

CHAPTER II

Financial Management and Budgetary Control

2.1 Introduction

This chapter outlines the Meghalaya Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Audit of appropriations 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.

2.1.1 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 is thus a control document facilitating management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2009-10 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	3317.33	234.34	3551.67	2937.59	(-) 614.08
	II. Capital	811.92	42.13	854.05	481.29	(-) 372.76
	III. Loans and Advances	39.09	...	39.09	26.65	(-) 12.44
Total Voted		4168.34	276.47	4444.81	3445.53	(-) 999.28
Charged	IV. Revenue	270.93	0.20	271.13	254.60	(-) 16.53
	V. Capital
	VI. Public Debt- Repayment	183.34	0.29	183.63	143.03	(-) 40.60
Total Charged		454.27	0.49	454.76	397.63	(-) 57.13
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		4622.61	276.96	4899.57	3843.16	(-) 1056.41

The overall saving of ₹ 1,056.41 crore was the result of saving of ₹ 1,106.12 crore in 47 Grants and 10 Appropriations under Revenue Section, 24 Grants and one Appropriations under Capital Section, offset by excess of ₹ 49.71 crore in eight Grants under Revenue Section and one Grant under Capital Section.

The savings/excesses (Detailed Appropriation Accounts) were intimated (September 2010) to the Controlling Officers requesting them to explain the significant variations. Out of 881 sub-heads, explanations for variation were not received in respect of 874 sub-heads (Saving: 636 sub-heads; Excess: 245 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 55 cases, savings exceeded ₹ 1 crore in each case or by more than 20 per cent of total provision (**Appendix 2.2**). Against the total savings of ₹ 1106.12 crore, savings of ₹ 689.87 crore (62 per cent)¹ occurred in eight cases relating to eight Grants as indicated in **Table 2.2**.

Table 2.2 : List of Grants with savings of ₹ 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.	274.20	5.97	280.17	124.65	155.52
21- Miscellaneous General Services, etc.	651.06	15.57	666.63	564.22	102.41
34- Welfare of Scheduled Castes/Scheduled Tribes, etc.	179.98	5.75	185.73	112.67	73.06
43- Housing, Crop Husbandry, Agricultural, Research and Education, etc.	215.13	0.89	216.02	154.67	61.35
51- Housing-Crop Husbandry, Special Programmes for Rural Development, etc.	181.04	17.08	198.12	145.57	52.55
Total Revenue-Voted	1501.41	45.26	1546.67	1101.78	444.89
II. Capital-Voted					
27- Water Supply and Sanitation, Housing, etc.	189.89	-	189.89	98.64	91.25
29- Urban Development, Capital outlay on Housing, etc.	103.29	-	103.29	14.07	89.22
56- Roads and Bridges Capital Outlay on Roads and Bridges	227.32	-	227.32	162.81	64.51
Total Capital-Voted	520.50	-	520.50	275.52	244.98
Grand Total	2021.91	45.26	2067.17	1377.30	689.87

Reasons for excessive savings in the above cases had not been furnished (October 2010).

¹ Exceeding Rs. 50 crore in each case.

2.3.2 Persistent Savings

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

Table 2.3 : List of Grants indicating Persistent Savings during 2005-10

(Rupees in crore)						
Sl. No.	No. and Name of the grant	Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue-Voted						
1.	31-Labour and Employment	3.78 (38)	3.31 (32)	6.49 (46)	4.01 (31)	3.36 (22)
2.	34-Welfare of Scheduled Castes, <i>etc.</i>	36.81 (47)	56.68 (51)	82.90 (59)	45.33 (39)	73.06 (39)
3.	40-North Eastern Areas	33.99 (89)	37.11 (84)	43.00 (66)	65.59 (72)	14.96 (39)
Revenue-Charged						
4.	4-Administration of Justice	1.12 (100)	1.20 (100)	1.41 (100)	1.73 (99)	2.65 (100)
Capital-Voted						
5.	39-Cooperation	5.03 (54)	2.35 (32)	4.16 (47)	3.81 (48)	4.08 (53)
6.	56-Roads & Bridges, <i>etc.</i>	25.31 (23)	50.97 (33)	129.75 (53)	46.85 (23)	64.51 (28)

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

Three grants, viz. 'North Eastern Areas', 'Welfare of Scheduled Castes, etc.' and 'Cooperation 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 ₹ 49.05 crore exceeded the approved provisions by ₹ 1 crore or more in each case or by more than 20 per cent of the total provisions during the current year. Details are given in Appendix 2.3. Of these, in the following grants/heads (Table 2.4), excess expenditure by more than ₹ 1 crore or 20 per cent of the budget provision has been observed consistently for the last five years:

Table 2.4 : List of Grants indicating persistent excess expenditure during 2005-10

(Rupees in crore)						
Sl. No.	No. and Name of the grant	Amount of Excess Expenditure				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue-Voted						
1.	1-Parliament/State Union Territory Legislature	22.52	21.56	22.18	11.25	2.19
2.	24- Pension and other Retirement benefits	9.24	22.54	21.32	46.19	31.89
	Total	31.76	44.10	43.50	57.44	34.08

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 ₹ 65.75 crore was incurred in 27 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 ₹ 1 crore are given in **Table 2.5**.

Table 2.5 : Expenditure incurred without provision during 2009-10

(Rupees in lakh)	
Grant/Appropriation No. – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
10-5055-190-(01) Capital contribution to Meghalaya Transport Corporation – General	300.00
11-2801-01-800-(01) Grants in aid to the MeSEB – General	1000.00
27 – 4215 –01 – 102 – (02)Rural Water Supply Maintenance – Sixth Schedule (Part II) Areas	484.93
43-2401-800-(15) Special Plan Assistance – General	1195.91
51-2515-800-(01) Multi Sectoral Development Programme - Sixth Schedule (Part II) Areas	1078.84
52-2852-80-001-(13) Voluntary Retirement Schemes of sick limits – General	112.20
56-5054-04-800-(04) Road Financed from Central Road Fund - Sixth Schedule (Part II) Areas	1407.24

2.3.5 Drawal of funds to avoid lapse of budget grant

As per provisions of Meghalaya Treasury Rules (Rule 211), no money shall be drawn from the Treasury unless it is required for immediate disbursement. In respect of the cases mentioned in **Appendix 2.5**, an amount of ₹ 272.16 crore were drawn at the fag end of the year and deposited into the head of Account 8443- Civil Deposit to avoid lapse of budget grant.

2.3.6 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 ₹ 925.87 crore for the years from 1971-72 to 2008-09 was yet to be regularised as detailed in **Appendix 2.6**.

2.3.7 Excess over provisions during 2009-10 requiring regularisation

Table 2.6 contains the summary of total excess in Eight Grants amounting to ₹ 49.71 crore over authorisation from the Consolidated Fund during 2009-10 and requires regularisation under Article 205 of the Constitution.

Table 2.6 : Excess over provisions requiring regularization during 2009-10

(Rupees in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
Revenue – Voted				
1.	1-Parliament/State/ Union Territory	30.26	32.45	2.19
2.	2-Governor, Capital Outlay on Housing	0.03	0.11	0.08
3.	20-Other Administrative Services etc., Capital Outlay on Public Works	22.96	24.80	1.84
4.	23-Other Administrative Services	2.19	2.57	0.38
5.	24-Pension and Other Retirement Benefits	176.00	207.89	31.89
6.	26-Medical & Public Health, Family Welfare, Capital Outlay on Medical & Public Health	196.13	208.88	12.75
7.	35-Social Security and Welfare	0.65	0.65	¹
8.	52 – Industries	5.39	5.67	0.28
Capital - Voted				
1.	1-Parliament/State/ Union Territory	0.48	0.78	0.30
Total		433.44	483.15	49.71

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 84.60 crore obtained in 19 cases (₹ 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 2.7**. In two cases, supplementary provision of ₹ 8.45 crore proved insufficient by more than ₹ 1 crore in each leaving an aggregate uncovered excess expenditure of ₹ 14.94 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, etc. Revenue – Voted	23.81	6.45	30.26	32.45	2.19
26- Medical and Public Health, Family Welfare, Capital outlay on Medical and Public Health, Capital outlay on Family Welfare.	194.13	2.00	196.13	208.88	12.75
	217.94	8.45	226.39	241.33	14.94

2.3.9 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 ₹ 10 lakh in 60 sub-heads (**Appendix 2.8**). The excess/saving was more than ₹ one crore in 23 sub-heads as detailed in **Table 2.8**.

¹ ₹ 79,000/- only.

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

(Rupees in crore)

Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
4	102-High Courts- (02)- High Court/Bench Office – General	2014	(+)0.06	(-)1.87
11	800- Other Loans to Electricity Boards (01)- Loans to State Electricity Board for Externally Aided Project – General	6801	(-)0.18	(-)1.85
	800- Other Loans to Electricity Boards (01) Loans to State Electricity Board (For Externally Aided Project) – Sixth Schedule (Part II) Areas	6801	(+)0.09	(+)1.95
13	090 – Secretariat (02) Secretariat Administration Department (including other Minor Department not shown separately) – General.	2052	(+)0.49	(-)2.01
16	001- Direction and Administration-(01) Inspector General of Polices Office – General	2055	(+)0.49	(+)1.62
	101- Criminal Investigation and Vigilance – (01) State CID Organisation – General.	2055	(+)0.02	(-)2.20
	101- Criminal Investigation and vigilance (02) State Special Branch – General.	2055	(-)0.14	(-)4.21
	104 – Special Police – (04) 2 nd Meghalaya Police Battalion – General	2055	(+)1.12	(+)12.31
	104 – Special Police – (05) Raising of 3 rd MLP Battalion/IRB – General	2055	(+)0.12	(+)1.96
	104 – Special Police – (06) Raising of 4 th MLP Battalion/2 nd IR Battalion – General	2055	(-)0.04	(-)7.59
	104 – Special Police – (11) Raising of 5 th MLP Battalion/3 rd JRBN – General	2055	(-)1.59	(-)10.66
	115 – Modernisation of Police Force (04) Expenditure on Modernisation of District Police – Sixth Schedule (Part-II) Areas.	2055	(+)0.58	(-)1.84
108 – Fire protection and control (02) protection and Control (Fire services station) – Sixth Schedule (Part-II) Areas.	2070	(+)0.08	(-)6.59	
21	02- Secondary Education 109- Government Secondary Schools (01) Secondary Schools for boys, Sixth Schedule.	2202	(-)0.88	(+)2.01
40	07-80 General-005 Investigation (03) Survey and Investigation of Power projects- General	2552	(-)0.40	(-)1.75
	07-80 General-800 Other Expenditure (01) Transmission – General	2552	(-)99.10	(-)13.46
	07-80 General-800 Other Expenditure (01) Transmission – Sixth schedule (Part-II) Areas	2552	(+)1.26	(+)14.42
	07-80 General-(05) Small Hydro Projects (SHPs) General	2552	(-)0.17	(-)1.93
43	119- Horticulture & Vegetable Crops (15) Vegetable Development Scheme – General	2401	(-)4.68	(-)5.49
46	800- Other expenditure (01) Acquisition of land General	2401	(+)1.38	(-)11.78
	01-Integrated Rural Development Programmes 800-other expenditure (05) Border Areas Programmes under Public Works Department – General	2501	(-)0.21	(-)2.72
50	01- Forestry-102 Social and Farm Forestry (04) Social Forestry – Sixth schedule (Part-II) Areas	2406	(+)0.24	(-)1.52
	CSS-01-Forestry-800 Other Expenditure (04) Intensification of Forest Management Scheme – Sixth schedule (Part-II) Areas	2406	(-)1.05	(-)2.87

2.3.10 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 ₹ 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 65 items (out of test-checked 70 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.

2.3.11 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 148 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision of ₹ 220.46 crore in these 148 schemes, ₹ 205.60 crore were surrendered, which included cent *per cent* surrender in 85 schemes (₹ 184.86 crore). The details of 18 such cases involving surrender of entire provisions of ₹ 140.97 crore are given in **Appendix 2.9**.

2.3.12 Surrender in excess of actual saving

In 17 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 97.35 crore, the amount surrendered was ₹ 102.39 crore resulting in excess surrender of ₹ 5.04 crore (**Appendix 2.10**). Some significant cases are shown in (**Table 2.9**).

Table 2.9 : Cases of surrender in excess of savings

(Rupees in crore)

Number and name of Grant	Total Grant	Saving	Amount surrendered	Amount surrendered in excess
5 – Elections	16.29	9.02	10.11	1.09
14 – District Administration	18.04	0.97	1.80	0.83
18-Stationery & Printing Capital Outlay on Stationery & Printing Capital Outlay on Housing	16.54	1.25	1.84	0.59
28 – Housing Capital Outlay on Housing, Loans for Housing				
Revenue – Voted	15.98	5.38	5.92	0.54
Capital – Voted	0.95	0.16	0.22	0.06
38-Secretariat Economic Services	41.16	21.33	21.83	0.50
Total	108.96	38.11	41.72	3.61

2.3.13 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 2009-10, there were, however, 27 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 ₹ 218.06 crore (21 *per cent* of the total savings) (**Appendix 2.11**).

Similarly, out of total savings of ₹ 832.06 crore under 35 other grants/ appropriations (savings of ₹ 1 crore and above were indicated in each grant/ appropriation) amount aggregated ₹ 440.16 crore (50 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.12**. Besides, in 35 cases, (surrender of funds in

excess of ₹ 1 crore), ₹ 681.22 crore were (**Appendix 2.13**) surrendered on the last working day of March 2010 indicating inadequate financial control and the fact that these funds could not be utilised for other development purposes.

2.3.14 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 2009-10, the expenditure during the fourth quarter and in the month of March compared to the total expenditure during the year ranged between 24 per cent and 77 per cent and 16 per cent and 59 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 2009-10
(Rupees in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2010	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2015	7.27	2.67	37	2.12	29
2.	2055	260.96	74.48	29	49.26	19
3.	2202	527.20	202.43	38	159.11	30
4.	2210	186.50	71.39	38	50.08	27
5.	2211	22.38	6.37	28	3.48	16
6.	2215	103.56	24.76	24	18.21	18
7.	2235	35.75	13.50	38	9.57	27
8.	2401	121.64	93.25	77	71.48	59
9.	2403	43.15	13.03	30	7.70	18
10.	2515	119.85	55.14	46	47.20	39

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. As per Finance Accounts for the year 2009-10 (Volume I), the total amount of DCC bills received during the period 2003-10 was only ₹ 22.40 crore against the amount of AC bills of ₹ 31.55 crore leading to an outstanding balance of DCC bills of ₹ 9.15 crore as on 31 March 2010. 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 crore)

Year	Amount of AC Bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding AC bills
Up to 2003-04	1.49	1.48	99.30	0.01
2004-05	2.73	2.41	88.29	0.32
2005-06	3.36	3.00	89.29	0.36
2006-07	4.12	3.76	91.26	0.36
2007-08	12.77	10.85	85.04	1.92
2008-09	6.79	0.76	11.19	6.03
2009-10	0.29	0.14	48.28	0.15
Total	31.55	22.40	71.00	9.15

Department-wise pending DCC bills for the years up to 2009-10 is detailed in **Appendix 2.14**.

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 2009-10 also. 22 controlling officers did not reconcile expenditure amounting to ₹ 1488.64 crore as of March 2010 (**Appendix 2.15**). Of these, amounts exceeding ₹ 10 crore in each case remained un-reconciled during 2009-10 in respect of 15 controlling officers as given in **Table 2.12**.

Table 2.12 : Amounts exceeding ₹ 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.	Registrar of Co-operative Societies	2425	10.93
2.	Directorate of Sports and Youth Affairs	2205	20.96
3.	Directorate of Employment	2230	11.96
4.	Directorate of Community & Rural Development	2501	22.80
5.	Directorate of Industries	2851	19.45
6.	Directorate of Animal Husbandry and Veterinary	2403	43.15
7.	Director of Higher & Technical Education	2202	527.20
8.	Director General of Police	2055	260.96
9.	Secretary, Legislative Assembly	2011	33.78
10.	Director of Printing & Stationery	2058	13.23
11.	Director of Accounts & Treasuries	2071	207.89
12.	Director of Land Records & Survey	2248	12.73
13.	Director of Social Welfare	2236	59.90
		2225	18.87
14.	Director of Agriculture	2401	120.38
15.	Secretary GAD (Accounts)	2052	42.28
Total			1426.47

2.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. As of March 2010, there were 13 PD Accounts in three District Treasuries, viz. East Khasi Hills, West Garo Hills and Jaintia Hills. None of these accounts was closed as of March 2010 and the balance of ₹ 89.06 lakh available in these Accounts was not transferred to the respective heads. Out of 13 accounts, two accounts were not in operation for last 10 years, two accounts for five years and one account for two years. The amount involved in these six inoperative accounts was ₹ 2.03 lakh.

2.6 Budget Speech

In its Budget Speech the Government of Meghalaya made commitment that steps would be taken to implement Online Treasury NET application in all the Treasuries and Sub-Treasuries of the State during 2009-10 which could not be fulfilled and the target was extended to the end of 2010-11.

2.7 Outcome of review of selected Grant

A review on budgetary procedure and control over expenditure was conducted (October 2010) in respect of “Grant No. 26-Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, Capital Outlay on Family Welfare” significant cases of savings and excess expenditure over budget provision noticed during review are detailed below:

Against a budget provision of ₹ 196.13 crore (including supplementary provision of ₹ 2 crore) under the revenue head, the actual expenditure incurred was ₹ 208.88 crore resulting in excess expenditure of ₹ 12.75 crore. In view of the final excess of ₹ 12.75 crore, the supplementary provision of ₹ 2 crore obtained during the year was inadequate. Also, in view of excess expenditure of ₹ 12.75 crore, surrender of ₹ 0.26 crore in March 2010 proved injudicious.

Under capital account, the actual expenditure was ₹ 21.60 crore against budget provision of ₹ 23.37 crore resulting in saving of ₹ 1.77 crore. Of this, ₹ 12,000 only was surrendered on 31 March 2010, contrary to the provision of the Budget Manual (Paragraph 152-iii) which provides for surrender of all anticipated savings to the Finance Department latest by 15th March so that the same could be utilised the same for other purposes.

Savings: 100 per cent savings were occurred under 38 schemes including 17 Centrally Sponsored Schemes, major cases of which are shown in **Table 2.13**. The controlling officer could not utilize 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
Payment due to MeSEB/Municipal Board	33.50	33.50
Establishment of Psychiatric Clinic	27.80	27.80
Non-Lapsable Central Pool Resources	400.00	400.00
Assistance to National Rural Health Mission	1500.00	1500.00
Setting up of an Ayurvedic wing attached to Civil Hospital, Shillong	11.00	11.00
Setting up of Homeopathic wing at Civil Hospital, West Khasi Districts, Nongstoin	17.00	17.00
Setting up of Homeopathic wing at Civil Hospital, West Khasi Districts Nongstoin	17.00	17.00
Setting up of Homeopathic wing at Civil Hospital, Ri-bhoi Districts, Nongpoh	32.00	32.00
Setting up of Homeopathic wing at Civil Hospital, Jowai	17.00	17.00
Setting up of Homeopathic wing at Civil Hospital, Tura	18.00	18.00
Setting up of Homeopathic wing at Civil Hospital, South Garo Hills, Baghmara	21.00	21.00
Setting up of Homeopathic wing at Civil Hospital, South Garo Hills, Williamnagar	13.00	13.00
Construction of Meghalaya Institute of Mental Health and Neurological Science	40.00	40.00
Upgradation of State T.B. Office to State T.B. Cum Demonstration and Training Centre, Shillong	41.00	41.00
Establishment of Blood cell component separation unit in Blood Bank attached to the Pasteur Institute, Shillong – General Plan	24.88	24.88
Building	45.00	45.00
Renovation and improvement of Pasteur Institute	35.00	35.00
Visual Impairment and Blindness Control Programme	27.00	27.00
Conventional, contraceptives	50.00	50.00
Civil works of RCH schemes	50.00	50.00
Total	2420.18	2420.18

Excess over provisions: Under 34 schemes, expenditure of ₹ 169.41 crore exceeded the budget provisions by ₹ 54.56 crore, reasons for which had not been furnished. Some significant cases of excess expenditure over 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)
2210-Medical and Public Health 01-Urban Health Services-Allopathy 001-Direction and Administration (05) Establishment of Acquired Immune Deficiency Syndrome Sixth Schedule (Part II) Areas	0.03	0.12	0.09 (300)
2210- Medical & Public Health 01- Urban Health Services – Allopathy 104- Medical Stores Depot (02)- Establishment of Central Medical Store General.	4.62	13.39	8.77 (190)
2210- Medical & Public Health 01- Urban Health Services – Allopathy 110- Hospitals & Dispensaries (07)- Establishment of T.B. Centre and isolation beds General	0.21	0.60	0.39 (186)

Major Head and Name of the Schemes	Total provision	Actual expenditure	Excess (Percentage)
2210- Medical & Public Health 02- Urban Health Services – Other systems of Medicine 102- Homeopathy Homeopathic/Hospital Sixth Schedule (Part-II) Areas	0.11	0.22	0.11 (100)
2210- Medical & Public Health 03- Rural Health Services – Allopathy 110- Hospitals and Dispensaries (01) Other existing and new Dispensaries with or without indoor facilities Sixth Schedule (Part-II) Areas	6.12	14.49	8.37 (137)
2210- Medical & Public Health 05- Medical Education, Training and research 105- Allopathy (02)- Education General	0.30	0.61	0.31 (103)
2210- Medical & Public Health 06- Public Health 101- Prevention and Control of Diseases (09)- State Leprosy Officer's Establishment Sixth Schedule (Part-II) Areas	0.02	0.14	0.12 (600)
2211- Family Welfare 001- Direction and Administration (01)- State Family Welfare Bureau General	0.31	0.72	0.41 (132)
	11.72	30.29	18.57

Expenditure without Budget 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 in 23 cases, expenditure of ₹ 6.24 crore was incurred without provisions being made in the original or supplementary demands and by re-appropriation. Significant cases involving expenditure in excess of ₹ 10 lakh are indicated below:

Table 2.15 : Expenditure without provision

Head of accounts	Expenditure
2210- Medical & Public Health - 01-Urban Health Services-Allopathy 001-Direction and Administration (01)-Health Directorate -Sixth Schedule (Part-II) Areas.	48.39
2210- Medical & Public Health - 01-Urban Health Services-Allopathy 110- Hospitals and Dispensaries (10)-Establishment of Psychiatric Clinic -Sixth Schedule (Part-II) Areas	10.64
2210- Medical & Public Health - 06- Public Health 101- Prevention and Control of Diseases (08)- National Vector Borne Disease Control (Rural) – General	93.35
2210- Medical & Public Health - 001- Centrally Sponsored Schemes (CSS) 03- Rural Health Services – Allopathy 110- Hospitals and Dispensaries (02)- Establishment TB Centres and isolation beds – Sixth Schedule (Part-II) Areas	21.11
2210- Medical & Public Health - 001- Centrally Sponsored Schemes (CSS) 06- Public Health 101- Prevention & Control of Diseases (01)- National Malaria Eradication Programme – Sixth Schedule (Part-II) Areas	36.47
4210-Capital Outlay on Medical and Public Health - 04-Public Health 106-Other Expenditure (05)-Manufacture of Social/ Vaccine (03)- Renovation and Improvement of Pasteur Institute - Sixth Schedule (Part-II) Areas	60.48
2211- Family Welfare - 001- Direction and Administration (02)- District Family Welfare Bureau – General	72.42

Head of accounts	Expenditure
2211- Family Welfare - 001- Direction and Administration (02)- District Family Welfare Bureau – Sixth Schedule (Part-II) Areas.	78.87
2211- Family Welfare - 101- Rural Family Welfare Services (02)- Rural family Welfare Sub-Centres – General	67.86
2211- Family Welfare - 101- Rural Family Welfare Services (02)- Rural family Welfare Sub-Centres – Sixth Schedule (Part-II) Areas	94.33
	583.92

2.8 Conclusion

During 2009-10, there was an overall saving of ₹1056.41 crore, which was the result of saving of ₹1106.12 crore offset by excess of ₹49.71 crore. The excess of ₹49.71 crore requires regularisation under Article 205 of the Constitution of India. Three grants, viz. 'North Eastern Areas', 'Welfare of Scheduled Castes, etc.' and Co-operation, 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.