

CHAPTER 4: FINANCIAL MANAGEMENT

To undertake development activities in the District, funds are allocated through the State Budget and also to the implementing agencies directly from the Government of India (GOI) for execution of various socio-economic programmes.

The position of allocation/release of funds and expenditure incurred during 2006-11 in respect of 15 departments under Social Services (three departments), Economic Services (11 departments) and General Services (one department) is detailed in table-1.

Table 1

(₹ in crore)

<i>Name of the Department</i>	<i>Funds provided</i>	<i>Expenditure incurred</i>
Social Sector		
Health	303.90	293.35
Education	487.85	476.91
Public Health Engineering	461.56	452.99
Economic sector		
Rural Development	95.66	86.58
Roads and Buildings	353.81	351.11
Power	353.53	344.71
Irrigation	253.44	251.81
Forest	74.46	71.69
Horticulture	13.73	13.46
Animal Husbandry	5.43	5.37
Sheep Husbandry	8.87	8.37
Fisheries	5.27	5.21
Handloom	2.94	2.85
Industries	38.56	37.97
Others ³	19.06	18.14
General Sector		
Home	401.96	395.69
Total	2880.03	2816.21

(Source: Departmental Records)

Thus, out of the total provision of ₹ 2880.03 crore, an expenditure of ₹ 2816.21 crore (98 per cent) was incurred on various programmes by these departments. However, the expenditure so booked by the sectoral officers does not reflect correct picture as it

³ Local Bodies, Sericulture and Cooperative

had treated entire amount released to subordinate authorities as expenditure on its release where as funds were lying unutilised with subordinate offices. Such instances could be seen wherever the financial management of specific programmes or schemes are discussed in the subsequent paragraphs.

Further analysis showed that three departments had expended funds between 51 and 86 *per cent* as administrative charges during the period under review which is far in excess of the expenditure incurred on development works as shown in table-2.

Table 2

(₹ in crore)

<i>Name of the department</i>	<i>Total expenditure</i>	<i>Developmental expenditure</i>	<i>Administrative expenses (Percentage)</i>
Education	476.91	73.33	403.58 (85)
Health	293.35	144.13	149.22 (51)
Forest	71.69	10.04	61.65 (86)

(Source: Departmental Records)

The administrative expenditure in Education and Forest Department was abnormally high at 86 *per cent*.

Conclusion

Though overall fund utilisation seemed satisfactory, the expenditure booked by sectoral officers did not reflect true picture as the entire amount released to subordinate offices is treated as expenditure where as money was lying unutilised with subordinate officers. The expenditure incurred on administration was also higher.

Recommendations

- A system should be put in place which reflects true position of actual expenditure incurred on the implementation of the schemes/programmes after funds are released to the concerned implementing agencies.
- Efforts should be made to bring down administrative charges to the bare minimum so that more emphasis is laid on developmental programmes.