

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 estimate, 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. The Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provision and are therefore complementary to Finance Accounts.

2.1.2 Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether 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 provision 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 2009-10 against 56 grants/appropriations was as given in **Table 2.1**:

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

<i>(Rupees in crore)</i>						
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	I. Revenue	4036.00	404.59	4440.59	4003.01	(-) 437.58
	II. Capital	1623.80	743.83	2367.63	1340.89	(-) 1026.74
	III. Loans and Advances	24.00	-	24.00	17.56	(-) 6.44
	Total Voted	5683.80	1148.42	6832.22	5361.46	(-) 1470.76
Charged	IV. Revenue	400.86	76.59	477.45	419.45	(-) 58.00
	V. Capital	-	-	-	-	-
	VI. Public Debt-Repayment	195.50	3.06	198.56	193.94	(-) 4.62
	Total Charged	596.36	79.65	676.01	613.39	(-) 62.62
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		6280.16	1228.07	7508.23	5974.85*	(-) 1533.38

*These are gross expenditure including actual recoveries in 5 grants (13, 15, 27, 31 and 51) amounting to ₹217.36 crore (Revenue: ₹208.68 crore and Capital: ₹8.68 crore).

The overall saving of ₹1533.38 crore was the result of saving of ₹ 1,595.55 crore in 52 grants and 10 appropriations under Revenue Section, 36 grants and five appropriations under Capital Section, offset by excess of ₹ 62.17 crore in seven grants and one appropriation under Revenue Section and four grants and one appropriation under Capital Section.

Substantial savings occurred mainly in Tribal Welfare (₹ 362.41 crore), Welfare of Scheduled Castes (₹ 232.83 crore), Finance (₹ 266.21 crore), Planning and Co-ordination (₹ 101.67 crore), Education (School) (₹ 71.51 crore), Agriculture (₹ 39.72 crore), Education (Social) (₹ 34.75 crore) and Education (Higher) (₹ 34.71 crore) Departments.

Excess expenditure occurred mainly in Power (₹ 28.87 crore), Panchayati Raj (₹ 13.55 crore), Industries and Commerce (₹ 9.33 crore) and Public Works (Water Resources) (₹ 2.44 crore) Departments.

Reasons for huge savings/ excess had not been intimated by the departments concerned.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that there was overall savings of ₹ 1,533.38 in 52 grants and 10 appropriations, against which, savings of ₹1,342.70 crore (88 *per cent*) exceeded ₹10 crore and was 10 *per cent* of the total provision (**Appendix 2.1**).

It was also seen that in 16 cases (**Appendix 2.1**) actual expenditure was less than even the original provision of which in 12 cases supplementary provision were also made. There were savings of more than ₹ 100 crore each in four cases under Capital *viz.* (i) Tribal Welfare (₹ 305.80 crore), (ii) Welfare of Scheduled Castes (₹ 189.91 crore), (iii) Planning and Co-ordination (₹ 101.67 crore) and (iv) Finance (₹ 101.37 crore) Departments and in one case under Revenue *viz.* Finance (₹164.84 crore) Department, which ranged from 23 to 99 *per cent* was less than their provision. Abnormal savings indicated that the basis for assessment of original as well as supplementary requirements were not realistic.

Reasons for huge savings have not been intimated (August 2010) by most of the departments while some of the departments stated that the savings mainly occurred due to late receipt / late release of funds by the Finance Department/ Government of India.

The Transport Department stated that the savings occurred due to payment of salary to TRTC staff for March 2010 from the budget provision 2010-11, non-receipt of proposals for the placement of funds from executive agencies and due to incurring expenditure under Demand No. 19 and 20 in place of Demand No. 11. The Public Works (Water Resources) Department stated that the reason for huge savings in Grant No. 15 was mainly due to release of funds by the GOI at the end of March 2010, and

over estimation of expenditure for interest amount while budgeting. It was also stated that due to non-submission of bills within March 2010 by the executing agencies and less payment/ non-payment of electric bills, non-receipt of State Share under several schemes etc. from the Finance Department the savings occurred. Some other departments (i.e. Demand No. 16, 17, 39, 41, 51 etc) stated that savings were due to non-filling up of vacant posts/ sanctioned posts, non-receipt of bills for supply of materials/ machinery equipment, due to non-completion of construction works in time, due to retirement of staff, due to technical difficulties in inviting tenders, and due to preparation of unrealistic revised estimates etc.

2.3.2 Persistent Savings

In 12 cases, there were persistent savings of more than rupees one crore each during the last five year period (Table 2.2).

Table 2.2: List of Grants indicating Persistent Savings during 2005-10

(Rupees in crore)

Sl. No.	Number and name of grant	Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue-Voted						
1.	20 – Welfare of Scheduled Castes Department	18.14	10.51	19.89	30.28	42.92
2.	43 - Finance Department	173.68	178.04	154.19	242.75	164.84
3.	52 – Family Welfare and Preventive Medicine	6.17	6.30	14.73	10.52	5.83
Capital-Voted						
4.	10 – Home (Police) Department	17.18	13.27	16.77	10.45	8.90
5.	15 – Public Works (Water Resources) Department	9.35	11.81	15.34	13.03	27.05
6.	16 – Health Department	37.77	30.40	33.04	13.48	13.63
7.	19 – Tribal Welfare Department	93.41	139.03	183.09	215.90	305.80
8.	20 – Welfare of Scheduled Castes Department	44.32	95.30	85.00	126.01	189.91
9.	27 – Agriculture Department	9.60	13.47	15.35	29.29	39.72
10.	34 – Planning and Coordination Department	42.62	45.03	116.82	73.14	101.67
11.	36 – Jail Department	4.22	9.02	3.01	2.21	3.20
12.	52 – Family Welfare and Preventive Medicine	6.53	5.10	5.37	4.33	8.42

Analysis of the savings revealed that in most of the departments, there was increasing trend of savings in capital account. The savings in Tribal Welfare Department (Grant No. 19) under capital (voted) section increased from ₹215.90 crore in 2008-09 to ₹ 305.80 crore in 2009-10 which is 41 *per cent* of the provision under capital account mainly due to actual inflow of funds from various other grants at the fag end of the year.

2.3.3 Expenditure without Provision

As per the Financial Rule, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 5.54 lakh was incurred in 2 grants without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this

effect. Details of the scheme / service where expenditure were incurred without any provision of funds are detailed in **Table 2.3**.

Table 2.3: Expenditure incurred without provision during 2009-10

Number and Name of Grants/ Appropriations	Head of Service	Amount of expenditure without provision	(Rupees in lakh)
			Reasons/Remarks
14 – Power Department	2049 – Interest Payment 01 – Interest Payment 200 – Interest on Other 58 – Debt Services 16 – Rural Electrification Corporation (REC) (Non-Plan)	551.00	Reasons for expenditure without budget provision were not intimated by the Department (September 2010).
20 – Welfare of Scheduled Castes Department	4202 – Capital Outlay on Education, Sports, Art and Culture 02 – Technical Education 104 – Polytechnics 41 – Human Development 50 – Polytechnic Institute (Plan)	3.40	Reasons for expenditure without budget provision were not intimated by the Department (September 2010).
Total :		554.40	

2.3.4 Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. 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). Information on the regularisation of excess expenditure amounting to ₹ 1248.36 crore for the years 2001-09 has not been furnished by the State Government though called for (June 2010). The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table 2.4**

Table 2.4: Excess over provision relating to previous years requiring regularisation

Year	Number of		Amount of excess over provision	(Rupees in crore)
	Grants	Appropriations		Status of regularisation
2000-01	5 (5,10,31,45,51)	4 (13,14,25,43)	81.92	NA
2001-02	10 (5, 7, 10, 14, 17, 22, 24, 31, 41, 45)	4 (13, 35, 43,49)	275.57	NA
2002-03	6 (6, 7, 10, 36, 45, 47)	4 (12, 14, 31, 43)	266.77	NA
2003-04	3 (5, 28, 36)	2 (31, 43)	233.55	NA
2004-05	11 (2, 4, 6, 14, 18, 22, 33, 36, 40, 54, 55)	3 (1, 31, 43)	321.67	NA
2005-06	5 (6, 15, 39, 45, 56)	2 (1, 43)	14.58	NA
2006-07	3 (22, 41, 42)	3(13, 20, 43)	14.85	NA
2007-08	3 (23, 28, 36)	2 (43, 48)	22.89	NA
2008-09	5 (22, 31, 35, 41, 56)	2 (2, 43)	16.56	NA
Total			1,248.36	

2.3.5 Excess Expenditure

In 12 cases, expenditure aggregating ₹ 62.17 crore exceeded the approved provision that occurred in 10 grants and two appropriations during the year 2009-10 which are required to be regularised by the State Legislature under Article 205 of the Constitution. Details are given in **Appendix 2.2**. Of these, in the following grants/heads (**Table 2.5**), excess expenditure by more than 10 *per cent* has been observed.

Table 2.5: List of Grants indicating Excess expenditure by more than 10 *per cent* over the total provision during 2009-10

<i>(Rupees in crore)</i>					
Sl. No.	Number and name of grant	Total provision	Total expenditure	Amount of excess expenditure	Percentage of excess expenditure to total provision
Revenue-voted					
1.	23 – Panchayati Raj Department	92.28	105.83	13.55	15%
Revenue-charged					
2.	14 – Power Department	-	5.51	5.51	100%
Capital-voted					
3.	14 – Power Department	75.07	98.43	23.36	31%
4.	24 – Industries and Commerce Department	24.81	34.15	9.34	38%
5.	29 – Animal Resources Development Department	4.36	6.35	1.99	46%

The above table shows that out of total excess expenditure of ₹ 62.17 crore, ₹ 53.75 crore (86 *per cent*) occurred in four grants and one appropriation and it ranged between 15 and 100 *per cent*. 100 *per cent* excess expenditure was observed in one appropriation, which was incurred on interest payments without making any provision for the same by the Power Department.

2.3.6 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 535.54 crore obtained in 22 cases (₹ 50 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 2.3**. In 6 cases, supplementary provision of ₹ 68.93 crore proved insufficient, by more than rupees one crore in each case, leaving an aggregate excess expenditure of ₹ 53.09 crore over the supplementary provision (**Appendix 2.4**). In 21 cases, supplementary provision of ₹ 385.90 crore was obtained against actual requirement of ₹ 93.80 crore, resulting in excess supplementary provision of ₹ 292.09 crore, as detailed in **Appendix 2.5**.

2.3.7 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 rupees one crore in each sub-head of 27 grants/appropriations as detailed in **Appendix 2.6**.

In 11 out of 125 Sub-heads of 7 grants/appropriations referred to above, savings/excess of more than ₹ 10 crore in each case, occurred due to injudicious, insufficient or excessive re-appropriation of funds during the year 2009-10. This indicated that re-appropriations were done without proper assessment of actual requirement.

2.3.8 Unexplained re-appropriation

According to the Financial Rules, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions such as “based on actual requirements”, “based on trend of expenditure”, etc., should be avoided. Scrutiny of re-appropriation orders issued by the Finance Department revealed that in few cases reasons given for additional provision/withdrawal of provision in the re-appropriation orders were specific, such as, non-release of funds by the Government of India for major works, non-receipts of funds from the Finance Department, non-completion of construction works in time, non-submission of bills from the Executive agencies, non-filling up of vacant posts etc., while in most of the cases vague expression like, ‘based on actual requirement’ etc., was shown as reasons for reappropriation.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total savings) were not made in respect of 23 grants/ appropriations. Out of the total provision of ₹ 1672.27 crore in these 23 cases, ₹ 251.58 crore (15 per cent) of total provision was available for surrender. Of this, only ₹ 29.66 crore (12 per cent of available savings) was surrendered during the year. It is noticeable that only one per cent of available savings were surrendered by two (e.g. Grant No. 30: Forest and Grant No 38 : General Administration (Personnel and Training) Departments, while only 2 per cent was surrendered by Agriculture in Revenue Section and Health Department in Capital Section. The details of such cases are given in **Appendix 2.7**. Reasons for not surrendering the balance amount of ₹ 221.92 crore were not stated.

2.3.10 Surrender in excess of actual saving

In 5 cases, the amounts surrendered were in excess of actual savings which indicated inadequate budgetary control in these departments. As against savings of ₹ 289.08 crore, the surrendered amount was ₹ 314.27 crore resulting in excess surrender of ₹ 25.18 crore. Details are given in **Appendix 2.8**. In 2 out of 5 cases, the amount of excess surrender was above rupees two to ₹ 22 crore.

2.3.11 Anticipated savings not surrendered

As per Financial Rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2009-10, there were 25 grants/appropriations in which savings occurred (₹ 10 lakh and above in each case) but no amount was surrendered by the departments concerned. The amount involved in these cases was ₹ 146.02 crore (**Appendix 2.9**). Out of 25, in 13 cases the savings

were more than rupees one crore while in six cases, there were savings of more than ten crore. The departments involved are (i) Home (Police) (₹ 18.35 crore), (ii) Urban Development (₹ 27.40 crore), (iii) Education (Social) (₹ 14.36 crore), (iv) Family Welfare (₹ 10.06 crore), (v) Revenue (₹ 17.51 crore) and (vi) Panchayati Raj (₹ 27.95 crore).

Similarly, out of total savings of ₹ 295.84 crore in 31 cases (where savings of ₹10 lakh and above occurred in each case), amount aggregating ₹ 237.59 crore (80 per cent of total savings) was not surrendered, details of which are given in **Appendix 2.10**. Besides, in four grants and one appropriation, ₹ 18.91 crore was surrendered (**Appendix 2.11**) though there were no savings, resulted in excess expenditure, which is indicative of poor financial management and control over expenditure.

2.3.12 Rush of expenditure

According to the Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 7 grants/appropriations more than 50 per cent of the total expenditure during the year was incurred in the last month of the financial year (**Appendix 2.12**). The major departments were Public Works (WR) (84 per cent), Animal Resource Development Department (82 per cent), and Education (Sports and Youth Programme) (81 per cent).

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill planned expenditure. The departments should spread the expenditure uniformly throughout the year as far as practicable without holding the funds till the end of the financial year.

2.4 Expenditure controls

2.4.1 Pendency in submission of Detailed Countersigned Contingent (DCC) Bills against Abstract Contingent (AC) Bills

As per sub-rules 2 (ii) and 14 of Delegation of Financial Powers Rules, Tripura, 2007, drawal of the amount in AC Bills should be adjusted in DCC Bills submitted to countersigning officer within 60 (sixty) days from the date of the drawal of the amount, and the Head of the Department/Drawing and Disbursing Officer (DDO) shall countersign all DCC Bills and forward them to the Accountant General (A&E), Tripura within 90 (ninety) days from the date of the drawal of the AC Bill.

Against an outstanding amount of ₹ 174.06 crore drawn on AC bills up to March 2010 by various departments/DDOs of the State, only ₹ 60.61 crore was adjusted through DCC bills leaving 13,264 AC bills amounting to ₹ 113.45 crore un-adjusted as of March 2010. Besides, an amount of ₹ 5.70 crore pertaining to the years up to 2007-08 remained unadjusted from various DDOs. Further, out of ₹ 79.36 crore drawn during 2009-10 only ₹ 4.39 crore was adjusted during the year. As per records, an amount of ₹48.10 crore was drawn in AC bills in the month of March 2010 which indicated that money was drawn on AC bills to avoid lapse of budget grant.

The year-wise break-up for last 3 years is given in **Table 2.6:**

Table 2.6: Year-wise break-up of outstanding AC Bills as on 31-03-2010

Year	Amount of AC Bills outstanding at the year end	Outstanding AC Bills as on 31-03-2010 (Rupees in crore)	
		No. of Bills	Amount
Up to 2007-08*	39.28	137	5.70
2008-09	59.81	995	32.78
2009-10	74.97	12,132	74.97
Total :	174.06	13,264	113.45

* Based on Voucher Level Computerised (VLC) data captured from 2004-05.

Year-end position of substantial amounts drawn on AC Bills by the departments and the adjustments up to March 2010 are given below:

Table 2.7: Year-wise break-up of AC Bills of some major departments

Sl. No.	Name of Department	Year	Amount of AC Bills at the year end	Amount adjusted in DCC Bills	Outstanding AC Bills as on 31 March 2010
					(Rupees in crore)
1.	Home (Police) Department	2007-08	9.20	8.15	1.05
		2008-09	-	-	-
		2009-10	-	-	13.24
2.	Tribal Welfare Department	2007-08	20.34	16.37	3.97
		2008-09	30.96	14.03	16.93
		2009-10			16.79
3.	Revenue Department	2007-08	-	-	-
		2008-09	17.11	9.14	7.97
		2009-10			10.28
4.	Welfare of SC, OBC and Minorities Department	2007-08	3.30	2.79	0.51
		2008-09	13.47	7.15	6.32
		2009-10			8.61
5.	Education (School) Department	2009-10			6.37

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs.

2.4.1.1 Status of Abstract Contingent Bills in Rural Development Department

An analysis of the records and information furnished by the DM & Collectors revealed that against the drawal of 10,753 nos. of AC bills involving ₹ 55.48 crore, the related DCC bills for ₹ 34.81 crore pertaining to 6601 nos. of AC bills were outstanding upto May 2010 in respect of 16 Block Development Officers and two Rural Development Engineering Divisions under West Tripura District. Out of the outstanding AC bills, 138 nos involving ₹ 0.68 crore against two DDOs¹ were more than 5 years old. In respect of 11 RD Blocks under South Tripura District, DCC Bills for ₹ 11.69 crore drawn through 1,958 nos. of AC Bills upto March 2010 were outstanding upto July 2010. Out of these, 243 bills for ₹ 1.33 crore against 7 RD Blocks were more than 3 years old.

¹ E.E., R.D, Western Division No. 1: 128 AC bills amounting ₹ 63.70 lakh drawn during 1997-98 to 2003-04 and; BDO, Tulashikar: 10 AC bills amounting to ₹ 3.95 lakh drawn in 2004-05.

Further, in eight RD Blocks and two Rural Development Engineering Divisions, North Tripura District, DCC Bills for ₹ 15.65 crore drawn through 3017 Nos of AC bills upto March 2010 were outstanding upto July 2010. Out of these, 169 bills for ₹ 0.89 crore against 4 DDOs² were more than 4 years old. In a RD Review Meeting held in May 2009 it was recorded that 116 nos. AC bills involving ₹ 44.89 lakh relating to 2000-01, 2003-04, and 2004-05 in respect of BDO Dasda Block was reported to be traceless as relevant records and registers were missing. Further development on the issue of missing 116 AC bills could not be made available to audit.

Thus, non-adjustment of AC Bills in time and failure of controlling authority in enforcing strict financial discipline could lead to fraud and misappropriation of funds.

2.5 Retention of cash balance

Financial rules stipulates that money should not be drawn from the treasury unless it is required for immediate disbursement or for the recoupment of funds disbursed out of permanent advance. It is also not permissible to draw advance from the treasury for execution of works, the completion of which is likely to take considerable time. Any unspent balance is required to be refunded promptly into the treasury and the DDOs are not authorized by any general or special rules/orders retain the unspent funds by deposit in bank accounts. A study (May-August 2010) in the Rural Development Department revealed that 9 DDOs out of 14 test checked retained cash balance of ₹ 74.22 crore in their bank accounts as of 31 March 2010 pertaining mainly to various schemes³ of which ₹ 15.60 crore was more than one year old as detailed in the table below.

Table 2.8: Retention of cash balance in bank account for more than one year

Sl. No.	Name of DDOs	Retention of cash balance in bank Account	(Rupees in lakh)
			Amount more than one year old
1.	BDO, Kathalia	528.22	80.86
2.	BDO, Dasda	626.59	13.98
3.	BDO, Padmabill	299.59	9.03
4.	BDO, Baxanagar	297.01	29.85
5.	BDO, Jampuijala	422.15	38.35
6.	BDO, Gour Nagar	293.47	69.59
7.	BDO, Kumarghat	1019.88	27.45
8.	EE, RD, Northern Division I	1306.76	333.47
9.	EE, RD, Western Division I	2627.94	957.66
	Total	7421.61	1560.24

² BDO, Dasda: ₹ 44.89 lakh, BDO Kumarghat: ₹ 1.85 Lakh, BDO Panishagar: ₹ 0.10 lakh, and EE, RD Kumarghat: ₹ 42.25 lakh.

³ Indira Awaas Yojana, Bidhayak Elaka Unnayan Prkalpka, Border Area Development Programme and Panchayat Development Fund.

This indicates that funds were drawn without proper assessment of requirement or to avoid lapse of budget indicating absence of effective financial management and expenditure control in the Department.

2.6 Advances to Implementing Officer (IOs)

Advances are given to various Implementing Officers for implementation of different rural development schemes (IAY, NREGA, PDF, DWS, TW, BADP and SSA)⁴. These advances are required to be utilized within the prescribed time (30 days to 90 days) mentioned in the work orders and the progress of expenditure monitored to ensure proper utilisation. In 11 units out of 14 test checked⁵, advances to Implementing Officers (IOs) remained unadjusted for a period ranging between 3 months and 60 months as of June 2010 after they are due for adjustment:

- ₹ 1.43 crore (₹ 0.94 crore of March 2010) advanced by BDO, Panisagarar to 53 IOs during February 2006 to March 2010 remained unadjusted.
- The entire amount of ₹ 0.67 crore (₹ 0.51 crore of March 2010) advanced to 31 IOs of BDO, Kumarghat during the period from June 2009 to March 2010 remained unadjusted.
- Executive Engineer, Rural Development Western Division–I also advanced ₹ 0.64 crore to 44 IOs against which no adjustments have been submitted by them. The period of advances given to IOs were not made available to audit.
- BDO, Padmabil advanced ₹ 0.62 crore (₹ 0.02 crore of March 2010) during December 2007 to February 2010 to 13 IOs which are outstanding for adjustment.
- An amount of ₹ 0.92 crore was advanced by BDO, Boxanagar to 44 IOs during January 2009 to March 2010 out of which ₹ 0.59 crore (₹ 0.06 crore of March 2010) was yet to be adjusted.
- BDO, Jampaijala advanced ₹ 0.57 crore (₹ 0.03 crore of March 2010) during March 2008 to March 2010 to 23 IOs which was pending final adjustment.
- BDO, Jirania advanced ₹ 1.58 crore (₹ 0.35 crore of March 2010) during June 2009 to March 2010 to 53 IOs out of which ₹ 0.49 crore remained to be adjusted.
- BDO, Dukli advanced ₹ 0.30 crore to 36 IOs during March 2008 to March 2010, out of which ₹ 0.29 crore (₹ 0.02 crore of March 2010) was unadjusted.
- Executive Engineer, Rural Development Northern Division –I advanced ₹ 5.46 crore to 22 IOs during April 2005 to March 2010, out of which ₹ 0.43 crore (₹ 0.11 crore of March 2010) was yet to be adjusted.

⁴ IAY : Indira Awaas Yojana, NREGA : National Rural Employment Guarantee Act, PDF : Panchayat Development Fund, DWS : Drinking Water and Sanitation, TW : Tribal Welfare, BADP : Border Area Development Programme and SSA : Sarva Siksha Aviyon

⁵ Director (Projects), SGSY, Joint Secretary RD Department, EE, Rural Development Western Division No. 1, Agartala, EE, Rural Development Northern Division No. 1, Kumarghat and 10 BDOs : Dukli, Jirania, Boxanagar, Jampuijala, Padmabil, Kathalia, Kumarghat, Panisagar, Dasda, Gournagar.

- BDO, Gournagar advanced ₹ 1.97 crore to 46 IOs during January 2008 to March 2010 out of which ₹ 1.93 crore remained unadjusted.
- BDO, Kathalia advanced ₹ 0.55 crore during March 2008 to March 2010 and ₹ 0.24 crore (₹ 0.08 crore of March 2010) remained unadjusted.

Thus, the advances if left unadjusted for long period invites the risk of misappropriation and therefore, needs to be monitored closely and adjusted early.

2.7 Amounts drawn in Fully Vouched Contingent (FVC) Bill

Financial rules read with Finance Department instruction dated 13 December 1996 requires that any money drawn from Government accounts, if remaining undisbursed for a period of three months should be remitted to Treasury. Scrutiny of records of six BDOs and two Executing Divisions⁶ in the RD Department revealed that ₹ 4.40 crore was drawn through 213 fully vouched contingent (FVC) bills during 2005-06 to 2009-10 out of which ₹ 3.19 crore remained undisbursed for more than three months and above as of June 2010.

Further analysis revealed that an amount of ₹ 0.58 crore against 62 nos FVC bills were more than one to four years old and kept in Current Deposit accounts due to non-execution/part execution of the works. The premature withdrawal of funds and parking it in CD accounts, incurring expenditure subsequently over prolonged periods, exhibiting it as final expenditure in accounts and reporting incorrect figures of expenditure against works/schemes indicated weak expenditure control with the risk of malpractice including misappropriation of Government money.

2.8 Outcome of the Review of Selected Grants

A review of Grant No. 39 – Higher Education Department was conducted in July 2010 in the Directorate of Higher Education mainly to assess the efficiency in the process of budgeting and consequent control of expenditure for both the Revenue and Capital heads during the year 2009-10.

The Principal Secretary, the Controlling Officer of the Higher Education Department assisted by the Director of Higher Education is responsible for the implementation of the Government Policies pertaining to higher education.

2.8.1 The summarised position of budget provision and actual expenditure thereagainst during 2009-10 in respect of Grant No. 39 is given below:

⁶ BDO Boxanagar, Dukli, Jampuijala, Gournagar, Dasda, Kumarghat, E.E. RD western Division –I and E.E.,RD Northern Division –I.

Table 2.9: Summarised position of budget provision and actual expenditure

Nature of Expenditure	Budget Provision				Total	Actual Expenditure			Savings (-) / Excess (+)
	Original		Supplementary			Non-Plan	Plan	Total	
	Non-Plan	Plan	Non-Plan	Plan					
Revenue	46.08	3.97	7.12	-	57.17	50.83	2.93	53.76	(-) 3.41
Capital	-	22.75	-	41.17	63.92	-	29.21	29.21	(-) 34.71
Total :	46.08	26.72	7.12	41.17	121.09	50.83	32.14	82.97	(-) 38.12

Source: Appropriation Accounts 2009-10.

The above table shows that there was a savings of ₹ 38.12 crore (Revenue: ₹ 3.41 crore and Capital ₹ 34.71 crore) which was 31 *per cent* of the total budget provision during the year 2009-10. It was also seen that there was a substantial savings (54 *per cent*) in capital account during the year indicating unrealistic supplementary provision which was much in excess of the actual requirement. As per Financial Rules, the spending departments are required to surrender the anticipated savings to the Finance Department as and when occurred. The Department however, surrendered only ₹ 3.47 crore (Revenue: ₹ 0.77 crore and Capital ₹ 2.70 crore) during the year 2009-10 out of total savings of ₹ 38.12 crore.

Therefore by making unrealistic supplementary provision, the Department made a savings of ₹ 38.12 crore on one hand and by not surrendering the unspent amount in time, on the other hand, needy departments were deprived from utilising the same through reappropriation.

An analysis of the expenditure *vis-à-vis* the budget provision in audit revealed that savings in revenue expenditure was mainly due to inability to spend about ₹ 0.76 crore provided for maintenance works through the State Public Works Department, and ₹ 1.82 crore under teachers training and other human development activities proposed in the budget under revenue section while major savings in Capital Section was due to inadequate expenditure on construction of different educational institutions under ACA by ₹ 11.05 crore, inability to spend ₹ 1.35 crore provided for improvement of State B. Ed. College, ₹3.46 crore for new college of teachers, ₹ 15.83 crore provided for upgradation of facilities for different degree colleges under Special Plan Assistance etc.

Audit Review also disclosed persistent savings under the grant which was showing an increasing trend during last 5 to 6 years period as detailed below:

Table 2.10: Persistent Savings during 2005-10

Year	Budget			Expenditure			Savings (-)/ Excess (+)
	Revenue	Capital	Total	Revenue	Capital	Total	
2004-05	34.27	17.58	51.85	32.14	11.19	43.33	(-) 8.52
2005-06	36.22	19.37	55.59	32.47	19.41	51.88	(-) 3.71
2006-07	37.24	8.72	45.96	29.99	3.26	33.25	(-) 12.71
2007-08	36.65	17.76	54.41	30.24	3.84	34.08	(-) 20.33
2008-09	39.42	22.36	61.78	35.81	6.39	42.20	(-) 19.58
2009-10	57.17	63.92	121.09	53.76	29.21	82.97	(-) 38.12

Source: Appropriation Accounts.

On this being pointed out by audit, the Department stated (August 2010) that the Department used to place funds with the implementing agencies like PWD, THCB against approved projects as released by the Finance Department. The agencies are utilising the funds maintaining their standard procedure and the unutilised funds lying with them, if any, are surrendered by them at the end of the year. After revalidation of the unspent fund by the Finance Department, the same fund is placed again in the following year with the implementing agencies.

The occurrence of persistent savings and revalidation of unspent funds every year bypasses the legislative control over the funds provided and expenditure incurred thereon. Besides, the Department has also not surrendered the savings within due dates indicating that budgetary control was deficient.

2.8.2 Short release of Central Funds

During 2009-10, the Government of India released ₹ 84.50 crore against its share of project costs of ₹ 142.26 crore under various Schemes viz, ACA, SPA, NLCPR etc. for implementations of various development projects. Approved project costs were ₹ 171.29 crore under Higher Education. The State Finance Department released only ₹ 55.35 crore out of the funds received from the GOI during the year 2009-10. Besides, the FD also released an amount of ₹ 26.00 crore under ACA being the revalidated amount of the previous year. Thus, there was a short release of fund by ₹ 29.15 crore during the year.

2.8.3 Non-utilisation of Central Funds of ₹ 51.21 crore

The summarised position of funds received from GOI, subsequent release by the State Government and utilisation of funds during the year 2009-10 are given below:

Table 1.11: Non-utilisation of central funds

Name of Scheme	(Rupees in crore)			
	Funds released by GOI during 2009-10	Funds released by Finance Department	Funds utilised during 2009-10	Unspent balance
Additional Central Assistance	16.52	16.52	14.56	1.96
Special Plan Assistance	35.55	6.50	5.98	0.52
Non-Lapsable Central Pool Resources	29.42	29.42	9.84	19.58
Centrally Sponsored Scheme	2.01	2.01	2.01	-
North Eastern Council	1.00	0.90	0.90	-
Total :	84.50	55.35	33.29	22.06

Source: Information furnished by the Department.

Scrutiny of records furnished by the Education (Higher) Department, revealed that out of the funds released (₹ 81.35 crore) by the Finance Department (including an amount of ₹ 26.00 crore for the previous years under ACA), only ₹ 33.29 crore were utilised leaving an unspent balance of ₹ 51.21 crore during the year 2009-10.

2.9 Conclusion and Recommendation

There was an overall saving of ₹ 1,533.38 crore and excess expenditure of ₹ 62.17 crore against 56 grants/appropriations during 2009-10. This excess expenditure in 2009-10 compounded to ₹ 1,310.53 crore after increasing from ₹ 1,248.36 crore up to 2008-09. The excess require regularisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was also observed towards the end of the year. In respect of 7 grants/appropriations, more than 50 *per cent* of the total expenditure during the year was incurred in the last month of the financial year. The Abstract Contingent Bills were not adjusted for long periods and therefore was fraught with the risk of mis-appropriation.

Budgetary controls should be strengthened in all the Government departments, particularly in the departments where savings/excesses persisted for last five years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided. A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within sixty days from the date of drawal of the amount as required under the extant Rules. The Department should follow more reliable mechanism in budgeting to avoid persistent savings or excess;

Monitoring Cells in the departments should be strengthened to follow up the development works and ensure their completion in time.