

Chapter 4 Fund allocation

Funds for carrying out various developmental activities in the District are allocated through the State budget. In addition, funds are also released directly to the implementing agencies for various socio-economic and developmental programmes sponsored by Government of India and State Government. The position of allocation of funds in respect of major departments (including seven components under social sector, 20 departments under economic sector and one department under General sector) and expenditure booked thereagainst is detailed in the *Appendix-I*. The expenditure on social sector was ₹ 243.44 crore and on economic sector ₹ 853 crore. Within the social sector education received ₹ 111.05 crore (45 per cent) against which ₹ 107.37 crore had been spent during 2005-11. Under *Sarva Shiksha Abhiyan*, a flagship programme of the education department, funds allocated could not be utilized in full as ₹ 20.51 crore were lying unspent with the Chief Education Officer Baramulla as of 31 March 2011.

In respect of certain significant departments, the position of allocation and expenditure during 2005-11 reported and collected from departmental records was as under.

Table 1

(₹ in crore)

Name of the Department	Funds received	Expenditure incurred
Social Sector		
Chief Education officer Baramulla	111.05	107.37 (97)
Chief Medical Officer, Baramulla	99.37	98.85 (99)
Municipal Council, Baramulla	25.46	18.73 (74)
Total	235.88	224.95 (95)
Economic Sector		
Public works Department	145.61	142.86 (98)
Public health Engineering.	331.23	308.30 (93)
PMGSY	56.49	42.67 (76)
District forest officer Baramulla	26.45	25.62 (97)
Power Development Department	159.17	154.21 (97)
Total	718.95	673.66 (94)
General Sector		
Police	207.71	203.91 (98)

(Source: Departmental Records)

The percentage utilization of allotted funds was in the range of 74 to 99 in respect of the above Departments.

Audit Findings

- The total allocation of funds under all the components during 2005-11 and expenditure incurred thereagainst in respect of various sectoral offices/departments was not available with the Chief Planning Officer.
- In respect of major socio-economic programmes/schemes, the funds received by implementing agencies are shown as utilized as soon as they are released even though major portion of the released funds remained unutilized with lower level functionaries.

Following further points were also noticed.

The expenditure under different components/programmes is to be incurred uniformly throughout the year both for better decision-making and better controls over the expenditure. Rush of expenditure during the closing months of the financial year clearly indicates improper management of finances. Audit observed rush of expenditure ranging between 29 *per cent* to 40 *per cent* in respect of three Public Works Divisions and one Forest division primarily due to release of funds in the last quarter of the year as detailed below.

Table 2

(₹ in crore)

Year	Expenditure during the year	Expenditure during March	Percentage
2005-06	55.90	23.23	42
2006-07	63.65	14.95	23
2007-08	91.60	39.01	43
2008-09	94.66	35.58	38
2009-10	106.71	30.93	29
2010-11	96.84	38.71	40

(Source: Departmental Records)

It was further observed that, in respect of three sectoral offices, expenditure on administrative charges had been incurred far in excess of the expenditure incurred on developmental activities during the period 2005-06 to 2010-11. The Administrative expenditure incurred by these sectoral offices was in the range of 70 to 92 *per cent* of the total expenditure incurred during the period 2005-06 to 2010-11.

Table 3

(₹ in crore)

<i>Sectoral officer</i>	<i>Total expenditure</i>	<i>Administrative expenditure</i>	<i>Developmental expenditure</i>	<i>Percentage of Admn. Charges</i>
General Manager, DIC	16.07	12.27	3.80	76
Divisional forest officer, Baramulla	25.62	23.49	2.13	92
Executive-officer, MC Baramulla	18.73	13.15	5.58	70

(Source: Departmental Records)

Recommendations

- ✚ *Efforts should be made to release funds as quickly as possible so that the expenditure is evenly spread throughout the year*
- ✚ *The administrative expenditure needs to be reduced so that funds are available for actual developmental activities.*