

CHAPTER II

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, 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 management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks 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.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2008-09 against 58 Grants and five Appropriations was as given in **Table 2.1**:

**Table 2.1 : Summarised Position of Actual Expenditure *vis-à-vis*
Original/Supplementary provisions**

(Rupees in crore)						
	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I. Revenue	2928.84	119.47	3048.31	2460.85	(-) 587.46
	II. Capital	611.32	92.83	704.15	531.01	(-) 173.14
	III. Loans and Advances	52.41	1.49	53.90	50.21	(-) 3.69
Total Voted		3592.57	213.79	3806.36	3042.07	(-) 764.29
Charged	IV. Revenue	251.63	0.46	252.09	231.24	(-) 20.85
	V. Capital	-	1.01	1.01	-	(-) 1.01
	VI. Public Debt- Repayment	169.52	-	169.52	168.72	(-) 0.80
Total Charged		421.15	1.47	422.62	399.96	(-) 22.66
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		4013.72	215.26	4228.98	3442.03	(-) 786.95

The overall saving of Rs. 786.95 crore was the result of saving of Rs. 894.52 crore in 49 Grants and 10 Appropriations under Revenue Section, 23 Grants and two Appropriations under Capital Section, offset by excess of Rs. 107.57 crore in six Grants under Revenue Section and one Grant and one Appropriation under Capital Section.

The savings/excesses (Detailed Appropriation Accounts) were intimated (August 2009) to the Controlling Officers requesting them to explain the significant variations. Out of 888 sub-heads, explanations for variation were not received in respect of 875 sub-heads (Saving: 711 sub-heads; Excess: 177 sub-heads). Department-wise position involving substantial amount of savings/excess for which reasons were not furnished is given in **Appendix 2.1**.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 34 cases, savings exceeded Rs. 1 crore in each case or by more than 20 *per cent* of total provision (**Appendix 2.2**). Against the total savings of Rs. 894.52 crore, savings of Rs. 453.33 crore (51 *per cent*)¹ occurred in four cases relating to four Grants as indicated in **Table 2.2**.

Table 2.2 : List of Grants with savings of Rs. 50 crore and above

(Rupees in crore)					
Number and name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
I. Revenue-Voted					
11- Other Taxes and Duties on Commodities and Services, etc.	393.01	0.36	393.37	288.33	105.04
21- Miscellaneous General Services, etc.	624.93	2.60	627.53	434.00	193.53
40-North Eastern Areas	90.52	-	90.52	24.93	65.59
Total Revenue-Voted	1108.46	2.96	1111.42	747.26	364.16
II. Capital-Voted					
40-North Eastern Areas	126.25	-	126.25	37.08	89.17
Total Capital-Voted	126.25	-	126.25	37.08	89.17
Grand Total	1234.71	2.96	1237.67	784.34	453.33

Reasons for excessive savings in the above cases had not been furnished (November 2009)

2.3.2 Persistent Savings

In eight cases, during the last five years, there were persistent savings of more than Rs. 50 lakh in each case and also by 20 *per cent* or more of the total provision (**Table 2.3**).

¹ Exceeding Rs. 50 crore in each case.

Table 2.3 : List of Grants indicating Persistent Savings during 2004-09**(Rupees in crore)**

Sl. No.	No. and Name of the grant	Amount of savings				
		2004-05	2005-06	2006-07	2007-08	2008-09
Revenue-Voted						
1.	31-Labour and Employment	3.76 (39)	3.78 (38)	3.31 (32)	6.49 (46)	4.01 (31)
2.	34-Welfare of Scheduled Castes, etc.	14.29 (21)	36.81 (47)	56.68 (51)	82.90 (59)	45.33 (39)
3.	40-North Eastern Areas	19.26 (69)	33.99 (89)	37.11 (84)	43.00 (66)	65.59 (72)
4.	41-Census, Survey & Statistics	1.19 (23)	1.45 (27)	1.17 (21)	1.34 (22)	1.55 (23)
Revenue-Charged						
5.	4-Administration of Justice	1.18 (100)	1.12 (100)	1.20 (100)	1.41 (100)	1.73 (99)
Capital-Voted						
6.	39-Cooperation	4.50 (50)	5.03 (54)	2.35 (32)	4.16 (47)	3.81 (48)
7.	51-Housing, Nutrition, etc.	4.17 (60)	0.56 (56)	0.94 (94)	0.51 (51)	0.98 (79)
8.	56-Roads & Bridges, etc.	5.21 (6)	25.31 (23)	50.97 (33)	129.75 (53)	46.85 (23)

(Figures in the parentheses indicate percentage of saving to total provision)

Three grants, viz. 'North Eastern Areas', 'Welfare of Scheduled Castes, etc.' and 'Roads & Bridges, etc.' posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations.

2.3.3 Excess Expenditure

In six cases, expenditure aggregating Rs. 107.46 crore exceeded the approved provisions by Rs. 1 crore or more in each case or by more than 20 per cent of the total provisions. Details are given in **Appendix 2.3**. Of these, in the following grants/heads (**Table 2.4**), excess expenditure by more than 20 per cent has been observed consistently for the last five years:

Table 2.4 : List of Grants indicating persistent excess expenditure during 2004-09**(Rupees in crore)**

Sl. No.	No. and Name of the grant	Amount of Excess Expenditure				
		2004-05	2005-06	2006-07	2007-08	2008-09
Revenue-Voted						
1.	1-Parliament/State Union Territory Legislature	15.79	22.52	21.56	22.18	11.25
2.	24- Pension and other Retirement benefits	3.43	9.24	22.54	21.32	46.19
Total		19.22	31.76	44.10	43.50	57.44

2.3.4 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of Rs. 192.40 crore was incurred in 51 cases as detailed in **Appendix 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. Significant cases of such expenditure involving expenditure in excess of Rs. 1 crore are given in **Table 2.5**.

Table 2.5 : Expenditure incurred without provision during 2008-09

(Rupees in lakh)	
Expenditure without provision	Grant/Appropriation No. – Major Head of Accounts - Sub-Head - Detailed Head
123.97	21 - Centrally Sponsored Schemes (CSS) - 2202 - 80 - (05) DIET Sixth Schedule (Part II) Areas
117.21	26 - 2210 - 01 - 001 - (01) Health Directorate - Sixth Schedule (Part II) Areas
100.20	26 - 2210 - 03 - 800 - (01) National Vector Borne Diseases Control Programme - General
397.00	40 - 2552 - 80 - 005 - (03) Survey and Investigation of Power Projects - Sixth Schedule (Part II) Areas
1868.24	40 - 2552 - 800 - (01) Transmission - Sixth Schedule (Part II) Areas
208.84	43 - 2401 - 115 - (04) Assistance to Small and Marginal Farmers Sixth Schedule (Part II) Areas
125.37	43 - 2401 - 001 - (01) Directorate of Agriculture - Sixth Schedule (Part II) Areas
536.62	43 - 2702 - 80 - 800 - (10) NABARD Loan for construction of MIP Sixth Schedule (Part II) Areas
490.00	43 - 4702 - 103 - (01) Flow Irrigation Works - Sixth Schedule (Part II) Areas
509.97	50 - 2406 - 01 - 001 - (09) Twelfth Finance Commission (TFC) Award for maintenance of forests - Sixth Schedule (Part II) Areas
538.26	51 - 2505 - 01 - 701 - (03) Indira Awas Yojana - Sixth Schedule (Part II) Areas
6369.29	56 - 3054 - 04 - 800 - (03) Maintenance and Repairs of District Roads Sixth Schedule (Part II) Areas
344.21	Appropriation - 2049 - 01 - 101 - Interest on Market Loans 8.46% Meghalaya Government Stock - 2018 - General
1616.86	Appropriation - 2049 - 04 - 800 - (08) Interest on 20 years Consolidated Loan in terms of the recommendation of the TFC - General
1866.78	Appropriation - 6003 - 109 (iii) - Loans from HUDCO - General
839.84	Appropriation - 6004 - Normal Central Assistance - General
1490.31	Appropriation - 6004 - 101 - (08) 20 years Consolidated Loan in terms of TFC - General

2.3.5 Excess over provisions 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. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to Rs. 818.30 crore for the years from 1971-72 to 2007-08 was yet to be regularised as detailed in **Appendix 2.5**.

2.3.6 Excess over provisions during 2008-09 requiring regularisation

Table 2.6 contains the summary of total excess in seven Grants and one Appropriation amounting to Rs. 107.57 crore over authorisation from the Consolidated Fund during 2008-09 and requires regularisation under Article 205 of the Constitution.

Table 2.6 : Excess over provisions requiring regularization during 2008-09

(Rupees in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
Revenue – Voted				
1.	1-Parliament/State/ Union Territory	21.50	32.75	11.25
2.	4-Administration of Justice	4.80	10.90	6.10
3.	8-State Excise	5.06	5.15	0.09
4.	20-Other Administrative Services <i>etc.</i> , Capital Outlay on Public Works	15.36	16.74	1.38
5.	24-Pension and Other Retirement Benefits	125.57	171.76	46.19
6.	35-Social Security and Welfare	0.36	0.38	0.02
Capital - Voted				
1.	44-Medium Irrigation-II Works under Embankment and Drainage Wing, <i>etc.</i>	3.55	5.39	1.84
Capital – Charged				
1.	Loans and Advances from the Central Government	18.81	59.51	40.70
Total		195.01	302.58	107.57

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating Rs. 55.96 crore obtained in 16 cases (Rs. 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.6**. In two cases, supplementary provision of Rs. 1.51 crore proved insufficient by more than Rs. 1 crore in each leaving an aggregate uncovered excess expenditure of Rs. 17.35 crore (**Table 2.7**).

Table 2.7 : Insufficient Supplementary Provisions

(Rupees in crore)

Number and Name of Grant	Original Provision	Supplementary provision	Total	Expenditure	Excess
1-Parliament/State/Union Territory Legislature, Stationery and Printing, <i>etc.</i>					
Revenue – Voted	20.52	0.98	21.50	32.75	11.25
4-Administration of Justice					
Revenue-Voted	4.27	0.53	4.80	10.90	6.10
	24.79	1.51	26.30	43.65	17.35

2.3.8 Excessive/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. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over Rs 10 lakh in 47 sub-heads (**Appendix 2.7**). The excess/saving was more than Rs. one crore in 14 sub-heads as detailed in **Table 2.8**.

Table 2.8 : Injudicious re-appropriation resulted in savings/excess of over Rs 1 crore

(Rupees in crore)

Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
11	(05) Grants to SE (EAP) - General	2801	(-) 5.40	(-) 76.50
	01-Hydel Generation - 800 Other expenditure (01) Grants-in-aid to the MeSEB - General	2801	(+) 11.93	(+) 76.50
21	(02) Expenditure on Secondary Schools under deficit system for Girls - General	2202	(+) 0.54	(-) 2.37
	(04) Expenditure on non-deficit Secondary Schools for Girls - Sixth Schedule (Part II) Areas	2202	(+) 0.07	(-) 1.08
	107-Scholarships - (17) Central post matric scholarship - General	2202	(-) 0.34	(-) 1.20
	103-Technical Schools - (02) Setting up of IIT/New Technical Institutions in PPP/Public Sector Mode - General	2203	(-) 0.71	(-) 9.29
27	01-Water Supply - 101 Urban Water Supply (01) Each Schemes (Khasi) Sixth Schedule (Part II) Areas	4215	(-) 0.40	(-) 2.25
	(03) (Each Scheme Garo) Sixth Schedule (Part II) Areas	4215	(+) 0.40	(-) 1.25
40	(80) General - 005 Investigation - (03)Survey and Investigation of Power Projects - General	2552	(+) 0.40	(-) 2.10
	800-Other Expenditure - (01) Transmission - General	2552	(-) 1.20	(-) 18.68
	(05) Small Hydro Projects (SHPs) - General	2552	(-) 0.70	(-) 1.87
43	(02) District Offices Sixth Schedule (Part II) Areas	2401	(-) 0.03	(+) 5.32
45	(09) Integrated Wasteland Development Programme Sixth Schedule (Part II) Areas	2402	(-) 0.01	(-) 1.25
51	(10) Sampoorna Grameen Rozgar Yojana Sixth Schedule (Part II) Areas	2505	(-) 0.93	(-) 1.07

2.3.9 Unexplained re-appropriations

According to Paragraph 115 of the Budget Manual (Volume I), read with Form 'K' of re-appropriation statement, reasons for all re-appropriations of Rs.1,000 or more should be given. Scrutiny of re-appropriation orders under various head of accounts, however, revealed that the reasons for re-appropriation were not explained in detail. Reasons given for additional provision/withdrawal of provision in re-appropriation

orders in respect of 60 items (out of test-checked 63 items) were of general nature like “less requirement of funds”, “requirement of more funds”, “less expenditure”, “non-receipt of sanction”, *etc.* In respect of three items, reasons were not stated.

2.3.10 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 138 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision of Rs. 162.94 crore in these 138 schemes, Rs. 132.66 crore were surrendered, which included *cent per cent* surrender in 91 schemes (Rs. 81.37 crore). The details of 11 such cases involving surrender of entire provisions of Rs. 71.87 crore are given in **Appendix 2.8**.

2.3.11 Surrender in excess of actual saving

In two cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of Rs. 2.11 crore, the amount surrendered was Rs. 5.18 crore resulting in excess surrender of Rs. 3.07 crore (**Table 2.9**).

Table 2.9 : Cases of surrender in excess of savings

Number and name of Grant	Total Grant	Saving	(Rupees in crore)	
			Amount surrendered	Amount surrendered in excess
5 – Elections - Revenue - Voted	27.49	0.21	2.18	1.97
46 – Special Programmes for Rural Development - Revenue - Voted	22.77	1.90	3.00	1.10
Total	50.26	2.11	5.18	3.07

2.3.12 Anticipated savings not surrendered

As per Paragraph 152(iii) of the Budget Manual (Volume I), controlling officers are required to surrender to the Finance Department all savings anticipated in the budget under their control as soon as the certainty of non-requirement is known and in any case by the 15th March at the latest. At the close of the year 2008-09, there were, however, 26 grants/appropriations in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was Rs. 543.90 crore (69 *per cent* of the total savings) (**Appendix 2.9**).

Similarly, out of total savings of Rs. 670.38 crore under 24 other grants/appropriations (savings of Rs. 1 crore and above were indicated in each grant/appropriation) amount aggregated Rs. 616.29 crore (92 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.10**. Besides, in 20 cases, (surrender of funds in excess of Rs. 1 crore), Rs. 283.05 crore were (**Appendix 2.11**) surrendered on the last working day of March 2009 indicating inadequate financial control and the fact that these funds could not be utilised for other development purposes.

2.3.13 Rush of expenditure

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. As such, Government expenditure is required to be evenly phased out throughout the year as far as possible. It was, however, noticed that during 2008-09, the expenditure during the fourth quarter and in the month of March compared to the total expenditure during the year ranged between 28 per cent and 77 per cent and 15 per cent and 69 per cent respectively in respect of 10 illustrative major heads of account as indicated in **Table 2.10** below:

Table 2.10 : Cases of Rush of Expenditure towards the end of the financial year 2008-09

(Rupees in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2009	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2015	27.29	17.30	63	15.70	58
2.	2055	171.66	70.06	41	38.59	22
3.	2202	402.97	176.10	44	110.16	27
4.	2210	118.63	36.44	31	20.86	18
5.	2211	12.45	3.50	28	1.81	15
6.	2215	76.89	22.24	29	18.19	24
7.	2235	23.74	10.72	45	7.38	31
8.	2401	82.06	63.52	77	56.99	69
9.	2403	35.37	16.83	48	11.65	33
10.	2515	151.51	66.84	44	37.16	25

As can be seen from the table above, the uniform flow of expenditure during the year, which is a primary requirement of budgetary control, was not maintained, indicating deficient financial management.

2.4 Non-reconciliation of departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

According to the Meghalaya Treasury Rules, 1985, the Controlling Officers are to submit Detailed Countersigned Contingent (DCC) bills against the drawal of Abstract Contingent (AC) bills to the Accountant General (AG) within a month from the date of receipt of such bills in his office. The total amount of DCC bills received during the period 1992-2009 was only Rs. 0.42 crore against the amount of AC bills of Rs. 13.24 crore leading to an outstanding balance of DCC bills of Rs. 12.82 crore as on 31 March 2009. Year-wise details are given in **Table 2.11**.

Table 2.11 : Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(Rupees in lakh)

Year	Amount of AC Bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding AC bills
1992	2.13	Nil	Nil	2.13
1994	6.28	Nil	Nil	6.28
1997	0.04	Nil	Nil	0.04
2000	7.24	Nil	Nil	7.24
2001	0.65	Nil	Nil	0.65
2004	0.40	Nil	Nil	0.40
2005	24.42	Nil	Nil	24.42
2006	127.39	1.49	1	125.90
2007	310.57	21.91	7	288.66
2008	837.30	16.45	2	820.85
2009	7.58	1.70	22	5.88
	1324.00	41.55	3	1282.45

Department-wise pending DCC bills for the years up to 2008-09 is detailed in **Appendix 2.12**.

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of controlling officers in this regard continued to persist during 2008-09 also. 27 controlling officers did not reconcile expenditure amounting to Rs. 1646.10 crore as of March 2009 (**Appendix 2.13**). Of these, amounts exceeding Rs. 10 crore in each case remained un-reconciled during 2008-09 in respect of 15 controlling officers as given in **Table 2.12**.

Table 2.12 : Amounts exceeding Rs. 10 crore in each case remained un-reconciled

(Rupees in crore)

Sl. No.	Controlling Officers	Number of Head of Accounts involved	Amount not reconciled
1.	Directorate of Industries	2851	16.34
		4854	10.00
2.	Directorate of Animal Husbandry and Veterinary	2403	35.37
3.	Director of Health Services (MI)	2210	113.96
4.	Director of Higher & Technical Education	2202	402.57
		2204	18.33
5.	Election Department	2015	27.29
6.	Director General of Police	2055	170.26
7.	Secretary, Legislative Assembly	2011	31.78
8.	Directorate of Housing	2216	24.86
9.	Secretary, Law Department	2014	10.25
10.	Secretary, District Administration	2053	11.60

Sl. No.	Controlling Officers	Number of Head of Accounts involved	Amount not reconciled
11.	Chief Engineer, PWD (Building) (works portion)	2059	13.00
		4059	44.46
12.	Chief Engineer, PWD(Roads)	2059	64.82
		3054	74.64
		5054	156.36
		4552	37.03
13.	Chief Engineer, PHE	2215	67.57
14.	Chief Engineer, Irrigation	2702	24.35
		4210	18.88
15.	Director of Accounts & Treasuries	2071	168.64
Total			1586.82

2.5 Outcome of review of selected Grant

A review on budgetary procedure and control over expenditure was conducted (October 2009) in respect of “Grant No. 21-Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, Other Scientific Research, Census, Surveys and Statistics, Capital Outlay on Education, Loans for Education, Sports, Art and Culture” in which significant savings were noticed during 2008-09. Important points noticed during review are detailed below:

Against a budget provision of Rs. 627.53 crore (including supplementary provision of Rs. 2.60 crore) under the revenue head, the actual expenditure was Rs. 434 crore resulting in savings of Rs. 193.53 crore constituting 31 *per cent* of the total provision. In view of the final savings of Rs. 193.53 crore, the supplementary provision of Rs. 2.60 crore obtained under the grant was unnecessary.

Under capital account, no expenditure was incurred during the year resulting in savings of the entire provision of Rs. 0.19 crore.

Savings: Savings in the grant occurred mainly under the Centrally Sponsored Schemes (CSS). Against total provision of Rs. 151.37 crore for implementation of 29 CSS, Rs. 30.46 crore only was spent during the year resulting in savings of Rs. 120.91 crore which constituted 80 *per cent* of the provisions. In 23 cases (**Table 2.13**), the controlling officers could not utilise any part of the provisions made in the budget, indicating that the budget provisions were unrealistic.

Table 2.13 : Cases where no part of budget provision was utilised

(Rupees in lakh)		
Name of the Schemes	Original provision	Savings
Assistance to non-Government Primary Schools - Sarva Shiksha Abhiyan	2000.00	2000.00
Pre-matric Scholarship for Minorities	25.00	25.00
Government Secondary Schools - Edusat Network	24.00	24.00
Assistance to non-Government Secondary Schools for Girls' Hostels	50.00	50.00
Assistance to non-Government Secondary Schools for Boys' Hostels for SC/ST	50.00	50.00
Assistance to non-Government Secondary Schools for Research and Training	250.00	250.00
Assistance to non-Government Secondary Schools for implementation of programme of vocationalisation of secondary education	150.00	150.00
Assistance to non-Government Secondary Schools for Edusat Network	20.00	20.00
Assistance to non-Government Secondary Schools for promotion of Hindi	50.00	50.00
Assistance to non-Government Colleges and Institutes for promotion of Hindi	50.00	50.00
Assistance to Non-Government Colleges and Institutes for teachers education	100.00	100.00
Assistance to non-Government Colleges and Institutes for Edusat Network	35.00	35.00
Assistance to Non-Government Colleges and Institutes for construction of Girls/Boys hostel for Scheduled Tribes	200.00	200.00
Training-Other Programme	200.00	200.00
Polytechnics-Edusat Network	20.00	20.00
Setting up of State Liason Cell for NSS	18.00	18.00
District Library at Tura	180.00	180.00
District Library at Nongstoin	180.00	180.00
District Library at Jowai	180.00	180.00
District Library at Baghmara	180.00	180.00
District Library at Nongpoh	180.00	180.00
District Library at Sohra	180.00	180.00
Promotion and strengthening of regional and local museums	217.80	217.80

As per Paragraph 152(iii) of the Budget Manual (Volume I), the controlling officers should surrender to the Finance Department all savings anticipated in the budget under their control as soon as the certainty of non-requirement is known by 15th of March of the latest for utilisation by the Finance Department for other purposes. No provision of the savings of Rs. 193.53 crore under the revenue heads as well as of Rs. 0.19 crore under capital head was surrendered during the year for fruitful utilisation of the funds.

Excess over provisions: Under 13 schemes, expenditure of Rs. 52.61 crore exceeded the budget provisions by Rs. 75.54 crore, reasons for which had not been furnished.

Significant cases of excess expenditure exceeding 100 per cent of budget provisions are given in **Table 2.14**.

Table 2.14 : Significant cases of excess expenditure exceeding 100 per cent of budget provisions

(Rupees in crore)			
Major Head and Name of the Schemes	Total provision	Actual expenditure	Excess (Percentage)
2202 – General Education - (01) – Elementary Education - 102 – Assistance to non-Government Primary Schools - (01) – Expenditure on maintenance of Primary Schools under deficit system – General	9.54	20.41	10.87 (114)
2202 – General Education - (03) – University and Higher Education - 104 – Assistance to non-Government Colleges and Institutions - (01) – Expenditure on Colleges under social system Sixth Schedule (Part II) Areas	3.74	11.36	7.62 (204)
2202 – General Education - (80) General - 003 – Training - (21) – Basic Training Centres - Sixth Schedule (Part II) Areas	1.23	3.71	2.48 (202)
2203 – Technical Education - 001 – Direction and Administration - (01) – Headquarters and Staff - General	0.31	0.83	0.52 (168)
2204 – Sports and Youth Services-104 –Sports and Games-(15) –Assistance for procurement of sports materials to various sports clubs/organisations Sixth schedule (Part II) Areas	0.26	1.71	1.45 (558)
	15.08	38.02	22.94

Expenditure without provision: As envisaged in Paragraph 95 of Budget Manual (Volume I), no expenditure under a head (minor or sub-head) against which, no provision exists can be incurred prior to provision of funds by re-appropriation sanctioned by a competent authority. It was, however, noticed that expenditure of Rs. 2.14 crore was incurred in the following cases without provisions being made in the original or supplementary demands and by re-appropriation:

Table 2.15 : Expenditure without provision

(Rupees in lakh)	
Head of accounts	Expenditure
CSS - 2202 – General Education (CSS) - (80) – General - 003 – Training - (05) – DIET – Sixth Schedule (Part II) Areas	123.97
2204 – Sports and Youth Services - 001 – Direction and Administration - (01) – Directorate of Sports – Sixth Schedule (Part II) Areas.	19.45
2202 – General Education - (01) – Elementary Education - 102 – Assistance to Non-Government Primary Schools - (07) – Mid-day meal Incentive to students – General	70.14
	213.56

Re-appropriation: Re-appropriation is a transfer of funds within a Grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. In nine cases, re-appropriation of funds were made injudiciously resulting in final excess/savings by more than Rs. 10 lakh in each case (Serial 6 of **Appendix 2.7**). Of these, in two cases additional funds of Rs. 60.82 lakh provided by

re-appropriation proved unnecessary in view of final savings of Rs. 3.45 crore (Table 2.16).

Table 2.16 : Unnecessary re-appropriation

(Rupees in lakh)

Head of accounts	Original provision	Re-appropriation	Final Grant	Actual expenditure	Savings
2202-(02)-110-Assistance to Non-Government Secondary Schools - (02) Expenditure on Secondary Schools under deficit system for girls-General	1658.00	(+) 53.69	1711.69	1474.60	(-) 237.09
2202-(02)-110-Assistance to Non-Government Secondary Schools-(04) Expenditure on non-deficit Secondary Schools for Girls-Sixth Schedule (Part II) Areas.	730.00	(+) 7.13	737.13	629.62	(-) 107.51
Total	2388.00	(+) 60.82	2448.82	2104.22	(-) 344.60

The above instances depict the inadequate and ineffective budgetary and expenditure control mechanism in the Department/State Government.

2.6 Conclusion

During 2008-09, there was an overall saving of Rs. 786.95 crore, which was the result of saving of Rs. 894.52 crore offset by excess of Rs. 107.57 crore. The excess of Rs. 107.57 crore requires regularisation under Article 205 of the Constitution of India. Three grants, viz. 'North Eastern Areas', 'Welfare of Scheduled Castes, etc.' and 'Roads & Bridges, etc.' posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last day of the year leaving no scope for utilising these funds for other development purposes. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/surrender orders should be avoided.