

Chapter III: Budgetary Management

Introduction

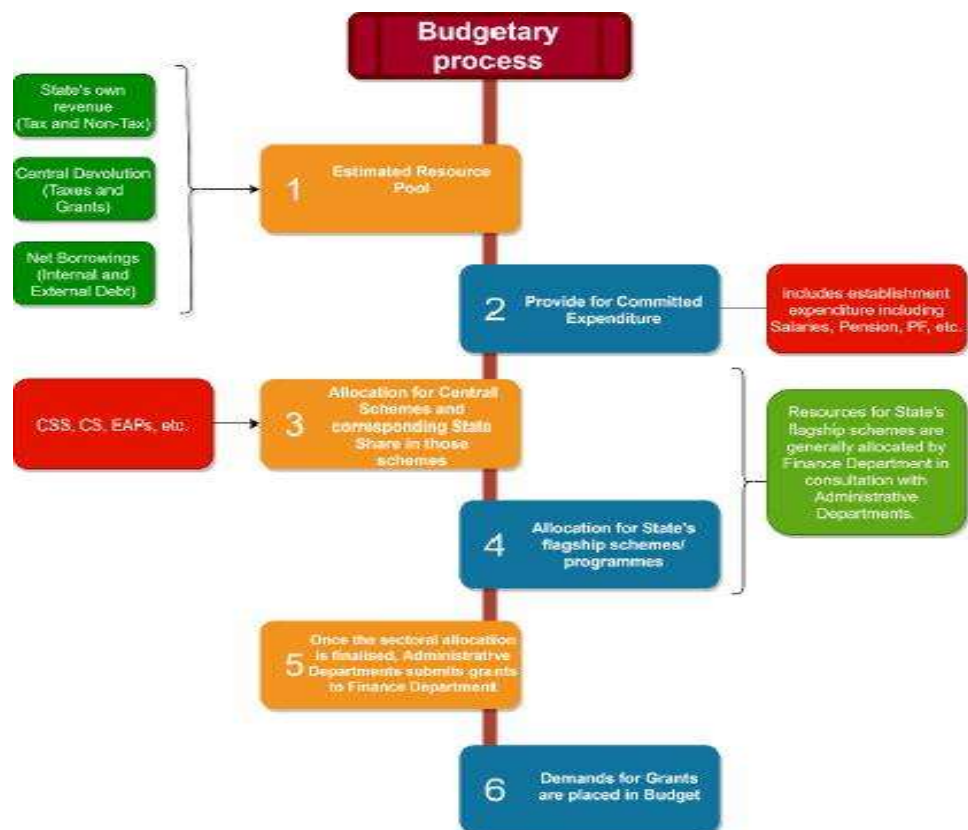
This Chapter reviews the allocative priorities of the State Government and comments on transparency of budget formulation and effectiveness of its implementation. Effective financial management ensures that policy decisions are taken and implemented successfully at the administrative level without wastage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

3.1 The Budget process

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

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. A typical budget preparation process is shown in the flow chart below.

Chart 3.1: Budget preparation process



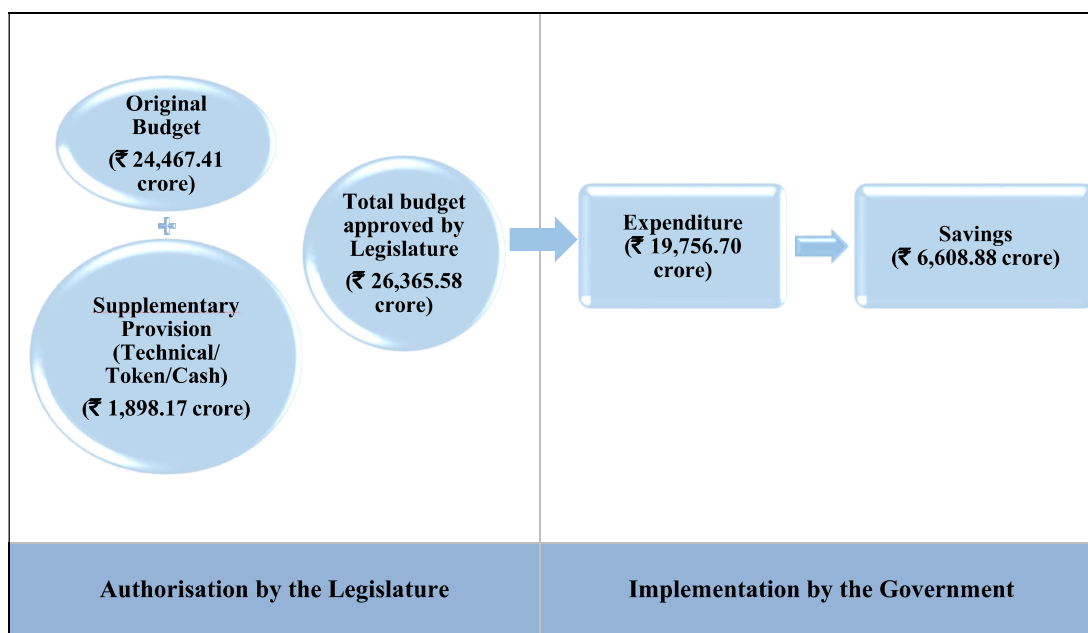
(CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAPs: Externally Aided Projects)

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, the FD communicates to all heads of departments and other budget controlling officers, in writing the allotments placed at their disposal during the budget year. FD uploads all the relevant information and budgetary data on the 'e-DDO online fund allocation system' and access to the same is available to the authorities concerned.

During the year, FD reviews requests made for supplementary grants and re-appropriations by the departments. Apart from supplementary grants, re-appropriation can also be used to re-allocate funds within a grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the grant or charged appropriation.

Total amounts approved by the State Legislature in the original and supplementary budget, expenditure and savings during 2022-23 are depicted below.

Chart 3.2: Original and supplementary budget, expenditure and savings during 2022-23



(Source: Appropriation Accounts of the State)

Budget procedure envisages that sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should be neither larger nor smaller. Budget estimates of receipts should be based on existing rates of taxes, duties, fees, etc.

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

Summarised position of total budget provision, disbursements and savings/excesses during 2022-23 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursements and savings/excesses during 2022-23

(₹ in crore)

| Total budget provision | | Disbursements | | Net savings(-)/excesses(+) | |
|------------------------|---------|---------------|---------|----------------------------|------------|
| Voted | Charged | Voted | Charged | Voted | Charged |
| 21680.96 | 4684.62 | 16559.71 | 3196.99 | (-)5121.25 | (-)1487.63 |

(Source: Appropriation Accounts of the State)

It could be seen from the table above that net savings of ₹ 5,121.25 crore and ₹ 1,487.63 crore occurred in the voted and charged section against the budget provision during 2022-23.

3.1.2 Charged and voted disbursements

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

Trend analysis of classification of total disbursements under charged and voted sections during the last five years (2018-23) is given below.

Table 3.2: Voted and charged disbursements and savings during 2018-23

(₹ in crore)

| Year | Disbursements | | Net savings(-)/excesses(+) | | Percentage savings under voted section (utilisation) |
|---------|---------------|---------|----------------------------|------------|--|
| | Voted | Charged | Voted | Charged | |
| 2018-19 | 11949.05 | 4779.95 | (-)4611.36 | 2315.94 | 28 (72) |
| 2019-20 | 11906.67 | 3619.21 | (-)6855.54 | 824.16 | 37 (63) |
| 2020-21 | 12620.32 | 5423.62 | (-)6703.04 | 2600.36 | 35 (65) |
| 2021-22 | 15187.22 | 4466.99 | (-)7312.80 | 221.13 | 33 (67) |
| 2022-23 | 16559.71 | 3196.99 | (-)5121.25 | (-)1487.63 | 24 (76) |

(Source: Appropriation Accounts of the State)

It may be seen from the table above that State Government utilised only 63 to 76 per cent of total voted provisions during 2018-23. While utilisation compared to previous four years has improved during 2022-23, low utilisation of funds against budget provision over the years indicated poor budgetary management by the State Government. Audit is of the view that the State Government needs to prepare its budget estimates more realistically.

3.1.3 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 during 2022-23

(₹ in crore)

| Description | Original Approved Budget (BE) | Actual Outturn | Difference between Actual and BE* |
|--------------|-------------------------------|-----------------|-----------------------------------|
| (1) | (2) | (3) | (4) |
| Revenue | 17097.51 | 15030.95 | (-)2066.56 |
| Capital | 7369.90 | 4725.75 | (-)2644.15 |
| Total | 24467.41 | 19756.70 | (-)4710.71 |

(Source: Appropriation Accounts of the State)

*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 (-) 12.09 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 43 grants including three appropriations, between ± 25 per cent and ± 50 per cent in 37 grants, between ± 50 per cent and ± 100 per cent in 11 grants.

In Capital section, deviation in outturn compared with BE was (-) 35.88 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 72 grants, including two appropriations. No provision was made in respect of 18 grants and one appropriation of the Capital section.

Expenditure Composition Outturn

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

Table 3.4: Expenditure Composition Outturn during 2022-23

(₹ in crore)

| Description | Original Approved Budget (BE) | Revised (RE) | Actual Outturn | Difference between BE & RE | Difference between Actual and RE* |
|--------------|-------------------------------|-----------------|-----------------|----------------------------|-----------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Revenue | 17097.51 | 17550.09 | 15030.95 | (-)452.58 | (-)2519.14 |
| Capital | 7369.90 | 7632.99 | 4725.75 | (-)263.09 | (-)2907.24 |
| Total | 24467.41 | 25183.08 | 19756.70 | (-)715.67 | (-)5426.38 |

(Source: Appropriation Accounts and Budget Documents of the State)

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

In Revenue section, deviation in outturn compared with RE was (-) 14.35 *per cent*. This was due to deviation between 0 *per cent* and ± 25 *per cent* in 37 grants including two appropriations, between ± 25 *per cent* and ± 50 *per cent* in 40 grants including one appropriation and between ± 50 *per cent* and ± 100 *per cent* in 14 grants.

In Capital section, deviation in outturn compared with RE was (-) 38.09 *per cent*. This was due to deviation between 0 *per cent* and ± 25 *per cent* in 13 grants, between ± 25 *per cent* and ± 50 *per cent* in 16 grants including one appropriation, between ± 50 *per cent* and ± 100 *per cent* in 43 grants including one appropriation. No provision was made in respect of 19 grants (Grant nos. A1, 3, 4, 5, 9, 14, 22, 24, 25, 28, 29, 30, 60, 70, 73, 75, 77, 79 & 88) of the Capital section.

3.2 Appropriation Accounts

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

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure without authority of law

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

Expenditure without budget provision

During 2022-23, State Government incurred an expenditure of ₹ 1,402.06 lakh (under capital section) without authority of law/budgetary provision.

Table 3.5: Expenditure without budget provision during 2022-23

| Sl. No. | Name of Grant/Appropriation | Head of Account | Budget provision | Expenditure without provision (₹ in lakh) |
|--------------|-----------------------------|---|------------------|---|
| 1 | 18 Jails | 4059-01-051-01 Construction | 0.00 | 2.82 |
| 2 | 21 Public Works | 4215-01-010-03 Capital Outlay on Water Supply and Sanitation | 0.00 | 16.74 |
| 3 | | 4215-01-010-04 Capital Outlay on Water Supply and Sanitation | 0.00 | 1.93 |
| 4 | | 5054-04-796-01 Scheduled Tribe Development Scheme | 0.00 | 1378.41 |
| 5 | 43 Art and Culture | 4202-00-106-01 Capital Outlay on Education, Sports, Art and Culture | 0.00 | 2.16 |
| Total | | | | 1402.06 |

(Source: Appropriation Accounts of the State)

Expenditure without budget provision during 2021-22 was ₹ 4.68 crore.

On bringing this to notice of the Director of Accounts (October 2023), two Departments (18 Jails and 21 Public Works) furnished their replies.

The Department of Jails replied (December 2023) that the head 4059-01-051-01 where the expenditure of ₹ 2.82 lakh has been booked under Grant No. 18 is not operated by the Department and no such expenditure was incurred by them during 2022-23.

Public Works Department replied (December 2023) that expenditures booked under heads without any budget provision were cases of incorrect booking of expenditure. The expenditure were supposed to be booked under other heads of Capital section while the expenditure of ₹ 13.78 crore was wrongly booked under 5054-04-796-01 of Grant No.21 which belonged to Grant No. 81 (Tribal Welfare).

As per information provided by the Directorate of Accounts, both these departments had reconciled their entire expenditure for the year 2022-23 with the Directorate of Accounts. Errors like booking of expenditure under wrong

heads or grants should have been detected and rectified at the time of reconciliation itself.

No reply was received from Department of Art and Culture (January 2024). The fact, however, remains that despite reconciliation of expenditure there had been instances of expenditure without budget provisions in these cases which needs to be arrested by putting in necessary checks and control by the departments.

Recommendation 1: State Government may ensure that no expenditure is incurred without budgetary provision by any DDO and necessary controls are exercised in the Directorate of Accounts.

3.3.2 Unnecessary or excessive supplementary grants

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

State Legislature approved supplementary provisions of ₹ 1,898.17 crore in 59 grants and three appropriations for the year 2022-23. However, in 25 cases (supplementary provisions of ₹ five crore or more in each case), expenditure incurred (₹ 6,416 crore) was below the original provisions of ₹ 8,183 crore (**Appendix 3.1**). Thus, supplementary provisions aggregating ₹ 880 crore obtained during the year in these 25 cases proved unnecessary.

During the exit conference (21/02/2024), the Finance Department informed that a streamlined mechanism has been implemented from the year 2023-24 to ensure control over allocation of funds. Further, it was also assured that a review of the departments whose allocations have remained unutilised persistently over the years would also be carried out.

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

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

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

During 2022-23, cases of substantial savings were noticed. Total gross savings under various grants/appropriations amounted to ₹ 6,729 crore which was 26 per cent of the total authorisation (₹ 26,365 crore) during the year.

Of the total gross savings of ₹ 6729 crore, savings of ₹ 100 crore or more amounting to ₹ 2,752 crore (41 per cent) occurred in 13 cases (voted) out of 88 grants, as detailed in **Table 3.6**.

Table 3.6: Grants with savings of ₹ 100 crore or more

(₹ in crore)

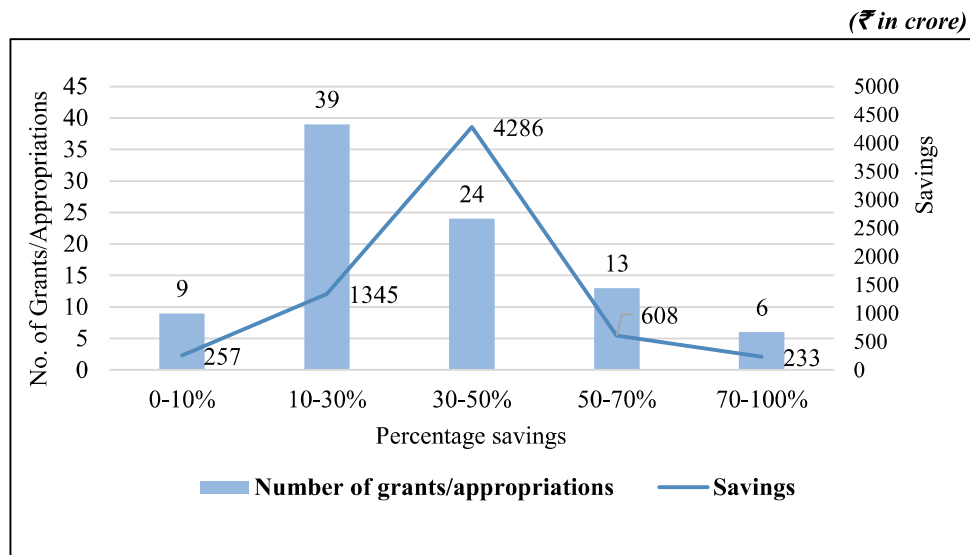
| Sl. No. | No. and name of grant | Total provision | Actual Expenditure | Savings | Surrenders | Savings after surrender |
|------------------------|-----------------------------|-----------------|--------------------|----------------|----------------|-------------------------|
| Revenue (voted) | | | | | | |
| 1. | 17 Police | 953.92 | 670.04 | 283.88 | 283.89 | (-)0.01 |
| 2. | 21 Public Works | 914.81 | 525.39 | 389.42 | 387.09 | 2.33 |
| 3. | 31 Panchayats | 289.28 | 159.77 | 129.51 | 131.09 | (-)1.58 |
| 4. | 34 School Education | 1969.61 | 1645.97 | 323.64 | 323.35 | 0.29 |
| 5. | 47 Goa Medical College | 764.43 | 601.99 | 162.44 | 176.13 | (-)13.69 |
| 6. | 48 Health Services | 904.49 | 643.83 | 260.66 | 253.55 | 7.11 |
| 7. | 64 Agriculture | 263.43 | 138.97 | 124.46 | 124.42 | 0.04 |
| Capital (voted) | | | | | | |
| 8. | 21 Public Works | 1425.00 | 1061.47 | 363.53 | 393.86 | (-)30.33 |
| 9. | 47 Goa Medical College | 183.00 | 38.08 | 144.92 | 147.23 | (-)2.31 |
| 10. | 55 Municipal Administration | 423.00 | 248.20 | 174.80 | 174.80 | 0.00 |
| 11. | 74 Water Resource | 415.48 | 297.30 | 118.18 | 129.42 | (-)11.24 |
| 12. | 76 Electricity | 654.12 | 478.12 | 176.00 | 175.54 | 0.46 |
| 13. | 82 Information Technology | 191.25 | 90.83 | 100.42 | 100.42 | 0.00 |
| Total | | 9351.82 | 6599.96 | 2751.86 | 2800.79 | (-)48.93 |

(Source: Appropriation Accounts of the State)

Primary reasons for substantial savings during the year 2022-23, as furnished in the Appropriation Accounts, were non-implementation of schemes, non-receipt of cash assignment by various sub-divisions of PWD, non-filling of vacant posts, less work sanctioned, administrative reasons, non-clearance of bills, non-receipt of scholarships/stipend bills/medical reimbursement/LTC, etc.

Distribution of number of grants/appropriations grouped by percentage of savings and total savings in each group amounting to ₹ 6,729 crore (gross savings) during 2022-23 is shown in **Chart 3.3**.

Chart 3.3: Number of grants/appropriations with savings



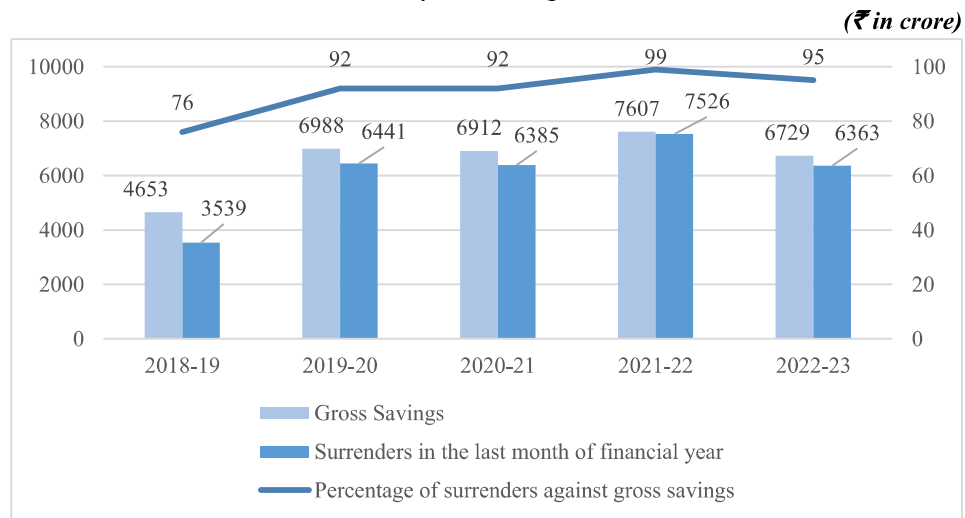
(Source: Appropriation Accounts of the State)

Substantial surrenders

It is the duty of the Budget Controlling Officers to ensure that all anticipated savings are surrendered as soon as these are identified, without waiting until the end of the year. No savings can be held in reserve by the Budget Controlling Officers for meeting possible future excess requirements.

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

Chart 3.4: Savings and surrenders in the last month of financial year during 2018-23



(Source: Appropriation Accounts of the State)

As may be seen from **Chart 3.4**, against the gross savings of ₹ 6,729 crore during the year, ₹ 6,363 crore (95 *per cent*) was surrendered in the last month of the financial year (March 2023).

Under-utilisation of budget grants

Audit scrutiny revealed that six out of 88 grants utilised less than or equal to 30 per cent of the budget allocation during 2022-23. The status of utilisation under these six grants in 2022-23 and previous four years (2018-22) is shown in Table 3.7.

Table 3.7: Grants with budget utilisation of less than or equal to 30 per cent in 2022-23 and previous four years (2018-22)

(₹ in crore)

| Sl. No. | Grants | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | No. of years* | Budget 2022-23 | Total budget (5 years) |
|--------------|------------------------------|---------|---------|---------|---------|---------|---------------|----------------|------------------------|
| 1 | 6 Election Office | 69% | 33% | 22% | 77% | 28% | 2 | 114.21 | 316.47 |
| 2 | 24 Environment | 23% | 76% | 9% | (-) 21% | 17% | 4 | 25.39 | 207.46 |
| 3 | 45 Department of Archives | 38% | 35% | 49% | 11% | 29% | 2 | 38.19 | 222.15 |
| 4 | 46 Museum | 28% | 27% | 31% | 17% | 18% | 4 | 14.26 | 53.37 |
| 5 | 54 Town and Country Planning | 49% | 31% | 28% | 69% | 21% | 2 | 38.08 | 268.98 |
| 6 | 86 New and Renewable Energy | 7% | 0% | 5% | 9% | 12% | 5 | 69.21 | 361.17 |
| Total | | | | | | | | 299.34 | 1429.60 |

(Source: Appropriation Accounts of the State)

* Number of years with utilisation below 30 per cent

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

Utilisation under Grant No. 86 (New and Renewable Energy) was persistently less than 30 per cent of the total budget allocation during the last five years (2018-23). This was indicative of systemic problems in utilisation of budget allocations.

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

Anticipated savings not surrendered

In 13 cases involving 11 grants, out of total savings of ₹ 1,140 crore, ₹ 72 crore was not surrendered (₹ one crore and above in each case), as detailed in **Appendix 3.2**. Timely surrender of unspent balances could have ensured their productive use in other areas with shortfalls.

Surrenders in excess of actual savings

In six grants, ₹ 1,022 crore was surrendered against savings of ₹ 960 crore, leading to excess surrender of ₹ 62 crore during 2022-23 (₹ one crore and above), as shown in **Table 3.8**.

Table 3.8: Surrenders in excess of savings*(₹ in crore)*

| Sl. No. | No. and Name of grant | Total provision | Expenditure | Savings | Amount surrendered | Excess surrender |
|------------------------|-----------------------------|-----------------|----------------|---------------|--------------------|------------------|
| Revenue (voted) | | | | | | |
| 1 | 31 Panchayats | 289.28 | 159.77 | 129.51 | 131.09 | 1.58 |
| 2 | 42 Sports and Youth Affairs | 113.38 | 72.01 | 41.37 | 44.59 | 3.22 |
| 3 | 47 Goa Medical College | 764.43 | 601.99 | 162.44 | 176.13 | 13.69 |
| Capital (voted) | | | | | | |
| 4 | 21 Public Works | 1425.00 | 1061.47 | 363.53 | 393.86 | 30.33 |
| 5 | 47 Goa Medical College | 183.00 | 38.08 | 144.92 | 147.23 | 2.31 |
| 6 | 74 Water Resources | 415.48 | 297.30 | 118.18 | 129.42 | 11.24 |
| Total | | 3190.57 | 2230.62 | 959.95 | 1022.32 | 62.37 |

(Source: Appropriation Accounts of the State)

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

Persistent savings

In eight cases involving seven grants, there were persistent savings of more than ₹ 100 crore ranging from 14 to 86 *per cent* during the last three years as detailed in **Table 3.9**.

Table 3.9: Persistent savings under various grants*(₹ in crore)*

| Sl. No. | No. and name of grant | Year | Total provision | Actual expenditure | Savings | Percentage of savings |
|------------------------|-----------------------|---------|-----------------|--------------------|---------|-----------------------|
| Revenue (voted) | | | | | | |
| 1 | 21 Public Works | 2020-21 | 885.69 | 683.37 | 202.32 | 23 |
| | | 2021-22 | 1671.99 | 1331.18 | 340.81 | 20 |
| | | 2022-23 | 914.81 | 525.39 | 389.42 | 43 |
| 2 | 34 School Education | 2020-21 | 1605.98 | 1380.29 | 225.69 | 14 |
| | | 2021-22 | 1826.39 | 1495.43 | 330.96 | 18 |
| | | 2022-23 | 1969.61 | 1645.97 | 323.64 | 16 |
| 3 | 48 Health Services | 2020-21 | 748.82 | 539.61 | 209.21 | 28 |
| | | 2021-22 | 808.84 | 668.36 | 140.48 | 17 |
| | | 2022-23 | 904.49 | 643.83 | 260.66 | 29 |

| Sl. No. | No. and name of grant | Year | Total provision | Actual expenditure | Savings | Percentage of savings |
|------------------------|-----------------------------|---------|-----------------|--------------------|---------|-----------------------|
| Capital (voted) | | | | | | |
| 4 | 21 Public Works | 2020-21 | 1316.61 | 626.86 | 689.75 | 52 |
| | | 2021-22 | 2054.43 | 799.13 | 1255.30 | 61 |
| | | 2022-23 | 1425.00 | 1061.47 | 363.54 | 26 |
| 5 | 47 Goa Medical College | 2020-21 | 210.60 | 69.38 | 141.22 | 67 |
| | | 2021-22 | 245.50 | 74.87 | 170.63 | 70 |
| | | 2022-23 | 183.00 | 38.08 | 144.92 | 79 |
| 6 | 55 Municipal Administration | 2020-21 | 437.00 | 59.89 | 377.11 | 86 |
| | | 2021-22 | 411.66 | 196.35 | 215.31 | 52 |
| | | 2022-23 | 423.00 | 248.20 | 174.80 | 41 |
| 7 | 74 Water Resources | 2020-21 | 463.05 | 171.93 | 291.12 | 63 |
| | | 2021-22 | 425.76 | 192.93 | 232.83 | 55 |
| | | 2022-23 | 415.48 | 297.30 | 118.18 | 28 |
| 8 | 76 Electricity | 2020-21 | 543.01 | 221.37 | 321.64 | 59 |
| | | 2021-22 | 699.04 | 263.80 | 435.24 | 62 |
| | | 2022-23 | 654.12 | 478.12 | 176.00 | 27 |

(Source: Appropriation Accounts of the State)

As per the Appropriation accounts, some of the main reasons for persistent savings in the above departments were non-receipt of cash assignment, receipt of fewer claims/bills, non-receipt of proposals, non-filling of vacant posts, payment being deferred to next year, non-implementation of schemes, etc.

This trend of persistent under-utilisation of allocated funds underscores the necessity of adopting a more realistic approach in formulating budget estimates by the State Government.

Grants with 'Nil' expenditure

During 2012-13 to 2022-23, entire budget provision of ₹ 24.00 crore under capital section of Grant No. 27 (Official Language) remained unutilised at the end of each financial year, as shown in **Table 3.10**.

Table 3.10: 'Nil' expenditure under capital section

(₹ in lakh)

| Year | Total Provision | Actual Expenditure | Savings |
|--------------|-----------------|--------------------|----------------|
| 2012-13 | 100.00 | 0.00 | 100.00 |
| 2013-14 | 200.00 | 0.00 | 200.00 |
| 2014-15 | 200.00 | 0.00 | 200.00 |
| 2015-16 | 200.00 | 0.00 | 200.00 |
| 2016-17 | 200.00 | 0.00 | 200.00 |
| 2017-18 | 200.00 | 0.00 | 200.00 |
| 2018-19 | 300.00 | 0.00 | 300.00 |
| 2019-20 | 200.00 | 0.00 | 200.00 |
| 2020-21 | 200.00 | 0.00 | 200.00 |
| 2021-22 | 500.00 | 0.00 | 500.00 |
| 2022-23 | 100.00 | 0.00 | 100.00 |
| Total | 2400.00 | 0.00 | 2400.00 |

(Source: Appropriation Accounts for the respective years)

Recommendation 3: State Government needs to be more realistic in preparation of budget estimates by taking into account the past performance of the departments and steps for improving utilisation of budgeted amount in future.

3.3.4 Excess expenditure and its regularisation

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

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

There was an excess disbursement of ₹ 12,625.06 crore pertaining to the years 2008-09 to 2022-23, which was yet to be regularised by the State Legislature, as detailed in **Table 3.11**.

Table 3.11: Excess expenditure from 2008-23 requiring regularisation

(₹ in crore)

| Year | Grant/ Appropriation No. | Grant/Appropriation details | Amount of excess required to be regularised as commented in the Appropriation Accounts | |
|-------------------------|----------------------------------|--|--|----------|
| | | | Voted | Charged |
| 2008-09 to 2014-15 | 8 Grants and 5 Appropriations | | 171.44 | 1168.60 |
| 2015-16 | 08 | Treasury and Accounts Administration, North Goa | 51.62 | - |
| | A2 | Debt Services | - | 2278.83 |
| 2016-17 | 08 | Treasury and Accounts Administration, North Goa | 2.71 | - |
| | 16 | Collectorate, North Goa | 0.15 | - |
| | A2 | Debt Services | - | 1680.34 |
| 2017-18 | 01 | Legislature Secretariat | 0.20 | - |
| | 08 | Treasury and Accounts Administration, North Goa | 173.56 | - |
| | 50 | Goa College of Pharmacy | 0.22 | - |
| | A2 | Debt Services | - | 337.98 |
| 2018-19 | 79 | Goa Gazetteer | 0.01 | - |
| | A2 | Debt Services | - | 2358.53 |
| 2019-20 | A2 | Debt Services | - | 956.85 |
| 2020-21 | A2 | Debt Services | - | 2808.95 |
| 2021-22 | 08 | Treasury and Accounts Administration, North Goa | 161.73 | - |
| | A2 | Debt Services | - | 353.73 |
| 2022-23 | 08 | Treasury and Accounts Administration, North Goa | 119.61 | - |
| Total | | | 681.25 | 11943.81 |
| Grand total (2008-2023) | | | 12625.06 | |

(Source: Appropriation Accounts of the State)

As may be seen from the table above, excess disbursement of ₹ 12,505.45 crore¹ pertaining to the years 2008-09 to 2021-22 had not been regularised by the State Legislature.

It can also be seen that, during 2022-23 an excess disbursement of ₹ 119.61 crore over the State Legislature's authorisation was done under one grant (Treasury and Accounts Administration, North Goa). The details of the same are shown in **Table 3.12**.

¹ ₹12,625.06 crore – ₹119.61 crore

Table 3.12: Major Head-wise excess disbursement over authorisation during 2022-23

(₹ in crore)

| Sl. No. | Grant No. | Major Head | Major Head description | Total provision | Re-appropriation | Total | Expr. | Excess (+)/ saving(-) | Reasons for excess stated by FD |
|-------------|-----------|------------|--|-----------------|------------------|---------|---------|-----------------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 = 5-6 | 8 | 9= 8-7 | 10 |
| 1 | 8 | 2030 | Stamp and Registration | 8.59 | (-)0.18 | 8.41 | 8.10 | (-)0.31 | - |
| 2 | | 2054 | Treasury and Accounts Administration | 24.25 | (-)0.82 | 23.43 | 22.58 | (-)0.85 | |
| 3 | | 2071 | Pensions and Other Retirement Benefits | 1688.02 | (-)0.17 | 1687.85 | 1828.83 | 140.98 | Mainly due to payment of arrears of pre-2016 revision of pension & non-estimation of expenditure in connection with payment of retirement/death gratuity for employees covered under New Pension Scheme. Also, payment of difference of pension of prematurely retired pensioners and more claims received than anticipated in respect of Family Pensions scheme. |
| 4 | | 2075 | Misc. General Service | 38.37 | (-)17.77 | 20.60 | 2.83 | (-) 17.77 | - |
| 5 | | 2235 | Social Security and welfare | 13.63 | (-)1.63 | 12.00 | 9.56 | (-) 2.44 | - |
| Grand Total | | | | 1772.86 | 20.57 | 1752.29 | 1871.90 | 119.61 | |

(Source: Appropriation Accounts of the State) Expr.: Expenditure Misc.: Miscellaneous

As may be seen from **Table 3.12** above, the excess expenditure, as indicated in the Appropriation Accounts of the relevant year, was primarily due to payment of arrears of pre-2016 revision of pension & non-estimation of expenditure in connection with NPS *i.e.* payment of retirement/death gratuity, *etc.*, and also due to payment of difference of pension of prematurely retired pensioners. During the exit conference (21/02/2024), Finance Department confirmed that the proposal for regularisation of excess expenditure was taken up with the Joint Secretary (Legislature).

Recommendation 4: Excess expenditure over grants needs to be avoided through more effective budgetary controls. The State Government may take expeditious action under Article 205 of the Constitution for regularisation of excess expenditure (₹ 12,625.06 crore) by the State Legislature.

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projections and gap between expectations and actuals

Summarised position of actual expenditure during 2022-23 in 91 grants/appropriations is given in **Table 3.13**.

Table 3.13: Actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)

| | Nature of expenditure | Original Grant/ Appropriation | Supplementary Grant/ Appropriation | Total provision | Actual expr.* | Net savings (-)/ excesses (+) | Surrender during March | |
|--------------------|-----------------------|-------------------------------|------------------------------------|-----------------|-----------------|-------------------------------|------------------------|----------------------------------|
| | | | | | | | Amount | As percentage of total provision |
| Voted | I. Revenue | 15055.55 | 1173.25 | 16228.80 | 13113.46 | (-) 3115.34 | 3232.49 | 19.92 |
| | II. Capital | 4765.41 | 670.12 | 5435.53 | 3441.95 | (-) 1993.58 | 2012.44 | 36.91 |
| | III. Loans & Advances | 16.63 | 0.00 | 16.63 | 4.30 | (-) 12.33 | | |
| Total | | 19837.59 | 1843.37 | 21680.96 | 16559.71 | (-) 5121.25 | 5244.93 | 24.19 |
| Charged | IV. Revenue | 2 041.96 | 54.80 | 2096.76 | 1917.49 | (-) 179.27 | 112.92 | 5.39 |
| | V. Capital | 5.10 | 0.00 | 5.10 | 0.05 | (-)5.05 | 5.05 | 99.00 |
| | VI. Public Debt | 2582.77 | 0.00 | 2582.77 | 1279.45 | (-) 1303.32 | 1000.41 | 38.73 |
| Total | | 4629.83 | 54.80 | 4684.63 | 3196.99 | (-) 1487.64 | 1118.38 | 23.87 |
| Grand Total | | 24467.42 | 1898.17 | 26365.59 | 19756.70 | (-) 6608.89 | 6363.31 | 24.13 |

(Source: Appropriation Accounts of the State) Expr.: Expenditure

*Figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 146.47 crore; Capital: ₹ 16.57 crore; Total: ₹ 163.04 crore).

Net savings of ₹ 6,609 crore was the result of gross savings of ₹ 6,729 crore in 87 grants and three appropriations under revenue section and 79 grants and two appropriations under capital section, offset by an excess of ₹ 120 crore under one grant. Supplementary provisions of ₹ 1,898 crore was obtained during the year, which constituted eight *per cent* of the original provision.

Gross savings (₹ 6,729 crore) constituted 25 *per cent* of the total budget provision of ₹ 26,366 crore and was more than three times the supplementary provisions (₹ 1,898 crore) made during the year. This indicated that a proper review of requirements and utilisation of original grants could have obviated the need to allocate additional funds in the form of supplementary grants.

Overall trend of original budget, actual expenditure and savings/excesses during 2018-23 is detailed in **Table 3.14**.

Table 3.14: Original budget, actual expenditure and saving/excesses during 2018-23

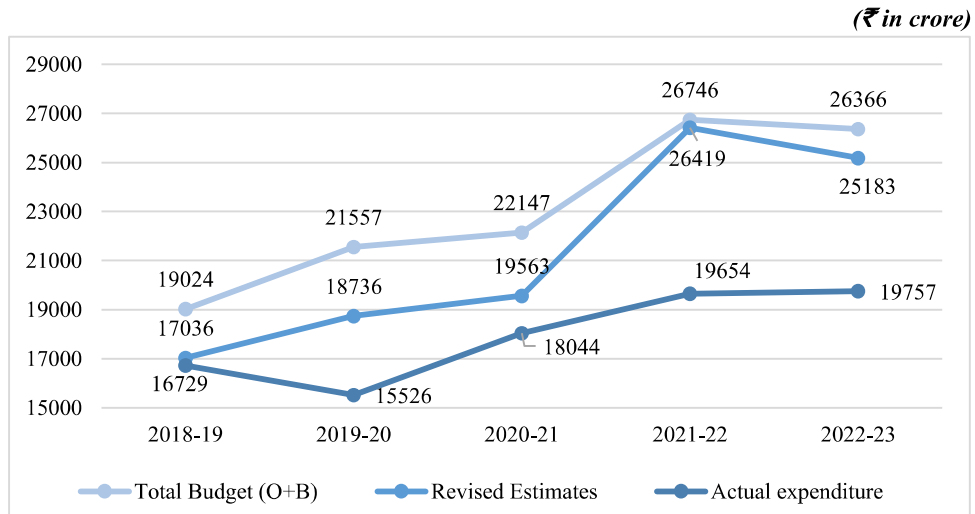
(₹ in crore)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Original budget | 17135.75 | 19548.69 | 21056.35 | 25055.65 | 24467.41 |
| Supplementary budget | 1888.67 | 2008.57 | 1090.27 | 1690.23 | 1898.17 |
| Total Budget (Original + Supplementary) (TB) | 19024.42 | 21557.26 | 22146.62 | 26745.88 | 26365.58 |
| Revised Estimates (RE) | 17036.25 | 18736.74 | 19563.35 | 26418.79 | 25183.08 |
| Actual Expenditure (AE) | 16729.00 | 15525.88 | 18043.94 | 19654.21 | 19756.70 |
| Net savings (-)/excesses (+) | (-)2295.42 | (-)6031.38 | (-)4102.68 | (-)7091.67 | (-)6608.88 |
| Percentage of supplementary provision to original budget | 11.02 | 10.27 | 5.18 | 6.75 | 7.76 |
| Percentage of savings to total provision | 12.07 | 27.98 | 18.52 | 26.52 | 25.07 |
| TB-RE | 1988.17 | 2820.52 | 2583.27 | 327.09 | 1182.50 |
| RE-AE | 307.25 | 3210.86 | 1519.41 | 6764.58 | 5426.38 |
| (TB-RE) as percentage of TB | 10.45 | 13.08 | 11.66 | 1.22 | 4.49 |
| (RE-AE) as percentage of TB | 1.62 | 14.89 | 6.86 | 25.29 | 20.58 |

(Source: Appropriation Accounts and Budget Documents of the State)

The summary of variations in Appropriation Accounts is depicted in **Chart 3.5**.

Chart 3.5: Trend showing BE, RE and Actuals



(Source: Appropriation Accounts and Budget Documents of the State)

It can be seen from the **Chart 3.5** above that over the years from 2018-19 to 2022-23, Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the TB and the RE was more than 10 per cent during the three-year period 2018-21. While, it dropped to one per cent during the year 2021-22 it increased to 4.49 per cent during 2022-23. Further, Actual Expenditure (AE) was consistently lower than the RE during 2018-19 to

2022-23 and savings amounted to more than 20 per cent to total provision during 2021-22 and 2022-23.

3.4.2 Supplementary budget and opportunity cost

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

Table 3.15 presents the details of 11 such cases involving nine grants where excessive/unnecessary supplementary provisions resulted in savings of ₹ 100 crore or more in each case during 2022-23.

Table 3.15: Unutilised grants of ₹ 100 crore or more against original/supplementary provision

(₹ in crore)

| Sl. No. | Name of grant | Original provision | Supplementary provision | Total | Actual expenditure | Unutilised grants/savings |
|--------------|---|--------------------|-------------------------|----------------|--------------------|---------------------------|
| 1 | 21 Public Works (Revenue Voted) | 864.81 | 50.00 | 914.81 | 525.39 | 389.42 |
| 2 | 31 Panchayats (Revenue Voted) | 287.03 | 2.25 | 289.28 | 159.77 | 129.51 |
| 3 | 34 School Education (Revenue Voted) | 1920.56 | 49.05 | 1969.61 | 1645.97 | 323.64 |
| 4 | 47 Goa Medical College (Revenue Voted) | 605.13 | 159.30 | 764.43 | 601.99 | 162.44 |
| 5 | 48 Health Services (Revenue Voted) | 892.49 | 12.00 | 904.49 | 643.83 | 260.66 |
| 6 | 64 Agriculture (Revenue Voted) | 262.06 | 1.37 | 263.43 | 138.97 | 124.46 |
| 7 | 21 Public Works (Capital Voted) | 1235.00 | 190.00 | 1425.00 | 1061.47 | 363.53 |
| 8 | 47 Goa Medical College (Capital Voted) | 173.00 | 10.00 | 183.00 | 38.08 | 144.92 |
| 9 | 55 Municipal Administration (Capital Voted) | 376.50 | 46.50 | 423.00 | 248.20 | 174.80 |
| 10 | 74 Water Resources (Capital Voted) | 342.48 | 73.00 | 415.48 | 297.30 | 118.18 |
| 11 | 82 Information Technology (Capital Voted) | 56.00 | 135.25 | 191.25 | 90.83 | 100.42 |
| Total | | 7015.06 | 728.72 | 7743.78 | 5451.80 | 2291.98 |

(Source: Appropriation Accounts of the State)

As per information provided by the State Government, 105 projects with a progressive expenditure of ₹ 216.35 crore pertaining to irrigation, water supply and sanitation (13 projects) and roads, bridges and buildings (92 projects) were incomplete as on March 2023, due to paucity of funds. The savings due to unnecessary supplementary provisions could have been utilised for these projects.

3.4.3 Progress of expenditure through the year

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

In the State of Goa, no significant rush of expenditure was noticed during 2022-23, as shown in the **Table 3.16**.

Table 3.16: Progress of expenditure during 2022-23

| Sl. No. | Month | Expenditure (₹ in crore) | Monthly expenditure as percentage of total expenditure |
|---------|--------------|--------------------------|--|
| 1 | April | 1341.55 | 7.33 |
| 2 | May | 1292.43 | 7.06 |
| 3 | June | 1467.62 | 8.01 |
| 4 | July | 1517.02 | 8.29 |
| 5 | August | 1743.97 | 9.52 |
| 6 | September | 1231.94 | 6.73 |
| 7 | October | 1457.92 | 7.96 |
| 8 | November | 1579.67 | 8.63 |
| 9 | December | 1313.79 | 7.18 |
| 10 | January | 1327.82 | 7.25 |
| 11 | February | 1520.28 | 8.30 |
| 12 | March | 2515.91 | 13.74 |
| | Total | 18309.92* | 100 |

(Source: Monthly Civil Accounts of the State)

* This does not include disbursements made on account of loans and advances during the year (₹ 4.30 crore), public debt repayments (₹ 1,279.45 crore), and recoveries (₹ 163.04 crore).

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

Several policy initiatives taken up by the State Government are either partially executed or not executed due to reasons such as non-approval of scheme guidelines/modalities, want of administrative sanction, non-release of budget, etc.

Appendix XI, Volume-II of Finance Accounts for the year 2022-23 gives the details of major policy decisions taken during the year or new schemes proposed in the budget. During 2022-23, 20 new schemes/major policy pronouncements

were made by the State Government in its budget for the year. Of these, the progress of only six² pronouncements could be ascertained. Of the six schemes, two schemes were already implemented during 2022-23 whereas the work on implementing the remaining four schemes was in progress and was estimated to be completed during 2023-24.

The details of the 20 major policy announcements are provided in **Appendix 3.3**.

3.5 Outcome of review of selected grants

The authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing timely and accurate estimates and ensuring that the grants placed at their disposal are spent only on the objects for which it has been provided and to surrender savings, if no longer required.

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

Grant No. 21 Public Works

Public Works Department undertakes various activities such as building works, roads and bridges, mechanical works and water supply and sanitation, apart from construction and maintenance works for other departments, local bodies and some autonomous organisations. Grant No. 21 is under the administrative control of Principal Chief Engineer, Public Works Department.

The Public Works Grant consists of 11 Major Heads namely, 2059-Public Works, 2070-Other Administrative Services, 2071-Pensions and Other Retirement Benefits, 2215- Water supply and Sanitations, 2216-Housing, 3054- Roads and Bridges, 4059-Capital Outlay on Public Works, 4215-Capital Outlay on Water supply and Sanitation, 4216-Capital Outlay on Housing, 4551-Capital Outlay on Hill Areas and 5054-Capital Outlay on Roads and Bridges.

Grant No. 62 Law

Department of Law & Judiciary Law (Establishment) is responsible for examination of various matters processed by the Legal section/Establishment section pertaining to all Government departments. It has four sub-offices-Directorate of Prosecution, Law of Legal affairs, Establishment and Registration.

² Since the status of implementation of the 20 schemes was not provided in the Finance Accounts 2022-23 the same was ascertained from the 'Action Taken Report on Announcements Made in Budget Speech 2022-23' published by the Directorate of Planning, Statistics and Evaluation, Government of Goa. However, the status of only six schemes of the 20 schemes mentioned in the Finances Accounts was shown in the Action Taken Report.

This grant consists of four Major Heads namely 2014- Administration of Justice, 2071- Pensions and Other Retirement Benefits, 2235- Social Security and Welfare and 4059- Capital Outlay on Public Works.

3.5.1 Budget and expenditure

A summary of overall budget provision, actual disbursements and savings under Grant No. 21 and 62 for the years 2020-23 is shown in **Table 3.17**.

Table 3.17: Budget provision and actual expenditure under Grant No. 21 and 62
(₹ in crore)

| Year | Original provision | Supplementary provision | Total | Actual expenditure | Savings | Percentage of savings w.r.t. total provision |
|---|--------------------|-------------------------|---------|--------------------|---------|--|
| Grant No. 21: Public Works (Revenue-voted) | | | | | | |
| 2020-21 | 885.69 | 0.00 | 885.69 | 683.37 | 202.32 | 22.84 |
| 2021-22 | 1671.99 | 0.00 | 1671.99 | 1331.18 | 340.81 | 20.38 |
| 2022-23 | 864.81 | 50.00 | 914.81 | 525.39 | 389.42 | 42.57 |
| Grant No. 21: Public Works (Capital-voted) | | | | | | |
| 2020-21 | 1291.79 | 24.82 | 1316.61 | 626.86 | 689.75 | 52.39 |
| 2021-22 | 1854.16 | 200.27 | 2054.43 | 799.13 | 1255.30 | 61.10 |
| 2022-23 | 1235.00 | 190.00 | 1425.00 | 1061.47 | 363.53 | 25.51 |
| Grant No. 62: Law (Revenue-voted) | | | | | | |
| 2020-21 | 43.94 | 0.05 | 43.99 | 17.55 | 26.44 | 60.10 |
| 2021-22 | 34.09 | 7.27 | 41.36 | 21.17 | 20.19 | 48.82 |
| 2022-23 | 42.70 | 0.17 | 42.87 | 27.01 | 15.86 | 37.00 |
| Grant No. 62: Law (Capital-voted) | | | | | | |
| 2020-21 | 88.50 | 1.34 | 89.84 | 59.83 | 30.01 | 33.40 |
| 2021-22 | 95.51 | 0.00 | 95.51 | 42.08 | 53.43 | 55.94 |
| 2022-23 | 104.00 | 0.00 | 104.00 | 83.36 | 20.64 | 19.85 |

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

It may be seen that in Grant No.21, there were persistent savings under capital section ranging from 25.51 to 61.10 *per cent* during 2020-23. Unnecessary supplementary provisions (₹ 20 crore and above) were made under this grant even though the actual expenditure was below the original provisions under revenue section (2022-23) and capital section (2020-21 to 2022-23).

In Grant No.62, there were persistent savings ranging from 37.00 to 60.10 *per cent* (under revenue section) during 2020-23.

Main reasons for savings under these two grants, as indicated in the Appropriation Accounts, were non-receipt of cash assignments, proposal not being processed, non-filling of vacant posts, non-clearance of bills, less procurement of stores, non-receipt of claims, non-release of funds, less work sanctioned, non-finalisation of proposals for digitization of court records, fewer bills received than expected, *etc.*

3.5.2 Non-utilisation of entire provision

In two sub-heads under Grant No. 21, there were 100 *per cent* savings against provisions made during 2022-23 (amount exceeding ₹ five crore in each case). The substantial amount of provision remained unutilised due to non-release of funds.

Table 3.18: Details of Sub-heads with substantial surrenders during the year 2022-23

(₹ in lakh)

| Sl. No. | Head of Account | Total Grant/Appropriation | Amount surrendered | Percentage of surrender |
|------------------------------------|--|---------------------------|--------------------|-------------------------|
| Grant No. 21 – Public Works | | | | |
| 1 | 4215-01-101-02-Water Supply Scheme at Assonora | 2500.00 | 2500.00 | 100.00 |
| 2 | 4215-01-102-07-Jal Jeevan Mission (JJM) (A) | 5000.00 | 5000.00 | 100.00 |

(Source: Appropriation Accounts of the State)

3.5.3 Substantial savings under sub-heads

Scrutiny of Grants No. 21 and 62 for the year 2022-23 showed that budget allocations under 19 schemes were surrendered (ranging from ₹ 0.99 crore to ₹ 62.30 crore) in the last month of the financial year (amount exceeding ₹ one crore in each case).

Table 3.19: Substantial savings surrendered in the last month of the year

(₹ in lakh)

| Sl. No. | Name of scheme | Total grants | Expenditure | Surrenders | Percentage of surrenders w.r.t. grants |
|---------------------|---|--------------|-------------|------------|--|
| Grant No. 21 | | | | | |
| 1 | 2059-01-053-01- Maintenance & Repairs | 4200.00 | 2619.43 | 1580.57 | 37.63 |
| 2 | 2059-80-001-01- Direction | 2555.51 | 1526.02 | 1034.79 | 40.49 |
| 3 | 2059-80-001-02- Execution | 4558.50 | 2354.07 | 2204.44 | 48.36 |
| 4 | 2071-01-117-01- Defined Contribution Pension Scheme | 4500.00 | 1484.35 | 3015.65 | 67.01 |
| 5 | 2215-01-001-01- Direction | 6756.00 | 489.84 | 6230.38 | 92.22 |
| 6 | 2215-02-107-02- Operation and Maintenance of Sewerage Treatment Plant | 950.00 | 494.58 | 455.42 | 47.94 |
| 7 | 3054-03-337-01- Road Works | 750.00 | 93.77 | 656.24 | 87.50 |
| 8 | 3054-80-800-03- National Highway Project | 2284.50 | 1175.62 | 1109.27 | 48.56 |
| 9 | 4215-01-101-01- Water Supply Scheme at Opa | 2500.00 | 863.13 | 1636.89 | 65.48 |

| Sl. No. | Name of scheme | Total grants | Expenditure | Surrenders | Percentage of surrenders w.r.t. grants |
|-------------------------|--|--------------|-------------|------------|--|
| 10 | 4215-01-101-03- Other Water Supply Schemes | 2000.00 | 708.24 | 1291.76 | 64.59 |
| 11 | 4215-01-102-06-National Rural Drinking Water Programme | 5000.00 | 1905.15 | 3094.86 | 61.90 |
| 12 | 4215-01-102-08-Jal Jeevan Mission (State Share) | 5000.00 | 2101.15 | 898.85 | 17.98 |
| 13 | 4216-01-106-01- Construction of Residential Building for Govt. Servants, Goa & Delhi | 1000.00 | 20.30 | 979.70 | 97.97 |
| 14 | 5054-03-101-01-Bridges | 2250.00 | 300.20 | 449.80 | 19.99 |
| 15 | 5054-03-800-01-District Road | 7000.00 | 2368.80 | 2131.21 | 30.45 |
| 16 | 5054-03-800-02-Mining Roads | 100.00 | 0.76 | 99.24 | 99.24 |
| 17 | 5054-03-800-05- Central Road and Infrastructure Fund | 8000.00 | 596.56 | 1403.44 | 17.54 |
| Grant No. 62 Law | | | | | |
| 1 | 2014-00-800-04- Repairs for Civil and Electrical Works | 150.00 | 11.34 | 116.18 | 77.45 |
| 2 | 4059-01-051-07- Construction of Civil & Criminal Court at Margao | 1400.00 | 0.00 | 700.00 | 50.00 |

(Source: Appropriation Accounts of the State)

3.5.4 Inappropriate re-appropriations

In 10 sub-heads under Grant No. 21 and Grant No. 62, funds available after re-appropriation from these sub-heads were not sufficient to meet the obligations, resulting in excess expenditure of ₹ 2,906.12 lakh during 2020-23 (excess expenditure of ₹ 20 lakh and above). However, no cases of inappropriate re-appropriation were noticed during 2020-21 and 2022-23 under Grant No. 21 (Public Works), while no such cases were noticed during 2021-22 and 2022-23 under the Grant No. 62 (Law). Details are shown in **Table 3.20**.

Table 3.20: Inappropriate re-appropriations resulting in excess expenditure

(₹ in lakh)

| Sl. No. | Year | Head of Account | Original Budget/ Supplementary/ re-appropriation | Funds available after re-appropriation | Final expenditure | Excess expenditure |
|--|---------|--|--|--|-------------------|--------------------|
| Grant No. 21 –Revenue and Capital (voted) | | | | | | |
| 1. | 2021-22 | 2215-01-101-01 – Urban Water Supply Scheme in Goa | 16500.00 (R) (-) 6955.69 | 9544.31 | 9735.50 | 191.19 |
| 2. | 2021-22 | 2215-01-101-02 – Operation and Maintenance of Urban Water supplies | 6500.00 (R) (-) 3368.64 | 3131.36 | 3204.54 | 73.18 |
| 3. | 2021-22 | 2215-01-102-01– Operation and Maintenance of Urban Water | 6600.00 (R) (-) 2334.77 | 4265.23 | 4349.04 | 83.81 |
| 4. | 2021-22 | 4215-01-101-01- Water Supply Scheme at Opa | 3000.00 (R) (-) 2564.83 | 435.17 | 473.89 | 38.72 |
| 5. | 2021-22 | 4215-01-101-03- Other Water Supply Schemes | 1500.00 (R) (-) 868.39 | 631.61 | 655.48 | 23.87 |
| 6. | 2021-22 | 4215-01-102-01- Rural Piped Water Supply Schemes | 8000.00 (S) 1000.00 (R) (-) 5620.85 | 3379.15 | 3648.68 | 269.53 |
| 7. | 2021-22 | 4215-02-106-01- Sewerage Treatment Plant and Sewage Schemes | 7500.00 (R) (-) 6884.04 | 615.96 | 727.01 | 111.05 |
| 8. | 2021-22 | 5054-03-337-01-Roads | 4200.00 (S) 9227.00 (R) (-) 7200.76 | 6226.24 | 6294.24 | 68.00 |
| 9. | 2021-22 | 5054-04-800-03-Rural Roads | 64000.00 (S) 3000.00 (R) (-) 42796.49 | 24203.51 | 26225.83 | 2022.32 |
| Total | | | 130027 | 52432.54 | 55314.21 | 2881.67 |
| Grant No. 62– Revenue (voted) | | | | | | |
| 1. | 2020-21 | 2014-00-102-01-High Court Bench at Goa | 2662.00 (R) (-) 1521.25 | 1140.75 | 1165.20 | 24.45 |
| Grand Total | | | 132689 | 53573.29 | 56479.41 | 2906.12 |

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

3.5.5 Rush of expenditure

Public Works (Grant No. 21) and Law (Grant No. 62) spent ₹ 53.26 crore out of total expenditure of ₹ 90.59 crore (59 *per cent*) in March 2023, indicating rush of expenditure in the last month of financial year. Details are given in **Table 3.21**.

Table 3.21: Flow of expenditure during March of the year 2023*(₹ in lakh)*

| Sl. No. | Head of Account (up to Sub-head) | Expenditure during March 2023 | Total expenditure incurred during the year | Percentage of expenditure incurred during March 2023 |
|---------------------|---|-------------------------------|--|--|
| Grant No. 21 | | | | |
| 1 | 2059-60-053-11- Maintenance works of School Education | 13.40 | 13.40 | 100.00 |
| 2 | 2059-60-053-22- Maintenance works of Institute of Psychiatry & Human Behaviour | 10.69 | 10.69 | 100.00 |
| 3 | 2059-60-053-40-Court Complexes and Residences | 82.46 | 82.46 | 100.00 |
| 4 | 2215-01-101-03-Raw Water Charges to Water Resources Department | 500.00 | 500.00 | 100.00 |
| 5 | 2215-01-101-04-Electricity Charges | 499.72 | 500.00 | 99.94 |
| 6 | 4059-01-051-02-Public Works | 529.29 | 1291.05 | 41.00 |
| 7 | 4215-01-101-06-Augmentation of Water Supply Schemes at Opa, Assonora and Sanquelim | 323.68 | 817.24 | 39.60 |
| 8 | 4215-01-101-12- External Assistance for Water Supply and Sanitation (JICA) | 1500.00 | 2700.00 | 55.56 |
| 9 | 5054-04-800-05-Central Road Fund | 596.56 | 596.56 | 100.0 |
| Grant No. 62 | | | | |
| 1 | 2014-00-800-10-National Mission for Safety of Women (Fast Track Special Court- Nirbhaya Fund) | 20.63 | 47.26 | 43.65 |
| 2 | 4059-01-051-04-Development of Infrastructural Facilities for Judiciary | 1250.00 | 2500.00 | 50.00 |
| Total | | 5326.43 | 9058.66 | 58.80 |

*(Source: Appropriation Accounts of the State) JICA: Japan International Cooperation Agency***3.5.6 Non-receipt of Utilisation Certificates**

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

As on 31 March 2023, 59 UCs involving ₹ 280.07 crore due for the period up to 2021-22 under Grant No.21 were outstanding, as shown in **Table 3.22**.

Table 3.22: Non-receipt of Utilisation Certificates*(₹ in crore)*

| Name of Grant | Year | No. of UCs awaited | Amount |
|-------------------|-----------------------|--------------------|---------------|
| 21 – Public Works | Up to March 2019-2020 | - | - |
| | 2020-21 | 13 | 58.27 |
| | 2021-22 | 46 | 221.80 |
| | Total | 59 | 280.07 |

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

3.5.7 Implementation of Single Nodal Agency accounts for CSS (Grant No. 21– Public Works and 62- Law)

Department of Expenditure, Government of India had notified procedure (March 2021) for release of funds to States for implementation of Centrally Sponsored Schemes (CSS). The aim as per the procedure, which came into effect from July 2021, was to ensure effective cash management and improve transparency in public expenditure management.

As per the procedure, the State Government was to designate a Single Nodal Agency (SNA) for each CSS which was to be registered in the Public Financial Management System (PFMS). Each SNA was to open a bank account in Scheduled Commercial Bank and map it to PFMS for the receipt of funds. This was to restrict use of the funds by the State Government as they were required to transfer funds received to the concerned SNA's account within a period of 21 days of its receipt alongwith corresponding State Share.

It was observed that the one CSS namely Jal Jeevan Mission (JJM) under Grant No. 21 and two Centrally Sponsored Schemes namely Setting up of Fast Track Special Court and Development of Infrastructure Facilities for the Judiciary under Grant No. 62-Law were implemented by both departments during the year.

All the three CSS were given designated SNA and mapped to PFMS. The unspent amount in SNA Accounts as per SNA 01 of PFMS of the three CSS were ₹1.53 crore (Jal Jeevan Mission), ₹ 0.33 crore (Setting up of Fast Track Special Court) and ₹ 20.95 crore (Development of Infrastructure Facilities for the Judiciary) as on 31 March 2023.

3.5.8 Jal Jeevan Mission (JJM)

Jal Jeevan Mission is a CSS with 50:50 (Centre:State) share under the Department of Drinking Water and Sanitation, Ministry of Jal Shakti, Government of India. The Public Works Department is the Implementing Agency in the State. The main aim of this mission is to ensure Functional Household Tap Connection (FHTC) to every rural household in the country and to provide 55 litres per capita per day (LPCD). A Single Nodal Account has been opened under JJM for the State and expenditure is through PFMS since 2019-20.

During 2020-21 and 2021-22 the Central Government transferred a total of ₹ 28.97 crore (₹ 6.20 crore in 2020-21 and ₹ 22.77 crore in 2021-22) as its share to the State Government under the Jal Jeevan Mission Scheme. Out of the total transfer, the State Government could spend only ₹ 17.02 crore (59 *per cent*) towards Central Share during the two-year period 2020-22, leaving a balance of ₹ 11.95 crore (41 *per cent*) lying unused. As the State Government failed to utilise 41 *per cent* of the grants given by the Centre, it could not avail the grants

due for the year 2022-23 amounting to ₹ 24.99 crore. Consequently, the State Government had to make an excess contribution of ₹ 8.50 crore during 2022-23 (in addition to its share of 50 *per cent*) to the SNA account to meet its payment obligations during the year. The State could have avoided using its additional own resources, had it succeeded in utilising grants given by the Centre in time.

3.6 Conclusion

- State Government incurred an expenditure of ₹ 14.03 crore without any budget provision under three grants. This was in violation of Article 204 of the Constitution, which lays down that no money shall be withdrawn from the Consolidated Fund except under appropriation made by law by the State Legislature.
- At the end of the financial year, 25.07 *per cent* of the total budgetary provision remained unutilised. Supplementary provisions, constituting 7.76 *per cent* of the original budget, made during the year proved unnecessary, as savings were significantly higher than the supplementary provisions.
- Excess expenditure amounting to ₹ 119.61 crore during the current year as well as ₹ 12,505.45 crore for the period from 2008-09 to 2021-22 was pending regularisation, in terms of Article 205 of the Constitution.
- In eight cases involving seven grants, there were persistent savings of more than ₹ 100 crore ranging from 14 to 86 *per cent* during the last three years (2020-21 to 2022-23).
- In 10 sub-heads under Grant No. 21 and Grant No. 62, funds available after re-appropriation were not sufficient to meet the obligations, resulting in excess expenditure of ₹ 29.06 crore during 2020-23. Further, 59 *per cent* of the expenditure incurred in both grants was done in the last month of the year (2022-23), indicating a rush of expenditure towards the end of the year.