

### 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. The Appropriation Accounts thus facilitate the management of finances and monitoring of budgetary provisions and are therefore, complementary to the 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 whenever 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 and regulations and instructions.

### 2.2 Mechanism of Budget Management

The Budget Estimates of the State are prepared in uniform printed forms prescribed by the Finance Department. The estimates under each major head prepared by the Controlling Officers of the different departments are examined by the Finance Department and compiled for presentation of the first edition budget to the Government. Rules regarding control over expenditure are embodied in the Jharkhand Financial Rules. As per Rule 112 of the Budget Manual of Jharkhand, all anticipated savings should be surrendered to the Government immediately when they are foreseen unless they are required to meet excesses under some other units. No savings should be held in reserve for possible future excesses. Further, in order to meet new specific items of expenditure or to cover probable excesses in the voted grant, supplementary grants should be done in consultation with the Finance Department.

### 2.3 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2010-11 against 52 grants/appropriations is as given in **Table 2.1**:

**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary Provisions during 2010-11**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure*	Saving (-)/ Excess (+)
<b>Voted</b>	I Revenue	14375.22	3912.75	18287.97	16203.32	(-)2084.65
	II Capital	3826.03	604.87	4430.90	2717.20	(-)1713.70
	III Loans and Advances	415.01	27.28	442.29	307.56	(-)134.73
<b>Total Voted</b>		<b>18616.26</b>	<b>4544.90</b>	<b>23161.16</b>	<b>19228.08</b>	<b>(-)3933.08</b>
<b>Charged</b>	IV Revenue	2175.67	33.62	2209.29	2275.71	(+)66.42
	V Capital	0	0	0	0	0
	VI Public Debt & Repayment	1505.67	38.41	1544.08	1299.43	(-)244.65
<b>Total Charged</b>		<b>3681.34</b>	<b>72.03</b>	<b>3753.37</b>	<b>3575.14</b>	<b>(-)178.23</b>
<b>Grand Total</b>		<b>22297.60</b>	<b>4616.93</b>	<b>26914.53</b>	<b>22803.22</b>	<b>(-)4111.31</b>

\* The expenditure figures are gross without taking into account the recoveries adjusted in the accounts as reduction of revenue voted expenditure (₹534.30 crore) and capital voted expenditure (₹ 52.89 crore).

The overall saving of ₹4111.31 crore was the result of savings of ₹ 2336.63 crore in 45 grants and three appropriations under the Revenue Section and ₹ 2093.08 crore in 23 grants under the Capital Section, offset by excess of ₹ 318.40 crore in two grants and one appropriation under Revenue Section.

The head-wise expenditure status was provided by the Principal Accountant General (A&E), Jharkhand monthly to the State Government through Monthly Civil Accounts Statement. In spite of this, appropriate steps were not taken by the Government departments to maintain a uniform flow of expenditure during the year.

## 2.4 Financial Accountability and Budget Management

### 2.4.1 Appropriations vis-à-vis Allocative Priorities

The outcome of appropriation audit revealed that in 26 cases, savings exceeded ₹ 10 crore in each case and also were more than 20 per cent of the total provision as detailed in *Appendix 2.1*. Against the total savings of ₹ 4429.71 crore, savings of ₹ 2826.55 crore (64 per cent)<sup>1</sup> occurred in 16 cases relating to 14 grants and one appropriation as indicated in **Table 2.2**.

<sup>1</sup>Exceeding ₹ 50 crore in each case.

**Table 2.2: List of Grants with Savings of ₹ 50 crore and above**

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
<b>Revenue-Voted</b>						
1	1- Agriculture Department	460.59	5.64	466.23	285.02	181.21
2	10- Energy Department	742.71	150.23	892.94	546.89	346.05
3	19- Forest and Environment Department	260.32	30.72	291.04	222.69	68.35
4	20- Health, Medical Education and Family Welfare Department	800.45	42.21	842.66	664.26	178.41
5	43- Science and Technology Department	83.02	43.27	126.29	74.46	51.83
6	47-Transport Department	82.54	0.27	82.81	29.42	53.39
<b>Capital-Voted</b>						
7	10- Energy Department	388.00	20.00	408.00	275.43	132.57
8	14-Repayment of Loans	1505.67	38.41	1544.08	1299.43	244.65
9	20- Health, Medical Education and Family Welfare Department	218.82	10.47	229.29	142.68	86.61
10	22- Home Department	181.01	-	181.01	79.27	101.74
11	36- Drinking Water and Sanitation Department	300.00	45.07	345.07	267.25	77.82
12	41- Road Construction Department	697.40	120.04	817.44	670.74	146.70
13	42-Rural Development Department	632.00	200.00	832.00	595.38	236.61
14	48- Urban Development and Housing Department	687.19	6.78	693.97	36.58	657.39
15	49- Water Resources Department	382.00	-	382.00	228.29	153.71
16	51- Welfare Department	228.76	46.75	275.51	166.00	109.51
		<b>7650.48</b>	<b>759.86</b>	<b>8410.34</b>	<b>5583.79</b>	<b>2826.55</b>

(Source: Appropriation Accounts of Government of Jharkhand)

#### 2.4.2 Persistent Savings

In 15 cases, there were persistent savings of more than ₹ 10 crore in each case and also by 10 per cent or more of the total grants during the last five years (Table 2.3).

**Table 2.3: List of Grants indicating Persistent Savings during 2006-11**

(₹ in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2006-07	2007-08	2008-09	2009-10	2010-11
<b>Revenue-Voted</b>						
1	1- Agriculture Department	47.02 (24)	165.37 (44)	499.65 (70)	178.10(44)	181.21(39)
2	2- Animal Husbandry and Fisheries Department	67.42 (49)	70.40 (39)	58.61(29)	54.21(27)	46.11(22)
3	10- Energy Department	191.09(44)	576.18 (82)	234.46(53)	397.74(45)	346.05(39)
4	19-Forest and Environment Department	34.73 (16)	29.60 (14)	40.34(16)	61.61(23)	68.35(23)
5	20-Health, Medical Education & Family Welfare Department	449.62 (54)	301.92 (44)	184.31(23)	480.56(45)	178.41(21)
6	23- Industry Department	48.89 (29)	62.70 (37)	83.42(42)	73.27(32)	31.89 (18)
7	26- Labour Employment and Training Department	33.02 (15)	46.10 (10)	187.82(25)	162.39 (23)	148.44(19)
8	41- Road Construction Department	20.10 (16)	15.33 (13)	29.26(15)	82.17(23)	20.60(11)
9	43- Science and Technology Department	69.05 (59)	50.00 (34)	76.74(50)	66.06(59)	51.83(41)
10	49- Water Resources Department	21.34 (14)	16.76 (11)	17.52(09)	57.85(22)	30.98(13)
11	51- Welfare Department	206.71 (28)	112.62 (15)	219.46(23)	304.76(28)	208.83(16)
<b>Capital-Voted</b>						
12	36- Drinking Water and Sanitation Department	159.56 (52)	183.45 (41)	89.15(22)	182.13(40)	77.82 (23)
13	41- Road Construction Department	390.95 (75)	241.24 (44)	88.05(14)	230.19 (31)	146.70 (18)
14	48- Urban Development and Housing Department	65.51 (50)	150.89 (46)	168.73(29)	278.18(45)	657.39(95)
15	49- Water Resources Department	141.06 (39)	148.08 (20)	254.29(48)	277.49(56)	153.71(40)

(Source: Appropriation Accounts of Government of Jharkhand)

From the above table, it may be seen that huge savings continued over the years indicating improper estimation.

### 2.4.3 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 ₹ 303.91 crore was incurred in six cases as detailed in **Table 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect during 2010-11.

**Table 2.4: Expenditure incurred without provision during 2010-11**

(₹ in crore)

Number and Name of Appropriation	Head of accounts	Amount of Expenditure incurred without provision	Reasons/Remarks
12-Finance Department	2054-00-800-01	0.47	No reasons given by the department
14-Repayment of Loans	6003-00-101-35	122.61	No reasons given by the department
	6003-00-101-42	85.85	No reasons given by the department
	6003-00-101-43	73.34	No reasons given by the department
	6003-00-101-44	20.23	No reasons given by the department
20-Health Medical Education and Family Welfare Department	2211-00-200-21	1.41	No reasons given by the department
<b>Total</b>		<b>303.91</b>	

(Source: Appropriation Accounts of Government of Jharkhand)

#### 2.4.4 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. However, excess expenditure amounting to ₹ 7802.23 crore for the years 2001-10 was still to be regularised as detailed in *Appendix 2.2*. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table 2.5**. Non-regularisation of the excess over grants/appropriations over the years is a breach of legislative financial control over appropriations.

**Table 2.5: Excess over provisions relating to previous years requiring regularisation**

(₹ in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grants	Appropriations		
2001-02	3, 25, 32		.04	No action taken
2002-03	10, 32	13,14	1241.49	No action taken
2003-04	10, 39,46	13,14	937.25	No action taken
2004-05	23,39,40	13,14	576.07	No action taken
2005-06	10, 29	13	3121.47	No action taken
2006-07	38	13,14	1245.87	No action taken
2007-08	15	14	334.44	No action taken
2008-09	12	14	228.89	No action taken
2009-10		14	116.71	No action taken
<b>Total</b>			<b>7802.23</b>	

(Source: Appropriation Accounts of Government of Jharkhand)

#### 2.4.5 Excess over provisions during 2010-11 requiring regularisation

**Table 2.6** contains the summary of total excess over authorisation amounting to ₹ 318.40 crore in three appropriations and one grant during 2010-11, which requires regularisation under Article 205 of the Constitution.

**Table 2.6: Excess over provisions requiring regularisation during 2010-11**

(₹ in crore)

Sl. No.	Number and title of grant/appropriation	Total grant appropriation	Expenditure	Excess
<b>Charged Appropriation</b>				
1	13-Interest Payment	2160.20	2227.55	67.35
2	15-Pension	2.00	6.00	4.00
3	32-Legislature	0.18	0.28	0.10
<b>Voted Grant</b>				
4	15-Pension	1828.15	2075.10	246.95
<b>Total</b>		<b>3990.53</b>	<b>4308.93</b>	<b>318.40</b>

(Source: Appropriation Accounts of Government of Jharkhand)

Excess expenditure in the above grants amounting to ₹ 318.40 crore, was incurred either without or in excess of budget provision under different sub-heads of the grants.

#### 2.4.6 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provisions aggregating ₹ 955.23 crore obtained in 27 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up even to the level of the original provisions as detailed in *Appendix 2.3*. In all these cases, it was noticed that the original allotment provided under some sub-heads were not exhausted and huge savings occurred under these sub-heads. Thus, supplementary provisions were made on ad-hoc basis without assessing the actual demand for completion of the scheme.

#### 2.4.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is the 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 ultimate savings of over ₹ 62.26 lakh in 11 sub-heads as detailed in *Appendix 2.4*. Under three schemes/sub-heads excess expenditure occurred and the funds were also re-appropriated to other schemes/sub-heads. Similarly, under eight schemes/sub-heads, additional funds were provided through re-appropriation in spite of savings under the same.

#### 2.4.8 Substantial surrender of funds

Substantial surrender of funds (cases where more than 80 per cent of the total provisions were surrendered) were made in respect of 164 sub-heads on account of either non-implementation or slow implementation of schemes/ programmes. Out of the total provisions amounting to ₹ 1706.15 crore in respect of these schemes, ₹ 1650.98 crore (97 per cent) was surrendered, which included cent per cent surrender in 48 schemes. The details of selected cases are given in *Appendix 2.5*.

#### 2.4.9 Surrender in excess of actual savings

In six cases, the amount surrendered (₹ 50 lakh or more in each case) was in excess

of actual savings, indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 380.47 crore, the amount surrendered was ₹ 396.98 crore, resulting in excess surrender of ₹ 16.51 crore. Details are given in *Appendix 2.6*.

#### 2.4.10 Anticipated savings not surrendered

As per Rule 112 of the Budget Manual, spending departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated.

Out of total savings of ₹ 3674.57 crore under 23 grants/ appropriations (savings of ₹ one crore and above were indicated in each grant/ appropriation) a total of ₹ 985.81 crore (27 per cent of the total savings) were not surrendered, details of which are given in *Appendix 2.7*. Besides, in 43 cases, where the surrender of funds was in excess of ₹ 10 crore each, ₹ 1672 crore was (*Appendix 2.8*) surrendered on the last two working days of March 2011, indicating poor financial control thereby resulting into non-utilisation of these funds for other developmental purposes.

#### 2.4.11 Rush of expenditure

According to Rule 113 of the Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 20 heads listed in *Appendix 2.9*, expenditure (exceeding ₹ 10 crore in each case) incurred in the last quarter of 2010-11 was more than 50 per cent of the total expenditure for the year. **Table 2.7** also presents the Major Heads where more than 50 per cent of the total expenditure was incurred during the last month of the financial year.

**Table 2.7: Cases of Expenditure towards the end of 2010-11**

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2011	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2401	177.73	142.62	80.25	118.82	66.85
2	2402	46.05	37.29	80.98	34.74	75.44
3	2404	54.00	43.49	80.54	37.38	69.22
4	2505	335.15	240.37	71.72	200.93	59.95
5	2515	1293.33	995.28	76.95	741.81	57.36
6	4055	69.96	53.70	76.76	51.50	73.61
7	4202	54.20	41.52	76.61	40.25	74.26
8	4217	21.70	19.59	90.28	19.59	90.28
9	5075	300.16	174.16	58.02	174.16	58.02

(Source: Appropriation Accounts of Government of Jharkhand)

Appropriate action needs to be taken to regulate and systematize the procedure to avoid heavy expenditure in the closing month of the financial year.

## 2.5 Non-reconciliation of Departmental figures

### 2.5.1 Pendency in submission of Detailed Countersigned Contingency Bills against Abstract Contingency Bills

As per Rule 318 and Form-38 of the Jharkhand Treasury Code Volume-I & II, every drawing officer has to certify in each Abstract Contingency (AC) bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and their onward transmission to the Principal Accountant General (A&E), Jharkhand, Ranchi. The total amount for which Detailed Contingency (DC) bills were received was ₹ 5703 crore against the total value of AC bills of ₹ 11942 crore drawn during 2000-11, leading to an outstanding balance of DC bills worth ₹ 6239 crore as on 12 September 2011. Year-wise details are given in **Table 2.8**.

**Table 2.8: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

(₹ in crore)

Year	Amount of AC bills	Amount of DC bills	DC bills as percentage of AC bills	Outstanding Amount of DC bills
Upto 2004-05	2856	1537	54	1319
2005-06	1084	489	45	595
2006-07	1501	899	60	602
2007-08	1796	990	55	806
2008-09	2937	1407	48	1530
2009-10	997	282	28	715
2010-11	771	99	13	672
<b>Total</b>	<b>11942</b>	<b>5703</b>	<b>48</b>	<b>6239</b>

As given in **Table 2.8**, the average amount for which DC bills were received against the total AC bills drawn during 2000-11 was only 48 per cent. In 2010-11, only 13 per cent of DC bills was received against the total amount drawn on AC bills during the year. Thus, due to non-submission of DC bills, the expenditure during the period was overstated to the extent of the advance received on abstract contingency bills and shown as expenditure for the year.

### 2.5.2 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 Rule 475 (viii) stipulate that expenditure recorded in their books should be reconciled by them every month during the financial year with that recorded in the books of the Principal Accountant General (A&E), Jharkhand. Even though non-reconciliation of departmental figures is pointed out regularly in CAG's Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2010-11. A total expenditure of ₹ 16888.30 crore was not reconciled by the Controlling Officers with the books of the Principal Accountant General (A&E), Jharkhand during 2010-11. Of the total number of Controlling Officers, 28 Controlling Officers failed to reconcile expenditure exceeding ₹ 10 crore or more in each case amounting to ₹ 11602.80 crore during 2010-11 as detailed in **Table 2.9**.



**Table 2.9: List of Controlling Officers where amounts exceeding ₹10 crore in each case remained un-reconciled during 2010-11**

(₹ in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1	Secretary, Law Department, Jharkhand, Ranchi	142.89
2	Commissioner-cum-Secretary Revenue Department, Jharkhand, Ranchi	130.21
3	Commissioner of Commercial Taxes, Jharkhand, Ranchi	22.81
4	Secretary, Finance Department, Revenue & Land Revenue, Jharkhand, Ranchi	2015.86
5	Secretary, Board of Personnel & Administrative Reforms, Jharkhand, Ranchi	167.53
6	Additional Secretary, Home (Police) Department Section IV Village Police, Jharkhand Commissioner, North C.N. Division, Hazaribag Commissioner, South C.N. Division, Ranchi	1712.19
7	I.G. (Prison) Home Department, Jharkhand, Ranchi	140.34
8	Finance Commissioner, Jharkhand, Ranchi	2081.09
9	Dy. Secretary, Primary Education Department, Jharkhand, Ranchi Dy. Secretary, Higher Education Department, Jharkhand, Ranchi	733.06
10	Dy. Secretary, Art Culture and Youth Department, Jharkhand, Ranchi	68.62
11	Director, Health Services, Jharkhand, Ranchi	211.51
12	Under Secretary, Health & Family Welfare Department, Jharkhand, Ranchi	74.00
13	Secretary, Drinking Water and Sanitation Department, Jharkhand, Ranchi	204.84
14	Secretary, Welfare Department, Jharkhand, Ranchi	756.72
15	Secretary, Urban Development, Jharkhand, Ranchi	692.26
16	Secretary, Welfare Department, Jharkhand, Ranchi Secretary, Minority Welfare Department, Jharkhand, Ranchi	615.18
17	Commissioner of Labour, Jharkhand, Ranchi Director, Employment & Training Department, Jharkhand, Ranchi Director, Directorate of Social Security, Jharkhand, Ranchi	114.96
18	Secretary, Natural Calamity Department, Jharkhand, Ranchi	303.54
19	Secretary, Agriculture Department, Jharkhand, Ranchi	27.72
20	Secretary, Animal Husbandry and Fisheries Department, Jharkhand, Ranchi	23.60
21	Dy. Secretary, Rural Development Department, Jharkhand, Ranchi	110.18
22	Director, Panchayati Raj Department, Jharkhand, Ranchi	576.34
23	Joint Secretary, Water Resources Department, Jharkhand, Ranchi	21.02
24	Commissioner cum Secretary, Water Resources (Irrigation), Jharkhand, Ranchi.	22.73
25	Secretary, Minor Irrigation Department, Jharkhand Ranchi.	19.08
26	Secretary, Energy Department, Jharkhand Ranchi.	515.16
27	Director, Energy Department, Jharkhand Ranchi.	20.00
28	Director of Industries, Jharkhand, Ranchi.	79.36
	<b>Total</b>	<b>11602.80</b>

A majority of the Controlling Officers mentioned above had failed to reconcile the expenditure incurred by the units under their control with the accounts of the Principal Accountant General (A&E), Jharkhand for the last five years. The un-reconciled expenditure of the State was ₹ 11496 crore and ₹ 14975.52 crore during 2008-09 and 2009-10 respectively, as such chances of mis-classification of expenditure and receipts could not be ruled out.

## **2.6 Review on Budgetary Process**

Review of the Finance Department and the Planning and Development Department revealed the following discrepancies:

- (i) The Annual Plan exercise is a time bound process. For 2010-11, it was to be started in October 2009 and finalised by February 2010. But as observed, the Planning and Development Department finalised sectoral breakup and submitted to the Planning Commission, Government of India as late as on 30 July 2010 i.e. after a delay of five months. This resulted in late approval of State Annual Plan for 2010-11 (August 2010).

Late finalisation of annual plan resulted in non-completion of plan work within the stipulated time due to either late receipt or non-receipt of fund from the Central Government. Moreover, fund provided in the State budget was surrendered due to frequent revision of project plan outlay e.g. Energy Department and Agriculture Department surrendered ₹ 478.70 crore (57 per cent).

- (ii) The sectoral plan budget was to be decided by the Planning Development Department in consultation with the Finance Department and approval of the Planning Commission, Government of India. Review of records of Planning and Development Department revealed that the sectoral outlay for Energy Department was fixed as ₹ 770.47 crore. Thereafter the State Planning Department reduced it by 43.48 per cent (₹150 crore reduced in December 2010 and ₹ 185 crore reduced in February 2011) and finally the outlay stood at ₹ 435.47 crore whereas as per Appropriation Act, 2010-11, the total plan budget of Energy Department was ₹ 838 crore for the year.

Thus, the sectoral plan outlay prepared by the Planning Department had no link with the Appropriation Act passed for the year.

- (iii) As per the Budget Manual (Appendix-5, Rule 62), the budget estimate for the ensuing year is required to be submitted by the Controlling Officers to the Principal Accountant General (A&E), Jharkhand and the Finance Department by the first October of the year. Scrutiny of records of the Finance Department revealed that in a number of cases like Rural

Development Department, Registration Department, the Comprehensive Outlay of Budgetary Transaction was not submitted in due time. Thus the nodal controlling department i.e. Finance Department had less time for analysing the budget proposals to arrive at a realistic budget.

- (iv) In the year 2006-08, ₹ 252.30 lakh (₹ 152.31 lakh in March 2007 and ₹99.99 lakh in June 2007) was provided to the Deputy Commissioner, Ranchi for establishment of Urban Haat at Ranchi. The said fund was not utilised till 2010. Further, in March 2010 the State Finance Minister in his Budget Speech declared to establish an Urban Haat at Ranchi. But the District Administration in September 2010 refunded ₹ 99.99 lakh out of ₹ 252.30 lakh available for Urban Haat to Ranchi Industrial Area Development Authority for its subsequent transfer to Government of India as land was not available for setting up the Haat. The balance of ₹ 152.31 lakh was lying idle with the District Administration (September 2011). Thus, Urban Haat at Ranchi was not established till date as declared in the Budget Speech in spite of availability of funds.

The above points indicated that the laid down budgetary processes was not followed in the State which resulted in financial mismanagement and failure of budgetary control.

## **2.7 Conclusion**

During 2010-11, out of the total budget of ₹ 26914.53 crore, savings of ₹ 4429.71 crore occurred. Persistent savings for the last five years were also recorded in departments performing Social Services and Economic Services. Excess expenditure of ₹ 318.40 crore over provisions made under Grant/Appropriation No. 13, 15 and 32 which required regularisation under Article 205 of the Constitution of India was not done. In 20 heads more than 50 *per cent* of the expenditure was incurred during the last quarter of the financial year. The percentage of DC bills submitted against AC bills drawn during 2000-11 was 48 *per cent* as on 12 September 2011.

During 2010-11, expenditure amounting to ₹ 16888.30 crore was not reconciled by the departmental Controlling Officers with the books of the Principal Accountant General (A&E), Jharkhand.

## **2.8 Recommendations**

The Government may ensure:

- that the budgetary control in all the Government departments, specially in those departments where savings/excesses were highlighted for the last five years gets strengthen.

- that there is no rush of expenditure at the fag end of the financial year.
- that the heads of Departments settle pending detailed contingency bills.
- that the heads of Departments reconcile their expenditure figures every month with those in the books of the Principal Accountant General (A&E), Jharkhand.