

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Introduction

The Appropriation Accounts are prepared every year indicating the details of the amount on various specified services spent by Government vis-a-vis those authorised by the Appropriation Act, in respect of both 'Charged' as well as 'Voted' items of the budget.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

SUMMARY OF APPROPRIATION ACCOUNTS 2001-2002

Appropriation Accounts :2001-2002

Total Number of grants : 95

Total provision and actual expenditure

Provision	Amount (Rupees in crore)	Expenditure	Amount (Rupees in crore)
Original	33249.06		41151.14
Supplementary	2432.71		
Total gross provision	35681.77	Total gross expenditure	41151.14
Deduct-Estimated recoveries in reduction of expenditure	420.73	Deduct-Actual recoveries in reduction of expenditure	242.44
Total net provision	35261.04	Total net expenditure	40908.70

Voted and charged provision and expenditure

	Provision (Rupees in crore)		Expenditure (Rupees in crore)	
	Voted	Charged	Voted	Charged
Revenue	18614.37	6931.32	17013.19	6539.60
Capital	5071.21	5064.87	3199.89	14398.46
Total Gross:	23685.58	11996.19	20213.08	20938.06
Deduct- recoveries in reduction of expenditure	420.73	-	242.44	-
Total: Net	23264.85	11996.19	19970.64	20938.06

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2001-2002 against 95 grants/appropriations was as follows :

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure ¹	Saving(-)/ Excess(+)
		(R u p e e s i n c r o r e)				
Voted	I Revenue	16842.84	1771.53	18614.37	17013.19	(-) 1601.18
	II Capital	2964.73	224.56	3189.29	1349.50	(-) 1839.79
	III Loans and Advances	1642.94	238.98	1881.92	1850.39	(-) 31.53
Total Voted		21450.51	2235.07	23685.58	20213.08	(-) 3472.50
Charged	IV Revenue	6891.68	39.64	6931.32	6539.60	(-) 391.72
	V Capital	0.09	0.29	0.38	0.19	(-) 0.19
	VI Public Debt	4906.48	157.71	5064.19	14398.27	(+) 9334.08
	VII Loans and Advances	0.30	-	0.30	-	(-) 0.30
Total Charged		11798.55	197.64	11996.19	20938.06	(+) 8941.87
Grand Total		33249.06	2432.71	35681.77	41151.14	(+) 5469.37

2.3 Results of Appropriation Audit

2.3.1 The overall excess of Rs 5469.37 crore was the result of saving of Rs 4180.24 crore in 89 grants and 21 appropriations, offset by excess of Rs 9649.61 crore in 6 grants and 1 appropriation. The excess under Public Debt was mainly on account of repayment of Ways and Means Advances and overdraft (Rs 9329.90 crore).

2.3.2 Supplementary provision made during the year constituted 7 per cent of the original provision as against 14 per cent in the previous year.

2.3.3 Supplementary provision of Rs 444.19 crore made in 44 cases during the year proved unnecessary in view of the aggregate saving of Rs 1319.01 crore as detailed in Appendix 3.

2.3.4 In 19 cases against additional requirement of Rs 768.23 crore, supplementary grants and appropriations of Rs 1366.73 crore were obtained resulting in savings in each case exceeding Rs 10 lakh, aggregating Rs 598.50 crore. Details of these cases are given in Appendix 4.

2.3.5 In the case given below, though expenditure exceeded budget provision by Rs 4.86 crore, no supplementary grant was provided.

¹ These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under revenue expenditure : Rs 158.28 crore and capital expenditure : Rs 84.16 crore

Description of the grant/ appropriation	Section	Original grant/ appropriation	Actual expenditure	Final excess
		Rupees	Rupees	Rupees
A - Voted				
63 - Other Rural Development Programmes (Community Development)	Capital	9100000	57751275	48651275

2.3.6 The excess of Rs 315.53 crore under 6 grants and Rs 9334.08 crore under one appropriation require regularisation under Article 205 of the Constitution of India. Details of these are given in Appendix 5.

2.3.7 In 5 cases, supplementary provision of Rs 584.79 crore proved insufficient by more than Rs 10 lakh each, leaving an aggregate uncovered excess expenditure of Rs 9644.74 crore as per details given in Appendix 6.

2.3.8 In 94 cases, expenditure fell short by more than Rs 1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in Appendix 7.

2.3.9 (a) In 12 cases there were persistent savings in excess of Rs 10 lakh in each case and in excess of 20 *per cent* or more of the provision made. Details are given in Appendix 8.

2.3.9 (b) Significant excess was persistent in 4 cases as detailed in Appendix 9.

Persistent excess requires investigation by the Government for remedial action.

2.3.10 In 4 cases, expenditure exceeded the approved provisions by Rs 25 lakh or more and also by more than 10 *per cent* of the total provision. Details of these are given in Appendix 10. In two of these cases the expenditure exceeded the approved provision by 184 and 534 *per cent*.

2.3.11 Excess/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs 10 lakh are given in Appendix 11.

Principal Accountant General (Accounts and Entitlement) requested (March 2002) Secretaries of all departments to furnish timely the statements of re-appropriation of funds, surrender of savings, etc. to or from different heads/sub-heads within a grant along with relevant concurrence of Finance Department. But in a number of cases items of surrenders/

re-appropriations/revocations relating to following departments (amount noted against each) could not be incorporated due to inordinate delay in receipt of the same.

Name of the Department	Amount (Rupees in crore)
Agriculture	3.15
Co-operation	0.04
Development and Planning	0.09
Environment	0.06
Finance	2.07
Food and Supplies	15.82
Forest	11.15
Governor's Secretariat	0.96
Health and Family Welfare	0.39
Home (Defence)	0.11
Information and Cultural Affairs	0.95
Information and Technology	2.78
Jails	4.09
Judicial	5.26
Labour	37.49
Mass Education Extension	47.86
Minorities Development and Welfare	0.83
Municipal Affairs	12.16
Power	1.24
Public Works (Roads)	264.69
Relief	0.75
Urban Development	82.33
Total	494.27

2.3.12(a) New Service/New Instrument of Service

Article 205 of the Constitution provides that expenditure on a 'New Service' not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorisation by the Legislature.

In 15 cases, expenditure totalling Rs 100.61 crore which should have been treated as 'New Service'/'New Instrument of Service' was met by reappropriation without obtaining the requisite approval of the Legislature. Details of these cases are given in Appendix 12.

2.3.12(b) Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to Rs 23411.91 crore for the years from 1999² to 2002 as mentioned in the table below was yet to be regularised for want of explanation from the Government.

² Recommendations of the PAC on excess expenditure for the years 1985-1995 laid in the Assembly in December 2001. Act of regularisation awaited. Explanations of Government for the years 1995-1999 received in July/September 2000/April 2001.

Year	Number of grants/appropriations	Grant/ Appropriation number(s)	Amount of excess	Amount for which explanations not furnished to PAC
			(Rupees in crore)	
1999-2000	18	16, 21, 25, 28, 30, 32, 34, 35, 42, 44, 46, 52, 66, 73, 80, 82, 87, 98	5216.78	5216.78
2000-2001	13	1, 14, 21, 25, 28, 30, 34, 38, 40, 51, 66, 79, 98	8545.52	8545.52
2001-2002	7	21, 28, 34, 38, 63, 67, 98	9649.61	9649.61
Total			23411.91	23411.91

Possibilities of financial irregularities remained unexamined due to failure and long delays in furnishing explanation of excess expenditure.

2.3.12(c) Expenditure without provision

As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was, however, noticed that expenditure of Rs 237.25 crore was incurred in 78 cases as detailed in Appendix 13, without provision in the original estimates/supplementary demands and no reappropriation orders were issued.

2.3.13 Large savings not surrendered

In 81 cases, the amount of available savings of Rs 1 crore and above in each case not surrendered aggregated to Rs 2596.10 crore. Details are given in Appendix 14.

2.3.14 Surrender in excess of actual savings

In 15 cases, the amount surrendered was in excess of actual savings, indicating inadequate budgetary control. As against the total savings of Rs 489.30 crore, the amount surrendered was Rs 634.11 crore resulting in excess surrender of Rs 144.81 crore.

In one case Rs 10.12 crore were surrendered in spite of the fact that the expenditure exceeded the approved provision by Rs 9334.08 crore.

Details are given in Appendix 15.

2.3.15 Advances from Contingency Fund

The Contingency Fund of the State was established under the Contingency Fund Act, 1956, in terms of provision of Articles 267(2) and 283(2) of the Constitution of India. Advances from the Fund were to be made only for meeting expenditure of an unforeseen and emergent character, the postponement of which, till its authorisation by the Legislature would be undesirable.

The Fund was in the nature of an imprest and its corpus was Rs 20 crore.

As on 1 April 2001, the balance in the fund was Rs 19.93 crore. During the year advances drawn but unrecouped totalled Rs 0.59 crore. The entire balance of Rs 0.07 crore on account of advances drawn and remaining unrecouped during 2000-2001, was not recouped during 2001-2002 also. Thus the closing balance of the fund as on 31 March was Rs 19.34 crore.

During the year 2001-2002, 19 sanctions were issued for withdrawal of total amount of Rs 4.70 crore.

2.3.16 Trend of Recoveries and Credits

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimate.

In 7 grants/appropriations the actual recoveries adjusted in reduction of expenditure (Rs 97.80 crore) exceeded the estimated recoveries (Rs 76.53 crore) by Rs 21.27 crore and in 14 grants/appropriations the actual recoveries (Rs 144.61 crore) were less than the estimated recoveries (Rs 344.18 crore) by Rs 199.57 crore. More details are given in Appendix 16.

2.3.17 Unreconciled Expenditure

Financial rules require that the Departmental Controlling Officers reconcile every month the departmental figures of expenditure with those booked by the Accountant General (Accounts and Entitlements) before the close of the accounts of the year.

During the year, out of the 184 Controlling Officers, 69 did not reconcile their accounts for 2001-2002, while 20 completed reconciliation for periods ranging up to 11 months.

The total amount remaining unreconciled during 2001-2002 was Rs 7140.29 crore (29 *per cent* of the total expenditure).

2.4 Operation of Personal Ledger Accounts

Under SR 411 of Treasury Rules, Volume I, West Bengal, Personal Deposit Account created out of the money drawn from Consolidated Fund of the State requires to be closed at the end of the financial year by minus debit to the relevant service heads under which the money was drawn from the Consolidated Fund. The balance under Personal Ledger Accounts of the State at the end of March 2002 was Rs 513.91 crore. Test-check of records of 21 DDOs of four departments viz. Land and Land Reforms, Health and Family Welfare, Animal Resources Development and Home (Police) revealed that they did not close their

PLAs at the end of each year resulting in accumulation of Rs 48.88 crore at the end of March 2002 (Appendix 17).

In spite of specific orders (June 2000) of Health and Family Welfare department for closure of PLAs by 31 July 2000, 4(four) DDOs under the department did not close the PLAs having unutilised balance of Rs 2.04 crore (Appendix 18), while Joint Director, Animal Resources Development, Haringhata Farm, West Bengal maintained 3 (three) inoperative PLAs with the Reserve Bank of India, Kolkata (PLA I – September 1997, PLA II - December 1980 and PLA III – December 1998), having a balance of Rs 35.10 lakh as of October 2002.

Of Rs 38.82 crore deposited by 7 (seven) District Magistrates (DMs) in PLAs during April 2000 to January 2002, Rs 16.27 crore related to implementation of different developmental schemes/programmes. This was done without obtaining necessary orders of the Government (Appendix 19).

Fund of Rs 1.21 crore withdrawn from the Consolidated Fund for various developmental works and kept in PLAs by 8 (eight) DMs during 1999-2002 were utilised for purposes not related to the schemes/programmes for which such funds were sanctioned. Out of the fund, Rs 0.91 crore related to Centrally Funded Schemes (BADP, BMS, TFC, etc.) (Appendix 20).

Utilisation certificates for Rs 16.94 crore released to the different executing agencies (during the years from 1998-1999 to 2001-2002) from PLAs of 2 DMs (DM, Malda: Rs 0.81 crore and DM, Darjeeling: Rs 16.13 crore) for implementation of various schemes were not furnished.

A sum of Rs 3.43 crore received (2000-2002) from Uttar Banga Unnayan Parshad (UBUP) by the DMs of Darjeeling (Rs 1.30 crore) and Uttar Dinajpur (Rs 2.13 crore) for the development of North Bengal area was not utilised and was kept in PLAs.

Two *per cent* of Basic Minimum Services funds amounting to Rs 21 lakh was deducted and kept in PLA during 1997-1999 unauthorisedly by DM, Malda and spent irregularly towards purchase of Xerox machines, Computer, EPABX Machine, etc. between November 1999 and April 2001 and remained unrecouped till date (October 2002).

Thus, funds meant for various developmental works were locked in PLAs arousing doubts about matching of the actual use of these funds with the stated purpose of utilisation.

2.5 Huge amounts drawn on Abstract Contingent (AC) Bills remaining outstanding

As at the end of the March 2002 in the State, 1771 Detailed Contingent (DC) bills involving Rs 126.22 crore were pending adjustment.

Administrative Departments issue sanction with the concurrence of the Finance Department authorizing the Drawing and Disbursing Officers (DDOs) to draw advance on Abstract Contingent (AC) bills, which are required to be adjusted by submission of Detailed Contingent (DC) bills countersigned by the controlling officer within a period not exceeding 60 days from the dates of drawal or within one month from the date of expenditure.

Mention was made in paragraph 2.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001, Volume I (Civil) – Government of West Bengal regarding large sums of money (Rs 48.69 crore) remaining pending for adjustment for years together. In spite of repeated mention of such irregularities the departments had not taken any measure to arrest such practice as is evident from the succeeding paragraphs.

Out of 2718 DDOs records of 100 offices test-checked between April 2001 and March 2002 disclosed advance drawal of Rs 82.11 crore during 1986-2002 in AC bills, which included Rs 13.13 crore (147 bills) drawn during 2001-2002. Out of total drawal of Rs 82.11 crore in AC bills, Rs 71.51 crore remained unadjusted as of March 2002 (details shown in Appendix 21).

Scrutiny of AC/DC bills revealed the following:

i) In course of submission of AC bills to treasury, a certificate to the effect that the detailed bill had been submitted within the period of 60 days as well as expenditure had been incurred for the purpose for which it was drawn in respect of previous AC bill was required to be submitted by the DDOs. Neither any DDO furnished such certificate on AC bill nor did any Treasury Officer (TO) insist upon furnishing such certificate by the DDOs and the DDOs continued to draw such advances on AC bills without submission of detailed bills in respect of previous AC bills. Thirty nine DDOs drew Rs 18.68 crore through AC bills during 1996-2002 despite non-submission of DC bills against previous AC bills for Rs 43.40 crore up to 2000-2001. Due to non-observance of the statutory rules by DDOs and absence of prescribed checks by TOs, there was accumulation of unadjusted AC bills of Rs 62.08 crore drawn during the period between 1986 and 2002.

ii) In order to watch proper and early adjustment of drawals of AC bills the Drawing and Disbursing Officers of the test-checked offices did not maintain register as required under the rules to record the particulars of drawal showing GO number and date, Bill number and date, amount, purpose, expenditure and DC bill number and dates with remittance, if any for unutilised balance.

iii) Of the total amount of Rs 68.98 crore drawn between 1986-87 and 2000-2001 adjustment against Rs 58.38 crore (85 *per cent*) mainly pertaining to DM, Dakshin Dinajpur (Rs 9.08 crore), DM, Darjeeling (Rs 3.70 crore), DM, Hooghly (Rs 4.45 crore), DM, Bardhaman (Rs 3.87 crore), DM, North 24 Parganas (Rs 9.75 crore), SP, Darjeeling (Rs 0.80 crore), DPI, WB

(Rs 0.47 crore), Deputy Secretary, Home (Transport) (Rs 1 crore), DM, Birbhum (Rs 1.51 crore) and SDO, Basirhat (Rs 6.93 crore) were awaited till March 2002. Due to long pendency in adjustment by submission of DC bills, possibility of misuse of huge Government funds and misappropriation thereof could not be eliminated. Entire amount of Rs 13.13 crore drawn in 2001-2002 remained unadjusted.

iv) A sum of Rs 2.28 crore was irregularly drawn in 88 AC bills between 1993-1994 and 2001-2002 by 5 DDOs (DM, Jalpaiguri, DM, Darjeeling, DM, Coochbehar, DM, North 24 Parganas and DM, South 24 Parganas) without any sanction of the Government and the entire amount remained unadjusted.

v) Six DDOs (SP, Malda, SP, Coochbehar, SP, Nadia, SP, Bardhaman, IG Police (Telecom) and Commandant, SAP, 3rd Bn., Barrackpore) spent Rs 41.61 lakh towards purchase of office furniture, water cooler machine, Almirah, EPABX system, Telephone receiver, Air Conditioner, Computer, Electrical goods, Global Fax machine, etc. by diverting election funds drawn through AC bills in contravention of Financial Rules and orders. Deputy Chief Medical Officer of Health-III, South 24 Parganas spent Rs 3.91 lakh on sterilisation operation by diverting Rs 4.50 lakh drawn in AC bill out of funds for purchase of drug and dressing materials without the order of competent authority.

vi) Two hundred and eight (208) AC bills amounting to Rs 8.96 crore were drawn by 34 DDOs at the fag end of the financial years during 1997-2001 to avoid lapse of budget grant. Of this, a sum of Rs 1.19 crore was drawn and kept in the Local Fund Account by DM, Bardhaman. Entire amount drawn under AC bills remained unadjusted as of March 2002.

vii) DM, North 24 Parganas withdrew Rs 9.50 lakh and Rs 48.10 lakh in AC bills at the fag end of the financial year 2000 and 2001 respectively for various purposes to avoid lapse of budget grant and the entire amount of Rs 57.60 lakh was parked in PL Account without any Government order. Similarly a sum of Rs 8.69 lakh was drawn in 22 AC bills in March 1997 by Deputy Director, ARD and Parishad Officer, Bankura and kept in local fund account of Zilla Parishad, Bankura without any Government order.

viii) Of the total adjusted amount of Rs 10.60 crore as of March 2002, period of adjustment of Rs 6.59 crore could not be ascertained for want of specific bill number and date and the delay in adjustment of balance of Rs 4.01 crore against 129 DC bills are shown in the table below.

Period of delay	Number of DDOs	Amount drawn (Rupees in lakh)	Number of DC bills	Amount adjusted	Amount unadjusted
				(Rupees in lakh)	
Up to 1 year	34	424.45	87	259.34	165.11
1 year to 2 year	10	930.54	19	123.45	807.09
2 years to 5 years	6	18.69	23	18.69	Nil
		1373.68	129	401.48	972.20

Prolonged retention of huge public funds by the DDOs without giving account of its utilisation by submitting DC bills is fraught with the risk of financial irregularities/misappropriation. The matter requires attention of Government and necessary investigation to ascertain the actual utilisation of these funds.

2.6 Budget Formulation and Expenditure Control in Information and Cultural Affairs (I&CA) and Home (Police) Departments

A review of expenditure and budgetary control under the Information & Cultural Affairs Department revealed persistent savings ranging from Rs 7.03 crore to Rs 18.81 crore during 1996-2001.

Under Home (Police) Department substantial variation, savings as well as excesses in actual expenditure vis-à-vis total grant ranging from 12.01 *per cent* to 21.48 *per cent*^φ was also noticed during 1997-2001.

Defective system of preparation of Budget

The West Bengal Financial Rules and Budget Manual require that the Departmental Budget Estimates be prepared by the respective Departments of the government after obtaining budget proposal from subordinate offices.

The Departmental Controlling Officer or a Disbursing Officer under whose disposal a grant is placed, is required to keep constant watch over the progress of expenditure under different units of appropriation separately for voted and charged items. Also he has to keep a separate record of all liabilities and monitor effectively the progress of expenditure incurred by the various Drawing and Disbursing Officers (DDOs) subordinate to him by obtaining monthly statement of expenditure (SOE) from the latter. Besides, the Departmental Controlling Officers were also required to maintain the Departmental Consolidated Accounts (DCA) and undertake their verification month by month with those maintained by the Accountant General (Accounts and Entitlement), West Bengal.

The I&CA department prepared the Budget Estimates on receipt of proposals from different Directorates/Other authorities based on Budget Estimates and anticipated expenditure of the preceding financial year but did not obtain monthly SOE from the DDOs under their control for preparation of DCA. As such, the Budget Estimates prepared by the Department were not based on the trend of actual expenditure. The system of maintenance of records indicating the sanctioned strength vis-à-vis men-in-position was also not in vogue. As a result, the budget estimates prepared for pay and allowances were not realistic. Besides, different directorates submitted budget proposals on an *ad-hoc* basis without justifying the requirements.

^φ Savings of Rs 87.99 crore (12.01 per cent) and Rs 229.34 crore (21.48 per cent) during 1997-98 and 1998-99 respectively. During 1999-2000 and 2000-2001 excess expenditure of Rs 179.37 crore (20.75 per cent) and Rs 124.61 crore (12.50 per cent) respectively

Under the Home (Police) Department budget estimates in respect of both 'plan' and 'non-plan' heads were also submitted to Finance Department on an ad-hoc/lump sum basis without any detailed proposals justifying the requirements. Further, Kolkata Police Directorate (KPD) prepared the budget estimates without obtaining proposals from the concerned DDOs under its control.

None of the Directorates under the control of the Home (Police) Department obtained monthly SOE from the concerned DDOs for preparation of DCA. Therefore, the budget estimates prepared were not based on the trend of actual expenditure. It was further observed that Home (Police) Department and the Directorates under it prepared the budget estimates in respect of pay and allowances not on the basis of actual men-in-position. As a result, the budget estimates on pay and allowances were not realistically prepared.

Belated submission of Budget Proposals

Both the I&CA and Home (Police) departments made substantial delay (57 to 82 days after the due dates for I & CA Department and 15 to 132 days for Home(Police) Department) in submitting the budget estimates to the Finance Department.

The West Bengal Police Directorate attributed the delay to late receipt of proposals from lower level while the Information and Cultural Affairs Department and Kolkata Police Directorate did not offer any reason.

Excess expenditure requiring regularisation

Expenditure of Rs 309.18 crore^β incurred by the two departments in excess over the Budget provisions under Grant Nos. 21 and 38 were awaiting regularisation.

Thus, the two departments failed to comply with the provisions of the Financial Rules and Budget Manual while preparing Budgetary Estimates. As a result excess expenditure over budget provisions were incurred and funds were surrendered without utilising the same on the schemes undertaken for implementation indicating lack of financial management.

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<i>Year</i>	<i>Name of the Department</i>	<i>Grant Number</i>	<i>Section</i>	<i>Amount of excess expenditure (Rupees in lakh)</i>
1996-97	Home (Police)	21	Revenue	483.05
1999-2000	Home (Police)	21	Revenue	17936.93
2000-2001	Home (Police)	21	Revenue	12460.74
2000-2001	I&CA	38	Capital	36.85
				30917.57

Source: Appropriation Accounts

2.7 Other topics of interest

2.7.1 System deficiencies in maintenance of records and irregularities in payment of pension

a) Non-maintenance of records relating to sanction orders

During inspection of treasuries, it was observed that most of the treasuries did not maintain any systematic records for noting sanction orders relating to drawal of AC Bills/Grants-in-aid/Withdrawal of GPF etc., in absence of which the authenticity of the claims could not be checked leaving scope for fraudulent drawal.

b) Irregularities in payment of pension

i) Non-recovery of excess payment of pension

In course of inspection of records of Treasuries it was observed that even after the death of pensioners, monthly pension were credited to the pensioners special bank accounts. The amount thus paid in excess was to be recovered from the concerned Bank. Due to non-recovery of the said amount from the concerned Bank/Postal Authority, State Government is losing considerable Government money year after year which ultimately affects the financial position of the State Government. The inspection of records of 38 Treasuries, revealed that Rs 16.46 lakh were yet to be recovered from Banks on account of excess payment of pension even after the death of 429 pensioners.

ii) Overpayment / Unauthorised and doubtful payment of pension

During inspection of Treasuries it was revealed that due to wrong calculation of pension/relief, paid on re-employment/re-marriage, non-reduction of family pension even after expiry of the stipulated period, non-reduction of commuted amount from original pension, Rs 3.96 lakh was overpaid to 62 pensioners. Rupees 0.84 lakh was drawn fraudulently by presenting four fake bills relating to Army pension. Details are as under:

Number of Treasuries	Number of Pensioners	Amount overpaid/ amount of doubtful payment/Fraudulent drawal (Rs in lakh)	Remarks
18	49	4.52	Pension was paid in excess to the pensioners due to wrong calculation of pension paid on re-marriage, etc. and relief paid on re-employment, non-reduction of family pension in time, fraudulent drawal of pension (Rs 0.84 lakh)
8	13	0.28	Commuted amount of pension was not reduced from the original pension in due time.

The matter was referred to Government in September 2002; reply had not been received (December 2002).