

Chapter III: Budgetary Management

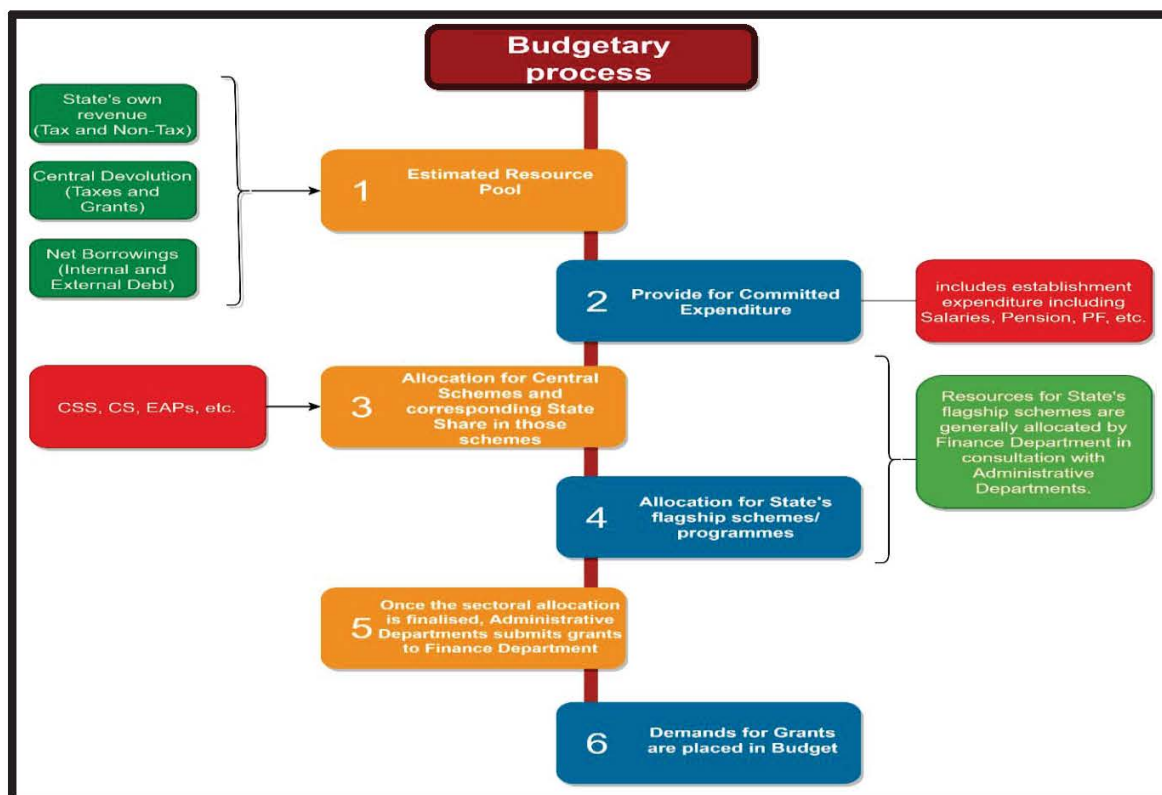
Introduction

The chapter is based on the audit of Appropriation Accounts of the State. It reviews the allocative priorities of State Government and comments on transparency of Budget formulation and effectiveness of its implementation. Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds.

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget Glossary is given in *Appendix 3.1*. In respect of every financial year, the Finance Department is required to prepare a statement of all receipts and expenditure expected to be realized or incurred during the year. This statement is referred to as the Annual Financial Statement (popularly known as the Budget) as specified in Article 202 of the Constitution. The Budget process commences with the issue of the Budget Circular, normally in August each year, which guides the Departments in framing their estimates, for the next financial year. The budget preparation process in the State is given in *Chart 3.1* below:

Chart 3.1: Budget preparation process



CSS: Centrally Sponsored Schemes; CS: Central Schemes.

The state budget is divided mainly into General, Social and Economic services. Rajasthan Budget Manual details the process of Budget preparation, Budget execution and Budget monitoring. Sector-wise budgeting, such as Social Budgeting and Performance Budgeting, reflects innovative budgeting techniques. In Rajasthan, apart from the consolidated budget, the state Government also prepare sub-budgets/statements like Agriculture Budget, Gender Budget statement, Child Budget statement and two types of Performance budget documents i.e. Out-come Budget and Output budget.

Social budgeting is associated with activities related to the development of human capital, equitable distribution of welfare and the delivery of public goods. However, in Rajasthan, the practice of presenting a budget for the social sector, separate from the annual budgets prepared by the State Government, is not there.

Agriculture Budget: The Agriculture Budget of the State is part of the overall budget and is designed to benefit farmers. Agriculture Budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes, which are targeted to benefit farmers. The Agriculture Budget was introduced in Rajasthan during 2022-23. The agriculture budget has been allocated ₹ 78,938.68 crore in 2022-23, which was 22.22 *per cent* of the State Budget.

Performance based budgeting is the practice of developing budgets based on the relationship between program funding levels and expected results from that program to manage more cost efficient and effective budgeting outlays. In Rajasthan, the preparation of Outcome and Output budgets were started in 2006-07. These budget statements indicate actual financial and physical performance under various programmes/schemes against the envisaged target.

Gender Budget Statement: The Gender Budget of the State is part of the overall budget and is designed to benefit women. The State Government had allocated ₹ 33,745.11 crore for various schemes under Gender Budget in 2022-23, which was 9.50 *per cent* of the State Budget.

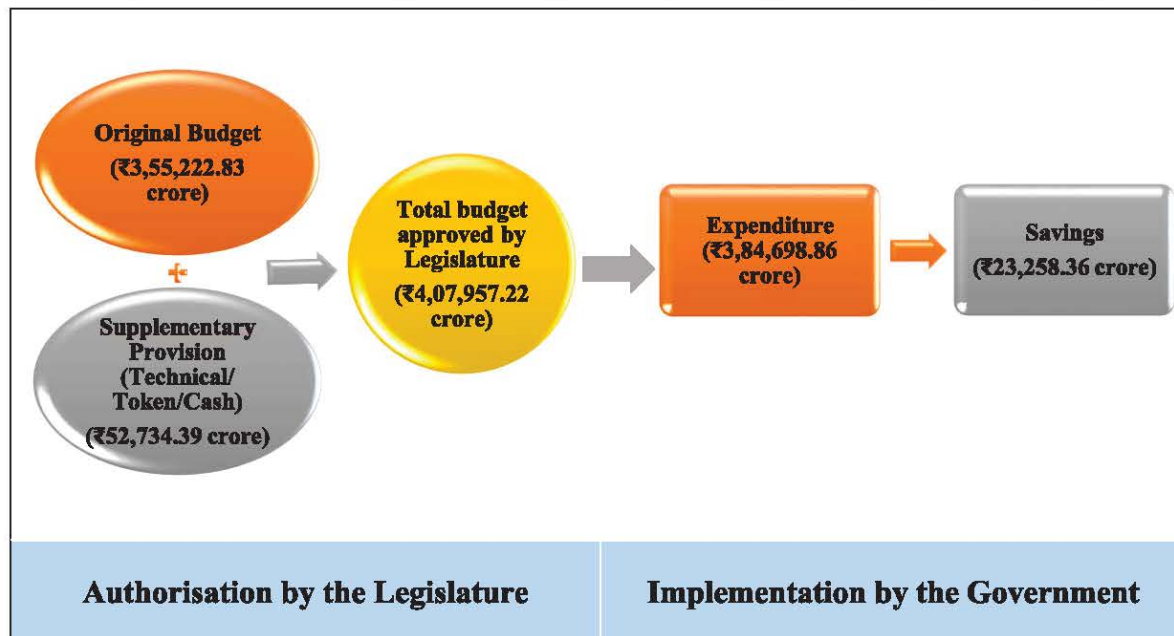
Child Budget Statement: Child budgeting presents the states commitment on child focused schemes, programs, and policies from the overall budget of a fiscal year. The first child budget was presented in the State in the FY 2020-21. The State Government had allocated ₹ 33,046.08 crore to Child Budget in 2022-23, which was 9.30 *per cent* of the State Budget.

Detail Audit analysis of the allocation of budget and expenditure under Gender Budget and Child Budget is given in **Paragraphs 3.4.4 and 3.4.5**.

As soon as the detailed estimates and grants are passed by the Legislative Assembly in accordance with the procedure laid down in Articles 202-204 of the Constitution, Finance Department communicates to all Heads of Departments and other Budget Controlling Officers, the allotments placed at their disposal during the budget year. Finance Department also sends copies of the budget document to the Accountant General. All such information and budgetary data is uploaded on the Integrated Financial Management System by the Finance Department and access to the same is available with the concerned authorities.

Finance Department also reviews requests made for supplementary grants and re-appropriations by departments during the course of the year. Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within a Grant. The total amounts approved by the State Legislature including the original and supplementary budget, expenditure and savings during the year 2022-23 are depicted below:

Chart 3.2: Position of original and supplementary budget, expenditure and savings



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

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

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation, into voted/charged during 2022-23 for the total 53 grants/appropriations is given in Table 3.1.

Table 3.1: Budget provision, disbursement and savings during the 2022-23

	Total Budget provision		Disbursements		Saving (-)/Excess(+)	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	2,28,804.34	31,141.99	2,03,276.65	30,977.47	(-)25,527.69*	(-) 164.52
Capital	43,006.51	1.20	24,531.21	1.15	(-)18,475.30	(-) 0.05
Loans and Advances	192.99	-	174.78	-	(-)18.21	-
Public Debts	-	1,04,810.19	-	1,25,737.60	-	(+)20,927.41
Total	2,72,003.84	1,35,953.38	2,27,982.64	1,56,716.22	(-)44,021.20	(+)20,762.84

Source: Appropriation Accounts

* Arrived at after adjusting excess amount of ₹ 142.20 crore under Grant 21 (Roads and Bridges)

3.1.2 Summary of savings and disbursements

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

Trend analysis during the last five years (2018-23) of classification of total disbursements into Charged and Voted is given below:

Table 3.2: Voted and Charged disbursements and savings/excess during 2018-23

S. No.	Year	Disbursements		Saving(-)/Excess(+)	
		Voted	Charged	Voted	Charged
1.	2018-19	1,70,938.53	38,837.74	(-) 19,224.26	(-) 77.79
2.	2019-20	1,74,658.95	43,879.83	(-) 24,176.34	(-) 181.67
3.	2020-21	1,74,822.52	66,438.60	(-) 26,690.95	(-) 360.87
4.	2021-22	2,13,739.00	84,495.12	(-) 23,679.22	(-) 8,949.61
5.	2022-23	2,27,982.64	1,56,716.23	(-) 44,021.20	(+) 20,762.84

Source: Appropriation Accounts of the respective years

The charged disbursements increased by 303.05 *per cent* from ₹ 38,837.74 crore in 2018-19 to ₹ 1,56,716.23 crore in 2022-23. Voted disbursements increased by 33.37 *per cent* from ₹ 1,70,938.53 crore in 2018-19 to ₹ 2,27,982.64 crore in 2022-23.

Contrary to rapid increase in savings under charged section during 2018-19 to 2021-22, excess expenditure of ₹ 20,762.84 crore occurred in charged section in 2022-23, mainly due to significant increase in Ways & Means advances, resulting in overall saving of ₹ 23,258.36 crore. Excess over provision requires regularisation under Article 205 of the Constitution.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

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.

Table 3.3: Aggregate Budget Outturn

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between Actual and BE*	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(4)	(5)	(6)
Revenue	2,43,797.42	2,53,428.42	2,34,254.12	(-) 9,543.30	9,631.00	(-) 19,174.30
Capital	1,11,425.41	1,37,858.12	1,50,444.74	(+) 39,019.33	26,432.71	(+) 12,586.62
Total	3,55,222.83	3,91,286.54	3,84,698.86	(+) 29,476.03	36,063.71	(-) 6,587.68

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

In Revenue section, deviation in outturn compared with BE was (-) 3.91 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 36 grants, between ± 25 *per cent* to ± 50 *per cent* in 11 grants, between ± 50 *per cent* to ± 100 *per cent* in four grants and

equal to or more than 100 *per cent* in one grant. No provision was, however, made in respect of three grants of the Revenue section.

In Capital section, deviation in outturn compared with BE was (+) 35.02 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in nine grants, between ± 25 *per cent* to ± 50 *per cent* in 12 grants between ± 50 *per cent* to ± 100 *per cent* in seven grants and equal to or more than 100 *per cent* in nine grants. No provision was, however, made in respect of 18 grants of the Capital section.

3.2 Appropriation Accounts

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

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

3.3 Integrity of budgetary and accounting process

3.3.1 Unnecessary or excessive supplementary grants

Para 24.2 of the SBM stipulates that during the course of a financial year, if the amount provided for the purpose is found to be inadequate or a need arises for an expenditure during the course of the year on some object or service for which no provision has been made, a supplementary grant can be sanctioned by the Legislature.

The State Legislature approved supplementary provision (September 2022 and February 2023) of ₹ 52,734.39 crore in 48 Grants/Appropriations for the year 2022-23. Cases of unnecessary supplementary provisions (of ₹ 2.50 crore or more in each case) aggregating to ₹ 6,768.66 crore, observed in 18 cases are given in Table 3.4 below.

Table 3.4: Cases where supplementary provisions proved unnecessary during 2022-23

(₹ in crore)					
S. No.	Name of the Grant	Original	Supplem-entary	Actual Expenditure	Saving out of original Provisions
1	2	3	4	5	6=3-5
Revenue (Voted)					
1.	4- District Administration	707.12	15.23	660.21	46.91
2.	7-Elections	145.85	15.93	128.81	17.04
3.	16-Police	8,095.06	414.67	7,907.97	187.09

S. No.	Name of the Grant	Original	Supplem-entary	Actual Expenditure	Saving out of original Provisions
1	2	3	4	5	6=3-5
4.	20-Housing	76.76	2.55	75.27	1.49
5.	23-Labour and Employment	1430.23	180.00	1,360.77	69.46
6.	24-Education, Art and Culture	39,354.29	2,289.26	37,362.42	1,991.87
7.	28-Special Programmes for Rural Development	1159.05	182.83	609.77	549.28
8.	30-Tribal Area Development	20,399.91	89.01	18,086.88	2,313.03
9.	34-Relief from Natural Calamities	4,158.77	300.38	2,946.58	1,212.19
10.	51-Special Component Plan for Welfare of Scheduled Castes	23,674.91	117.00	21,319.60	2,355.31
	Total	99,201.95	3,606.86	90,458.28	8,743.67
Capital (Voted)					
11.	9-Forest	328.89	19.78	317.80	11.09
12.	19-Public Works	1,994.20	59.13	1,310.50	683.70
13.	24- Education, Art and Culture	1,230.44	405.15	1,072.28	158.16
14.	26-Medical, Public Health and Sanitation	862.12	600.04	743.28	118.84
15.	30-Tribal Area Development	6,054.61	300.00	3,669.72	2,384.89
16.	33-Social Security and Welfare	247.96	27.70	213.02	34.94
17.	35-Miscellaneous Community and Economic Services	858.27	1,340.00	371.22	487.05
18.	51-Special Component Plan for Welfare of Scheduled Castes	6,762.68	410.00	4,026.70	2,735.98
	Total	18,339.17	3,161.80	11,724.52	6,614.65
	Grand Total	1,17,541.12	6,768.66	1,02,182.80	15,358.32

Source: Appropriation Accounts

From the above table, it may be seen that in these 18 cases, besides the original grants of ₹ 1,17,541.12 crore, the supplementary provision of ₹ 6,768.66 crore was made, which proved unnecessary as the actual expenditure was only ₹1,02,182.80 crore, resulting in savings of ₹ 15,358.32 crore against the original provision. However, the concerned Departments did not furnish reasons for obtaining supplementary provisions despite availability of funds under original provision.

This indicates that supplementary grants were obtained without proper assessment of adequacy of original provision and contributed to increase in overall budgetary savings during the year. This also indicates that supplementary provisions were made without requirement by concerned Drawing and Disbursing Officers/Chief Controlling Officers.

3.3.2 Unnecessary or excessive re-appropriation of Funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed. As per para 23.3 of SBM, re-appropriations are permissible only when it is known or anticipated that appropriation for the unit from which funds are diverted will not be utilized in full or that savings can definitely be effected in it. During the year 2022-23, re-appropriation orders of ₹ 21,279.04 crore were issued till 31 March 2023.

In several cases, re-appropriation proved insufficient/excessive or unnecessary and resulted in huge savings. The final savings/excess after re-appropriation was more than

₹ one crore in 26 heads of accounts (*Appendix 3.2*). There was insufficient re-appropriation in 10 heads of accounts, unnecessary re-appropriation in seven heads of accounts and excessive re-appropriation in nine heads of accounts.

The above instances are indicative of the fact that the budget controlling officers failed to adequately assess the requirements and did not have updated information regarding expenditure before re-appropriations.

Paragraph 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2023) by the Finance Department, revealed that out of 1,962 heads in re-appropriation orders, reasons were clearly explained only in 826 cases (42.10 *per cent*). Explanations in the remaining 1,136 cases, were of vague and non-specific nature like 'based on actual requirement', 'based on latest assessment' and 'restriction of expenditure'.

3.3.3 Unspent amount and surrendered appropriations and/or Large Savings/ Surrenders

Paragraph 13.7 of the SBM prescribes that actual expenditure incurred during the last three years and the revised estimates for the current financial year, should be taken into consideration for preparing estimates for the ensuing financial year. Past figures should be used to identify any noticeable tendency for expenditure to rise or decline, any abnormal feature during past years, any recognizable regularity in movement of expenditure and any special event likely to arise with the potential to impact expenditure significantly.

During the year 2022-23, cases of substantial savings from budget allocation were noticed, raising questions about the credibility of the budgeting process and budget monitoring. The outcome of Appropriation audit revealed that out of total savings of ₹ 44,327.97 crore (without adjusting Excess amount of ₹ 21,069.61 crore) (10.87 *per cent* of the total budget provision of ₹ 4,07,957.22 crore) during the year 2022-23, there were 29 grants and one appropriation in which the savings exceeded ₹ 100 crore in each case and these grants had combined savings of ₹ 43,403.07 crore, as given in *Appendix 3.3*.

The main reasons for substantial savings as furnished by the departments was non/less release of share/funds by GoI/GoR and non/less execution of work. Other reasons were

- posts remaining vacant and less expenditure on pay and allowances,
- non-receipt of sanctions/approvals of work from GoI,
- non-approval of scheme from GoI,
- slow progress of work,
- delay/non-completion of tender process,
- less receipt of funds pertaining to Central Finance Commission and State Finance Commission,
- non-submission of utilisation certificate of previous allotment of fund,
- less incurring of capital expenditure by Power Companies,
- less receipt of applications from beneficiaries, etc

This indicates that the provisions of Chapter 13 of the SBM related to estimates of expenditure were not followed during preparation of budget estimates of expenditure by the Departments and budget controlling officers of these grants, which resulted in huge overall savings of ₹23,258.36 crore.

Of the ten grants in Capital-voted section and two grants in Revenue-voted section with budget utilization less than 50 *per cent* during 2018-19 to 2022-23 (highlighted in red below), 11 grants had shown similar low utilization ranging between one *per cent* to 48 *per cent* for the last three to five years and one grant having low utilization ranging one *per cent* to 20 *per cent* in all the five years, which is indicative of issues warranting a close review by the Government to enable initiation of corrective measures. Utilisation of budgetary allocation in 12 grants during the five-year period 2018-19 to 2022-23 is shown in the Table 3.5.

Table 3.5: Grants/Appropriations with Budget utilisation less than 50 *per cent*

(₹ in crore)									
S. No.	Grant	2018-19	2019-20	2020-21	2021-22	2022-23	No. of years*	Budget 2022-23	Total Budget (5 years)
	Capital voted								
1.	11-Miscellaneous Social Services	41%	35%	25%	64%	63%	3	14.08	43.27
2.	12-Other Taxes	90%	54%	16%	85%	38%	2	96.25	396.57
3.	20-Housing	64%	29%	41%	48%	48%	4	113.43	426.27
4.	23-Labour and employment	60%	1%	24%	54%	100%	2	6.00	106.67
5.	27-Drinking Water Scheme	72%	64%	81%	80%	36%	1	4,616.98	19,279.19
6.	32-Civil Supplies	15%	1%	20%	6%	18%	5	4.76	20.00
7.	35-Miscellaneous Community and Economic Services	99%	83%	100%	98%	17%	1	2,198.27	3,279.88
8.	38-Minor Irrigation and Soil Conservation	35%	99%	23%	34%	93%	3	1.41	5.75
9.	41-Community Development	33%	16%	100%	4%	66%	3	34.25	73.33
10.	48-Power	90%	92%	23%	86%	44%	2	1,690.74	9,749.98
	Revenue voted								
11.	28-Special Programme for Rural Development	76%	67%	95%	93%	45%	1	1,341.88	4,595.58
12.	49-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	40%	32%	46%	80%	81%	3	0.05	0.67

Source: Appropriation Accounts and budget document.

* Number of years with utilisation below 50 *per cent*.

Less utilization in these sectors and instances of repeated underutilization indicate less emphasis on these sectors as well as deficient budgeting process.

Anticipated savings not surrendered

According to para 23.16 of SBM, grants that cannot be properly utilised should be surrendered and it is the duty of the budget controlling officers to ensure that all anticipated savings are surrendered as soon as they are estimated without waiting till

the end of the year, unless they are definitely required to meet excesses under some other units of the same grant. No savings can be held in reserve for meeting possible future excesses.

During the scrutiny of Appropriation Account, it was noticed that the amount not surrendered under various grants/appropriations was ₹ 1,594.98 crore. It was offset by the excess surrender of ₹104.43 crore from other grants/appropriations against savings, and thus the amount not surrendered at the end of the year was ₹1,490.55 crore.

The details of major amount of savings were not surrendered (₹1,593.43 crore) in 18 cases under 13 grants/appropriations (where savings were ₹ one crore and above) with aggregate savings of ₹27,827.08 crore, are given in *Appendix 3.4*. Early surrender could have ensured more productive use of resources in other areas having shortfall.

This indicates that the Departments did not make realistic assessment of requirements and failed to exercise necessary budgetary controls over the flow of expenditure through the monthly expenditure statements.

Details of excess surrender of funds under various grants/appropriation

Major cases of excess surrender (more than ₹ one crore) pertaining to six grants/appropriation, where ₹102.56 crore was surrendered in excess of savings are given in *Table 3.6*.

Table 3.6: Cases where fund surrendered in excess of savings

(₹ in crore)								
S. No.	Number and Name of Grant	Original Budget	Supplementary	Total	Expenditure	Saving (-) /Excess(+)	Amount surrendered	Excess surrender
1.	16-Police (Revenue-Voted)	8,095.06	414.67	8,509.73	7,907.97	(-)601.76	609.37	7.61
2.	Interest Payment (Revenue-Charged)	28,838.11	1,895.17	30,733.28	30,601.90	(-)131.38	134.89	3.51
3.	21-Roads and Bridges (Capital-Voted)	5,851.86	0.00	5,851.86	4,574.41	(-) 1,277.45	1,278.58	1.13
4.	21-Roads and Bridges (Revenue-Voted)	3,843.16	523.74	4,366.90	4,509.10	(+)142.20	86.29	86.29
5.	24- Education Art and Culture (Capital-Voted)	1,230.44	405.15	1,635.59	1,072.28	(-)563.31	564.54	1.23
6.	29-Urban Plan and Regional Development (Capital-Voted)	1,549.82	1,290.34	2,840.16	1,952.44	(-)887.72	890.51	2.79
	Total	49,408.45	4,529.07	53,937.52	50,618.10	(-) 3,319.42	3,564.18	102.56

Source: Appropriation Accounts

The Departments did not furnish any reasons regarding surrender in excess of actual savings (September 2023).

Surrender in excess of actual savings indicates inadequate budgetary control in these five grants and one appropriation.

Persistent savings

The Public Accounts Committee (PAC) in its 76th Report (15th Assembly) had recommended that continuous savings in successive years indicates over-estimation of budget without need and lack of proper monitoring. Therefore, efforts should be made

by the departments to make budget estimates more realistic in future. Despite these recommendations, the incidences of persistent savings continued during 2022-23. Persistent saving refers to continuous saving of ₹ 100 crore in Budget head against provision in the last three years.

In 12 cases involving 12 grants, there were persistent savings of more than ₹100 crore ranging from 10.12 *per cent* to 63.94 *per cent* of the total provision, during the last three years as per the details given in Table 3.7.

Table 3.7: Persistent saving under various grants

(₹ in crore)						
S. No.	No. and Name of Grant	Year	Total Provision	Actual expenditure	Savings	Percentage of savings
Revenue-Voted						
1.	8-Revenue	2020-21	884.87	741.73	143.13	16.18
		2021-22	922.28	793.48	128.80	13.97
		2022-23	1,068.94	850.68	218.25	20.42
2.	9-Forest	2020-21	942.15	799.25	142.89	15.17
		2021-22	1,000.92	811.84	189.08	18.89
		2022-23	1,006.01	882.34	123.67	12.29
3	23-Labour and Employment	2020-21	1,212.29	1,039.94	172.35	14.21
		2021-22	1,409.03	1,072.41	326.62	23.18
		2022-23	1,610.23	1,360.77	249.46	15.49
4.	29-Urban Plan and Regional Development	2020-21	6,425.41	5,047.40	1,378.01	21.45
		2021-22	6,034.41	5,154.35	880.06	14.58
		2022-23	5,960.43	5,092.19	868.24	14.57
5.	37-Agriculture	2020-21	3,514.53	3,158.83	355.69	10.12
		2021-22	4,156.18	3,729.06	427.12	10.28
		2022-23	4,785.44	3,571.63	1,213.81	25.36
6.	41-Community Development	2020-21	6,602.71	4,432.20	2,170.51	32.87
		2021-22	9,241.37	7,288.17	1,953.21	21.14
		2022-23	9,909.98	6,054.43	3,855.55	38.91
Capital Voted						
7	19- Public Works	2020-21	1,033.73	468.56	565.17	54.67
		2021-22	1,123.82	780.96	342.86	30.51
		2022-23	2,053.33	1,310.50	742.83	36.18
8	21-Roads and Bridges	2020-21	4,238.48	2,943.41	1,295.06	30.64
		2021-22	5,474.95	4,467.37	1,007.58	18.40
		2022-23	5,851.86	4,574.41	1,277.45	21.83
9.	24-Education, Art and Culture	2020-21	1,114.21	916.28	197.93	17.76
		2021-22	1,157.46	417.62	739.84	63.92
		2022-23	1,635.59	1,072.28	563.31	34.44

S. No.	No. and Name of Grant	Year	Total Provision	Actual expenditure	Savings	Percentage of savings
10.	27-Drinking Water Scheme	2020-21	3,312.49	2,674.07	638.42	19.27
		2021-22	4,361.16	3,471.05	890.11	20.41
		2022-23	4,616.98	1,664.70	2,952.28	63.94
11.	30-Tribal Area Development	2020-21	3,438.37	2,159.08	1,279.29	37.21
		2021-22	3,850.52	3,182.95	667.86	17.34
		2022-23	6,354.62	3,669.72	2,684.89	42.25
12.	51-Special Component Plan for Scheduled Castes	2020-21	4,654.93	2,681.51	1,973.42	42.39
		2021-22	4,864.22	4,028.65	835.57	17.18
		2022-23	7,172.68	4,026.70	3,145.98	43.86

Source: Appropriation Accounts

According to the reasons furnished by the concerned Departments, persistent savings were mainly due to less/non-release of share/funds by GoI/GoR. Other reasons were less transfer of funds, less release of sanction under various schemes, non-commencement of construction work and slow progress of work, etc.

Persistent savings indicate recurring issues of unrealistic estimates of the anticipated expenditure during the period, poor control over expenditure and deficient financial monitoring.

3.3.4 Excess over provisions during 2022-23 requiring regularisation

The summary of excess over provision under two grants amounting to ₹ 21,069.61 crore authorised from the Consolidated Fund of the State from 2022-23 and requires regularisation under Article 205 of the Constitution as shown in Table 3.8 below.

Table 3.8: Excess over provisions requiring regularisation during 2022-23

(₹ in crore)				
S. No.	Number and name of Grant	Total appropriation	Expenditure	Excess
Revenue Voted				
1.	21-Roads and Bridges	4,366.90	4,509.10	142.20
Capital Charged				
2.	Public Debt	1,04,810.20	1,25,737.61	20,927.41
Grand Total		1,09,177.10	1,30,246.71	21,069.61

Source: Appropriation Accounts

As per Para 23.15.6 of SBM, the reasons for anticipating excesses or savings should be clearly explained. Finance Department intimated that excess expenditure of ₹ 20,927.41 crore under the grant “Public Debt” was mainly due to excess use of Special Drawing Facility (SDF) of ₹ 17,386.13 crore and Ways and Means Advance (WMA) Facility of ₹ 3,532.27 crore against budget provision for releasing the matching State share with Central share in CSS, for maintaining the progress of expenditure in various development schemes and regular revenue receipts. However, Finance Department did not furnish reasons for excess expenditure of ₹ 142.20 crore over authorisation under “Grant 21-Roads and Bridges”.

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

The summarised position of actual expenditure during 2022-23 against 55 grants/appropriations is given in Table 3.9.

Table 3.9: Actual Expenditure vis-à-vis Original/Supplementary Provisions

(₹ in crore)

	Nature of Expenditure	Original Grant/App.	Supplementary Grant/App.	Total Budget	Actual expenditure*	Net of Savings(-)/Excess(+)	Surrender during March	
							Amount	Per cent against Savings(-)/Excess(+)
Voted	I. Revenue	2,14,690.62	14,113.72	2,28,804.34	2,03,276.65	(-)25,527.69	24,248.54	94.99
	II. Capital	38,517.64	4,488.87	43,006.51	24,531.21	(-)18,475.30	18385.80	99.52
	III. Loans and Advances	192.99	0	192.99	174.78	(-)18.21	34.62	190.12
Total		2,53,401.25	18,602.59	2,72,003.84	2,27,982.64	(-)44,021.20	42,668.96	-
Charged	V. Revenue	29,106.80	2,035.19	31,141.99	30,977.47	(-)164.52	168.41	102.36
	VII. Capital	*.*	1.20	1.20	1.15	(-)0.05	0.05	100
	VIII. Public Debt-Repayment	72,714.78	32,095.41	1,04,810.19	1,25,737.60	(+)20,927.41	-	-
Total		1,01,821.58	34,131.80	1,35,953.38	1,56,716.22	(+)20,762.84	168.46	-
Appropriation to Contingency Fund (if any)	-	0.00		0.00	0.00		0.00	-
Grand Total		3,55,222.83	52,734.39	4,07,957.22	3,84,698.86	23,258.36	42,837.42	-

Source: Appropriation Accounts and budget documents.

* The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Recoveries under revenue section: ₹ 7,774.83 crore and Recoveries under capital section: ₹ 4734.08 crore, Total: ₹ 12,508.91 crore).

** ₹ 9,000

The above table shows saving of ₹ 44,021.20 crore in voted section and excess of ₹ 20,762.84 crore in charged section resulting in overall saving of ₹ 23,258.36 crore. There was overall savings of ₹ 44,327.97 crore in 48 grants and 44 appropriations under Revenue Section and 35 grants and 3 appropriations under Capital Section which was offset by excess of ₹ 21,069.61 crore in one grant under Revenue section and one appropriation in Capital Section resulting in final saving of ₹ 23,258.36 crore. Supplementary provision of ₹ 52,734.39 crore was obtained during the year which constituted 14.85 per cent of the original provision. The final savings under all the grants and appropriations were 44.10 per cent of the supplementary budget obtained during the year. This indicates that supplementary provisions were made without proper scrutiny of requirements as covered in para 3.3.1.

Credibility of Budget Estimates

The State budget provides three sets of numbers: (i) budget estimates: an estimate for the upcoming financial year, (ii) revised estimates: revision in the budget estimates for the ongoing financial year, and (iii) actuals: the final audited amount for the previous

year. The State legislature approves the budget for the coming year based on the budget estimates. The revised estimates may provide a more realistic picture of the government's finances in the ongoing year as they are made with reference to the actual transactions already recorded that year. Actuals may fall short or exceed budget estimates, and this comparison helps to understand the credibility of a proposed budget.

The overall position of Original budget, Revised Estimates and Actual expenditure for five years during 2018-2023 is detailed in Table 3.10:

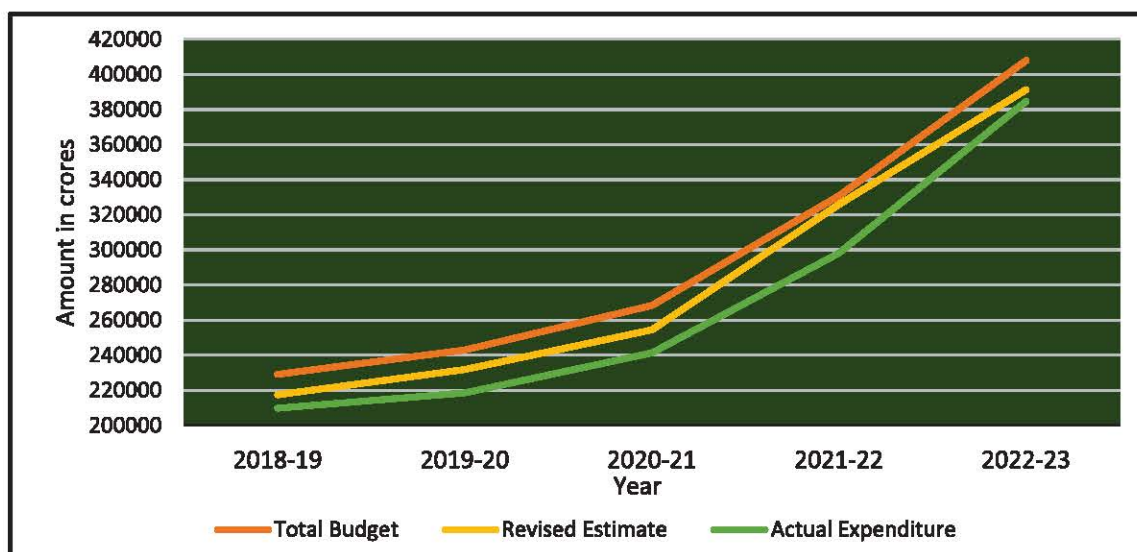
Table 3.10: Original Budget, Revised Estimates and Actual Expenditure during 2018-23

		(₹ in crore)				
S.No.		2018-19	2019-20	2020-21	2021-22	2022-23
1.	Original Budget	2,17,433.13	2,39,959.67	2,32,058.98	2,58,083.86	3,55,222.83
2.	Supplementary Budget	11,645.19	2,937.12	36,253.96	72,779.09	52,734.39
3.	Total budget (TB)	2,29,078.32	2,42,896.79	2,68,312.94	3,30,862.95	4,07,957.22
4.	Revised Estimate (RE)	2,17,417.37	2,31,844.56	2,54,390.10	3,25,930.77	3,91,286.54
5.	Actual Expenditure (AE)	2,09,776.27	2,18,538.79	2,41,261.12	2,98,234.12	3,84,698.86
6.	Saving/excess	19,302.05	24,358.00	27,051.82	32,628.83	23,258.36
7.	Percentage of supplementary to original budget	5.36	1.22	15.62	28.20	14.85
8.	Percentage of overall saving/excess to the overall provision	8.43	10.03	10.08	9.86	5.70
9.	TB-RE	11,660.95	11,052.23	13,922.84	4,932.18	16,670.68
10.	RE-AE	7,641.10	13,305.77	13,128.98	27,696.65	6,587.67
11.	(TB-RE) as % of TB	5.09	4.55	5.19	1.49	4.09
12.	(RE-AE) as % of TB	3.34	5.48	4.89	8.37	1.61

Source: Annual Finance Statement and Appropriation Accounts

It is evident from above table that the supplementary provisions ranged from 1.22 *per cent* to 28.20 *per cent* against the original provisions during the period 2018-2023 and as high as 28.20 *per cent* in the year 2021-22 and declined to 14.85 *per cent* in the year 2022-23.

Chart 3.3: Trend showing BE, RE and Actuals



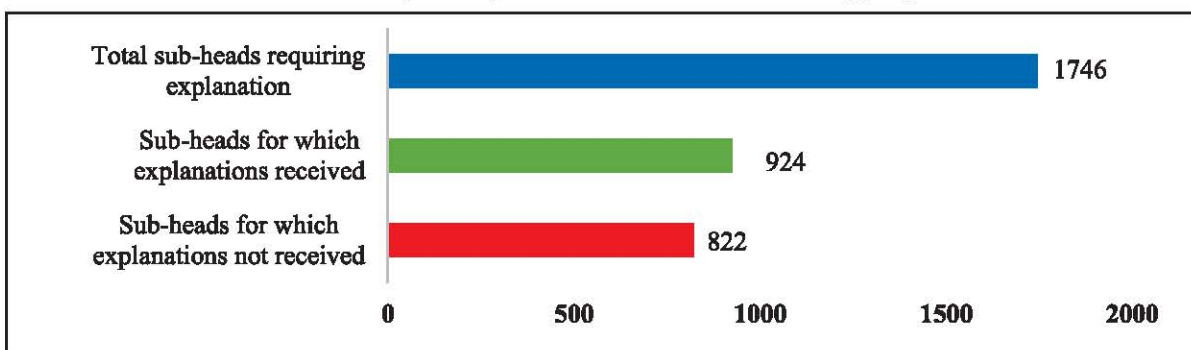
From the above Table and Chart, it can be seen that from 2018-19 to 2022-23, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB showed increased from ₹ 4,932.18 crore during 2021-22 to ₹ 16,670.68 crore during 2022-23. Even though the gap in percentage was less than 6 *per cent* during last five years, in terms of percentage, the RE was 1.49 *per cent* less than the TB in 2021-22, which increased to 4.09 *per cent* in 2022-23.

Further, it can also be observed that over the period 2018-23, the Revised Estimate (RE) was always more than the Actual Expenditure (AE) of the State. The gap between the RE and the AE showed a decreasing trend during 2021-23 and the gap in percentage was less than 10 *per cent* in the last five years. In terms of percentage, the AE was 8.37 *per cent* lower than the RE in 2021-22, which decreased to 1.61 *per cent* in 2022-23.

This reflects that budgetary allocations were based on inaccurate proposals as Budget Estimates of the State were always inflated, and the Actual Expenditure was less than the budgetary provisions during 2018-20. As such, the supplementary provisions during the years 2018-20 proved unnecessary since the expenditure did not come up even to the level of original budget provisions, while in the period 2020-2023 the supplementary provisions were excessive.

The Accountant General (A&E), Rajasthan sought explanation from the budget controlling officers on the variations in expenditure i.e. savings/excesses in 1,746 sub-heads. However, explanations in respect of 822 sub-heads (saving: 613 and excess: 209) were not received (December 2023).

Chart 3.4: Summary of Explanation for Variation in Appropriation Accounts



Absence of explanations for variations between the budgeted allocations and their utilization limits legislative controls over budget as a means of ensuring financial accountability of the Government.

3.4.2 Non-implementation of Major schemes

During the scrutiny of Appropriation Accounts, it was observed that budget provisions were made under various schemes which remained entirely unutilized. During 2022-23, the entire provisions (₹ one crore or more in each case) made under 368 schemes/heads aggregating to ₹ 10,149.96 crore were not utilized. The details are given in *Appendix 3.5*.

During scrutiny of the budget provisions (₹ one crore or more in each case) not utilized during 2022-23, it was noticed that State Government withdrew budget provisions in 103 schemes in revised estimates and token budget provisions were made in 189

schemes in the revised estimates. This indicates that provisions for these schemes/heads were made without a proper assessment of the financial requirements and necessity of the Departments.

Various reasons given by the Departments in this regard included non-receipt of sanction for purchase of aircraft, late receipt of sanction, non-approval of scheme, non-release of sanction by the State Government, non-submission of utilisation certificates, non-execution of work, non-receipt of fund from GoI, non-starting of scheme etc.

Further, it was also noticed that there were instances of unnecessary provisions being made continuously for the last three years without being deleted from the Demands for Grants of the concerned Department as mandated by SBM and the entire provisions being surrendered at the end of financial year. Such instances have been listed in *Appendix 3.6*.

3.4.3 Flow of expenditure

Maintaining a uniform pace of expenditure is a crucial component of sound public financial management. As per SBM, to assist Finance Department in the preparation of forecasts for the likely cash balance position of the State, all budget controlling officers are required to furnish a statement every month, as per dates specified by Finance Department, showing the anticipated flow of revenue and expenditure. Any rush of expenditure in the closing month of the financial year should be avoided. Secretary Finance, GoR had directed (August 2022) that the flow of expenditure should be maintained in such a way that 90 *per cent* of total expenditure is made by the end of December, in the absence of which the controlling officer/ DDOs will be held liable.

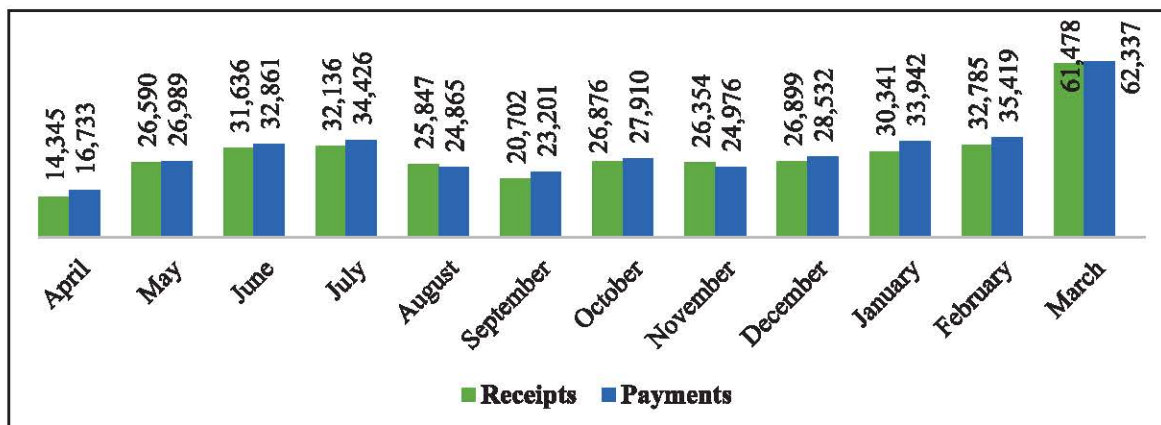
During 2022-23, 35.38 *per cent* (₹ 1,31,697.14 crore) of the total expenditure (₹3,72,189.96 crore) was incurred during last quarter of the financial year indicating that a uniform pace of expenditure could not be maintained during the year. It was also observed that 35.00 *per cent* (₹ 1,24,604.34 crore) of the total receipts (₹ 3,55,989.15 crore) were received during last quarter only. Further, the expenditure incurred in the last quarter of the financial year 2022-23 has increased by 38.31 *per cent* (₹ 36,481 crore) when compared to previous year 2021-22.

During 2022-23, in respect of 76 sub-heads under 19 grants (where expenditure during last quarter was more than ₹ 10 crore and also more than 50 *per cent* of the total expenditure), total expenditure of ₹ 5,384.52 crore was incurred in the last quarter of the financial year which was 75.28 *per cent* of total expenditure (₹ 7,152.69 crore) and ₹ 4,370.58 crore (61.10 *per cent*) was spent in March 2023 alone as detailed in *Appendix 3.7*.

The monthly flow of receipts into the state exchequer and disbursement during 2022-23 are given in the following **Chart 3.5**

Chart 3.5: Monthly flow of receipts and disbursement during 2022-23

(₹ in crore)



Source: Information provided by Accountant General (A&E) office.

The chart shows that expenditure increased substantially in the last quarter in comparison to the previous quarters of the year. Further, the pattern of expenditure during 2022-23 revealed that the State Government incurred an expenditure of ₹62,336.68 crore constituting about 16.75 *per cent* of the total expenditure of ₹3,72,189.96 crore in the month of March alone.

As per Circular dated August 2022, directions were given to all Budget controlling officers/departments that prescribed percentage of expenditure against available Budget provision in the current financial year is to be restricted to 30 *per cent* at the end of first quarter, 60 *per cent* at the end of second quarter and 90 *per cent* at the end of third quarter of the year.

Details of eight Major Heads, where expenditure incurred during the month of March was more than 50 *per cent* of total expenditure, are provided in the Table 3.11 below:

Table 3.11: Major Heads with more than 50 *per cent* expenditure in March during 2022-23

(₹ in crore)

S. No.	Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	Expenditure in March	% of 4 th quarter w.r.t. total expenditure	% of March w.r.t. total expenditure
1.	2075	Miscellaneous General Services	6.06	0.41	1.47	1384.82	1,392.76	1,375.48	99.43	98.76
2.	3054	Roads and Bridges	41.98	22.89	553.98	3512.88	4,131.73	3,406.09	85.02	82.44
3.	3451	Secretariat-Economic Service	15.14	10.62	11.03	3986.32	4,023.11	3,979.32	99.09	98.91
4.	4250	Capital Outlay on other Social Services	7.46	2.35	9.54	115.95	135.30	113.54	85.70	83.92
5.	4575	Capital Outlay on Other Special Areas Programme	0.00	0.00	1.83	60.16	61.99	34.50	97.05	55.65
6.	4711	Capital Outlay on Flood Control Projects	1.80	1.08	3.03	15.28	21.19	12.76	72.11	60.22
7.	5475	Capital Outlay on Other General Economic Services	5.58	10.79	147.64	434.43	598.44	356.87	72.59	59.63
8.	6408	Loans for Food Storage and Warehousing	0.00	0.00	0.00	35.00	35.00	35.00	100.00	100.00
Total			78.02	48.14	728.52	9,544.84	10,399.52	9,313.56		

Source: Information provided by Accountant General (A&E) office.

Huge expenditure incurred in the last month of the year indicates weak internal controls over expenditure and lack of budgetary control/management at the level of the department/Budget controlling officers.

3.4.4 Gender Responsive Budgeting

The Gender Budget of the State is part of the overall budget and is intended for the welfare of women. Gender Budget facilitates integration of gender analysis in the Government Budget.

The State Government has designated Women Empowerment Department as the Nodal Department for preparation of Gender Budget Statement. The categories of schemes in the Gender Budget are given below:

A	Schemes under which expenditure targeted at women is more than 70 <i>per cent</i> .
B	Schemes under which expenditure targeted at women is lower than 70 <i>per cent</i> .

Gender budgeting in the State is regulated as per provisions contained in the State Budget Manual (SBM) which provides that in order to prepare the annual Gender Budget Statement, Budget Controlling officers of specified departments are required to provide information in the format given in the budget circular issued by the Finance Department.

During 2022-23, there were 459 schemes/ programs in the Gender Budget out of which 93 were 'A' category schemes and the remaining 366 were 'B' category schemes. The State Government allocated ₹ 33,745.11 crore in 2022-23 to the Gender Budget, 85 *per cent* higher than the Budget provision (₹ 18,198.64 crore) for 2021-22. Gender Budget accounts for 8.27 *per cent* of the total State Budget¹.

The allocation and expenditure under Gender Budget during the period 2019-20 to 2022-23 is shown in the Table 3.12 below.

Table 3.12: Year-wise position of BE and Actuals of Gender Budgeting

(₹ in crore)					
S. No.	Year	Total Budget provision in schemes including Gender Budget	Provision for women in such schemes of Gender Budget	Actual Expenditure in the schemes	Per cent of expenditure
1.	2019-20	37,415.03	18,928.78	15,700.39	82.94
2.	2020-21	28,595.68	14,481.66	15,202.61	104.98
3.	2021-22	35,730.36	18,198.64	18,155.67	99.76
4.	2022-23	69,851.91	33,745.11	28,630.92*	84.84

Source: Budget documents and department replies

* Expenditure pertains to 455 schemes as expenditure w.r.t. four schemes was not provided by the departments

It is evident from the above table that the total expenditure pertaining to Gender Budget remained in range of 82.94 *per cent* to more than hundred *per cent* during the period 2019-23.

Detailed check of expenditure under various schemes of Gender budget revealed that 76 schemes had *nil* expenditure against the budget allocation as detailed in *Appendix 3.8*. The summarized position is given in the Table 3.13 below:

1. ₹ 4,07,957.22 crore

Table 3.13: Schemes having nil expenditure

(₹ in crore)					
S. No.	Category of Scheme	Number of Departments	No. of Schemes	Total budget Allocation	Expenditure
1.	A	8	15	4.51	0.00
2.	B	31	61	1,155.49	0.00

It reflects lack of implementation by the concerned Departments as well as deficient monitoring by the nodal Department of the schemes for welfare and empowerment of women in the State.

3.4.5 Child Budgeting

Child Budget of the State is also a part of the overall budget and represents provisions on schemes related to children education, health, protection and development.

The State Government made Women and Child Development Department as the Nodal Department for preparation of Child Budget Statement. The first Child Budget was presented in the State in FY 2020-21 with an outlay of ₹11,100.50 crore in which major allocations and expenditures pertained to the Departments of Education, Social Justice and Empowerment, Medical, Tribal Area Development and Child Empowerment Department. In 2022-23, the State Government allocated ₹33,046.08 crore to the Child Budget, which was 16.62 *per cent* higher than 2021-22². The Child Budget accounted for 8.10 *per cent* of the total State Budget³ of 2022-23. The quantum of funds allotted to Child Budget during 2022-23 and the expenditure against it is given in the Table 3.14 below:

Table 3.14: Child Budget provision and expenditure during 2022-23

(₹ in crore)				
	Budget Provision	Revised Provision	Expenditure	Percentage utilisation of RE
Child Budget	33,046.08	36,579.45	30,317.41	82.88

Source: As per Budget and Appropriation Account for 2022-23

During the year 2022-23, there were 17 Departments having 166 schemes/ programs in the Child Budget. Details of schemes under seven Departments which have incurred inadequate expenditure on Child Budget schemes, during the year is given in the Table 3.15 below:

2. ₹ 28,335.85 crore

3. ₹ 4,07,957.22 crore (Appropriation Account)

Table 3.15: Details of schemes having short expenditure**(₹ in crore)**

Sl. No.	Name of Department/Unit	Name of scheme (code of scheme)	Budget provision/Revised provision	Expenditure during 2022-23	Percentage of Utilisation
1.	Tribal Area Development, Udaipur	Construction of Residential School Building in Sahriya Tribal Under Tribal Welfare Fund (1655)	10.00	0.00	0.00
2.	Directorate, Child Empowerment Department	Operation of Child Home/Creche (2543)	1.74	0.00	0.00
3.	Secondary Education Department, Bikaner	Pre-metric Scholarships to students of Other Backward Classes (53)	64.00	0.00	0.00
4.		Distribution of Bicycle to Girls Students in Rural Area of Scheduled Castes Area (1457)	130.00	3.60	2.77
5.		Accidental Insurance Scheme to boys/girls of Scheduled Tribes Areas (1459)	2.63	0.00	0.00
6.		Studying facilities in reputed schools to the Children of Tribal Area (3026)	17.50	0.00	0.00
7.		Construction of Secondary schools under NABARD RIDF-XXIII (2562)	21.82	0.00	0.00
8.		Construction of Secondary schools under NABARD RIDF-XXIV (2698)	35.20	0.00	0.00
9.		Construction of Secondary schools under NABARD RIDF-XV (2723)	21.83	0.00	0.00
10.		Economical assistance to students of Sahariya Area(3025)	1.75	0.00	0.00
11.	Primary Education Department, Bikaner	Upper Primary School for boys (34)	5.66	0.00	0.00
12.	Integrated Child Development Services, Jaipur	Upgradation and maintenance of Aanganbari Centres including Cretche Construction under ICDS mission mode (1762)	9.10	0.00	0.00
13.		Construction of Aanganbari Centre under ICDS Mission Mode (1761)	8.00	0.00	0.00
14.		Pradhan Mantri Matra Vandana Yojana (PMMVY) (2651)	127.69	56.04	43.89
15.		National Nutrition Mission (2650)	215.55	98.92	45.89
16.		Rajeev Gandhi Kishori Balika Empowerment and Nutrition Scheme (1072)	13.34	3.13	23.46
17.	Social Justice and Empowerment Department, Jaipur	Cycle Distribution scheme to Hostellers (2541)	1.80	0.00	0.00
18.		Scholarship and stipend for scheduled castes (2528)	500.00	216.12	43.22
19.	National Cadet Core, Jaipur	National cadet core Youth services (1507)	10.82	3.62	33.46
		Total	1,198.43	381.43	

Source: As per Budget and Appropriation Account for 2022-23

It is evident from the table that during 2022-23, 19 child budget schemes had aggregate expenditure of ₹ 381.43 crore against the provision of ₹ 1,198.43 crore, and out of these 13 schemes had *nil* expenditure. Reasons for less expenditure are awaited from the concerned Departments/units (September 2023).

This shows lack of monitoring on part of Women and Child Development Department and laxity on part of implementing Departments regarding progress in implementation of schemes for welfare of children.

3.4.6 Review of selected grants

Grant No. 16-Police and *Grant No. 24-Education, Art and Culture* were selected on the basis of expenditure against budgeted estimate for last three years for detailed analysis. This analysis encompasses comments on Budget and Expenditure, Receipts with respect to Revised Estimates, Excess expenditure after re-appropriation, surrender, unnecessary/excessive supplementary provision, non-utilisation of provisions and persistent savings under these grants.

Grant No. 16-Police

The police are primarily responsible for the maintenance of public order, prevention and detection of crimes in the state. This grant is under the administrative control of the Principal Secretary, Home Department, Government of Rajasthan. The overall budgetary position, expenditure, and savings under the grant during the period 2020-23 is detailed below in the **Table 3.16**:

Table 3.16: Budgetary Provision

						(₹ in crore)
Year	Budgetary Provisions			Expen- diture	Savings (Percentage)	Amount Surrendered
	Original	Suppleme- ntary	Total			
Revenue-Voted						
2020-21	6,908.12	-*	6,908.12	6,385.06	523.06 (7.57%)	489.75
2021-22	7,196.56	227.66	7,424.22	7,186.18	238.04 (3.21%)	236.16
2022-23	8,095.06	414.67	8,509.73	7,907.97	601.76 (7.07%)	609.37
Capital-Voted						
2020-21	138.76	21.41	160.17	120.38	39.79 (24.84%)	39.79
2021-22	236.76	3.51	240.27	174.77	65.50 (27.26%)	65.11
2022-23	155.68	0.00	155.68	92.34	63.34 (40.69%)	48.95

* ` 9,000 only

It can be seen that:

- The unutilized budget provision/savings under revenue section of the grant ranged from 3.21 per cent to 7.57 per cent during period from 2020-21 to 2022-23.
- In capital section, there were persistent savings of more than ₹ 35 crore ranging from 24.84 per cent to 40.69 per cent of total provision during the period 2020-21 to 2022-23.
- As per SBM, grants that cannot be properly utilised should be surrendered. During 2020-21 and 2021-22, out of final savings, a sum of ₹ 33.31 crore and ₹ 1.88 crore respectively remained un-surrendered under Revenue section. During 2022-23, against the final savings of ₹ 601.76 crore, the surrender of ₹ 609.37 crore was excessive under Revenue section.
- During 2021-22 and 2022-23, out of final savings, a sum of ₹ 0.39 crore and ₹ 14.39 crore respectively remained un-surrendered under Capital section.
- During 2021-22 and 2022-23, supplementary provisions of ₹ 227.66 crore and ₹ 414.67 crore respectively were un-necessary considering the final savings under revenue section. Similarly, under Capital section, during 2020-21 and 2021-22, supplementary provisions of ₹ 21.41 crore and ₹ 3.51 crore respectively were also un-necessary as actual expenditure could not be incurred up to the level of even the original provision.

This shows that the provision in SBM pertaining to budgetary controls were not adhered to by the Department.

Substantial Savings

Paragraph 13.7 of the SBM prescribes that actual expenditure incurred during the last three years and the revised estimates for the current financial year should be taken into consideration for preparing estimates for the ensuing financial year.

It was observed that in six schemes/programmes there were substantial savings of ₹ 60.02 crore (in cases where savings were more than ₹ one crore) ranging from 25 *per cent* to 80.98 *per cent* of total grant/appropriation under the schemes/programmes during 2022-23. The details are given in the Table 3.17 below:

Table 3.17: Substantial savings noticed under various Programmes/Schemes

(₹ in crore)					
S. No.	Name of Head/ Scheme	Total (O+S)	Expenditure	Saving	Percentage savings
1.	2055-101-01-03 Criminal Branch	11.62	2.21	9.41	80.98
2.	2055-115-09-01 Training to Students under Police Modernisation Scheme	5.10	2.44	2.66	52.16
3.	2070-106-03-01 Establishment Charges-Committed	25.12	18.58	6.54	26.03
4.	4055-207-01-02 General Police	64.39	35.98	28.41	44.12
5.	4055-211-01-90 Construction Works	10.00	7.50	2.50	25.00
6.	4055-211-03-90 Construction Works	22.18	11.68	10.50	47.34
	Total	138.41	78.39	60.02	

Source: Detailed Appropriation Accounts

Budget controlling officers attributed the savings mainly to reasons such as (i) less release of funds from GoI; (ii) less expenditure on pay and allowances due to posts remaining vacant; (iii) less execution of construction work (iv) non-receipt of sanctions by the departments, etc.

Substantial savings against the budget allocation indicate that the provisions of SBM regarding budget formulation/preparation of demands for grants and monitoring were not adhered to.

Persistent savings

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

Audit observed that there were schemes having persistent savings (₹ One crore and above) from 2020-21 to 2022-23 which are given in Table 3.18 below:

Table 3.18: Persistent Savings noticed under various Programmes/Schemes

(₹ in crore)

S. No.	Name of Head	Year	Total provision (O+S)	Expenditure	Saving	Percentage savings
1.	2055-115-09 Student Police Cadet	2020-21	3.57	0.01	3.56	99.72
		2021-22	6.17	1.19	4.98	80.71
		2022-23	5.10	2.44	2.66	52.16
2.	2070-107-03-01 Amount for Urban Civil Defence under Police Modernization Scheme	2020-21	1.50	0.21	1.29	86.00
		2021-22	0.90	0.63	0.27	30.00
		2022-23	2.87	0.00	2.87	100.00
3.	2070-107-03-02 Amount for Border Civil Defence under Police Modernization Scheme	2020-21	1.51	0.00	1.51	100.00
		2021-22	0.70	0.00	0.70	100.00
		2022-23	1.17	0.00	1.17	100.00
4.	4055-207-01-02 General Police	2020-21	59.67	35.99	23.68	39.68
		2021-22	45.00	24.21	20.79	46.20
		2022-23	64.39	35.98	28.41	44.12

Source: Detailed Appropriation Accounts.

The Budget controlling officers attributed the savings mainly to reasons such as (i) less expenditure on pay and allowances due to posts remaining vacant; (ii) less-receipt of funds from GoI; (iii) less/non execution of works; (iv) non-receipt of sanction from State Government/departments etc.

The persistent savings indicate that the Department did not utilise the budgeted funds consistently in respect of these works/programmes/schemes. It also indicates over assessment of requirement of funds by the State Government in Appropriation Act.

Non utilisation of entire provision

As envisaged in para 13.6 of SBM, the estimates of expenditure should be as accurate as possible. Cases under the grant, where there were 100 *per cent* savings during 2022-23, are given in Table 3.19 below:

Table 3.19: Non-utilisation of provisions under various Programmes/Schemes

(₹ in crore)

S. No.	Name of Head	Budget Provision	Expenditure	Savings	Percentage savings
1.	2055-115-03 Modernisation of Forensic Lab	3.52	0.00	3.52	100
2.	2055-115-08 Modernisation of Anti-Corruption Bureau	1.31	0.00	1.31	100
3.	2070-107-03-01 Amount for urban Civil Defence under Police Modernisation Schemes	2.87	0.00	2.87	100
4.	2070-107-03-02 Amount for Border Civil Defence und Police Modernisation Scheme	1.17	0.00	1.17	100
5.	4055-207-01-01 Crime Branch	5.24	0.00	5.24	100
6.	4055-207-01-03 Wireless Police	18.87	0.00	18.87	100
7.	4055-210-01-01 Construction Work	3.00	0.00	3.00	100
	Total	35.98	0.00	35.98	

Source: Appropriation Accounts

The Budget controlling officers attributed the savings mainly to reasons such as (i) non-receipt of funds from GoI under Modernisation of Police Force scheme; (ii) non-approval of schemes/state action plan by GoI; (iii) non-possibility of establishment and supply of equipment (iv) non-receipt of sanction from GoI for purchase of equipment etc.

Non utilisation of entire provision indicates that proposals for works/schemes were made without proper planning and feasibility study. It also indicates systemic deficiency in utilisation of funds by the department which adversely impacts the achievement of the objectives of these schemes.

Unexplained re-appropriations

Para 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2023) by the Finance Department revealed that out of 31 heads where orders were issued for re-appropriations, only 11 cases were clearly explained in the re-appropriation orders. Explanations in the remaining 20 cases were of general nature like 'based on actual requirement', 'based on latest assessment' and 'restriction of expenditure'.

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

Delay/non-completion of Capital Work

State Government provisioned ₹ 3.56 crore in State Budget for the year 2022-23 for construction of Home guard Training Centers in 13 districts⁴ to Public Work Department under Budget Head 4059-80-051-05-02-17 and these works was to be completed upto March 2023.

Audit noticed that against the Budget this Provision PWD incurred an expenditure of ₹ 1.76 crore only till March 2023. Directorate, Home Guard intimated (August 2023) that out of 13 training Centers, work related to 5 centers have been completed and work related to remaining 7 training Centers were incomplete till March 2023. Further, even after a lapse of more than one year, work related to construction of training centers at Jaipur and Jodhpur have not started and no Budget provision was sanctioned for construction of training center at Alwar by Finance Department.

This indicates delay in execution by PWD and lack of monitoring at the level of the Home department.

Receipts

The Revenue Receipts under Major Head '0055-Police' comprise of the receipts from police services provided to Railways and Other States, private companies, local bodies, banks and other miscellaneous receipts of Rajasthan Police. The position of Budget Estimates, Revised Estimates and Actual Receipts under various receipt heads having substantial variation from Revised Estimates during the period 2020-23 is summarized in the **Table 3.20** below:

4. Alwar, Ajmer, Jhunjhunu, Jalore, Jaipur, Jodhpur, Banswara, Hanumangarh, Pali, Swaimadhopur, Sikar, Sirohi and Tonk.

Table 3.20: Statement showing variation in Receipt heads during 2020-23

(₹ in crore)

S. No.	Name of Head	Year	Budget Estimates	Revised Estimates	Actual Receipt	Excess(+) / Shortfall (-) from Revised Estimate	Per cent variation to Revised Estimate
1.	0055-101-02 Reimbursement from GoI	2020-21	1.50	1.50	₹1000	(-) 1.50	100.00
		2021-22	1.50	1.50	0.00	(-) 1.50	100.00
		2022-23	1.50	10.00	7.24	(-) 2.76	27.60
2.	0055-101-03 Reimbursement from other states	2020-21	185.54	179.00	22.55	(-)156.45	87.40
		2021-22	244.94	146.93	200.26	(+) 53.33	36.30
		2022-23	244.85	316.16	264.22	(-) 51.94	16.43
3.	0055-102-02 Police Services provided to Public Departments, Private Company, and Persons	2020-21	195.00	124.35	122.88	(-) 1.47	1.18
		2021-22	150.00	125.00	144.89	(+) 19.89	15.91
		2022-23	130.00	135.00	135.64	(+) 0.64	0.47
4.	0055-103-01 Fess for training of vehicle/weapon	2020-21	1.50	1.00	1.45	(+) 0.45	45.00
		2021-22	1.00	0.70	1.25	(+) 0.55	78.57
		2022-23	0.80	1.00	1.10	(+)0.10	10.00
5.	0055-104-01 Collection by District Officers	2020-21	4.50	2.50	4.33	(+) 1.83	73.20
		2021-22	3.40	3.00	4.45	(+) 1.45	48.33
		2022-23	3.20	3.50	3.64	(+)0.14	4.00
6.	0055-104-02 Fees for verification and NOC of license under Arms /explosive / petroleum Act	2020-21	1.10	0.50	1.24	(+) 0.74	148.00
		2021-22	0.60	0.75	1.38	(+) 0.63	84.00
		2022-23	0.80	1.50	1.53	(+)0.03	2.00
7.	0055-800-02-02 Fees for character verification	2020-21	16.50	10.00	9.49	(-) 0.51	5.10
		2021-22	12.00	12.00	10.09	(-) 1.91	15.92
		2022-23	13.00	13.00	14.14	(+)1.14	8.77
8.	0055-800-06 Other receipts of Police Department	2020-21	15.00	5.00	5.06	(+) 0.06	1.20
		2021-22	5.65	5.00	4.64	(-) 0.36	7.20
		2022-23	5.30	4.20	4.24	(+)0.04	0.95
9.	0055-800-50-01 Receipts for disposal of unutilised vehicles	2020-21	3.25	3.00	7.04	(+) 4.04	134.67
		2021-22	3.50	3.50	2.94	(-) 0.56	16.00
		2022-23	3.70	3.00	2.46	(-)0.54	18.00

It was observed that in all above cases, there was significant variation of actual receipts with respect to revised estimates indicating deficiency in estimation. This also indicates that the department did not take into consideration the past year receipts in preparation of these estimates as required by SBM.

Grant No. 24: Education, Art and Culture

School Education in State is divided in two parts-Elementary Education and Secondary Education. Elementary Education is controlled by the Directorate of Elementary education under Panchayati Raj Department and Secondary Education by Directorate of Secondary Education under Education and Language Department. The higher education is managed by the **College Education Department** while **Technical Education** is under control of Technical Education Department and plays a vital role in the development of human resource by creating skilled manpower. Rajasthan is a popular tourist destination and the **Department of Art, Literature, Culture and Archaeology** endeavours for protection, development and promotion of both tangible and intangible heritage and culture of the state. Grant No.24 provides funds to all these Departments.

The overall budgetary position, expenditure, and savings under this grant during the period 2020-23 is detailed below in the **Table 3.21** :

Table 3.21: Budgetary Provision

						(₹ in crore)
Year	Budgetary Provision			Expen- diture	Savings (Percentage)	Amount Surrendered
	Original	Supple- mentary	Total			
Revenue-Voted						
2020-21	32,096.19	-	32,096.19	29,712.30	2,383.89 (7.43%)	2,380.30
2021-22	35,902.71	9,03.30	36,806.01	34,391.66	2,414.35 (6.56%)	2,399.55
2022-23	39,354.29	2,289.29	41,643.58	37,362.42	4,281.16 (10.28%)	3,481.00
Capital-Voted						
2020-21	1,001.94	112.27	1,114.21	916.28	197.93 (17.76%)	197.92
2021-22	1,157.46	-	1,157.46	417.62	739.84 (63.92%)	739.84
2022-23	1,230.44	405.15	1,635.59	1,072.28	563.31 (34.44%)	564.54

It can be seen that during the period 2020-21 to 2022-23:

- The unutilized budget provision/savings under revenue section of the grant ranged from 6.56 per cent to 10.28 per cent.
- As per SBM, grants that cannot be properly utilised should be surrendered. During 2020-21, 2021-22 and 2022-23 out of final savings, a sum of ₹ 3.59 crore and ₹ 14.81 crore and ₹ 800.16 crore remained un-surrendered under Revenue section respectively. During 2022-23 in context of final savings of ₹ 563.31 crore under capital section, the surrender of ₹ 564.64 crore was excessive.
- During 2021-22 and 2022-23 in view of final savings in revenue section, supplementary provisions of ₹ 903.30 crore and ₹ 2,289.29 crore respectively were unnecessary. During 2020-21 and 2022-23 in view of final savings in capital section, supplementary provisions of ₹ 112.27 crore and ₹ 405.15 crore respectively were also unnecessary as actual expenditure could not incurred up to the level of even the original provision.
- In capital section, there were persistent savings of more than ₹100 crore ranging from 17.76 per cent to 63.92 per cent of total budget.

This shows that the provision in SBM pertaining to budgetary controls were not adhered to by the respective Departments.

Substantial Savings

Para 8.5(8) of SBM provides that Budget Controlling Officers are required to prepare and submit monthly progress reports on expenditure and achievement of physical targets of plan schemes executed by the concerned departments to the Planning Department.

It was observed that in 15 schemes/programmes there were substantial savings of ₹ 659.69 crore (in cases where savings were more than ₹ one crore and also by more than 50 per cent of total provision) ranging from 53 per cent to 98 per cent of total grant/appropriation under the schemes/programmes during 2022-23. The details are given in Table 3.22 below:

Table 3.22: Substantial Savings noticed under various Programmes/Schemes**(₹ in crore)**

S. No.	Name of Head/ Scheme	Total (O+S)	Expenditure	Saving	Percentage savings
1.	2202-01-113-01-04 Star Project (General)	114.67	54.22	60.45	52.72
2.	2202-02-109-11 Cycle distribution to girl students of class IX studying in Government schools of urban and rural areas	88.15	2.40	85.75	97.28
3.	2202-02-109-32- 01 Expenditure on Operation of Kasturba Gandhi Residential of Girls School	5.61	1.95	3.66	65.24
4.	2202-03-103-11-01 Rashtriya Uchchatar Shiksha Abhiyan – General Expenditure	13.49	0.20	13.29	98.52
5.	2202-05-800-04-01 Academy of Genealogy Conservation and Promotion	5.00	0.60	4.40	88.00
6.	2203-107-02 Scholarship for students of National level Institutions	1.79	0.64	1.15	64.25
7.	4202-01-202-20-01 Construction works for Samagra Shiksha under Secondary Education	392.00	67.79	324.21	82.71
8.	4202-01-202-23-01 Construction work in secondary School	220.00	90.00	130.00	59.09
9.	4202-01-202-24-01 Construction work in Sainik School,Chittorgarh	6.00	2.08	3.92	65.33
10.	4202-01-203-06-01 Sanskrit College Building	6.00	1.70	4.30	71.67
11.	4202-01-205-01-01 Rajasthan State Sanskrit Educational Research and Training Institute	3.00	1.30	1.70	56.67
12.	4202-02-104-02 Through the Director, Technical Education	20.49	4.39	16.10	78.57
13.	4202-03-102-01 National Cadet Corps- Senior Branch	9.28	2.28	7.00	75.43
14.	4202-04-106-08-01 Monuments and Museum-Through the Archaeology Department	2.40	0.55	1.85	77.08
15.	4202-04-800-01 Arabic and Persian Research Institute	2.20	0.29	1.91	86.82
	Total	890.08	230.39	659.69	

Source: Detailed Appropriation Accounts

Budget controlling officers attributed the savings mainly to reasons such as (i) less expenditure on pay and allowances due to posts remaining vacant, (ii) non-completion of tender process, (iii) less-receipt of fund from GoI and (iv) less execution of works by the Department, etc.

Substantial savings against the budget allocation indicate that the provisions of SBM regarding budget formulation/preparation of demands for grants and monitoring were not adhered to. This also indicates poor monitoring over progress of works at the level of the concerned Departments.

Persistent savings

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

Audit examination revealed that there were ten schemes having persistent savings (₹ 10 lakh and above) from 2020-21 to 2022-23 as given in the Table 3.23 below:

Table 3.23: Persistent Savings noticed under various Programmes/Schemes

(₹ in crore)

S.No.	Name of Head	Savings (percentage of saving against provision)		
		2020-21	2021-22	2022-23
1.	2202-01-113-01-01 Expenditure on Samagra Shiksha-General	1090.07 (17.55)	950.99 (14.28)	2201.87 (25.98)
2.	2202-02-109-30-01 Cash award to talented Students	0.19 (31.25)	0.99 (82.25)	0.60 (100)
3.	2202-03-103-11-01 Rashtriya Uchahatar Shiksha Abhiyan-General Expenditure	24.23 (81.52)	18.54 (75.52)	13.29 (98.49)
4.	2205-103-06-01 Monument and Museum through the Archaeological Department	7.80 (50.76)	2.87 (13.09)	7.76 (49.71)
5.	4202-01-201-13-01 Expenditure on Construction Works in Education Training Institutions under Elementary Education	2.67 (0.95)	303.97 (98.69)	140.00 (100)
6.	4202-01-203-06-01 Sanskrit College- Building	1.37 (30.71)	1.44 (41.08)	4.31 (71.74)
7.	4202-01-203-07-01 Rashtriya Uchahatar Shiksha Abhiyan-Construction Work	36.48 (81.84)	27.06 (76.09)	18.98 (100)
8.	4202-01-205-01-01 Rajasthan State Sanskrit Educational Research and Training Institute	0.01 (0.67)	1.12 (74.66)	1.70 (56.67)

Source: Detailed Appropriation Accounts.

The Budget Controlling Officers attributed the savings mainly to reasons such as (i) less expenditure on pay and allowances due to posts remaining vacant; (ii) non completion of tender process; (iii) less-receipt of funds from GoI; (iv) less/non execution of works by the Department; (v) non release of sanctions from GoI, etc.

The persistent savings indicate that the Department did not utilise the budgeted funds consistently in respect of these development works/programmes/schemes. It also indicates over assessment of requirement of funds by the State Government in Appropriation Act without properly monitoring the flow of expenditure.

Non utilisation of the entire provision

As envisaged in para 13.6 of SBM, the estimates of expenditure should be as accurate as possible. Cases under the grant, where there was 100 per cent savings during 2022-23, are given in Table 3.24 below:

Table 3.24: Non-utilisation of provisions under various Programme/Schemes

(₹ in crore)

S. No.	Name of Head	Budget Provision	Expenditure	Savings
1.	2202-01-101-05 Upper Primary School for Boys	4.50	0.00	4.50
2.	2202-02-107-07 Pre-matric Scholarships to students of Other Backward Classes	64.00	0.00	64.00
3.	2202-02-109-09-13 Accidental Insurance to students studying in Government Schools	1.80	0.00	1.80
4.	2202-03-112-02-01 Centre for excellence for education	0.80	0.00	0.80
5.	2202-03-112-03-01 Assistance to other Institutions for Research	5.00	0.00	5.00
6.	2203-800-03-01 Education quality promotion programme	7.50	0.00	7.50
7.	2205-102-16 Rajasthan Heritage Protection and Promotion Authority Jaipur	2.66	0.00	2.66
8.	4202-01-201-13-01 Expenditure on construction of Integrated Education und Elementary Education	140.00	0.00	140.00
9.	4202-01-201-13-02 Expenditure on construction works in Education Training and Institutions under Elementary Education	2.10	0.00	2.10
10.	4202-01-202-14-01 Model School-Construction Work	21.80	0.00	21.80

S. No.	Name of Head	Budget Provision	Expenditure	Savings
11.	4202-01-202-17-01 Construction work under Secondary Schools	21.82	0.00	21.82
12.	4202-01-202-18-01 Construction work in Govt, Secondary Schools	25.00	0.00	25.00
13.	4202-01-202-19-01 Construction of basic infrastructure in Schools	21.83	0.00	21.83
14.	4202-01-202-24-02 Construction Work in Sainik School Jhunjhunu	6.00	0.00	6.00
15.	4202-01-203-07-01 Rashtriya Uchahatar Shiksha Abhiyan- Construction Work	18.98	0.00	18.98
16.	4202-01-203-10-01 Mahatama Gandhi Institute of Governance and Social Sciences	50.00	0.00	50.00
17.	4202-03-102-06-01 Rajasthan High Level performance training and rehabilitation centre	10.00	0.00	10.00
18.	4202-04-800-02 Prachya Vidhya Pratishthan	0.20	0.00	0.20
19.	4202-04-800-03-01 Construction work in Rajasthan Heritage Protection and Promotion Authority	9.03	0.00	9.03
20.	6202-01-203-03-01 Loan to Sainik School, Chittorgarh	3.60	0.00	3.60
	Total	416.62	0.00	416.62

Source: Appropriation Accounts

The Budget Controlling Officers attributed the savings mainly to reasons such as (i) non receipt of demand for execution of works; (ii) less execution of works by PWD; (iii) non-completion of construction works; (iv) non-receipt of sanction under NABARD Schemes and (v) non-receipts of funds from GoI etc.

Surrender of entire provision indicates that proposals for capital works were made without proper planning and feasibility study. Non-utilisation of funds also indicates systemic deficiency in utilisation of funds by the concerned Departments and adversely impacts the achievement of the objective of schemes.

Token provision in grant

As per para 13.14 of SBM, a sub-head or other unit of appropriation which remains inoperative for three consecutive years should be deleted from the Demand for Grants of the concerned Department. During scrutiny of the grant, it was observed that during the period 2020-23, token provision was made in 174 heads⁵ out of total 891 heads.⁶ These token provisions remained token provisions without augmentation of the provisions through re-appropriations/supplementary and token provisions in all these heads were surrendered at the end of the financial year. This indicates that the Department lacked proper estimation of provision and execution of financial plan.

Flow of expenditure

Audit noticed that under ten sub-heads more than 40 *per cent* expenditure was incurred during last quarter of 2022-23. Details of expenditure under these sub-heads is given in Table 3.25 below:

5. 2020-21 (48 heads), 2021-22 (62 heads), 2022-23 (64 heads).

6. 2020-21 (284 heads), 2021-22 (290 heads), 2022-23 (317 heads).

Table 3.25: Flow of expenditure during March and last quarter of the year

(₹ in crore)

S. No.	Head of Account (up to Sub Head)	Expenditure incurred during January-March 2023	Expenditure during March 2023	Total Expenditure	Percentage of total Expenditure incurred during	
					January-March 2023	March 2023
1.	2202-02-109-30 Rewards to economically backward talented students from general class	10.96	10.96	10.96	100.00	100.00
2.	2202-02-113-01 Samagra Shiksha under Secondary Education	418.38	43.92	829.92	50.41	5.29
3.	2202-01-800-05 Madarsa Schools	47.16	24.16	102.16	46.16	23.65
4.	2202-03-102-20 Grants to Universities	157.74	55.21	365.10	43.20	15.12
5.	2202-03-103-10 Scooty Distribution Scheme	24.47	24.47	24.49	99.92	99.92
6.	2202-03-107-01 Scholarship and stipend	38.19	15.00	63.19	60.44	23.74
7.	4202-01-202-16 Decrepit School buildings	28.00	28.00	28.00	100.00	100.00
8.	4202-01-202-21 Kasturba Gandhi Residential Girls School	11.72	11.72	12.42	94.36	94.36
9.	4202-01-202-26 Construction work in secondary school under NABARD	130.00	30.00	130.00	100.00	23.08
10.	4202-01-203-09 Construction works in universities	83.50	83.50	136.00	61.40	61.40
	Total	950.12	326.94	1702.24		

Source: Information provided by office of the Accountant General (A&E) Rajasthan.

It is evident from above table that under these sub-heads, expenditure of ₹ 950.12 crore was incurred in the last quarter of the financial year which was 55.82 *per cent* of the total expenditure (₹ 1,702.24 crore) of these sub-heads during 2022-23. Further, audit also noticed that, in respect of eight sub-heads even more than 50 *per cent* expenditure was incurred during the last quarter of the financial year.

The huge expenditure incurred by DDOs/CCOs of the concerned departments during the last quarter/month of the year is indicative of ineffective control over progressive expenditure during the year.

Excess Expenditure

As per para 8.5(5) of SBM, Budget Controlling Officer will ensure that expenditure does not exceed the budget allocation. Para 24.1 of SBM also provided that expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. As per SBM, it is essential that the statement should be prepared with utmost care, as inaccurate statements of excesses and savings not merely cause inconvenience to the Finance Department but may also lead to excess expenditure, for which concerned Budget Controlling Officer will be held responsible.

During test check of appropriation account of 2022-23, it was observed that under some heads of this grant there was expenditure in excess of provision as given in the **Table 3.26** below:

Table 3.26: Excess expenditure in Heads under the Grant**(₹ in crore)**

S. No.	Head of Account	Total Provision	Re-appropriation	Availability of fund	Actual Expenditure	Excess
1.	2202-03-102-07 Grants to Sanskrit University	6.80	0.76	7.56	8.14	0.58
2.	2202-03-102-14 Grants to Haridev Joshi Journalism and Public Communication University, Jaipur	7.42	0.03	7.45	8.00	0.55
3.	2202-03-102-20-02 Jay Narayan Vyas University, Jodhpur	114.00	15.34	129.34	143.00	13.66
4.	2202-03-103-02 Government College (for men)	118.73	8.62	127.35	127.63	0.28
5.	2205-102-12 Assistance to Autonomous Bodies and Voluntary Agencies	1.50	2.55	4.05	4.11	0.06

This shows that expenditure was incurred by the department without availability of adequate funds for these heads indicating deficient budgetary and expenditure controls.

Savings not surrendered

According to para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. Accordingly, it is the duty of the budget controlling officers to ensure that all anticipated savings are surrendered as soon as they are estimated, without waiting till the end of the year.

During the scrutiny of this grant, it was noticed that under 4 heads (where savings of ₹ One crore and above) against the savings of ₹ 2,368.35 crore, ₹814.58 crore was not surrendered is given in the Table 3.27 below:

Table 3.27: Details of heads where savings were not surrendered**(₹ in crore)**

S. No.	Heads	Savings against Total budget (O+S)	Amount surrendered	Amount not surrendered
1.	2202-01-101-09-01 Expenditure on Free Dresses and Text Books	83.42	68.86	14.56
2.	2202-01-113-01-01 Expenditure on Samagra Shiksha under Elementary Education	2,201.87	1,406.08	795.79
3.	2202-01-113-02-01 Expenditure on District Education and Training Institute	17.90	15.77	2.13
4.	2202-01-800-14 Reimbursement of fees to private schools under Right to Education-General expenditure	65.16	63.06	2.10
	Total	2,368.35	1,553.77	814.58

This indicates poor expenditure management and inadequate financial control. Early surrender could have ensured more productive use of resources in other areas having shortfall.

Unexplained re-appropriations

Para 23.15.6 of SBM envisages that the reasons for excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2023) by the Finance Department, revealed that out of 142 re-appropriation, specific explanations were only provided in 41 cases in the re-appropriation orders. Explanations in the remaining 101 cases were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'.

The above tendency of providing non-specific explanations goes against the principle of transparency stipulated in Section 4 of Fiscal Responsibility and Budgetary Management Act.

Non-adjustment of Abstract Contingent bill

Rule 220(1) of GF&AR regulates preparation and drawal of Abstract Contingent (AC) Bill and submission of Detailed Contingent (DC) Bill to the Accountant General within a period of three months from the drawal of AC bills⁷.

As per the information provided by the O/o AG (A&E), 4 AC bills⁸ pertaining to the period from March 1990 to March 1997 were pending for adjustment even after a long period of 26 to 33 years. These four bills were related to Primary Education Jalore, District Adult Education officer, Rajsamand and Zila Parishad, Banswara.

The Department intimated that AC bills were pending due to non-availability of records of these bills in the respective departments. State Government/ Controlling officer/ Disbursing officer need to pursue this matter with O/o AG (A&E) Rajasthan for reconciliation of the record and take remedial action in this regard.

3.4.7 Other irregularities in Accounts

1. Incorrect disclosure of revenue expenditure as capital expenditure

According to Indian Government Accounting Standards (IGAS)-2 issued by Comptroller and Auditor General of India, funds should be issued by State Government to bodies/institutions with distinct legal/statutory status like universities, institutions/colleges, PSUs, etc only in the form of grant, investment or loans. Such grants-in-aid could be given in cash or kind used by the recipient agencies towards meeting their operating as well as capital expenditure requirement. Point no. 13 of IGAS-2 states that expenditure on Grant-in-aid for the purpose of creating assets shall not, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General of India, be debited to a capital head of account in the financial statements of the Government. Further, Rule 338(1) of GF&AR part-I of GoR states that expenditure on temporary assets or grant-in-aid shall not ordinarily be considered as expenditure of a capital nature. In addition, note under Rule 30(1) of Government Accounting Rules (GAR), 1990 of GoI also states that expenditure on a temporary asset or expenditure on Grants-in-aid to local bodies or institutions (for the

7. Except in case of purchase of machinery/equipment and other articles from abroad by opening of letter of credit, where the DC bills may be rendered to the competent authority within six months of the drawal of AC bills.

8. Under Major Heads 2202 and 4202.

purpose of creating assets which will belong to these local bodies or institutions) cannot ordinarily be classifiable as capital expenditure, and shall not, except in case specifically authorized by the President on the advice of Comptroller and Auditor General be debited to a capital head of account.

Further, Article 150 of the Constitution provides that, the accounts of the Union and of the State shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe. Thus, the State Government seeks post facto permission for the accounting heads opened in a budget from the office of the AG (A&E).

During 2021-22, the State Government opened certain Capital heads in supplementary budget through which Grant-in-Aid was provided to various autonomous bodies/institutions but the expenditure was irregularly booked as the Capital Expenditure instead of Revenue Expenditure in contravention of the provisions of IGAS, GAR and GF&AR *ibid*, and therefore, the permission for these heads was denied by the Office of the Accountant General (A&E).

However, during the audit of Appropriation Account of the State for the year 2022-23, it was noticed that the State Government had again made budget provision of ₹ 614.09 crore under these heads for providing Grant-in-Aid and transferred ₹ 493.60 crore as grant in aid to Autonomous bodies and State Public Sector Undertaking. This expenditure was booked under various capital expenditure heads which was again objected by the Office of the AG (A&E). Details of these Capital heads are provided in *Appendix 3.9*. Thus, operation of Capital heads for incurring Revenue Expenditure was irregular.

Finance Department accepted (August 2023) that expenditure of ₹ 330.81 crore have been booked under the capital heads during 2022-23. Further, the Department assured that no expenditure will be accounted for in these capital heads during 2023-24 and if any expenditure is accounted for, it would be adjusted by transfer entry to the concerned revenue head.

However, Director, Finance (Budget) intimated during Exit conference (22 February 2024) that ownership of the assets created through such transfer lies with the State Government in some cases such as in case of National Health Mission and Smart City Project and hence expenditure was booked under capital heads. However, during re-examination of cases, it was noticed that neither of the heads objected upon pertains to the National Health Mission. Further, capital projects/assets created by Smart City Limited belongs to third tier of Government i.e. Local Bodies.

2. Increase of revenue receipts without substantive receipt of revenue

Finance (Insurance) Department, GoR stated that there was difference in balances under GPF on SIPF portal and reconciled balances of AG (A&E) due to reasons such as unaccounted amounts of GPF, lapsed DA arrears deductions and interest incurred on delayed claims, etc. These amounts were treated as unclaimed amounts by the State Government which the State Government decided to utilize for Karmik Kalyan Kosh until their online accounting/ reconciliation or receipt of related claims.

The State Government had identified (December 2022) ₹ 3,000 crore as unaccounted and unclaimed balances under the General Provident Fund (GPF) and decided to transfer this amount to revenue receipts to be subsequently transferred to *Karmik*

Kalayan Kosh (under Public Account of the State) which was set up for the welfare of State Government employees. Subsequently, in March 2023, Government of Rajasthan transferred ₹ 1,000 crore out of the ₹ 3,000 crore unclaimed deposit to its revenue receipts. However, this amount was not transferred to the *Karmik Kalayan Kosh* as had been decided by the Government. Therefore, it led to inflation of revenue receipts and under-statement of Revenue and Fiscal Deficits during 2022-23.

Audit observed that even during the previous year 2021-22, ₹ 1,000 crore of unclaimed GPF deposits were transferred to revenue receipts without any subsequent transfer to *Karmik Kalayan Kosh*. The balance under this fund remains *nil* (September 2023) even after more than two years of establishment of the fund.

State Insurance and Provident Fund Department intimated (August 2023) that Budget Head 2225-60-200-24-01-43-Karmik Kalyan (expenditure head) was opened for the operation of *Karmik Kalayan Kosh*. However, as per Finance (Insurance) Department order dated 26 July 2021, the unclaimed amount was to be transferred to the revenue head and then to the Public Account 8342-120-70-Karmik Kalyan Kosh. The amount spent for this purpose was to be met through the public account. However, it was observed that the State Government has opened this fund under Public Account during 2022-23 only. State Accounts also shows that no amount has been deposited in this account till March 2023.

The above fact shows that the Government has been repeatedly transferring these unclaimed deposits to its revenue receipts without subsequent transfer to *Karmik Kalyan Kosh* to reduce its revenue and fiscal deficits.

3. Expenditure incurred without Budget provision

As per para 24.1 of SBM, expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. 14 cases of expenditure incurred without provision pertaining to six grants, where ₹ 437.88 crore was cumulatively incurred are given in Table 3.28.

Table 3.28: Cases where expenditure was incurred without Budget provision

S. No.	Grant no. and name	Head of accounts	Provisions				Actual expenditure	Excess Expenditure
			Original	Supplementary	Re-appropriation	Total		
1.	21-Roads and Bridges	3054-02-337-01-02 Maintenance and Restoration	0.01*	0	(-) 0.01*	0	228.50	228.50
2.		5054-02-337-03 Through the Border Road Development Board	0.01*	0	(-) 0.01*	0	4.12	4.12
3.	28-Special Program for Rural Development	2501-06-196-14-01 Grant for Mahila Nidhi	0	0.02*	(-) 0.02	0	15.65	15.65
4.	30-Tribal Area Development	2700-27-796-04 Other Expenditure-Committed	76.45	0	(-) 76.45	0	78.03	78.03
5.		2406-01-796-21 Externally aided Rajasthan forestry and Biodiversity Project Phase-II	1.63	0	(-) 1.63	0	0.86	0.86

S. No.	Grant no. and name	Head of accounts	Provisions				Actual expenditure	Excess Expenditure
			Original	Supplementary	Re-appropriation	Total		
6.	30-Tribal Area Development	2501-06-196-14-02 Grant for Mahila Nidhi (For Scheduled Tribes)	0	0.02*	(-) 0.02*	0	9.40	9.40
7.	46-Irrigation	2700-02-800-02-01 Other Expenditure-Committed	1.09	0	(-) 1.09	0	0.87	0.87
8.		2700-07-800-01 Other Expenditure-Committed	0.93	0	(-) 0.93	0	2.90	2.90
9.		2700-36-800-01 Other Expenditure-Committed	8.32	0	(-) 8.32	0	5.95	5.95
10.		2700-28-800-01 Other Expenditure-Committed	38.91	0	(-) 38.91	0	38.94	38.94
11.		2701-62-800-01 Other Expenditure-Committed	28.12	0	(-) 28.12	0	27.50	27.50
12.		2700-22-800-02 Other Expenditure-Committed	0	0	0	0	10.64	10.64
13.	51-Special Component Plan for Welfare of Scheduled Castes	2501-06-196-14-03 Grants to Mahila Nidhi (For scheduled castes)	0	0.02	(-) 0.02	0	6.25	6.25
		Total					429.61	429.61

* ₹ in lakh

It is interesting to note that an amount of ₹ 10.64 crore was incurred under head '2700-Minor Irrigation-22-Jakham Project (Commercial) -800- Other Expenditure-02- Other Expenditure-Committed' in Grant No. '46-Irrigation' without any original or supplementary budget provision. Reasons for expenditure under this Major Head without any budget provision have not been intimated (December 2023).

4. Expenditure incurred in excess of Budget provision within grants

As per para 24.1 of SBM, expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. However, it was observed that under some Major Heads expenditure was incurred in excess of the available budget provision, though there was no excess in the overall grant. Details are given in Table 3.29 below.

Table 3.29: Details of expenditure incurred in excess of Budget provision

(₹ in crore)					
S. No.	No. and Name of Grant	Budget Head	Total provision (O+S+R)	Expenditure	Excess Expenditure
1.	9-Forest	2406-02-110-01 Tiger Project, Ranthambhore	37.54	37.60	0.06
2.	12-Other Taxes	2030-02-102-01-01 Commission on sales to Agents	70.14	71.04	0.90
3.	17-Jails	2056-001-01-01 Head Office and Regional office-Committed	11.04	11.21	0.17
4.	21-Roads and Bridges	5054-03-337-10 Construction of Roads from Public Private Partnership (PPP)	1.94	2.00	0.06
5.		5054-03-337-11 Rajasthan Highways Development Project-I (ADB)	343.72	343.97	0.25
6.	26-Medical and Health and Sanitation	2210-05-105-06-01 Rajastahn Medical Education Society (Grant-in-aid)	254.94	255.95	1.01
7.	27-Drinking Water Scheme	4215-01-102-45 Nagaur Lift Canal Project Phase-II (EAP)	8.36	8.48	0.12

S. No.	No. and Name of Grant	Budget Head	Total provision (O+S+R)	Expenditure	Excess Expenditure
8.	30-Tribal Area Development	5054-03-796-04-90 Construction Work	107.02	108.01	0.99
9.		2406-04-796-04-01 Expenditure under net present value of forest land	15.60	15.67	0.07
10.		2210-05-796-04-01 Rajasthan Medical Education Society (Grant-in-aid)	55.84	56.22	0.38
11.	33-Social Security and Welfare	2235-60-200-14-01 Rajasthan State Legal Services Authority	20.04	20.29	0.25
12.		2235-60-107-01 Pension to freedom fighters and their dependents etc. through the General Administration Department-Committed	12.73	12.85	0.12
13.	46-Irrigation	2700-05-001-01-01 Indira Gandhi Nahar Feeder-Committed	9.25	10.51	1.26
14.		2700-39-800-01 Other expenditure-Committed	54.82	58.08	3.26
15.		2701-80-001-01-04 Designing-Committed	3.29	3.37	0.08
16.	51-Special Commitment Plan for Welfare of Scheduled Castes	2236-02-789-02-01 National Nutrition Mission (NNM) through the Integrated Child Development Service Department	14.46	15.46	1.00
17.		2210-05-789-04-01 Rajasthan Medical Education Society (Grant-in-aid)	77.77	78.07	0.31
18.		4406-02-789-01 Development of Keoladeo National Park	0.02	2.10	2.08

Source: Detail Appropriation Accounts

Reasons for expenditure in excess of budget provision under these heads have not been intimated by the concerned departments (December 2023).

3.5 Good Practices

The good aspects of budgetary management of the State Government are given below:

- Submission of all the Re-appropriation orders and Surrender orders before closing of the financial year.
- Surrender of most of the savings before the end of the year.

3.6 Conclusion

Cases of excessive/unnecessary supplementary provisions indicate that the Departments did not make realistic assessment of requirement and budget controlling officers failed to exercise necessary budgetary control over the flow of expenditure through the monthly expenditure.

Cases of insufficient/excessive or unnecessary re-appropriation reflected that budget controlling officers failed to adequately assess the requirement of funds in heads of accounts under their control.

Huge expenditure incurred in the last month/last quarter of the year was indicative of weak internal controls over expenditure/receipts and lack of budgetary control/management.

3.7 Recommendations

Efforts should be made by all Departments to submit realistic budget estimates keeping in view the trends of expenditure in order to avoid large scale savings/excesses, re-appropriations and surrenders at the end of the year, so that they can be effectively utilised in other areas/schemes.

Controlling officers and Head of the Department should strictly observe the provisions of State Budget Manual to ensure budgetary and expenditure controls. They should endeavour to strengthen the monthly expenditure monitoring mechanism.

Controlling/Disbursing Officers should keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to ensure utilisation of allotted funds as per requirement.