcome Budget’ and ‘Achievement Book’, only partial information was reported.

3.7.2 Financial performance of the selected departments

Review of the financial performance, achievements against outcomes and working, was conducted in respect of Grant No.-01 Agriculture Department and Grant No.- 36 Public Health Engineering Department.

3.7.2.1 Grant No. 01: Agriculture Department

The Agriculture Department had a budget provisions of ₹ 4,379.62 crore, during 2022-23. Financial, as well as physical achievements of the Department, are detailed in **Tables 3.45** and **3.46**.

Table 3.45: Financial Achievements against budget provisions

(₹ in crore)

Scheme Group	Total outcome Budget	Expenditure incurred	Achievement (Per cent)
Central Sponsored/Sector Schemes	1,276.80	321.96	25.22
State Schemes	2,092.22	1,594.98	76.23
Total	3,369.02	1,916.94	56.90

(Source: Appropriation Account for the year 2022-23)

Against the total provisions of ₹ 3,369.02 crore for these schemes, only 56.90 per cent (₹ 1,916.94 crore) funds were spent during the year.

Table 3.46: Physical Achievement against the budget provision

Scheme Group	Total no. of Heads of accounts/Bill code/ sub-scheme			Per cent schemes included in Outcome Budget	Per cent scheme reported in Achievement Book
	Original Budget	Outcome Budget	Achievement report		
Central Sponsored/ Sector Schemes	78	78	39	100	50.00
State Schemes	51	51	41	100	80.39
Total	129	129	80	100	62.01

(Source: Appropriation Accounts for the year 2022-23)

Thus, only 62.01 per cent of total schemes have been reported upon, in the Achievement book.

3.7.2.2 Grant No. 36: Public Health Engineering Department

During 2022-23, the PHE Department had a Budget provisions of ₹ 2,480.38 crore. The financial, as well as physical achievements of the Department are detailed in **Tables 3.47** and **3.48**.

Table 3.47: Financial Achievements against budget provisions

(₹ in crore)

Scheme Group	Total outcome Budget	Expenditure incurred	Achievement (Per cent)
Central Sponsored/Sector Schemes	600.00	297.05	49.51
State Schemes	1,447.65	1,337.08	92.36
Total	2,047.65	1,634.13	79.81

(Source: Appropriation Accounts for the year 2022-23)

Against the total provisions of ₹ 2,047.65 crore for these schemes, only 79.81 per cent (₹ 1,634.13 crore) funds were spent during the year.

Table 3.48: Physical Achievements against budget provisions

Scheme Group	Total no. of Heads of accounts/Bill code/ sub-scheme			Per cent schemes included in Outcome Budget	Per cent scheme reported in Achievement Book
	Original Budget	Outcome Budget	Achievement report		
Central Sponsored/Sector Schemes	6	6	3	100	50.00
State Schemes	21	21	16	100	76.19
Total	27	27	19	100	70.37

(Source: Appropriation Accounts for the year 2022-23)

Thus, only 70.37 *per cent* of the total schemes were reported upon, in the Achievement Book.

3.8 Review of Budget provisions for Scheduled Castes and Scheduled Tribes

3.8.1 Schedule Caste and Scheduled Tribe Welfare Department

To ensure all-round multifaceted development *i.e.*, economic, educational and social upliftment of the Scheduled Castes (SCs) and Scheduled Tribes (STs), GoB established (April 2007) Scheduled Castes and Scheduled Tribes Welfare Department. The Department is the nodal department to implement and monitor all schemes and projects meant for SCs and STs in Bihar.

3.8.2 Population of Scheduled Castes (SC) and Scheduled Tribes (ST) in Bihar

As per 2011 Census, Bihar is the third most populous state with total population of 10.41 crore. It is also India's most densely populated state, with 1,106 persons per square kilometre. 16 *per cent* (1.66 crore) of the State's population was reported as belonging to Scheduled Castes (SC), while 1.25 *per cent* (0.13 Crore) population was reported as belonging to Scheduled Tribes (ST), as detailed in **Table 3.49**.

Table 3.49: Category-wise demography of Bihar

(in crore)

Category	Population (2001)	Per cent	Population (2011)	Per cent	Decadal growth [#]
General	6.92	83.37	8.62	82.81	24.58
Scheduled Castes (SC)	1.30	15.72	1.66	15.91	26.97
Scheduled Tribes (ST)	0.08	0.91	0.13	1.28	76.25
Total	8.30	100	10.41	100	25.42

(Source: Annual report of the SC and ST Welfare Department for the year 2022-23)

[#] Total population growth in a particular decade (between 2001 and 2011)

3.8.3 Financial Achievements

The schemes meant for the SCs and STs communities are planned and implemented in two ways *i.e.*, through the Department itself and through other departments under specific Minor Heads (MIH) - 789 and 796, respectively. Financial achievements of both the segments, for the period from 2018-19 to 2022-23, are discussed in the succeeding paragraphs.

3.8.3.1 SC and ST Welfare Department

Financial achievements of the Department, for the period from 2018-19 to 2022-23, are detailed in **Table 3.50**.

**Table 3.50: Financial achievements of the SC and ST Welfare Department
(2018-19 to 2022-23)***(₹ in crore)*

Year	Heads of Accounts	Total Budget	Expenditure	Percentage of expenditure to Budget	Savings	Surrender	per cent surrender
2018-2019	49	1,468.63	1,022.92	69.65	445.72	406.43	91.19
2019-2020	50	1,599.63	1,121.26	70.10	478.37	10.00	2.09
2020-2021	51	1,727.31	1,270.24	73.54	457.08	2.50	0.55
2021-2022	55	1,923.20	1,456.48	75.73	466.72	33.96	7.28
2022-2023	56	2,116.53	1,628.09	76.92	488.44	66.72	13.66
Total		8,835.31	6,498.99	73.56	2,336.32	519.61	22.24

(Source: Detailed Appropriation Accounts, Government of Bihar)

Table 3.50 shows that:

- ✦ during 2018-19 to 2022-23, the Department could utilise only 73.56 per cent of its allocation.
- ✦ out of the savings of ₹ 2,336.32 crore during the period, only 22.24 per cent (₹ 519.61 crore) savings were surrendered.

Although the Department is working exclusively for the SCs and STs communities, however, scrutiny of the budgetary data revealed that only one scheme (only in 2022-23), with a Budget provisions of ₹ 63.39 crore (expenditure of ₹ 56.54 crore), was found to have been included under the minor head “789” and three schemes with a Budget provisions of ₹ 145.40 crore (expenditure of ₹ 36.12 crore), had been included under the minor head “796”, during 2018-19 to 2022-23, which was to be used by other Departments, for schemes pertaining to the SC and ST communities.

Non-utilisation of budgetary provisions, failure to surrender the unutilised funds and persistent and significant savings, reveal weak financial management on part of the Department.

3.8.3.2 Other departments

Apart from the SC and ST Welfare Department, details of schemes (heads of account), being implemented by other departments under MIH –“789” and “796”, are given in **Tables 3.51** and **3.52**.

Table 3.51: Schemes under the Minor Head-789*(₹ in crore)*

Year	Number of heads of accounts	Total Budget	Expenditure	Percentage of expenditure to Budget
2018-2019	178	17,722.15	12,350.12	69.69
2019-2020	184	18,096.25	10,568.36	58.40
2020-2021	190	18,040.42	10,139.09	56.20
2021-2022	213	18,767.31	12,500.43	66.61
2022-2023	233	23,873.28	16,389.36	68.65
Total	998	96,499.41	61,947.36	64.19

(Source: Detailed Appropriation Accounts, Government of Bihar)

It was observed that:

- ✦ In 2022-23, it was noticed that 68.65 *per cent* of the total budget provisions under minor head '789' was utilized, which was lower than 77.95 *per cent* utilisation of the total budget of the State.
- ✦ The financial achievement of the Revenue and Land Reforms, Sugar Industries, Urban Development and Housing and Transport Departments, was between 0.48 *per cent* to 21.70 *per cent*.
- ✦ Out of 44 departments, 26 departments were implementing schemes for SC and ST, under this MIH. Among these 26 departments, the financial achievements of two¹¹ grants/departments were below five *per cent* and six¹² departments had performance below 50 *per cent*.

Table 3.52: Schemes under the Minor Head-796

(₹ in crore)

Year	Number of heads of accounts	Total Budget	Expenditure	Percentage of expenditure to Budget
2018-2019	138	1,827.07	887.24	48.56
2019-2020	143	1,849.72	1,090.48	58.95
2020-2021	148	1,381.85	871.98	63.10
2021-2022	168	1,966.38	1,370.41	69.69
2022-2023	180	2,562.96	1,695.45	66.15
Total	777	9,587.97	5,915.56	61.70

(Source: Detailed Appropriation Accounts, Government of Bihar)

It was observed that:

- ✦ In 2022-23, it was noticed that 66.15 *per cent* of the total budget provision, made under the minor head '796', had been utilized, which was lower than the 77.95 *per cent* utilisation of the total budget of the State.
- ✦ Out of 44 departments, 26 departments were implementing schemes for SC and ST under this MIH. Among these 26, the financial achievement of Revenue and Land Reforms Department was 'nil' (against funds of ₹ 4.15 crore). In another six¹³ grants/departments, the expenditure was below 25 *per cent* (against ₹ 89.42 crore).

Despite availability of funds and inclusion of the schemes in the budget, achievement of the schemes under MIH 789 and 796 was below the overall performance of the budget for 2022-23.

3.9 Conclusions

- ✦ Supplementary provisions had not been made on a realistic basis, as, in 22 cases, under 20 grants, supplementary provisions, amounting to ₹ 18,491.79 crore (₹ 100 crore or more in each case) had proved unnecessary/excess and had remained fully unutilised, as the expenditure (₹ 83,802.17 crore) had not reached even up to the level of the original provisions (₹ 1,03,251.69 crore).

¹¹ Revenue & Land Reforms and Sugar Industries Department.

¹² Animal & Fisheries Resource, Panchayati Raj, Education, Transport, Urban Development & Housing and Minor Water Resources Department.

¹³ Energy, Panchayati Raj, Road Construction, Sugar Industries, Transport and Minor Water Resource Department.

- ✦ The State Government could utilise only 77.95 *per cent* of the total budget provisions made during 2022-23.
- ✦ In 32 Schemes, under 12 grants, although there was an approved outlay of ₹ 4,053.49 crore (₹ 25 crore or above in each scheme), no expenditure had been incurred.
- ✦ In the rush of expenditure, at the fag end of the financial year 2022-23, 100 *per cent* expenditure, amounting to ₹ 7,695.44 crore, had been incurred in the month of March 2023, in 48 schemes, under 19 grants.
- ✦ Although the budget provisions for the year 2022-23 (₹ 3,01,686.46 crore) were more than 10 times, in comparison to the budget provisions for the year 2005-06 (₹ 28,976.40 crore), the criteria for providing explanations for variations in expenditure, *vis-a-vis* approved budgetary allocations, has not been revised for the Appropriation Accounts.
- ✦ Out of the total savings of ₹ 66,509.62 crore, only 30.86 *per cent* was surrendered (₹ 20,526.71 crore) during the year. These savings were 103.93 *per cent* of the supplementary provisions.
- ✦ State Government had made 15 withdrawals, amounting to ₹ 3,327.42 crore, from the Contingency Fund of the State, during the year, for foreseeable nature of expenditure.

3.10 Indicators

The following are some conclusions arrived at, as a result of the analysis of the Budget and Appropriation Accounts:

Positive Indicators	Negative Indicators
<ul style="list-style-type: none"> • Preparation of Standard operating Procedure for Child Budgeting with an objective to strengthen the institutional mechanisms for child-responsive public finances. • Preparation of Child Budget Manual. 	<ul style="list-style-type: none"> • Standard Operating Procedure not prepared for Gender Budget and Green Budget. • The Bihar Treasury Code not revised/ updated to address CFMS era of accounting. • Provisions of Gender Budget, Child Welfare Budget and Green budget are not mentioned separately in the General Budget.

3.11 Recommendations

The Government may:

- ✦ evolve a system of timely release of budgetary allocations to the departments, to minimise the surrenders.
- ✦ ensure that all anticipated savings are surrendered on time, so that the funds can be utilised for other purposes.
- ✦ review the reasons for persistent savings and take necessary steps to avoid such situations, to ensure optimal utilisation of the amounts allocated.
- ✦ monitor and control rush of expenditure during the fag end of the financial year.
- ✦ ask the respective departments to submit performance reports for Gender Budgeting/ Child Welfare Budgeting/ Green Budgeting and Outcome Budget, to bring about greater transparency in public spending.