

## Chapter 8

### REVIEW OF SELECTED GRANTS

#### Grant No. 60 – Ministry of Information and Broadcasting

##### Introduction

**8.1** The Ministry of Information and Broadcasting is vested with the responsibility of formulating policy guidelines for the efficient dissemination of news and views by the media units viz. Prasar Bharti (Broadcasting Corporation of India) and its constituents All India Radio, Doordarshan, etc. The main functions of the Ministry are to serve as a constant link between the Government and the Media and act as a clearing house of official information and authentic data pertaining to the Union Government's plans and programmes. Its objectives are to educate and motivate people for greater participative involvement in the various activities and programmes of the Government. It also liaises with the State Governments in the field of information and publicity.

##### Overall position

**8.2** The overall position of budget provisions, actual disbursements and unspent provisions for the last three years is given below:

**Table 8.1: Overall position**

*(Rupees in crore)*

Year	Total provision		Actual disbursement		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>Voted</b>						
2003-04	1289.57	231.59	1229.48	94.18	60.09	137.41
2004-05	1281.87	250.86	1248.96	95.47	32.91	155.39
2005-06	1428.48	273.99	1338.25	205.28	90.23	68.71
<b>Charged</b>						
2003-04	0.05	-	-	-	0.05	-
2004-05	0.03	-	-	-	0.03	-
2005-06	0.03	-	-	-	0.03	-

##### Persistent unspent provision and excess expenditure

**8.3** There were persistent unspent provisions under revenue and capital sections of the grant for the last three years. No steps have been taken by the Ministry to arrest this trend. Large unspent provisions under the grant reflected poor budgeting by the Ministry. There were also cases of substantial excess expenditure under some sub-heads. Instances of persistent unspent provisions and excess expenditure during the last three years are given in

Appendix VIII-A and Appendix VIII-B respectively. Though the Ministry had given an assurance in the Action Taken Note (April 2003) on paragraph no. 12.29 of Report No. 1 of 2001 that due care would be taken to minimise the unspent balance of funds, yet they persisted. On the contrary there was an increasing trend during the years 2003-06. The Ministry had also issued instructions (June 2002) to the Prasar Bharti to put up in place a mechanism to monitor expenditure and work out the budgetary projections and anticipations at the BE and RE stages in consonance with its spending potential. The latter had assured (June 2002) that a proper monitoring mechanism would be set up. However, no action appears to have been taken in this regard. There is, thus, a need to make budgetary assumptions more realistic taking into account PAC's Recommendations contained in Paragraph 17.1 of its Fifty-Eighth Report (13<sup>th</sup> Lok Sabha) on "Excess over Voted Grant and Charged Appropriation" and instructions issued by the Ministry of Finance thereon to all Ministries/Departments.

### **Surrender of unspent provision**

**8.4** Test check revealed that contrary to the provisions of Rule 56(2) of the General Financial Rules, the Ministry surrendered unspent provisions towards the end of the financial years 2003-2006. The details of amount surrendered during 2003-06 are as under:

**Table 8.2: Surrender of unspent provision**

Year	Unspent provision		Amount surrendered		Date of surrender
	Revenue	Capital	Revenue	Capital	
2003-04	60.14	137.41	52.34	135.92	31.03.2004
2004-05	32.94	155.39	27.68	154.79	31.03.2005
2005-06	90.26	68.71	84.03	64.05	31.03.2006

Had the above unspent provisions been surrendered as soon as these were foreseen these could have been fruitfully utilised in other schemes/projects/programmes of the government.

### **Schemes affected by unspent provision**

#### **8.5(i) Central Monitoring Services**

The Central Monitoring Services (CMS) was responsible for monitoring news and news based programmes of important foreign Radio and TV networks and some Indian TV Channels. The CMS also brings out weekly analytical reports on important news and weekly special report on anti-Indian programme of Pakistan's radio and TV networks on Kashmir issue and sends them to the selected officers, different agencies/ministries/departments, etc. with the purpose of keeping them abreast of the latest development of interest/relevance to India. The CMS also monitors the content aspect of the TV Channels to look into the violation of programme Advertisement Code under Cable Television Network Regulation Act, 1995. However, entire

budget provisions made for these important activities remained unutilised persistently during the years 2003-06 as indicated in the following table:

**Table 8.3: Unspent provision**

*(Rupees in crore)*

Year	Budget provision	Actual disbursement	Unspent provision
2003-04	7.56	-	7.56
2004-05	6.06	-	6.06
2005-06	15.10	-	15.10

**(ii) Construction of Phase –II building for National Film Archive of India (NFAI)**

Standing Finance Committee of the Ministry had approved (April 2004) Construction of Phase –II building for National Film Archive of India with a view to enable the NFAI to achieve its primary objective of acquisition and preservation of National Cinema, the best of world cinema, film classification, documentation and research and encouraging film scholarship and to spread film culture in the country. However, the budget provisions made for this purpose, remained unutilised entirely/largely during the years 2003-06 which indicated that the prime objective of the plan scheme of the Ministry could not be achieved in full. The details of budget provision and actual expenditure are given in the following table:-

**Table 8.4: Unspent provision**

*(Rupees in crore)*

Year	Budget provision	Actual disbursement	Unspent provision
2003-04	0.50	-	0.50
2004-05	2.50	0.40	2.10
2005-06	4.00	3.00	1.00

**(iii) Setting up of National Press Centre and Mini Media Centres of Press Information Bureau**

The Press Information Bureau implemented the Plan Scheme- Setting up of National Press Centre and Mini Media Centres during Xth Five Year Plan 2002-07. The Press Information Bureau is the nodal agency of the Government of India for informing the people about its policies, programmes and activities. However, the budget provision made for these purpose, remained unutilised entirely/largely during the years 2003-06 and, thus, the purpose for which the budget allocation was made was not achieved. The details of budget provisions and expenditure are given below:

**Table 8.5: Unspent provision**

*(Rupees in crore)*

Year	Budget provision	Actual disbursement	Unspent provision
2003-04	2.19	0.07	2.12
2004-05	5.00	-	5.00
2005-06	18.20	7.60	10.60

**(iv) Building and Housing Project of Indian Institute of Mass Communication**

Against total plan allocation of Rs. 3.94 crore during the years 2003-06 for construction of staff quarters, 14-Room hostel building, special renovation works, security fencing around the campus etc. in the housing complex of Indian Institute of Mass Communication, the actual expenditure under the scheme was Rs. 0.65 crore which represented achievement of only 16 *per cent* during the following three years of the 10<sup>th</sup> Plan period.

**Table 8.6: Unspent provision**

*(Rupees in crore)*

Year	Budget provision	Actual disbursement	Unspent provision
2003-04	1.43	0.50	0.93
2004-05	1.35	0.15	1.20
2005-06	1.16	-	1.16

**Excess expenditure over available provision**

**8.6** In cases where the existing provisions are not sufficient to cover the payments, the Pay and Accounts Office (PAO) can make payment only on receipt of an assurance in writing from the head of department controlling the grant that the necessary funds to accommodate the disbursement will be provided by issue of re-appropriation orders etc.

Test check of Head-wise Appropriation Accounts for the years 2003-06 revealed that in the following cases, though the expenditure had exceeded the available provisions under the sub-heads concerned, yet the authority administering the grant/appropriation did not issue re-appropriation order to adequately accommodate the final excess expenditure over the available provision. This was indicative of deficient budgetary control.

Scrutiny of the Head-wise Appropriation Accounts further revealed that the Ministry approved injudicious re-appropriation from sub-heads in 6 cases. Consequently, the final disbursement under these sub-heads was in excess of the available funds after re-appropriation. In three cases, the final disbursement was even more than the original provisions. The cases are given below:

**Table 8.7: Excess expenditure over available provision**

*(Rupees in crore)*

Year	Sub-head	Provisions	Actual expenditure	Excess
<b>Revenue Section</b>				
2003-04	2251.00.090.05- Ministry of Information and Broadcasting	O 15.22	18.92	3.80
		R (-) 0.10		
2003-04	2205.00.109.02- Central Board of Film Certification	O 4.56	3.12	0.78
		R (-) 2.22		
2003-04	2220.60.798.02- Payment of annual membership, Subscription to Asia Pacific Institute for Broadcasting Development (AIBD)	O 0.16	0.45	0.33
		R (-) 0.04		
2004-05	2251.00.090.05- Ministry of Information & Broadcasting	O 15.85	20.79	5.28
		R (-) 0.34		
2005-06	2251.00.090.05- Ministry of Information & Broadcasting	O 17.61	19.89	0.14
		S 0.37		
		R 1.77		
<b>Capital Section</b>				
2005-06	4220.60.052.03- Acquisition of equipment for Song and Drama Division	O 0.04	0.24	0.20

### Unrealistic budgeting

**8.7** According to Rule 48(2) of the General Financial Rules, ministries/ departments are required to prepare their estimates keeping in view the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by the Ministry of Finance.

Scrutiny of the Appropriation Accounts revealed that under various sub-heads, the entire or/and large provisions remained unutilised during the period 2003-06 and were re-appropriated to other heads defeating the original purpose for which the budget provisions were passed by the Parliament despite instructions (June 2002) for adopting a mechanism to monitor expenditure so that budgetary projections and anticipated expenditure at the BE and RE stages were worked out in consonance with the potential to spend. The sub-heads as indicated in Appendix VIII-C registered large unspent provisions.

### Unnecessary supplementary grants

**8.8** While obtaining a supplementary grant, the Ministry has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of

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funds. Resort to supplementary demands should only be made in exceptional and urgent cases.

In the following cases, although supplementary provisions were obtained in anticipation of higher expenditure, yet no expenditure was incurred out of these funds. This indicates lack of monitoring.

**Table 8.8 : Unnecessary supplementary grants**

*(Rupees in crore)*

Year	Sub-Head	Provision	Actual disbursement	Unspent provision
2003-04	2221.80.102- Prasar Bharti	O 1005.60 S 0.01 R (-) 3.80	1001.47	4.14
2005-06	2205.00.109.02- Central Board of Film Certification	O 4.05 S 0.30 R (-) 0.60	3.42	0.93
2005-06	2220.01.105.01- Films Division	O 26.95 S 0.65	26.50	1.10
2005-06	2220.60.112.01- Employment News Services	O 23.06 S 0.37 R (+) 3.21	25.52	1.12

### Injudicious re-appropriation of funds to sub-heads

**8.9** Re-appropriation of funds to the following sub-heads was injudicious as the original provision under the sub-heads was found to be more than adequate. Consequently, final savings under the sub-heads were more than the amount re-appropriated to sub-heads as shown in Table no 8.9.

**Table 8.9 : Injudicious re-appropriation of funds to sub-heads**

*(Rupees in crore)*

Sl. No.	Year	Sub-head	Total grant	Actual expenditure	Savings
1.	2003-04	2220.01.800.03- Film and Television Institute of India, Pune	O 5.33 R 0.73	5.20	0.86
2.	2003-04	2220.02.001 -Central Monitoring Services – Direction and Administration	O 3.20 R 0.66	Nil	3.86
3.	2004-05	2220.60.110.01- Publication Division	O 12.09 R 0.06	11.94	0.21
4.	2005-06	2220.60.103.01- Press Information Bureau	O 20.81 R 0.56	20.77	0.60
5.	2005-06	4220.60.052.01 Acquisition of Equipment for Press Information Bureau	O 0.18 R 0.03	Nil	0.21
6.	2005-06	4220.60.052.06 Acquisition of Equipments for IIMC	O 0.58 R 0.06	0.52	0.12

### Irregular re-appropriation

**8.10** The Ministry of Finance had issued instructions that any re-appropriation order issued during the year which had the effect of increasing the budget provision by more than 25 *per cent* or rupees one crore (Rs. 5 crore from 2005-06 onwards), whichever was more, under a sub-head, should be reported to Parliament along with the last batch of supplementary demands. In exceptional cases, any order of re-appropriation issued by the ministries/departments after presentation of the last batch of supplementary demands, exceeding the above limit requires prior approval of the Secretary/Additional Secretary, Department of Expenditure.

Test check, however, revealed that in one of the following cases, the approval of the Secretary (Expenditure) was not obtained. In the other case the amount of re-appropriation exceeded the amount approved by the Secretary (Expenditure).

**Table 8.10: Irregular re-appropriation**

*(Rupees in crore)*

Sl. No.	Year	Sub-head	Amount re-appropriated	Remarks
1.	2003-04	2220.60.112.01 Employment News Services	5.17	Approval of Secretary (Expenditure) was only for Rs. 4.44 crore.
2.	2004-05	2220.60.103.01 Press Information Bureau	1.79	Approval of Secretary (Expenditure) was not obtained.

### Rush of expenditure

**8.11** As per Rule 56(3) of General Financial Rules, rush of disbursement, particularly in the closing months of the financial year, is to be regarded as a breach of financial propriety and should be avoided. Further, on the recommendations of the Public Accounts Committee contained in Para 17.1 of its 58<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) Ministry of Finance issued instructions to all Ministries/Departments to restrict expenditure during the last quarter of the financial year to 33 *per cent* of the budgeted amount. Contrary to this, disbursements ranging from 30 to 100 *per cent* of the total disbursements were made during March in the years 2003-06, as per details given below:

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**Table 8.11 : Rush of expenditure**

*(Rupees in crore)*

Year	Major Head	Disbursement	
		during the year	during March (percentage)
2003-04	2205-Art & Culture	3.20	1.23 (38)
	4220 Capital outlay on Information & Publicity	9.53	8.35 (88)
2005-06	2221- Broadcasting	1078.02	321.97 (30)
	4220 -Capital outlay on Information and Broadcasting	25.04	16.14 (64)
	6220- Loans for Information and Publicity	4.77	4.77 (100)

**Internal audit**

**8.12** The Internal Audit Wing of the Ministry of Information and Broadcasting functions under the administrative control of the Chief Controller of Accounts of the Ministry and is responsible for conducting internal audit of the units under the Ministry and attached subordinate offices/Autonomous Bodies under its control. Internal Audit Wing comprises four Zonal Internal Audit Parties located at New Delhi, Chennai, Mumbai and Kolkata. The Internal Audit Wing at the headquarters carries out internal audit of the North Zone and co-ordinates the audit work of remaining three zonal parties.

There were 599 auditee units under the jurisdiction of Internal Audit Wing. These units include 96 units of the Ministry and 503 units of Prasar Bharti. The details of targets fixed and the achievements during the years 2003-06 are indicated below :

**Table 8.12: Shortfall in internal audit**

Year	Target fixed	Units actually audited	Shortfall	Percentage shortfall
2003-04	187	148	39	21
2004-05	145	86	59	41
2005-06	115	54	61	53

Thus, the shortfall in conducting internal audit ranged between 21 and 53 *per cent*, which was an unsatisfactory position. Keeping in view the large amount of funds handled by the Ministry and its range of activities, there is an urgent need to make the internal audit system more effective for keeping a close watch over the regularity, propriety and economy of expenditure.

**Grant No. 82 – Department of Science and Technology**

**(Ministry of Science and Technology)**

**Introduction**

**8.13** Ministry of Science and Technology comprises three departments viz., Department of Science and Technology (DST), Department of Science and Industrial Research (DSIR) and Department of Bio-Technology (DBT). Department of Science and Technology is the nodal department of Ministry of Science and Technology. It has three subordinate departments viz. India Meteorological Department (IMD) New Delhi, National Atlas and Thematic Mapping Organization (NATMO), New Delhi and Survey of India (SOI), Dehradun under its administrative control. In addition, the Department also supports 16 autonomous research institutions/other bodies and five science/engineering academies/associations which have been working in diverse areas for promotion of science and technology. Its main function is to formulate policies and guidelines on Science and Technology and promotion of new areas of Science and Technology.

**Overall position**

**8.14** The overall position of budget provisions, actual disbursements and unspent provisions for the last three years is given below:

**Table 8.13: Overall position**

*(Rupees in crore)*

Year	Total provision		Actual disbursement		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>Voted</b>						
2003-04	1133.90	56.31	930.78	55.05	203.12	1.26
2004-05	1410.53	79.71	1236.73	45.63	173.80	34.08
2005-06	1504.20	154.06	1297.86	117.04	206.34	37.02
<b>Charged</b>						
2003-04	0.01	-	0.01	-	-	-
2004-05	0.07	-	-	-	0.07	-
2005-06	0.07	-	-	-	0.07	-

**Excess expenditure over appropriation/re-appropriation**

**8.15** In cases where the existing provision is not sufficient to cover the payment, Pay and Account Office (PAO) can make payment only on receipt of an assurance in writing from the head of the Department controlling the grant that necessary funds to accommodate the disbursement would be provided by issue of re-appropriation orders etc.

Test check of head wise appropriation accounts for the years 2003-06 revealed that in following cases though the payments made were in excess of available provision, the department did not issue re-appropriation orders to accommodate the final excess expenditure over the available provision

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indicating ineffective expenditure control by the controlling officer of the concerned grant.

**Table 8.14: Excess expenditure over appropriation/re-appropriation**

*(Rupees in crore)*

Year	Major head and Sub-heads	Original (O) Re-appropriation (R)	Actual expenditure	Excess (+)
2003-04	3451.00.090.22 Department of Science & Technology	O 20.87	21.50	0.04
		R 0.59		
	3425.01.001.01 Surveyor General	O 27.74	28.52	0.27
		R 0.51		
	3425.60.200.26 Technology Development Programme	O 23.00	22.81	0.01
		R (-) 0.20		
3425.60.798.04 Other programme	O 5.00	5.05	0.05	
5455.00.101.01 Equipment	O 3.00	3.59	0.59	
5455.00.102.01 Equipment	O 28.47	28.98	0.51	
2004-05	5425.00.800.03 Special Construction Work- Building and Air conditioning and Equipment (Secretariat)	O 0.95	0.79	0.01
		R (-) 0.17		
2005-06	5455.00.101.01 Equipment	O 5.00	8.74	3.74

**Surrender of unspent provision**

**8.16** According to the provisions of Rule 56 of GFR, unspent provisions in a grant or appropriation are to be surrendered to government as soon as these are foreseen, without waiting for the end of financial year. Unspent provisions should also not be held in reserve for possible future excess. Test check of head wise appropriation accounts for the years 2003-06 revealed that contrary to the rules, DST surrendered unspent provisions every year towards the end of the financial year despite approval of the Revised Estimates in the month of January. The details of amounts surrendered during 2003-06 are given in the following table:

**Table 8.15: Surrender of unspent provision**

*(Rupees in crore)*

Year	Unspent provision		Amount surrendered		Date of surrender
	Revenue	Capital	Revenue	Capital	
2003-04	203.12	1.26	194.72	--	31 March 2004
2004-05	173.87	34.08	150.17	28.51	31 March 2005
2005-06	206.41	37.02	176.65	29.51	21 March 2006

### Injudicious re-appropriation of funds to sub-heads

**8.17** Re-appropriation of funds to the following sub-heads was injudicious as the original provision under the sub-heads was found to be more than adequate. Consequently, final savings under the sub-heads were more than the amount re-appropriated to sub-heads as shown in table.

**Table 8.16: Injudicious re-appropriation of funds**

*(Rupees in crore)*

Year	Sub-heads	Original (O) Re-appropriation (R)	Actual expenditure	Saving
2003-04	3425.01.800.01 - Other schemes	O 18.24 R 0.31	17.80	0.75
	5425.00.800.03 - Special construction Work-Building and Air Conditioning and Equipments (Secretariat)	O 0.95 R 0.06	0.89	0.12
2004-05	3425.01.003.01 - Training Organization	O 3.92 R 0.27	3.88	0.31
	3425.01.103.01 - Map Publication Offices	O 25.42 R 0.83	24.15	2.10
	3425.60.798.04 - Other programmes	O 5.00 R 0.30	4.79	0.51
	3455.00.004.01 - Research and Development Services	O 11.50 R 0.58	10.63	1.45
	3455.00.102.01 Observatory Services	O 71.34 R 2.04	70.89	2.49
2005-06	3425.60.102.01 - NATMO Office	O 9.05 R 1.53	8.80	1.78
	3455.00.001.01 - Director General Meteorology	O 10.90 R 0.72	10.63	0.99
	3455.00.102.01 - Observatory Services	O 78.65 R 1.29	73.32	6.62
	3425.01.001.01 - Surveyor General	O 31.93 R 0.77	31.87	0.83

### Rush of expenditure

**8.18** Rush of disbursements, particularly in the closing month of financial year, is to be regarded as breach of financial regularity and should be avoided. Contrary to this, the large disbursements were made during the month of March of the years 2003-06. A few instances are given below:

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**Table 8.17: Rush of expenditure**

*(Rupees in crore)*

Year	Major head	Expenditure during the year	Expenditure in March	Percentage of total expenditure
2003-04	5425- Capital Outlays on Other Scientific and Environment Research	15.61	8.97	57
	5455- Capital outlays on Meteorology	39.43	19.30	49
2004-05	5425- Capital Outlays on Other Scientific and Environment Research	11.48	8.72	76
	7425- Loan for Other Scientific Research	9.00	9.00	100
2005-06	5425- Capital Outlays on Other Scientific and Environment Research	20.14	9.38	47
	5455- Capital outlays on Meteorology	32.60	27.01	83
	7425- Loan & Advances to Pharmaceuticals Industries	64.30	60.30	94

**Unrealistic budgeting**

**8.19** Rule 48(2) of General Financial Rules, Ministries/Departments are required to prepare their estimates keeping in view the trends of their disbursements during the previous years and the economy instructions issued by the Ministry of Finance from time to time.

Scrutiny of the Appropriation Accounts for 2003-06 revealed that under the sub-heads shown below, the entire provisions remained unutilised which resulted in non-implementation of the schemes/programmes and defeating the purpose for which the original budget provisions were approved by the Parliament:

**Table 8.18: Unrealistic budgeting**

*(Rupees in crore)*

Year	Sub-head	Original provision	Unspent provisions
2003-04	5455.00.800.01 Earthquake Risk Evaluation Centre	0.03	0.03
	3455.00.800.02 Earthquake Risk Evaluation Centre	0.05	0.05
2004-05	3455.00.798.03 Externally Aided Projects	2.40	2.40
	5425.00.800.04 Digital Mapping System (NATMO)	0.50	0.50
	5455.00.200.02 Externally Aided projects	5.00	5.00
	5455.00.800.01 Earthquake Risk Evaluation Centre	0.03	0.03
2005-06	3425.60.200.36 National Mission on Nano Science & Nano Technology	200.00	200.00

### Persistent saving

**8.20** According to Rule 48 (2) of General Financial Rules, Ministries/Departments are required to prepare their estimates, keeping in view the trends of disbursements during the previous years and other relevant factors like instructions on economy issued by Ministry of Finance. Scrutiny of Appropriation Accounts for the years 2003-06 revealed that there were persistent unspent under utilisation of provisions under the following sub-heads which indicated unrealistic budgeting, deficient financial management and slackness in implementing the schemes. The details of sub-heads are given below:

**Table 8.19: Persistent saving**

*(Rupees in crore)*

Major Head	Year		Year		Year	
	2003-04		2004-05		2005-06	
	Provision	Saving	Provision	Saving	Provision	Saving
3425.01.003.01 Training organization	3.77	0.01	4.20	0.31	5.57	0.10
3425.01.101.01 Survey Parties	79.61	0.66	83.83	3.12	81.06	2.82
3425.01.103.01 Map Publication offices	24.20	0.33	26.25	2.10	26.04	0.39
3425.01.800.01 Other Schemes	18.55	0.75	21.51	1.32	27.89	1.00
3425.60.600.01 National Centre for Medium Range Weather Forecasting	10.26	0.56	17.03	2.29	12.82	0.86
3455.00.004.01 Research and Development Services	9.95	0.36	12.08	1.45	12.63	1.92
3455.00.102.01 Observatory Services	67.71	0.28	73.38	2.50	79.94	6.62
3455.00.200.01 Meteorological Services	33.62	0.08	36.34	2.18	36.91	3.85
5455.00.102.01 Equipment	-	-	25.38	2.34	28.55	5.94

### Deficient internal audit system

**8.21** The internal audit wing of Ministry of Science and Technology functions under the administrative control of the Controller of Accounts of the Ministry and is responsible for conducting internal audit of the units under the Ministry which inter-alia includes Department of Science and Technology, Department of Biotechnology and Department of Scientific and Industrial Research, subordinate departments, autonomous research institutions/other bodies and Science/Engineering/Academies Associations. Currently there are 94 units under the jurisdiction of the Internal Audit Wing, including 86 units pertaining to the DST. The following table indicates yearwise total number of units planned for audit, units audited and percentage of shortfall.

**Table 8.20: Shortfall in internal audit**

Year	Units planned	Audited	Percentage of short fall
2003-04	74	32	57
2004-05	92	48	48
2005-06	69	42	39

There was a shortfall ranging between 39 to 57 *per cent* in conducting audit during 2003-06. Keeping in view the huge amount of funds handled by DST, and wide range of its different activities, there is an urgent need to make the Internal Audit System effective for keeping a watch over the quantum, flow, regularity, propriety and economy of expenditure.

### **Outstanding utilisation certificates**

**8.22** As per Rule 212(2)(1) of GFRs, certificates of utilisation of grants are required to be submitted by the sanctioning authority to the Controller of Accounts. The purpose of furnishing the certificates is to ensure that the grants had been utilised for the purpose for which these were sanctioned and where the grants were released with certain conditions, the prescribed conditions had been fulfilled. In a reply to audit observation, department stated the position of outstanding utilisation certificates as 'Nil' upto 2003-04 and for the year 2004-05 the utilisation certificates were still awaited (December 2006). On verification of records, it was found that despite the fact that the Ministry had released grants aggregating Rs. 2360.71 crore during the years 2003-06, neither the PAO nor the DST had been maintaining registers/records to ensure receipts of utilisation certificates.

### **Grant No. 86- Department of Road Transport and Highways**

**(Ministry of Shipping, Road Transport and Highways)**

#### **Introduction**

**8.23** The Department of Road Transport and Highways under the Ministry of Shipping, Road Transport and Highways has been entrusted primarily the function of construction and maintenance of National Highways (NH), administration of Motor Vehicles Act and Central Motor Vehicles Rules, formulation of broad policies relating to Road Transport, environmental issues, automotive norms, etc., besides making arrangements for movements of vehicular traffic with neighbouring countries.

The Department is also responsible for the formulation and implementation of policies relating to National Highways, Central Sector Fund Scheme, administration of Central Road Fund and sponsoring of research pertaining to road works.

### Overall position

**8.24** The overall position of budget provisions, actual disbursements and unspent provisions for the years 2003-06 is given below:

**Table 8.21: Overall position**

*(Rupees in crore)*

Year	Total provision		Actual disbursement		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>Voted</b>						
2003-04	5615.47	6478.47	5466.01	5521.28	149.46	957.19
2004-05	5458.20	7232.96	5030.89	5392.71	427.31	1840.25
2005-06	8584.38	10635.02	8136.21	9071.39	448.17	1563.63
<b>Charged</b>						
2003-04	0.40	5.40	0.33	4.12	0.07	1.28
2004-05	0.50	5.40	0.22	0.64	0.28	4.76
2005-06	0.75	5.90	0.51	4.87	0.24	1.03

### Persistent excess expenditure/unspent provisions

**8.25** There were persistent excess expenditure/ unspent provisions under revenue and Capital sections of the grant for the last three years. A few instances of excess expenditure and unspent provisions during the three years are given below:

**Table 8.22: Persistent excess expenditure**

*(Rupees in crore)*

Year	Major/ Sub-heads	Sanctioned available provision	Actual expenditure	Excess expenditure
2003-04	3054.02.800.02 - Road Work	14.02	14.15	0.13
2004-05	-do-	23.10	24.24	1.14
2005-06	-do-	16.72	16.79	0.07

**Table 8.23: Persistent unspent provision**

*(Rupees in crore)*

Sl. No.	Year	Major/ Sub-heads	Sanctioned available provision	Actual expenditure	Unspent provisions
1.	2003-04	3451.00.090.11 - Ministry of Road Transport and Highways	37.28	35.19	2.09
	2004-05	-do-	39.83	38.33	1.50
	2005-06	-do-	46.74	42.66	4.08
2.	2003-04	3054.01.052.01 - Maintenance of Machinery and Equipment	1.20	0.33	0.87
	2004-05	-do-	1.20	0.38	0.82
	2005-06	-do-	1.55	0.03	1.52

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*(Rupees in crore)*

Sl. No.	Year	Major/ Sub-heads	Sanctioned available provision	Actual expenditure	Unspent provisions
3	2004-05	3054.04.337.07 - Grants from Central Road Fund to U.T. Govts. without legislature	5.47	2.02	3.45
	2005-06	-do-	4.46	2.00	2.46
4	2003-04	3055.00.004.20 - Road Safety	28.16	27.62	0.54
	2004-05	-do-	30.90	27.85	3.05
	2005-06	-do-	28.56	22.21	6.35
5	2003-04	3601.02.105.01 - Grants for State Road	875.60	767.07	108.53
	2004-05	-do-	835.53	603.74	231.79
	2005-06	-do-	1478.55	1297.28	181.27
6	2003-04	3601.04.105.01 - Road of Inter State or Economic Importance	70.00	64.52	5.48
	2004-05	-do-	92.00	16.88	75.12
	2005-06	-do-	162.05	86.09	75.96
7	2003-04	5054.01.101.02 - Work Financed from National Highways Permanent Bridges Fees Fund	86.00	67.03	18.97
	2004-05	-do-	90.00	19.96	70.04
8	2003-04	5054.01.052.02 - Machinery & Equipment	8.00	6.29	1.71
	2004-05	-do-	3.00	2.72	0.28
	2005-06	-do-	13.00	12.62	0.38
9	2003-04	5054.01.337.01 - Works under Roads Wing <u>Charged</u>	4.80	3.73	1.07
	2004-05	-do-	4.60	0.03	4.57
	2005-06	-do-	5.00	4.05	0.95
		Voted			
	2003-04	-do-	2679.62	2654.51	25.11
	2004-05	-do-	3237.76	2587.10	650.66
	2005-06	-do-	4633.29	4626.16	7.13

### **Surrender of unspent provision**

**8.26** Rule 56(2) of the General Financial Rules provides that unspent provisions in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the end of the financial year. Unspent provision should also not to be held in reserve for any possible further excess. Test check revealed that contrary to this, the Ministry every year surrendered unspent provisions towards the end of the financial year. The details of amounts surrendered during 2003-06 are given below:

**Table 8.24: Surrender of unspent provision**

*(Rupees in crore)*

Year	Unspent Provision		Amount Surrendered		Date of surrender
	Revenue	Capital	Revenue	Capital	
2003-04	149.53	958.47	79.38	932.09	24.3.2004 31.3.2004
2004-05	427.58	1845.01	22.09	1183.80	28.3.2005 31.3.2005
2005-06	448.40	1564.66	141.67	1539.58	24.3.2006 31.3.2006

### Rush of expenditure

**8.27** Rush of disbursements particularly, in the closing month of the financial year is to be regarded as a breach of financial regularity and should be avoided. Contrary to this, large disbursements were made in the month of March of the financial year 2003-06. A few instances are given below:

**Table 8.25: Rush of expenditure**

*(Rupees in crore)*

Year	Major Head	Total expenditure	Expenditure incurred in March	Percentage of expenditure during the month of March of the year
2003-04	3054 - Road and Bridges	3952.28	3685.47	93
	3055 Road Transport	34.55	15.92	46
	5054 - Capital outlay on Roads & Bridges	5235.62	1929.94	37
	7075 - Loans for other transport & service	289.78	174.94	60
2004-05	3055 - Road Transport	36.09	13.54	38
	5054 - Capital outlay on Roads & Bridges	5032.85	1944.88	39
2005-06	3055 - Road Transport	30.39	8.84	29
	3601 - Grant in Aid to State Govts.	2062.19	458.68	22

### Excess expenditure over appropriation/re-appropriation

**8.28** In cases where the existing provision is not sufficient to cover the payments, the Pay and Accounts Officer (PAO) can make payment only on receipt of an assurance in writing from the head of the department controlling the grant that necessary funds to accommodate the disbursements will be provided by issue of re-appropriation orders etc. Test check of head-wise appropriation accounts for the years 2003-06 revealed that in the following

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cases the payments made were in excess of the available provisions, the department did not issue any re-appropriation orders to accommodate the final excess expenditure over the available provisions, indicating ineffective expenditure control by the controlling officer of the concerned grant.

**Table 8.26: Excess expenditure over appropriation/re-appropriation**

*(Rupees in crore)*

Sl. No.	Major-head and Sub-head	Original (O) Re- appropriation	Total grant	Actual expenditure	Excess (+)
<b>2003-04</b>					
1	3054.01.337.01 - Maintenance by Roads wing	O 689.54 S 4.25	693.79	714.63	20.84
2	3054.02.337.01 - Road Maintenance	O 51.82 R 6.76	58.58	63.04	4.46
3	3054.02.800.02 - Road works	O 22.09 R (-) 8.07	14.02	14.15	0.13
4	3601.01.821.02 - Road works under BRDB (voted)	O 373.66 R 10.67	384.33	411.22	26.89
5	3601.03.821.02 - Road works under BRDB	O 17.50 R 5.00	22.50	24.50	2.00
6	5054.02.337.03 - Works under BRDB (voted)	O 356.40 S 0.01 R 133.57	489.98	510.67	20.69
<b>2004-05</b>					
7	3054.02.337.01 - Road maintenance	O 55.67 S 20.06	75.73	75.83	0.10
8	3054.02.800.02 - Road works	O 14.30 S 08.80	23.10	24.24	1.14
9	3601.01.821.02 - Road works under BRDB (voted)	O 395.52 S 52.00	447.52	447.70	0.18
10	3601.01.821.03 - Road Maintenance	O 160.80 S 1.42	162.22	168.02	5.80
11	3601.01.821.04 - Expenditure on security cover	O 15.24	15.24	16.11	0.87
12	5054.02.337.03 - Works under BRDB (voted)	O 372.55 R 97.85	470.40	574.42	104.02
<b>2005-06</b>					
13	3054.02.337.01 - Road Maintenance	O 77.50 S 8.32 R - 6.32	79.50	81.17	1.67
14	3054.02.337.02 - Maintenance by Border Road Wing	O 0.51 S 0.03	0.54	0.86	0.32
15	3601.01.821.02 - Road works under BRDB (voted)	O 433.12 S 24.30 R - 16.42	441.00	446.64	5.64

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*(Rupees in crore)*

Sl. No.	Major-head and Sub-head	Original (O) Re- appropriation	Total grant	Actual expenditure	Excess (+)
16	5054.01.101.02 - Works financed from National Highways Permanent Bridges fees fund	O 90.00 R - 55.00	35.00	35.48	0.48
17	3054.02.800.02 Road Work	25.00 - 8.28	16.72	16.79	0.07

### Injudicious re-appropriation of funds to sub-heads

**8.29** Re- appropriation of funds to the following sub heads was injudicious as the original provision there under was more than adequate. Consequently, the final savings under the sub-heads were more than the amount re-appropriated.

**Table 8.27: Injudicious re-appropriation of funds**

*(Rupees in lakh)*

Year	Sub-heads	Provision		Actual expenditure	Savings (-)
	Charged				
2003-04	5054.02-337.03 - works under BRDB	O 30.00 S 10.00 R 20.00		39.17	- 20.83
2005-06	<b>Voted</b>				
	3054-01.337.03 - National Highways Tribunals	S 1.00 R 4.30		--	- 5.30

### Unrealistic estimation of supplementary grants

**8.30** While obtaining a supplementary grant, the Ministry has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds. Resort to supplementary demands should only be made in exceptional and urgent cases.

In the following cases, although supplementary provisions were obtained in anticipation of higher expenditure but the final expenditure was for less than even the original grants. This indicates lack of monitoring and expenditure control.

**Table 8.28: Unspent supplementary Grants**

*(Rupees in lakh)*

Year	Sub head	Provision		Actual Expenditure	Unspent provision (-)
2003-04	5054.02.337.03 - works under BRDB	O 30.00 S 10.00 R 20.00		39.17	20.83

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Year	Sub head	Provision	Actual Expenditure	Unspent provision (-)
2004-05	3054.02.800.01 - Bhutan Compensatory Allowance	O 229.00	222.58	23.42
		S 17.00		
	3601.01.821.02 - Road works under BRDB(Charged)	O 40.00 S 10.00 R -15.00	22.26	12.74
2005-06	3054.01.337.01 - Works under Road wing (Voted)	O 401920.00	258710.28	65065.72
		S 1.00		
		R -78145.00		
	3054.01.337.01 - Maintenance by Road Wing	O 74714.00 S 9896.00 R -40.00	82258.50	2311.50
2005-06	3054.01.337.03 - National Highways Tribunals	S 1.00	-	5.30
		R 4.30		
2005-06	3055.00.004.20 - Road Safety	O 3555.00	2221.35	634.65
		S 1.00		
		R -700.00		
2005-06	3601.01.821.02 - Road Works under BRDB (charged)	O 50.00	51.17	18.83
		S 25.00		
		R -5.00		

**Deficient internal audit system**

**8.31** The Internal Audit wing of the Department of Road, Transport and Highways under the Administrative control of the Ministry of shipping, Road Transport and Highways is responsible for conducting internal audit of the units under this Ministry. There are 36 units under the jurisdiction of internal audit wing, only 9 to 17 units had been inspected during the year 2003-06 as detailed below:

**Table 8.29: Functioning of Internal Audit**

Year	Total no. of units	No. of units actually inspected	Percentage of units inspected
2003-04	36	9	25
2004-05	36	17	47
2005-06	36	10	28

The above table indicates that the position of internal audit of the Ministry was not satisfactory. Keeping in view the large amount of funds funded by the Ministry and its range of activities, there is an urgent need to establish/make the internal audit system effective for keeping a watch over the quantum, flow, regularity, propriety and economy of expenditure.

## Grant No. 89-- Department of Space

### Introduction

**8.32** The Department of Space (DOS) and its constituent units are responsible for planning and execution of national space activities. Its primary objective is to promote the development and applications of space technology and space science for the socio-economic benefits of the nation.

### Overall position

**8.33** The overall position of budget provisions, actual expenditure and unspent provision for the years 2003-06 is given below:

**Table 8.30: Overall position**

*(Rupees in crore)*

Year	Total Provision		Actual expenditure		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>Voted</b>						
2003-04	1888.23	480.08	1810.67	457.69	77.56	22.39
2004-05	2166.94	564.35	1971.61	562.44	195.33	1.91
2005-06	2539.76	607.89	2103.81	563.40	435.95	44.49
<b>Charged</b>						
2003-04	0.23	0.35	0.13	0.32	0.10	0.03
2004-05	0.38	0.35	0.18	0.12	0.20	0.23
2005-06	0.42	0.35	0.04	0.35	0.38	-

### Surrender of unspent provisions

**8.34** Rule 56(2) of General Financial Rules provides that unspent provisions in the grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the end of the financial year.

Test check revealed that contrary to the rules, Department surrendered the unspent provision towards the end of financial years 2003-06. The details of amount under Revenue and Capital surrendered and not surrendered during 2003-06 are as under:

**Table 8.31: Surrender of unspent provisions**

*(Rupees in crore)*

Year	Total unspent provision		Amount surrendered		Amount not surrendered	Date of surrender of unspent provision
	Revenue	Capital	Revenue	Capital		
2003-04	77.67	22.42	74.39	18.80	6.90	20.03.2004
2004-05	195.54	2.13	191.23	--	6.44	21.03.2005
2005-06	436.33	44.49	430.00	42.90	7.92	21.03.2006

### Projects/schemes affected by unspent provision

**8.35** Some of the important projects affected by unspent provisions are discussed in the succeeding paragraphs.

**(i) Oceansat-2**

The earth observation system during the Tenth Five year plan (2002-07) was launched for the programme “Oceansat-2” for ocean and coastal applications. A perusal of appropriation accounts for the years 2003-05 revealed that budget provisions of Rs. 20.00 crore and Rs. 19.50 crore remained unutilised due to non-receipt of approval of the Project. Table below depicts the details:

**Table 8.32: Unspent provisions**  
(Rupees in crore)

Year	Budget provision	Actual disbursement	Savings
2003-04	20.00	-	20.00
2004-05	19.50	-	19.50
2005-06	48.50	24.89	23.61

**(ii) Resourcesat- 2**

The earth observation system during the Tenth Five year plan (2002-07) was launched for the programme “Resourcesat-2” for resource management applications to provide continuity of services with improved capabilities. A perusal of appropriation accounts revealed that budget provisions made for the same during the years 2003-06 remained unutilised due to non-receipt of approval of the Project. Table below depicts the details:

**Table 8.33: Unspent provisions**  
(Rupees in crore)

Year	Budget provision	Actual disbursement	Savings
2004-05	5.00	-	5.00
2005-06	5.00	-	5.00

**Unrealistic budgeting**

**8.36** As per Rule 48 (2) of the General Financial Rules, Ministries/Departments have to *inter alia* prepare their estimates keeping in view the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by the Ministry of Finance/Planning Commission.

Scrutiny of Appropriation Accounts for the years 2003-06 revealed that under a number of sub-heads, provisions remained unutilised during the years 2003-06 and were re-appropriated to other head, defeating the original purpose for which the budget provisions were passed by the Parliament. A few instances are given below:

**Table 8.34: Unrealistic budgeting**

(Rupees in crore)

Major Head and Sub head	Budget provision	Actual expenditure	Savings	Percentage of saving
<b>Revenue section</b>				
<b>2003-04</b>				
3402.00.101.29 - IRS-II B/C (Oceansat -2/ Resourcesat -2)	20.00	-	20.00	100
3402.00.103.10-ASTROSAT	10.00	-	10.00	100
<b>2004-05</b>				
3402.00.101.29 -Oceansat-II	19.50	-	19.50	100
3402.00.101.37 -Resourcesat-II	5.00	-	5.00	100
<b>2005-06</b>				
3402.00.101.27 -Second Launch Pad and Common facilities	0.10	-	0.10	100
3402.00.101.37 - Resourcesat-II	5.00	-	5.00	100
3402.00.101.38- Satellite Navigation	340.00	-	340.00	100
<b>Capital Section</b>				
<b>2003-04</b>				
5402.00.101.29 - GSAT-4 -	1.00	-	1.00	100
5402.00.283.06 - Regional Remote Sensing Service Centre	0.02	-	0.02	100
<b>2004-05</b>				
5402.00.101.13 - IRS P6 (Resourcesat)	0.10	-	0.10	100
5402.00.101.26 – Space Capsule Recovery Experiment (SRE)	1.75	-	1.75	100
5402.00.101.30 – Oceansat-2	0.50	-	0.50	100
5402.00.103.02 – Space Science (Astrosat)	1.00	-	1.00	100
5402.00.283.04 – ISRO Telemetry tracking and Command Net-work	0.01	-	0.01	100
<b>2005-06</b>				
5402.00.101.26 – Space Capsule Recovery Experiment (SRE)	1.00	-	1.00	100
5402.00.101.31 – Satellite Navigation	10.00	-	10.00	100
5402.00.283.04 - ISRO Telemetry, Tracking & Command Network	0.01	-	0.01	100

### **Injudicious re-appropriation of funds to sub-heads**

**8.37** Re-appropriation to the following sub-heads was injudicious as the original provision there under was more than adequate. Consequently, the final savings under the sub-heads were more than the amount re-appropriated.

**Table 8.35: Injudicious re-appropriation of funds**

*(Rupees in crore)*

Major Head and Sub-Head	Total Grant	Actual Expenditure	Saving (-) Excess (+)
<b>2003-04</b>			
5402.00.283.04-ISRO Telemetry, Tracking & Command Network	O 0.05 R 0.06	0.04	- 0.07
<b>2004-05</b>			
3402.00.101.30-Radar Development Cell (RDC)	O 1.06 R 0.02	1.06	- 0.02
3402.00.798.02-Other programmes	O 0.41 R 0.02	0.40	- 0.03

### Rush of expenditure

**8.38** Rush of disbursements, particularly in the closing month of the financial year is to be regarded as breach of financial regularity and should be avoided. Contrary to this, large disbursements were made in March during the years 2003-06 under the following major heads of account:

**Table 8.36: Rush of expenditure**

*(Rupees in crore)*

Major Head	2003-04			2004-05			2005-06		
	Total expenditure	Expenditure in March 2004	Percentage	Total expenditure	Expenditure in March 2005	Percentage	Total expenditure	Expenditure in March 2006	Percentage
3252 - Satellite Systems	434.04	101.23	23	308.49	127.67	41	415.58	215.07	52
3402 - Space Research	1372.70	356.84	26	1658.44	564.69	34	1683.14	348.99	21
5252 - Capital outlay on Satellite System	45.24	12.20	27	28.63	14.26	50	16.57	4.99	30
5402 - Capital outlay on Space System	412.45	253.15	61	533.81	335.87	63	546.83	331.63	61

### Outstanding utilisation certificates

**8.39** As per Rule 212 (1) of General Financial Rules, the certificates of utilisation of grants are required to be submitted by the sanctioning authority to the Controller of Accounts. The purpose of furnishing the Certificates is to ensure that the grants had been utilised properly and for the purpose for which they were sanctioned and where the grants were released with certain conditions, the prescribed conditions had been fulfilled.

Scrutiny of records pertaining to utilisation certificates for the grants released up to 2004-05 by Department of Space revealed that utilisation certificates in 336 cases involving Rs. 23.95 crore were outstanding as of 31.3.06 as shown in Appendix VIII-D:

### Grant No. 94 – Ministry of Tribal Affairs

#### Introduction

**8.40** The Ministry was constituted in October 1999 by bifurcation of the Ministry of Social Justice and Empowerment, with an objective of providing more focused attention on the integrated socio-economic development of the Scheduled Tribes (STs) in a coordinated and planned manner.

#### Overall position

**8.41** The overall position of budget provisions, actual disbursements and unspent provisions for the years 2003-06 is given below:

**Table 8.37: Overall position**

Year	Total provision		Actual disbursement		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>Voted</b>						
2003-04	128.02	41.26	73.78	17.29	54.24	23.97
2004-05	138.32	50.26	88.16	24.75	50.16	25.51
2005-06	97.14	36.01	86.31	---	10.83	36.01
<b>Charged</b>						
2003-04	928.43	-	810.05	-	118.38	-
2004-05	970.43	-	949.82	-	20.61	-
2005-06	1376.61	-	1313.62	-	62.99	-

#### Persistent unspent provision

**8.42** There were persistent unspent provisions under the revenue and capital sections of the grant for the last three years. A few instances of unspent provision and excess expenditure during the above three years are given in Appendix VIII-E and F. There is, therefore, a need for review of the budgetary assumptions and the efficiency of programme management.

#### Excess expenditure over appropriation/re-appropriation

**8.43** In cases where the existing provision is not sufficient to cover the payment, the Pay and Accounts Office (PAO) can make payment only on receipt of an assurance in writing from the head of the department controlling the grant that necessary funds to accommodate the disbursement will be provided by issue of re-appropriation orders etc.

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Test check of head-wise appropriation accounts for the years 2003-2006 revealed that in the following cases, though the expenditure had exceeded the available provisions under the sub-heads concerned, the authority administering the grant/appropriation did not issue any re-appropriation orders to adequately accommodate the final excess expenditure over the available provisions. This was indicative of deficient budgetary control.

**Table 8.38: Excess expenditure over appropriation/re-appropriation**

*(Rupees in crore)*

Year	Sub-head	Original/Re-appropriation	Actual expenditure	Final excess expenditure
2003-04	2251.00.090.16 - Ministry of Tribal Affairs	O 4.74	3.71	0.09
		R (-)1.12		
	2225.02.800.10 - Education complex in low literacy Pockets for Development of Women Literacy in Tribal Areas	O 8.00	5.75	0.03
		R (-)2.28		
2225.02.800.19 - Grant-in-aid to NGOs for STs including Coaching and Allied Scheme and award for Exemplary service	O 30.50	26.90	0.01	
	R (-) 3.61			
2004-05	2251.00.090.16 - Ministry of Tribal Affairs	O 6.16	4.33	0.04
		R (-)1.87		
	2225.02.277.05 - Development of Primitive Tribal Groups	O 6.00	5.80	0.14
		R (-)0.34		
2225.02.277.10 - Grant-in-aid to NGOs for STs including Coaching and Allied Scheme and award for exemplary services	O 0.50	0.14	0.01	
	R (-)0.37			
2225.02.800.11 - Vocational training in Tribal Areas	O 4.00	0.57	0.15	
	R (-)3.58			
2005-06	2225.02.001.06 - National Commission for Scheduled Tribes	O 4.56	3.28	0.09
		R (-)1.37		
	2225.02.800.19 - Grant-in-aid to NGOs for STs including Coaching and Allied Scheme and award for exemplary service	O 22.35	26.11	0.03
R 3.73				
2225.02.800.21 - Research Information and Mass Education, Tribal Festivals and others	O 2.20	1.37	0.08	
	R (-)0.91			

### Unrealistic budgeting

**8.44** Rule 48 of the General Financial Rules provides that the Ministries/Departments should prepare their estimates keeping in view the trends of disbursement during the previous years and other relevant factors like economy instructions issued by the Ministry of Finance. Scrutiny of the Appropriation Accounts for the years 2003-06 revealed that under the sub-heads shown in Appendix-VIII-G, 53 to 100 *per cent* of the provisions remained unutilised and were re-appropriated to other heads defeating the

purpose for which the original budget provisions were passed by the Parliament.

### Surrender of unspent provision

**8.45** Rule 56 of the General Financial Rules provides that unspent provisions in the grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the end of the financial year. Unspent provision should also not be held in reserve for any possible future excess. Test check of Appropriation Accounts revealed that contrary to rules, the Ministry surrendered unspent provisions towards the end of the year during the last three years. The details of amounts surrendered during 2003-06 are follows:

**Table 8.39: Surrender of unspent provision**

Year	Unspent provision		Amount surrendered		Date of surrender
	Revenue	Capital	Revenue	Capital	
2003-04	172.61	23.97	171.34	23.97	31.03.2004
2004-05	70.77	25.51	69.61	25.51	31.03.2005
2005-06	73.82	36.01	73.61	36.01	31.03.2006

### Rush of expenditure

**8.46** Rush of disbursements, particularly in the closing month of the financial year, is to be regarded as a breach of financial regularity and should be avoided. Contrary to this, the expenditure incurred during the month of March in past three years under the major heads as shown in table below ranged from 20 per cent to 100 per cent of the total expenditure.

**Table 8.40: Rush of expenditure**

Year	Major Head	During the year	(Rupees in crore)
			During March (Percentage)
2003-04	2225 – Welfare of SC, ST and OBCs.	54.08	15.83 (29)
	4225 – Capital Outlay on Welfare of SC, ST and OBCs.	17.29	15.42 (89)
2004-05	2225 – Welfare of SC, ST and OBCs.	58.81	21.70 (37)
	2251 – Secretariat-Social Services.	4.33	0.85 (20)
	4225 – Capital Outlay on Welfare of SC, ST and OBCs.	24.75	24.75 (100)
	3601 – Grants-in-aid to State Governments.	974.82	269.29 (28)
2005-06	2225 – Welfare of SC, ST and OBCs.	55.64	28.26 (51)

### Non-utilisation of entire funds or appropriation thereof

**8.47** The entire provision under 23 sub-heads shown in Appendix-VIII-H during 2003-2006 either remained unutilised or was re-appropriated/surrendered. Evidently, provisions were made without adequate pre-budget scrutiny of projects and schemes in violation of the instructions contained in budget circulars issued by the Ministry of Finance each year.

#### Schemes affected by unspent provisions

**8.48** Some of the important schemes affected by unspent provisions are discussed in the succeeding paragraphs.

##### (i) Vocational Training in Tribal Areas

The scheme was introduced in 1992-93 with a view to develop the skills of the tribal youth for a variety of jobs as well as self employment and to improve their socio-economic condition by enhancing their income. Analysis of the budget provision and actual disbursement revealed that increasingly large proportions of the allocations remained unspent during 2003-06 as detailed below:-

**Table 8.41: Vocational Training in Tribal Areas**

*(Rupees in crore)*

Year	Sanctioned Provision	Actual Expenditure	Unspent Provision	Percentage	Reasons given by the Ministry
2003-04	4.00	1.18	2.82	71	The saving was due to the cut imposed by Department of Expenditure at revised estimate stage and non-receipt of complete proposals.
2004-05	4.00	0.57	3.43	86	The saving was due to the non receipt of complete proposals.
2005-06	1.40	0.73	0.67	48	The saving was due to late receipt of the proposals recommended by the State Committee.

Utilisation of only 14 to 52 *per cent* of the targeted outlay of the scheme indicated lax implementation leading to non-achievement of the aims and objectives of this scheme.

##### (ii) Construction of Adivasi Bhavan

An Adivasi Bhavan was to be constructed at New Delhi to give a platform to the tribals for showcasing their tribal and folk art and culture and give them a chance for inter-exposure and to provide a window to tribal culture for non-tribals. It was to house documentation of history, art and culture relating to tribals. The budget provision for this scheme for the year 2004-05 was Rs. 7 crore. Analysis of the budget provision and actual disbursement revealed that entire allocations remained unspent during 2004-06 as detailed below:-

**Table 8.42: Construction of Adivasi Bhavan**

*(Rupees in crore)*

Year	Sanctioned provision	Actual expenditure	Unspent provision	Percentage	Reasons given by the Ministry
2004-05	7.00	--	7.00	100	Entire provision remained unutilised due to non-availability of land for Adivasi Bhavan.
2005-06	0.01	--	0.01	100	

Non-utilisation of the entire provision of the scheme indicated lax implementation leading to non-achievement of the aims and objectives.

**Deficient internal audit system**

**8.49** The internal audit of the Ministry of Tribal Affairs is under the control of Pr. Pay and Accounts Office, Ministry of Human Resources Development. During scrutiny of records relating to internal audit, it was noticed that no internal audit of this Ministry had been conducted since its inception. This is a serious deficiency and needs to be addressed immediately.