

**CHAPTER-3**  
**BUDGETARY MANAGEMENT**



## Chapter-3

### Budgetary Management

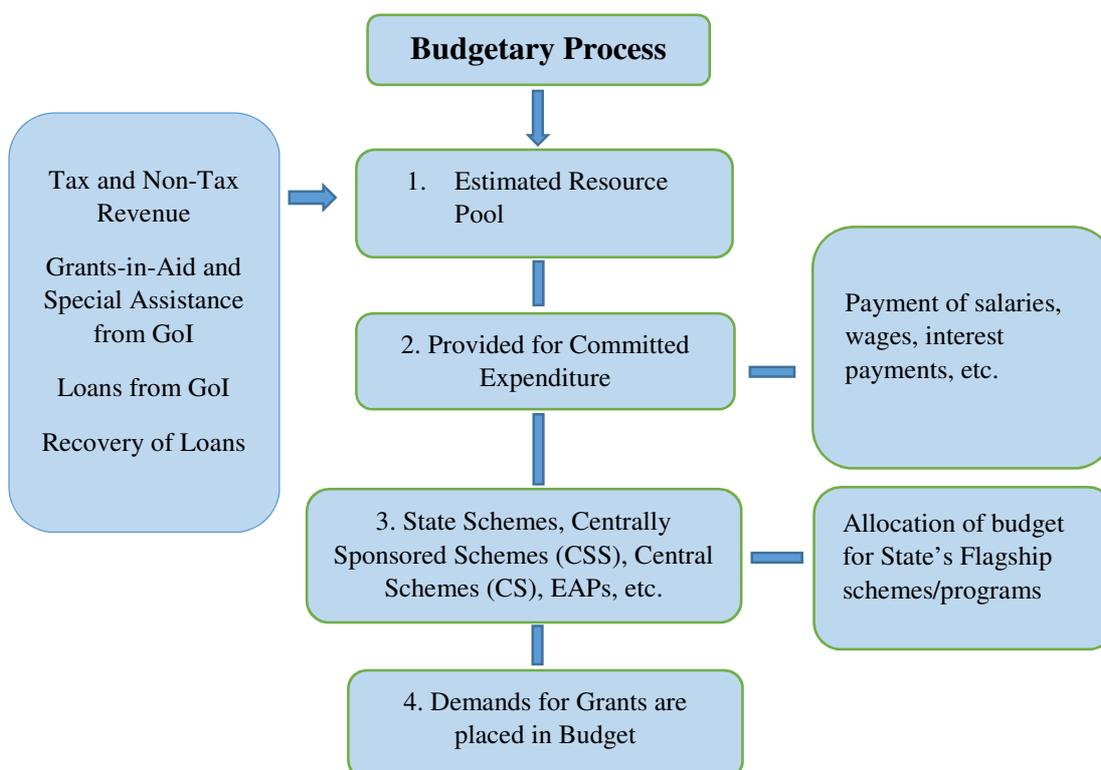
#### 3.1 Budget Process

In terms of Section 27 of GNCTD Act, 1991, the Lieutenant Governor shall in respect of every financial year cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of GNCTD in respect of every financial year.

The estimates of the expenditure show ‘charged’ and ‘voted’ items of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by GNCTD.

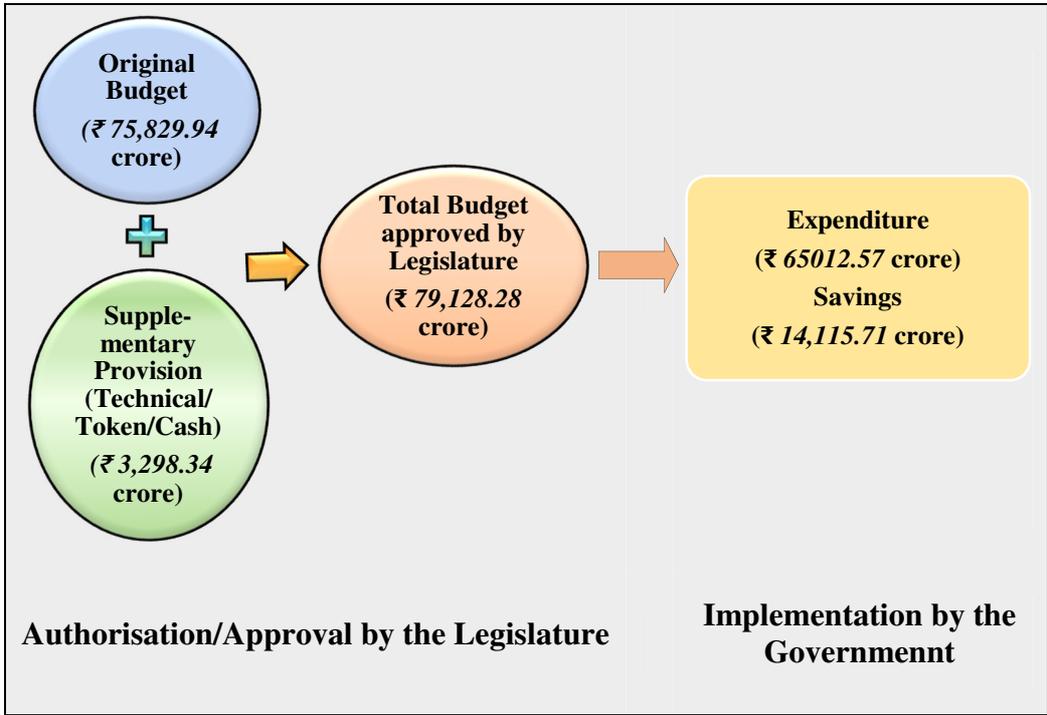
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to different Departments in framing their estimates, for the next financial year. A typical budget preparation process in GNCTD is given in **Chart 3.1**:

**Chart 3.1: Flow chart of budget preparation process**



The various components of Budget are depicted in **Chart 3.2**

**Chart 3.2: Flow chart of budget implementation for the Financial Year 2022-23**



Source: Appropriation Accounts for the year 2022-23

**3.1.1 Summary of total provisions, actual disbursements and savings during the financial year 2022-23**

A summarised position of total budget provision, disbursement and savings/excess for the financial year 2022-23 with its further bifurcation into voted/charged is given in **Table 3.1 (a)**:

**Table 3.1 (a): Budget provision, disbursements and savings/excess during 2022-23**

(₹ in crore)

Nature of expenditure	Total Budget provision		Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	51,963.61	3,785.05	44,925.78	3,738.72	7,037.83	46.33
Capital	12,831.28	60.10	8,509.24	39.61	4,322.04	20.49
Public Debt	0.00	4,715.17	0.00	4,715.16	0.00	0.01
Loans and Advances	5,772.07	1.00	3,084.06	0.00	2,688.01	1.00
<b>Total</b>	<b>70,566.96</b>	<b>8,561.32</b>	<b>56,519.08</b>	<b>8,493.49</b>	<b>1,4047.88</b>	<b>67.83</b>

GNCTD had envisaged ₹ 79,128.28 crore for spending on its activities/scheme against which the net disbursement/expenditure was ₹ 64,110.35<sup>1</sup> crore, resulting in savings of ₹ 15,017.93 crore. Moreover, disbursement/expenditure nearly matched the total receipts of ₹ 67,211.72 crore, which was nearly 85 *per cent* of sanctioned budget. Estimating expenditure more than actual requirement was indicative of deficient budgeting exercise.

**Table 3.1 (b): Trend of budget utilisation *vis-à-vis* total receipts and total expenditure**

(₹ in crore)

Year	Budget	Percentage of expenditure <sup>2</sup> to total budget	Percentage of receipt <sup>3</sup> to total budget
2018-19	58177.14	79.49	81.88
2019-20	64180.68	79.75	82.15
2020-21	65891.87	79.63	87.81
2021-22	72081.08	85.00	85.00
2022-23	79128.28	81.02	84.94

It can be seen from **Table 3.1 (b)** that percentage of receipt *vis-à-vis* the total budget varied between 82-88 *per cent* and the corresponding expenditure *vis-à-vis* the total budget varied between 80-85 *per cent*. Estimating expenditure more than actual requirement was indicative of deficient budgeting exercise.

### 3.1.2 Charged and voted disbursements

Break-up of total disbursements into charged and voted for the years 2018-19 to 2022-23 is given in **Table 3.2**:

<sup>1</sup> ₹ 65,012.57 crore - ₹ 902.22 crore (recoveries)

<sup>2</sup> Include repayment of public debt

<sup>3</sup> Include debt receipts

**Table 3.2: Disbursements and savings/excess during 2018-19 to 2022-23**

(₹ in crore)

Year	Provisions			Disbursements			Savings/Excess	
	Voted	Charged	Total	Voted	Charged	Total	Voted (in percentage)	Charged (in percentage)
2018-19	51,230.42	6,946.72	58,177.14	39,550.58	6,793.98	46,344.56	11,679.84 (22.80)	152.74 (2.20)
2019-20	57,305.74	6,874.94	64,180.68	45,632.91	5,877.12	51,510.03	11,672.83 (20.37)	997.82 (14.51)
2020-21	58,932.64	6,959.23	65,891.87	46,442.27	6,453.49	52,895.76	12,490.37 (21.19)	505.74 (7.27)
2021-22	63,998.48	8,082.60	72,081.08	53,660.30	7,881.70	61,542.00	10,338.18 (16.15)	200.90 (2.49)
2022-23	70,566.96	8,561.32	79,128.28	56,519.08	8,493.49	65,012.57	14,047.88 (19.91)	67.83 (0.79)

It can be seen from **Table 3.2** that during the period 2018-19 to 2022-23, the savings under the ‘Voted’ portion of the budget ranged from 16.15 to 22.80 *per cent* whereas the savings under the ‘Charged’ portion of budget ranged from 0.79 to 14.51 *per cent*.

### 3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants (voted and charged) for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on *gross basis*. These Accounts distinctly depict the original budget provision, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts thus, facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and, therefore, complement Finance Accounts.

Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants are within the authorisation given under the Appropriation Act. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, GNCTD for the year 2022-23.

Scrutiny of the Appropriation Accounts revealed that there was total savings of ₹ 14,115.71 crore (17.84 per cent of total budget of ₹ 79,128.28 crore) in which ₹ 6,538.24 crore (46.32 per cent of total savings) was surrendered on or before close of financial year 2022-23 and ₹ 7,577.47 crore (53.68 per cent of total savings) lapsed due to not surrendering the savings in time.

### 3.2.1 Budget Marksmanship

#### Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount original approved both in the terms of less than approved and in excess of approved.

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual And BE
Revenue	53,717.29	48664.50	(-)5,052.79
Capital	22,112.65	16,348.07	(-)5,764.58
<b>Total</b>	<b>75,829.94</b>	<b>65,012.57</b>	<b>(-)10,817.37</b>

In Revenue section, deviation in outturn compared with BE was (-) 9.41 per cent. This was due to deviation ranging from (-) 7.83 to 25 per cent in nine grants, from + 25 per cent to 50 per cent in three grants and from + 50 to 100 per cent in one grant.

In Capital Section, deviation in actual expenditure compared with BE was (-) 26.07 per cent. This was due to deviation ranging from (-) 857.83 to 25 per cent in two grants, from + 25 per cent to 50 per cent in five grants and from + 50 to +100 per cent in four grants. No provision was, however, made in respect of four grants in capital section.

#### Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

(₹ in crore)

Description	Original Approved Budget (BE)	Sanctioned Budget (SB) (O+S)	Actual Outturn	Difference between BE and Total Budget	Difference between Actual and Total Budget*
Revenue	53,717.29	55,748.66	48,664.50	(-)2,031.37	(-)7,084.16
Capital	22,112.65	23,379.62	16,348.07	(-)1,266.97	(-)7,031.55
<b>Total</b>	<b>75,829.94</b>	<b>79,128.28</b>	<b>65,012.57</b>	<b>(-)3,298.34</b>	<b>(-)14,115.71</b>

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

In Revenue section, deviation in outturn compared with sanctioned budget was (-) 12.71 *per cent*. This was due to deviation ranging from 0 to 25 *per cent* in nine grants, between + 25 *per cent* to 50 *per cent* in three grants, between + 50 to 100 *per cent* in one grant.

In Capital Section, deviation in outturn compared with sanctioned budget was (-) 30.08 *per cent*. This was due to deviation between 0 and 25 *per cent* in two grants, between + 25 *per cent* to 50 *per cent* in three grants, between + 50 to 100 *per cent* in six grants. No provision was, however, made in respect of four grants in capital section.

### **3.3 Integrity of budgetary and accounting process**

#### **Brief**

Of the 46 cases of savings exceeding ₹ 100 crore across all the grants, 20 cases were checked with respect to departmental records and the reasons for savings in respect of these cases were found to be matching.

Further, Grant No. 6-Education was selected for detailed examination for the last three years. Under this grant, the reasons for injudicious re-appropriation, persistent savings and rush of expenditure were also checked with reference to departmental records and found to be matching

#### **3.3.1 Unnecessary or excessive supplementary grants**

Supplementary demand should be resorted to only in exceptional and urgent cases. While obtaining a supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds.

Scrutiny of Appropriation Accounts for the year 2022-23 revealed that supplementary grants amounting to ₹ 1,999.30 crore in eight cases, as detailed in **Appendix 3.1**, were obtained in anticipation of higher/additional expenditure. However, the final expenditure was even less than the original grant, thereby defeating the intended purpose of the supplementary grant.

#### **3.3.2 Unnecessary or excessive re-appropriation**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Scrutiny of Appropriation Accounts for the year 2022-23 revealed that under 11 sub-heads spread across six grants, there were final savings of more than ₹ 15 crore in each case, as detailed in **Appendix 3.2**.

Re-appropriations to these 11 sub heads were made unnecessarily, as the departments were not able to utilise even their existing grants (original + Supplementary) fully and there was a cumulative non-utilisation (savings) of ₹ 714 crore against the re-appropriation of ₹ 492.58 crore, which was indicative of deficient budgeting exercise. The detailed reasons for the savings are indicated in **Appendix 3.2**.

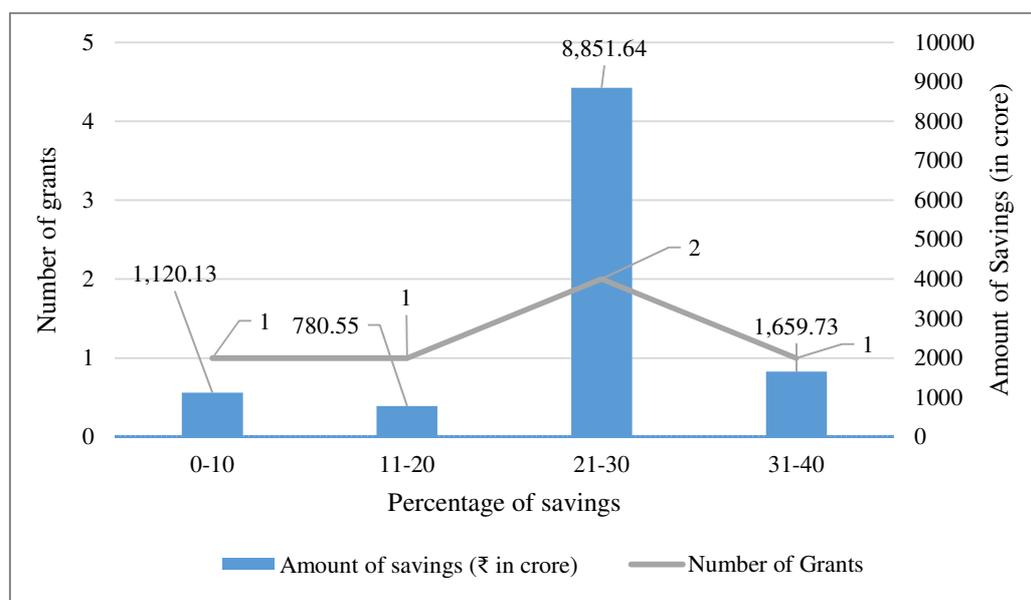
### 3.3.3 Unspent amount and surrendered appropriations and/or large savings/ surrenders.

As per Rule 62(2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilised should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses.

There were overall savings of ₹ 14,115.71 crore, which was 17.84 per cent of total budget of ₹ 79,128.28 crore. Out of this, in eight cases (**Appendix 3.3**), there were savings of more than ₹ 500 crore in each case. Against the total provision of ₹ 64,877.38 crore, the actual expenditure was ₹ 52,465.33 crore and savings was ₹ 12,412.05 crore. Further, despite significant savings of more than ₹ 500 crore and above out of original budget provision, supplementary provisions were obtained (**Appendix 3.3**).

The distribution of the number of grants/appropriations (**Appendix 3.3**) grouped by the percentage of savings shows (**Chart 3.3**) that in four grants (Grant No. 6, 7, 8 and 11) savings amounting to ₹ 10,752.32 crore ranged from 8 to 30 per cent of the total provisions. However, in one grant (Grant No. 10) there was savings of ₹ 1,659.73 crore (30.84 per cent).

**Chart 3.3: Number of Grants/Appropriations grouped by the percentage of savings along with total savings in each group**



Audit further noted that in 10 grants there were total savings of ₹ 13,166.11 crore in which an amount of ₹ 6,470.63 crore was surrendered and ₹ 6,695.48 crore (more than ₹ 10 crore in each case) of total savings lapsed at the end of March 2023, as detailed in **Appendix 3.4**. The reasons for savings as mentioned in appropriation accounts and surrender statement are given in **Appendix 3.4**.

### **3.4 Comments on transparency of budgetary and accounting process**

#### **3.4.1 Lump-sum budgetary provisions**

The financial rules/budget manual prohibit lump-sum provision in estimates except in cases where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/scheme which has been accepted in principle for being taken up in the financial year. Detailed explanations justifying provision proposed are required to be given in the budget note accompanying the lump-sum estimates.

Audit noted that GNCTD made total lump-sum budgetary provision of ₹ 260.88 crore under three grants (**Appendix 3.5**) against which expenditure of ₹ 205.39 crore was made. Lump-sum provisions without identifying the exact object of expenditure vitiates transparency. Further, as per sub rule 6 of Rule 3 of Delegation of Financial Powers Rules, 1978 no lump-sum provision shall ordinarily be made in the budget except for works costing less than ₹ 10 lakh. However, Audit noted that in 12 cases under three Grants, as detailed in **Appendix 3.5**, the amount had exceeded the prescribed limit of ₹10 lakh. Moreover, it has also been noticed that similar lump-sum provisions under sub-heads of Grant No. 7, 10 and Grant No. 11 were also made in previous year.

### **3.5 Comments on effectiveness of budgetary and accounting process**

#### **3.5.1 Budget projection and gap between expectation and actual**

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

Scrutiny of Appropriation Accounts for the year 2022-23 revealed that the departments could utilise ₹ 65,012.57 crore against the total provision of ₹ 79,128.28 crore and out of total savings of ₹ 14,115.71 crore, savings of ₹ 7,577.47 crore (53.68 per cent) lapsed on 31 March, 2023.

The details are given in **Table 3.3**:

**Table 3.3: Summarised position of actual expenditure vis-à-vis original/ supplementary provisions**

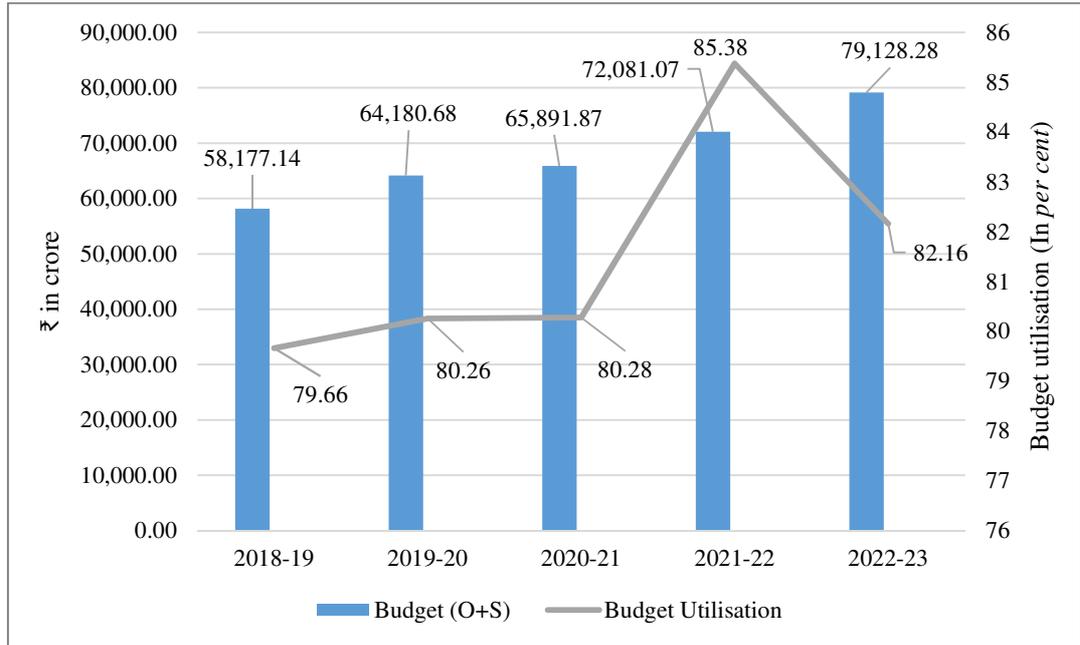
(₹ in crore)

Segment	Nature of expenditure	Original grant/ appropriation	Supplem-entary Grant/ Appropri-iation	Total	Actual expendit-ure	Savings(-) Excess(+)	Lapsed on 31 March23	
							Amount	in per cent
Voted	I. Revenue	49,990.01	1,973.60	51,963.61	4,4925.78	(-)7,037.83	4,689.73	66.64
	II. Capital	12,325.47	505.81	12,831.28	8,509.24	(-)4322.04	1,496.38	34.62
	III. Loans and Advances	5,010.91	761.16	5,772.07	3,084.06	(-)2688.01	1,344.07	50.00
<b>Total voted</b>		<b>67,326.39</b>	<b>3,240.57</b>	<b>70,566.96</b>	<b>56,519.08</b>	<b>(-)14,047.88</b>	<b>7,530.18</b>	<b>53.60</b>
Charged	I. Revenue	3,727.28	57.77	3,785.05	3,738.72	(-)46.33	31.79	68.62
	II. Capital	60.10	0.00	60.10	39.61	(-)20.49	15.5	75.61
	Public Debt	4,715.17	0.00	4715.17	4,715.16	(-)0.01	0.00	0.00
	III. Loans and Advances	1.00	0.00	1.00	0.00	(-)1.00	0.00	0.00
<b>Total charged</b>		<b>8,503.55</b>	<b>57.77</b>	<b>8,561.32</b>	<b>8,493.49</b>	<b>(-)67.83</b>	<b>47.29</b>	<b>69.72</b>
<b>Appropriation to Contingency Fund (if any)</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>		<b>75,829.94</b>	<b>3,298.34</b>	<b>79,128.28</b>	<b>65,012.57</b>	<b>(-)14,115.71</b>	<b>7,577.47</b>	<b>53.68</b>

Source: Appropriation Account

The position of budget utilisation during the previous five year is given in **Chart 3.4.**

**Chart 3.4: Budget utilisation during 2018-19 to 2022-23**

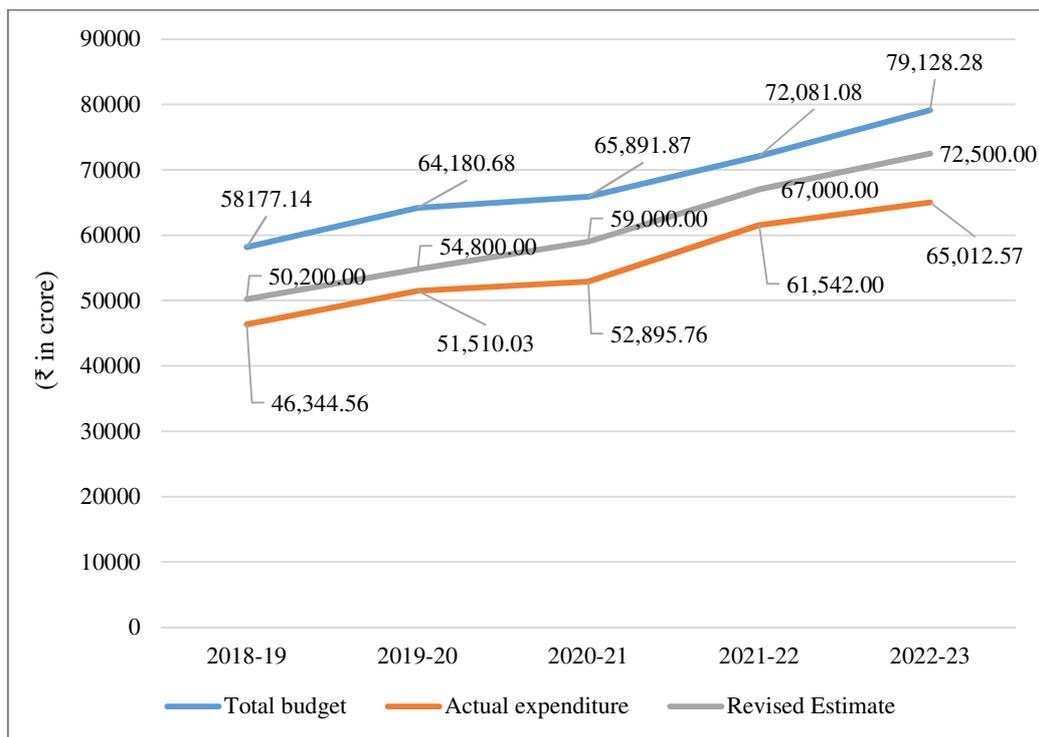


Details of original budget, revised budget estimates and actual expenditure for the period 2018-19 to 2022-23 are given in **Table 3.4:**

**Table 3.4: Original budget, revised estimates and actual expenditure during the period 2018-19 to 2022-23**

	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Original Budget</b>	53,000.01	60,000.00	65,000.00	69,000.00	75,829.94
<b>Supplementary Budget</b>	5,177.13	4,180.68	891.87	3,081.08	3,298.34
<b>Total Budget (TB)</b>	58,177.14	64,180.68	65,891.87	72,081.08	79,128.28
<b>Revised Estimate (RE)</b>	50,200.00	54,800.00	59,000.00	67,000.00	72,500.00
<b>Actual Expenditure (AE)</b>	46,344.56	51,510.03	52,895.76	61,542.00	65,012.57
<b>Savings/excess</b>	11,832.58	12,670.65	12,996.11	10,539.08	14,115.71
<b>Percentage of supplementary to the Original provision</b>	9.77	6.97	1.37	4.47	4.35
<b>Percentage of Savings/ Excess to the overall Provision</b>	20.34	19.74	19.72	14.62	17.84
<b>TB-RE</b>	7,977.14	9,380.68	6,891.87	5,081.08	6,628.28
<b>RE-AE</b>	3,855.44	3,289.97	6,104.24	5,458.00	7,487.43
<b>(TB-RE) as % of TB</b>	13.71	14.62	10.46	7.05	8.38
<b>(RE-AE) as % of TB</b>	6.63	5.13	9.26	7.57	9.46

Source: Budget at glance and Appropriation Accounts of the respective years.

**Chart 3.5: Trend showing Total Budget and Actual expenditure and Revised estimates**

It can be seen from **Table 3.4** that during the period 2018-19 to 2022-23 the percentage of total savings vis-à-vis total provision ranged from 14.62 *per cent* (2021-22) to 20.34 *per cent* (2018-19).

### 3.5.2 Major policy pronouncements in the budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government were partially or fully not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, etc. This deprives the beneficiaries of intended benefits. Savings in such schemes deprives other departments of the funds which they could have utilised.

It was observed that in 87 sub-heads under seven grants, there was revised outlay of ₹ 1175.41 crore (₹ one crore or more in each scheme) but no expenditure was incurred resulting in non-implementation of schemes as shown in **Appendix 3.6**.

Savings of the entire provision was indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Schemes which did not take off due to non-utilisation of the entire provision were –Samagra Shiksha (Top up) - Elementary Education (₹ 145.95 crore), Grants in Aid to School of Specialised Excellence (₹ 19 crore), Pradhan Mantri Kausal Vikas Yojna (CSS) (₹ 21.50 crore), Grant in aid for Covid-19 Emergency Response and health system preparedness package (NRHM) (₹ 244 crore), Delhi Disaster Response Fund (Centre Share) (₹ 15 crore) and Subordinate Debts for land acquisition for MRTS (312.0 crore).

Further, it was observed that in 78 sub-heads under nine grants, provision of ₹ 1,316.21 crore (₹ one crore or above in each case) was made in the original budget (**Appendix 3.7**) but the amount was completely withdrawn in the revised outlay for the financial year 2022-23.

### 3.5.3 Rush of expenditure

i) Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. As per the guidelines of the Ministry of Finance, GoI dated 24 January 2020, expenditure in the last quarter and last month i.e. March of the financial year should be restricted to 25 per cent and 10 per cent of the budget, respectively.

It was noticed that out of the net total expenditure of ₹ 64,110.35 crore during 2022-23, expenditure of ₹ 22,409.72 crore (28.32 per cent of budget) was incurred in the last quarter, whereas ₹ 10,389.30 crore (13.13 per cent of budget) was incurred during the month of March, 2023. Besides, Audit noted that in 28 sub-heads under seven grants, expenditure ranging from 51.53 to 100 per cent, was incurred in March, 2023.

Rush of expenditure during the last quarter, especially during the month of March, indicates non-adherence to financial rules besides adversely affecting quality of expenditure.

#### ii) Sub-heads where entire expenditure was incurred in March 2023

Audit noted that in 6 sub-heads under four grants, the entire expenditure of ₹ 367.06 crore was incurred in March 2023 as detailed in **Table 3.5**:

**Table 3.5: Heads where entire expenditure was incurred in March 2023**

Sl. No.	Grant No. and name	Head of Account (upto Sub-Head)	100 per cent expenditure during March (₹ in crore)
1.	6-Education	2202.01.112.85.00.31 Grants-in-aid to Municipal Corporation of Delhi for Mid-Day Meal Programme (CSS)	45.54
2.		2202.03.001.95.00.31 Grants in Aid to Delhi Higher Education aid trust for Merit Cum Means linked Financial Assistance	17.00
3.		2202.80.107.82.00.34 Welfare of educationally backward minority students	19.12
4.	8- Social Welfare	3055.00.190.99.00.33 Subsidy to DTC for concessional passes	50.00

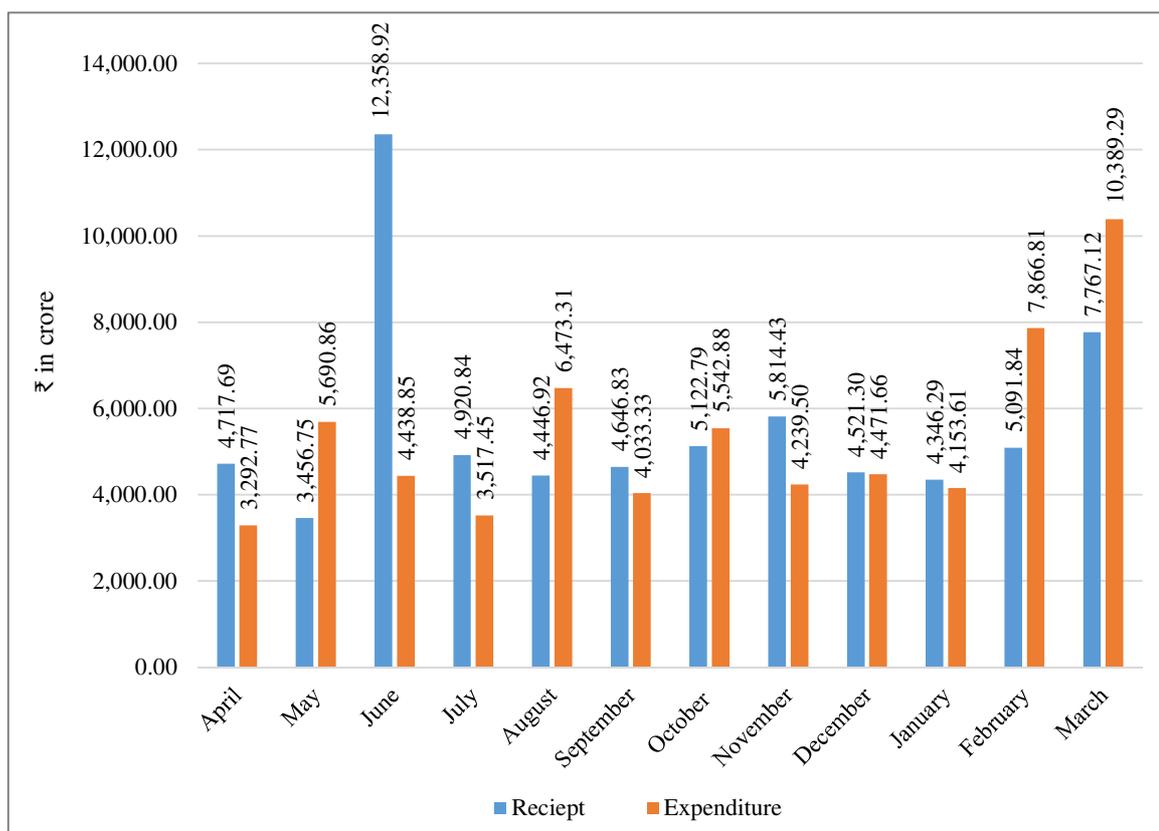
Sl. No.	Grant No. and name	Head of Account (upto Sub-Head)	100 per cent expenditure during March (₹ in crore)
5.	9- Industries	3456.00.102.86.00.50 Assistance to state agency for inter-state movement of food grains and FPS dealer margin under NFSA (CSS)	23.99
6.	11 – Urban Development and Public Works	2217.05.191.94.00.35 Grants in Aid to MCD's/ NDMC for AMRUT 2.0 (CSS)	211.41
<b>Total</b>			<b>367.06</b>

Source: Principal Accounts Office, GNCTD

### iii) Grants with more than 50 per cent of expenditure in March alone

Audit noted that in 22 sub-heads under seven grants, an expenditure of ₹ 1,463.52 crore ranging from 50 to 96.99 per cent of the total expenditure was incurred in March 2023 as depicted in **Appendix 3.8**.

It may be observed from **Chart 3.6** below that month-wise receipts of GNCTD ranged from 5.14 per cent (May 2022) to 18.38 per cent (June 2022) of the total receipt of ₹ 67,211.72 crore whereas month-wise expenditure of GNCTD ranged from 5.13 per cent (April 2022) to 16.20 per cent (March 2023) of the net expenditure of ₹ 64,110.35 crore during the year 2022-23.

**Chart 3.6: Monthly receipts and expenditure during the FY 2022-23**

### 3.5.4 Lack of utilisation of Grant under Centrally Sponsored Schemes (CSS)

Govt. of NCT of Delhi had approved outlay of ₹ 116.58 crore which was revised to ₹ 100.84 crore under the Centrally Sponsored Schemes (GIA) under nine sub-heads involving four Grants, as detailed in **Appendix 3.9**.

### 3.6 Review of selected Grant (“Grant No. 06-Education”)

A review of budgetary procedure and control over expenditure in respect of “Grant No. 06-Education” was conducted, wherein magnitude of variations in original grants, supplementary demands and actual expenditure was analyzed.

#### a) Introduction

A review of budgetary procedure and control over expenditure in respect of Grant no.06-‘Education’, Government of National Capital Territory of Delhi (GNCTD) for the period 2020-21 to 2022-23 was conducted to ascertain compliance with budgeting processes, monitoring of funds and control mechanism within the grant. The grant includes major heads 2202-Directorate of Education, 2203-Directorate of Training & Technical Education, 2204-Sports and Youth Services, 2205-Art and Culture and 2230-Labour, Employment and Skill Development.

**b) Budget and Expenditure**

The overall position of Budget provision, expenditure incurred and savings under the Grant no.06- 'Education' for the last three years is given in **Table 3.6** below:

**Table 3.6: Budget and Expenditure**

(₹ in crore)					
Year	Section	Budget Provision	Total	Expenditure	Savings (percentage)
2020-21	Revenue Original (Voted)	13,349.38	13,349.76	9,823.16	3,526.60 (26.42)
	Supplementary	0.38			
	Revenue Original (Charged)	0.70	0.80	0.10	0.70 (87.5)
	Supplementary	0.10			
	Capital Original (Voted)	388.14	388.15	120.27	267.88 (69.01)
	Supplementary	0.01			
2021-22	Revenue Original (Voted)	14,008.53	14,009.46	11,238.47	2,770.99 (19.78)
	Supplementary	0.93			
	Revenue Original (Charged)	0.69	0.69	0.05	0.64 (92.75)
	Supplementary	0.0			
	Capital Original (Voted)	481.97	834.62	753.11	81.51 (9.77)
	Supplementary	352.65			
2022-23	Revenue Original (Voted)	13,856.58	14,077.5	12,957.37	1,120.13 (7.96)
	Supplementary	220.92			
	Revenue Original (Charged)	0.62	0.62	0.16	0.46 (74.19)
	Supplementary	0			
	Capital Original (Voted)	517.97	518.00	179.05	338.95 (65.43)
	Supplementary	0.03			

Source: Appropriation Accounts

**Table 3.6** shows that un-utilised budget provision under Capital (Voted) ranged from 9.77 per cent (2021-22) to 69.01 per cent (2020-21), which reflects under-utilisation of resources by GNCTD.

**c) Non-surrender of Savings**

As per Rule 62 (2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilised should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. The position of savings and surrenders under Grant -06- Education during the period 2020-21 to 2022-23 was as under:

**Table 3.7: Non- surrender of savings under Grant 06-Education**

(₹ in crore)

Year	Savings			Amount surrendered (in percentage)		
	Revenue (Voted)	Revenue ( Charged)	Capital (Voted)	Revenue (Voted)	Revenue ( Charged)	Capital (Voted)
2020-21	3526.60	0.70	267.88	2187.75	0.14	174.30
				(62.04)	(20.00)	(65.07)
2021-22	2770.99	0.64	81.51	1625.17	0.33	0.52
				(58.65)	(51.56)	(63.37)
2022-23	1120.12	0.46	338.95	72.93	0.36	171.72
				(6.5)	(78.26)	(50.66)

Source: Appropriation Accounts

**d) Persistent Savings**

It was observed that a substantial portion of the budget allocation remained unutilised under five sub-heads under Grant 06- Education during the period 2020-21 to 2022-23, indicating non-achievement of projected financial outlays in the respective years was as under:

**Table 3.8: Persistent savings under Grant No.06-Education**

Sl.No.	Head of Accounts	2020-21 ₹ in crore (in per cent)	2021-22 ₹ in crore (in per cent)	2022-23 ₹ in crore (in per cent)
1.	2202.01.113.98 - Samagra Shiksha (State share)	188.03 (62.68)	227.57 (79.01)	139.74 (48.52)
<b>Reason as per Head-wise Appropriation Accounts:</b> Less/Delayed release of Central Share by Govt. of India and subsequent state share, hence savings occurred.				
2.	2202.01.113.97 - Samagra Shiksha (CSS)	140.10 (53.89)	156.22 (61.26)	83.51 (30.37)
<b>Reason as per Head-wise Appropriation Accounts:</b> Delayed release of Central Share by Govt. of India.				
3.	2202.02.109.96 - Govt. Secondary School	265.35 (13.81)	198.61 (10.1)	42.86 (2.18)
<b>Reason as per Head-wise Appropriation Accounts:</b> Non finalisation of MACP / Stepping up cases of teachers and other staff, non-clearance of bills on account of objection raised at various levels of processing and non-filling of various vacant posts				

Sl.No.	Head of Accounts	2020-21 ₹ in crore (in per cent)	2021-22 ₹ in crore (in per cent)	2022-23 ₹ in crore (in per cent)
4.	2202.02.113.98 - Samagra Shiksha (State share)	38.03 (76.06)	23.79 (56.63)	4.32 (10.29)
<b>Reason as per Head-wise Appropriation Accounts:</b> Delayed release of Central Share by Govt. of India and subsequent state share				
5.	2202.02.113.97 - Samagra Shiksha (CSS)	30.77 (51.29)	29.26 (58.53)	3.47 (5.77)
<b>Reason as per Head-wise Appropriation Accounts:</b> Delayed release of Central Share by GoI & subsequent State Share				

Source: Appropriation Accounts

Figures in parenthesis indicate percentage to total savings.

#### e) Unnecessary or excessive re-appropriation of Funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Detailed review of Appropriation Accounts of Grant No. 6-Education for the period 2020-21 to 2022-23 revealed that under 36 sub-heads (detailed in **Appendix 3.10**), the re-appropriation proved unnecessary as the departments were not able to utilise their original grants in full.

Cases of injudicious re-appropriation to sub-head under Revenue Voted/Capital Voted section are detailed below:

- Scrutiny revealed that re-appropriation amounting to ₹ 55.21 crore (2020-21), under 14 sub-heads, ₹ 31.55 crore (2021-22) under 8 sub-heads and ₹ 225.98 crore under 13 sub-heads (2022-23) of Revenue Voted Section proved unnecessary as the departments were not able to utilise their original grants in full.

Reasons for savings under a sub-head exceeding ₹ 25 crore for savings mentioned in the appropriation accounts were examined with reference to the departmental records and found to be matching. The examination of these cases revealed that saving occurred inter alia on account of non-approval of Cabinet for the opening of new budget head for Top Up for 2022-23 and the non-approval of Cabinet Note for the year 2022-23, non-finalisation of MACP / Stepping up cases of teachers and other staff, non-clearance of bills on account of objection raised at various levels of processing, delayed release of Central share by GoI, non-materialisation of payment of bills for procurement *etc.*

Scrutiny revealed that re-appropriation amounting to ₹ 5.81 crore under one sub-head (2022-23) of Capital Voted Section proved unnecessary as the department was not able to utilise their original grants in full.

Reason reported for savings was attributed to receipt of funds at the fag end of the financial year.

#### **f) Entire provision remained Un-utilised**

Detailed review of Grant no.6 for last three years 2020-21, 2021-22 and 2022-23 revealed that provision was made in various sub-heads but no expenditure was incurred under these sub heads against the allocated budget during the period 2020-21, 2021-22 and 2022-23, which resulted in savings of entire amount of provision made in these schemes. Details of these schemes are given in **Appendix 3.11**. It was also noticed that there were several common schemes in which provision was made year on year but no expenditure was incurred during the period 2020-21 to 2022-23.

#### **g) Rush of expenditure**

Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. As per the guidelines of Ministry of Finance, GoI dated 24 January 2020, expenditure in the last quarter and last month i.e. March of the financial year should be restricted to *25 per cent* and *10 per cent* of the budget respectively.

However, audit noted that contrary to this, expenditure was incurred ranging from 65.33 to 100 *per cent* in the last quarter of FY 2020-21 in four sub-heads, 72.42 to 100 *per cent* of the total expenditure in 12 sub-heads in the last quarter of FY 2021-22 and 59.26 to 100 *per cent* in seven sub-heads by the departments in the last quarter of the FY 2022-23 as detailed in **Appendix 3.12**.

Rush of expenditure especially during the month of March from the period 2020-21 to 2022-23 ranged from 57.70 *per cent* to 100 *per cent* indicates non-adherence to financial rules besides adversely affecting quality of expenditure.

Cases reporting 100 *per cent* of the total expenditure during the last quarter of the financial years 2020-21, 2021-22 and 2022-23 were checked with respect to the departmental records. The reasons for the rush of expenditure in these cases were attributed inter alia to opening of new head of accounts, revised estimates, delayed receipt of central assistance etc.

### **3.7 Recommendations**

- (i) Government should prepare realistic budget estimates, backed with correct assessment for availability of resources and potential to expend, to avoid large savings and supplementary provisions.
- (ii) Government should ensure strict compliance of provisions of budget manual in preparation of supplementary provisions and ensure transparency in estimation for avoiding unnecessary supplementary provisions.
- (iii) Government may consider formulating strategies for actual execution of major policy decisions in the State at the time of preparing budgetary estimates and
- (iv) Government should adhere to quarterly targets fixed for incurring expenditure through periodic monitoring to avoid rush of expenditure towards end of the year and also ensure proper utilisation of savings through timely surrender.

