

CHAPTER - 2

Financial Management and Budgetary Control

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 Act. These Accounts list the original budget estimates, supplementary grants, surrender and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorized by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

2.1.2 Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization 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 issued from time to time in this behalf. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, Government of NCT of Delhi for the year 2011-12.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2011-12 against 12 grants/ appropriations was as given in the **Table 2.1**.

Table 2.1: Summarized position of actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)						
	Nature of Expenditure	Original grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	15776.70	379.20	16155.90	14985.27	(-)1170.63
	II Capital	4437.10	82.04	4519.14	4011.99	(-)507.15
	III Loans and Advances	2635.64	521.25	3156.89	3345.42	(+)188.53
Total Voted		22849.44	982.49	23831.93	22342.68	(-)1489.25
Charged	IV Revenue	3117.50	1.19	3118.69	3027.82	(-)90.87
	V Capital	0.05	0	0.05	0.02	(-)0.03
	VI Loans and Advances	1100.00	0	1100.00	1087.88	(-)12.12
Total Charged		4217.55	1.19	4218.74	4115.72	(-)103.02
Appropriation to Contingency Fund (if any)		NIL	NIL	NIL	NIL	NIL
Grand Total		27066.99	983.68	28050.67	26458.40	(-)1592.27

The overall saving of ₹ 1592.27 crore was a result of saving of ₹ 1261.50 crore in eleven grants and one appropriation (Public Debt) under Revenue Section, ₹ 519.30 crore in eight grants and one appropriation under Capital Section offset by excess of ₹ 188.53 crore under five grants.

2.3 Financial accountability and budget management

2.3.1 Appropriation vis-à-vis allocative priorities

While framing the estimates, the department should take into account the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to execute the schemes, the constraints on spending by the spending agencies etc. with the objective of minimizing the scope for surrenders at a later stage. It was evident from Appropriation accounts for the year 2011-12 that in 243 cases, there were savings exceeding ₹ 5.00 crore (₹ 1 crore for Centrally Sponsored Scheme (CSS)/Schedule Caste Sub-Plan (SCSP)) or more than 20 per cent of total provision (**Appendix-2.1**). Against the total savings of ₹ 4321.60 crore, savings of ₹ 2763.46 crore (63.94 per cent) exceeding ₹ 50.00 crore in each case occurred in 22 cases relating to 4 grants and 1 appropriation as indicated in the **Table 2.2**.

Table 2.2: List of grants with savings of ₹ 50 crore and above

(₹ in crore)

Sl. No.	No. and Name of Grant/ Appropriation	Original grant/ appropriation	Supplemen-tary grant/ appropriation	Total grant/ appropriation	Actual expendi-ture	Savings	% age	Reasons
Revenue-Voted								
Grant No. 6: Education								
1.	2202 A.1(2)(8) (1)-Additional Schooling facilities	1333.93	0.02	1333.95	1256.72	77.23	5.79	Vacancies, receipt of less claims/bills, economy measures, non-finalisation of MACP and non-clearance of bills at various levels
Grant No.7: Medical and Public Health								
2.	Directorate of Health Services 2210 A.1(1)(2)-School Health Scheme	114.08	0	114.08	13.35	100.73	88.30	Non-filling up of vacant posts, Non-finalisation of MACP and proposal under CNY
Grant No. 8: Social Welfare								
3.	Transport Department 3055 D.3(3)(2)-Compensation for meeting deficit of cluster buses	150.00	0	150.00	30.00	120.00	80.00	Slow progress of scheme
Grant No. 11: Urban Development and Public Works Department								
4.	Urban Development Department 2215 A.6(1)(1)(1)-Grant-in-aid to DJB for providing potable water supply in unauthorised colonies	136.00	0	136.00	65.78	70.22	51.63	Release of less grant
5.	2215 A.6(1)(1)(5)-Special Scheme for Grant-in-aid to DJB for development of sewerage and water supply in Assembly constituencies	70.00	0	70.00	0	70.00	100.00	Non-release of grant

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6.	2215 A.6(2)(1)(5)- Grant-in-aid to DJB for interceptor sewer along three major drains under JNNURM Projects	350.56	0	350.56	225.00	125.56	35.82	Release of less grant
7.	2216 A.7(1)(1)(2)- Grants to MCD (Slum) for construction of houses for weaker sections (JNNURM)	250.00	0	250.00	100.00	150.00	60.00	Release of less grant
8.	2217 A.8(2)(1)(26)- Grant-in-aid for municipal reforms	300.93	0	300.93	0	300.93	100.00	Non-release of grant
9.	2217 A.8(3)(1)(6)- Provision of essential services in unauthorised colonies	450.50	0	450.50	350.19	100.31	22.27	Slow progress of scheme
10.	3054 A.12(1)(1)(2) (1)-Urban Roads	250.00	0	250.00	184.63	65.37	26.15	Slow progress of scheme
11.	3054 A.12(1)(1)(2) (5)- Jawaharlal Nehru National Urban Renewal Mission	100.00	0	100.00	49.40	50.60	50.60	Slow progress of scheme
12.	Power Department 2801 E.2(2)(1)(5)- Grant-in-aid to DPCL towards CPSU dues	430.00	0	430.00	362.35	67.65	15.73	Release of less grant
Capital-Voted								
Grant No. 8: Social Welfare								
13.	Transport Department 5055 DD.1(1)(4)- Purchase of land for new Bus Terminal	80.00	0	80.00	18.75	61.25	76.56	Slow progress of work
14.	5055 DD.1(2)(4)- Equity Capital to Delhi Transport Corporation for JNNURM	370.00	0	370.00	201.00	169.00	45.68	Slow progress of work
15.	5055 DD.1(3)(1)- Introduction of Electronic Trolley Buses-Alternative mode of Transport	250.00	0	250.00	9.25	240.75	96.70	Slow progress of work
Grant No. 11: Urban Development and Public Works Department								
16.	Urban Development Department 7055 AA.9(1)(1)(1)- Loan to MCD for construction of Roads under JNNURM Scheme	0	50.60	50.60	0	50.60	100.00	Non-receipt of proposal from implemen- ting agency

17.	Public Works Department 4210 BB.5(1)(1)(1)- Construction of buildings for hospitals	150.25	0	150.25	39.67	110.58	73.60	Slow progress of work
18.	5054 BB.11(1)(1)(4)- Central Road Fund Schemes	50.00	0	50.00	0	50.00	100.00	Non-implementation of scheme
19.	5054 BB.11(1)(1)(8)- BRT Corridor Games	200.00	0	200.00	0.06	199.94	99.97	Slow progress of work
20.	Power Department 6801 EE.1(3)(3)(1)- Loan to Pragati Power Project-III, Bawana	500.00	0	500.00	200.00	300.00	60.00	Release of less loan
21.	4801 EE.2(1)(1)(7)- Equity for Power Stabilization Funds DPCL	200.00	0	200.00	0	200.00	100.00	Non-release of subsidy
Public Debt-Charged								
22.	Public Debt (Charged) 2049 A.1(1)(1)- Interest on Loans for State/Union Territory Plan Schemes	3000.00	0	3000.00	2917.26	82.74	2.76	Receipt of less loan from Govt. of India
Total		8736.25	50.62	8786.87	6023.41	2763.46		

Amongst the many reasons for savings were:

- A provision of ₹ 114.08 crore was made for Urban Health Services Allopathy-School Health Scheme. However, an expenditure of only ₹ 13.35 crore was incurred resulting in savings of ₹ 100.73 crore due to non-filling up of vacant posts, non-finalisation of MACP and proposal under Chacha Nehru Sehat Yojana (CNY).
- Savings of ₹ 70.22 crore out of total provision of ₹ 136 crore for providing potable water supply in un-authorized colonies were due to release of less grant to DJB.
- A provision of ₹ 70.00 crore was made for development of sewerage and water supply in Assembly constituencies, however no progress could be achieved and the whole provision remained un-utilised due to non-release of grant to DJB.
- During the year 2011-12, a provision of ₹ 300.93 crore for municipal reforms remained wholly un-utilised due to non-release of grant to MCD. Savings of ₹ 64.45 crore out of the total provision of ₹ 143.00 crore were made during the year 2010-11 under the same scheme due to release of less grant to MCD.

- A provision for essential services in un-authorized colonies amounting to ₹ 450.50 crore was made during the year 2011-12, out of which ₹ 100.31 crore (22.27 per cent) remained un-utilised due to slow progress of scheme. During the year 2010-11, out of the total provision of ₹ 502.00 crore, ₹ 372.66 crore (74.24 per cent) remained un-utilised under the same scheme due to slow progress.
- In Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) scheme, a provision of ₹ 100.00 crore was made for Grants to MCD for urban roads for the year 2011-12. Out of the provision of ₹ 100.00 crore an amount of ₹ 50.60 crore remained un-utilised due to slow progress of scheme.
- A provision of ₹ 80 crore was made for purchase of land for new Bus Terminal. However, an expenditure of only ₹ 18.75 crore was incurred by the Transport Department resulting in savings of ₹ 61.25 crore due to slow progress of work.
- A provision of ₹ 50.60 crore made for construction of roads under JNNURM Scheme remained wholly unutilized due to non-receipt of proposal from the implementing agency i.e. MCD.
- A provision of ₹ 150.25 crore was made for construction of buildings for hospitals. However, an expenditure of only ₹ 39.67 crore was incurred by the Public Works Department resulting in savings of ₹ 110.58 crore due to slow progress of work.
- A provision of ₹ 50.00 crore for construction of roads & bridges-CRF Scheme remained wholly un-utilised due to non-implementation of the scheme.
- Due to non-release of subsidy, a provision of ₹ 200 crore to DPCL as Equity for Power Stabilisation Funds remained wholly un-utilised.
- Savings of ₹ 82.74 crore out of total provision of ₹ 3000.00 crore for Interest on Loans for State/U.T. Plan Schemes were due to receipt of less loan from Government of India under the scheme.

2.3.2 Persistent savings

According to Rule 48(2) of the General Financial Rules, Ministries/ Departments are required to prepare their estimates, keeping in view the trends of disbursements during the previous years and other relevant factors like instructions on economy issued by the Ministry of Finance, from time to time. Scrutiny of Appropriation Accounts for the years 2007-08 to 2011-12 revealed that there were persistent savings of more than ₹ 1.00 crore in nine cases which were more than 20 per cent of the total grant indicating unrealistic budgeting, deficient financial management and slackness on the

part of the departments in implementing the schemes as detailed in **Table 2.3** below:

Table 2.3: List of grants indicating persistent savings during 2007-12

(₹ in crore)								
Sl. No	Head No. and Name of the grant		2007-08	2008-09	2009-10	2010-11	2011-12	Reasons
REVENUE-VOTED								
GRANT NO. 3: ADMINISTRATION OF JUSTICE								
1.	2014 B.1(2)(1)-Judicial Magistrate's Courts	T	17.23	22.45	29.46	25.69	31.67	Saving was mainly due to non-finalisation of purchase proposals in time, receipt of less claims/bills, procurement of less store items, non-filling up of vacant posts, non-payment of arrears of pay & allowances.
		S	5.09	7.25	8.49	6.50	8.69	
		%	29.54	32.29	28.81	25.30	27.43	
GRANT NO. 5: HOME								
1.	2055 D.1(1)(1)-Forensic Science Laboratory	T	12.36	11.92	12.36	12.11	16.52	Saving was mainly due to non-filling up of vacant posts, receipt of less claims, purchase of less store items, less tours, economy measures.
		S	5.86	6.24	2.56	2.85	6.49	
		%	47.41	52.34	20.71	23.53	39.28	
GRANT NO. 6: EDUCATION								
1.	2202 A.1(2)(6) (2)-Assistance to Govt. aided schools for other expenditure	T	NA*	2.46	26.50	12.00	2.50	Saving was mainly due to receipt of less claims.
		S	NA*	2.09	26.28	11.97	2.14	
		%	NA*	84.95	99.16	99.75	85.60	
GRANT NO. 7: MEDICAL AND PUBLIC HEALTH								
1.	2211 K 1 (3)(1)-Urban Family Welfare Centres (CSS)	T	11.00	13.16	15.00	10.00	10.00	Saving was mainly due to non release of grant to MCD and NGOs from Govt. of India.
		S	3.03	10.83	12.22	2.04	7.45	
		%	27.55	82	81.47	20.40	74.50	
GRANT NO.11: URBAN DEVELOPMENT AND PUBLIC WORKS DEPARTMENT								
1.	2217 A.8(2)(1) (19)-Grant-in-aid to MCD for sanitation in JJ Clusters and unauthorised colonies (YAP-II)	T	1.00	1.00	1.00	1.00	10.00	Saving was mainly due to non-release of grant, non-receipt of proposal/ request from implementing agency i.e. MCD.
		S	1.00	1.00	1.00	1.00	10.00	
		%	100.00	100.00	100.00	100.00	100.00	
2.	2217 A.8(2)(1)(26)-	T	NA*	198.71	201.93	207.45	300.93	Saving was mainly

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	Grant-in-aid for municipal reforms	S	NA*	198.71	198.93	64.45	300.93	due to non/less release of grant to MCD under the scheme.
		%	NA*	100.00	98.51	31.06	100.00	
CAPITAL-VOTED								
GRANT NO.8: SOCIAL WELFARE								
1.	5055 DD.1(3)(1)- Introduction of Electronic Trolley Buses-Alternative Transport	T	250.00	120.00	60.00	10.00	250.00	Saving was mainly due to non-implementation of scheme.
		S	169.74	46.71	30.00	10.00	240.75	
		%	67.90	38.93	50.00	100.00	96.30	
GRANT NO.9: INDUSTRIES								
1.	4851 AA 1(1)(1)- Upgradation, improvement handling over Civic Services of Industrial Estate Flatted Factories Complex	T	15.00	10.00	1.10	6.82	5.00	Saving was mainly due to non-implementation of scheme and slow progress of work.
		S	15.00	9.00	1.10	5.55	4.75	
		%	100.00	90.00	100.00	81.38	95.00	
GRANT NO.11: URBAN DEVELOPMENT AND PUBLIC WORKS DEPARTMENT								
1.	4202 BB.4(1)(4)(2)- Construction of Delhi Govt. sponsored College Buildings	T	9.75	39.90	60.00	40.00	35.00	Saving was mainly due to slow progress of work owing to non-receipt of sanctions in time.
		S	6.90	29.00	14.59	8.16	23.32	
		%	70.76	72.68	24.31	20.40	66.62	

T - Total Provision (Original +Supplementary + Re-appropriation), S - Savings, % - Percentage.

*The scheme started w.e.f. 2008-09 and was not in operation during the year 2007-08.

The above table shows that entire provision remained unutilised during the period 2007-08 to 2011-12 under sub-head 2217 A.8(2)(1)(19)-Grant-in-aid to MCD for sanitation in JJ Clusters and un-authorised colonies (YAP-II). Also, the entire provision remained unutilised under sub-head 2217 A.8(2)(1)(26)-Grant-in-aid for municipal reforms during the years 2008-09 and 2011-12 and under sub-head 4851 AA 1(1)(1)- Upgradation, improvement handling over Civic Services of Industrial Estate Flatted Factories Complex during the years 2007-08 and 2009-10. Thus there was a need for review of budgetary assumptions in respect of the above heads.

Under the Grants-Administration of Justice, Home and Social Welfare, there were persistent savings. An amount of ₹ 31.67 crore, ₹ 16.52 crore and ₹ 250.00 crore was provided for Judicial Magistrate's Courts, Forensic Science Laboratory and Introduction of Electronic Trolley Buses-Alternative Transport respectively in the year 2011-12 budget, however, ₹ 8.69 crore (27.43 per cent), ₹ 6.49 crore (39.28 per cent) and ₹ 240.75 crore (96.30 per cent) respectively could not be utilised due to (a) non-finalisation of purchase proposals in time, receipt of less claims/bills, procurement of less store items, non-filling up of vacant posts, non-payment of arrears of pay & allowances in

the Judicial Magistrate's Courts (b) non-filling up of vacant posts, receipt of less claims, purchase of less store items, less tours, economy measures in the Forensic Science Laboratory and (c) non-implementation of scheme by the Transport Department.

Further, during the period 2007-08 to 2011-12, out of total appropriation/grant of ₹ 43.46 crore made under the sub-head 2202 A. 1(2)(6) (2)- Assistance to Government aided schools for other expenditure under Grant No-6 Education, the savings were to the tune of ₹ 42.48 crore i.e. 97.75 per cent of the total budget allocations made during the five years. Also, out of total appropriation/grant of ₹ 37.92 crore made during the period of these five years for Industries under the sub-head 4851 AA 1(1)(1), the unspent balance/savings were to the tune of ₹ 35.40 crore i.e. 93.35 per cent of the total budget. These two instances were indicative of over-estimation of fund requirement and failure of the department to take effective remedial measures to avoid persistent unspent provisions as well as non-implementation of plans.

2.3.3 Savings of entire provision

In 42 sub-heads of nine Grants, the entire provision authorised by the Legislature remained unutilised by the Departments or was remitted back to Government Account before the closure of the financial year 2011-12. Savings of the entire provision was indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Major schemes which failed to take off or suffered due to non-utilisation of entire provision were: Grant-in-aid for municipal reforms (₹ 300.93 crore), Equity for power Stabilisation Funds DPCL (₹ 200 crore), Special Scheme for Grant-in-aid to DJB for development of sewerage and water supply in Assembly constituencies (₹ 70 crore), Loan to MCD for construction of Roads under JNNURM Scheme (₹ 50.60 crore) and District and Other Roads-Other Expenditure-CRF Schemes (₹ 50 crore). The details of sub-heads are given in **Appendix 2.2.**

2.3.4 Excess expenditure over provisions during previous years requiring regularization

Article 205 of the Constitution of India, provides that if any money has been spent for any services during a financial year in excess of the amount granted for that service for that year, the excess expenditure should be regularized by the State Legislative Assembly. Although no time limit for regularization of expenditure has been prescribed under the Article, as a practice the excess expenditure is required to be regularized after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 47.60 crore for the period 2006-07 to 2010-11 was yet to be regularized (**Appendix 2.3**). The year-wise

amount of excess expenditure pending regularization is summarized below.

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

(₹ in crore)

Year	Number of Grants	Amount of excess expenditure over provision	Status of regularization
2006-07	7 (38 Sub-heads)	9.12	Not yet regularized
2007-08	5 (30 Sub-heads)	11.55	-do-
2008-09	5 (29 Sub-heads)	17.35	-do-
2009-10	3 (3 Sub-heads)	5.60	-do-
2010-11	2 (5 Sub-heads)	3.98	-do-
Total		47.60	

2.3.5 Excess expenditure over provisions during 2011-12 requiring regularization

It was observed from the head wise appropriation accounts for the year 2011-12 that there was no case of excess expenditure over provisions requiring regularisation during the year 2011-12.

2.3.6 Unnecessary supplementary provision

While obtaining a supplementary grant, Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds. Supplementary demand should only be resorted to in exceptional and urgent cases.

Audit scrutiny of Appropriation Accounts for the year 2011-12 revealed that supplementary grant amounting to ₹ 118.48 crore in 31 sub-heads was obtained in anticipation of higher/additional expenditure. However, the final expenditure was less than even the original grant/appropriation (**Appendix 2.4**). The main reasons for non-utilisation of supplementary grant were attributed to non-finalisation of proposal for purchase of machinery & equipment, non-receipt of proposal or less demand from implementing agency, release of less grant and non-filling up of vacant post. The unnecessary supplementary grants in the following cases need special attention of the departments.

- (i) There was an original provision of ₹ 9.50 crore under Grant No. 6-Education for Ambedkar Institute of Technology, out of which ₹ 7.22 crore was incurred by the Institute resulting in saving of ₹ 2.28 crore. However, an amount of ₹ 2.50 crore was obtained as supplementary grant for plan expenditure. But this entire

supplementary grant remained unutilized due to non-finalisation of purchase proposals in time.

- (ii) Under Grant No. 7-Medical & Public Health, there was an original provision of ₹ 32.00 crore, out of which ₹ 29.24 crore was incurred by Bhagwan Mahavir Hospital resulting in saving of ₹ 2.76 crore. However, an amount of ₹ 5.74 crore was obtained as supplementary grant for non-plan expenditure on supplies & materials and payment of salaries. But this entire supplementary grant remained unutilized due to non-filling up of vacant posts, receipt of less claims/bills and procurement of less machinery & equipment.
- (iii) Under the same grant, an amount of ₹ 6.45 crore was provisioned as supplementary grant for Plan expenditure of purchase of supplies & materials and payment of salaries and Non-plan office expenditure by Lok Nayak Hospital. However, the entire supplementary grant remained un-utilised due to non-filling up of vacant posts, receipt of less claims/bills, purchase of less store items and less number of beneficiaries. Further, there was saving of ₹ 7.67 crore out of the original provision of ₹ 237.22 crore.
- (iv) Out of the original provision of ₹ 40.23 crore under Grant No.8-Social Welfare for merit scholarship to SC/ST/OBC and minority students-Class I to XII, expenditure of only ₹ 36.02 crore was incurred leading to a saving of ₹ 4.21 crore. However, the department obtained supplementary grant of ₹ 6.77 crore to meet expected additional expenditure, but the entire supplementary grant remained unutilized due to less demand from the local bodies under the scheme.
- (v) Under Grant No. 11–Urban Development and Public Works Department, there was no provision originally for construction of Roads under JNNURM Scheme but an amount of ₹ 50.60 crore was provisioned as supplementary grant to MCD. However, the entire supplementary grant remained unutilized due to non receipt of proposal from implementing agency.

Thus, in the above cases the entire supplementary provisions remained un-utilized, which reflects deficient planning and budgeting.

2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where saving is anticipated to another unit where additional funds are needed. The re-appropriations in the few following cases proved unnecessary. The Departments could not utilize fully even their existing

grants. There was a cumulative non-utilisation of ₹ 211.95 crore under 40 sub-heads as detailed in **Appendix 2.5**. The main reasons for savings were:

- (i) Under Grant No. 2-General Administration, an amount of ₹ 0.22 crore was re-appropriated in anticipation of more bills under sub-head Lokayukta (Charged), however there was saving of ₹ 1.41 crore due to receipt of less claims.
- (ii) Under Grant No. 3-Administration of Justice, an amount of ₹ 5.97 crore was re-appropriated in anticipation of payment of arrears and meeting additional claims under sub-head Session Court (Charged) but ₹ 27.67 crore were saved due to non-finalisation of Modified Assured Career Progression (MACP) Scheme and receipt of less claims/bills.
- (iii) Under Grant No. 4-Finance, an amount of ₹ 3.34 crore was re-appropriated due to increase of number of registered dealers of VAT and hike in prices under sub-head Trade & Taxes for Mission Mode Project for computerization of Commercial Taxes Department under NeGP (MMPCT-State Share) but ₹ 3.35 crore remained unutilized as the sanction was received at the fag end of the financial year.
- (iv) Under Grant No.6-Education, an amount of ₹ 2.37 crore was re-appropriated for filling up of vacancies under sub-head Polytechnics-Direction & Admn., but there was non-utilisation of ₹ 3.44 crore due to non-finalisation of MACP Scheme, transfer of staff and receipt of less claims/bills.
- (v) Under Grant No.7-Medical and Public Health, an amount of ₹ 3.69 crore was re-appropriated in anticipation of more bills and procurement of more store items under sub-head G.B. Pant Hospital but there was non-utilisation of ₹ 10.85 crore due to vacant posts and non-finalisation of purchase proposals.
- (vi) Under Grant No.8-Social Welfare, an amount of ₹ 1.25 crore was re-appropriated due to receipts of funds from Government of India under sub-head Multi Sectoral development programme for minority concentration districts in Centrally Sponsored Scheme (CSS) but ₹ 4.69 crore remained unutilized as the sanction was not received for release of funds.
- (vii) Under Grant No.8-Social Welfare, an amount of ₹ 0.99 crore was re-appropriated but ₹ 1.05 crore remained unutilized due to non-receipt of approval for purchase of floating jetties from Finance Department.
- (viii) Under Grant No.9-Industries, an amount of ₹ 1.18 crore was re-appropriated for Civil Supplies Schemes-Streamlining of Public

- Distribution system with focus upon below poverty line but ₹ 3.08 crore remained unutilized as the sanction was not received in time.
- (ix) Under Grant No. 11-Urban Development and Public Works Department, an amount of ₹ 8.99 crore was re-appropriated to MCD for sanitation in JJ Clusters & unauthorized colonies under Yamuna Action Plan-II but ₹ 10 crore was not utilised due to non receipt of proposal from implementing agencies.
 - (x) Under Grant No. 11-Urban Development and Public Works Department, an amount of ₹ 1.44 crore was re-appropriated in anticipation of additional bills/claims and purchase of more store items under the sub-head Swarn Jayanti Shahari Rojgar Yojana, but ₹ 3.21 crore was not utilised due to adjustment of unspent balances of previous year(s)
 - (xi) Under Grant No. 8-Social Welfare - Capital (Voted), an amount of ₹ 0.47 crore was re-appropriated under the sub-head Construction of Hostel for SC/ST students studying in Middle/Secondary College/University stages of Education but there was non-utilisation of ₹ 2.47 crore due to non-implementation of the scheme.

Thus, the excessive/unnecessary re-appropriation of funds pointed towards deficient budgeting exercise.

2.3.8 Substantial surrenders

Substantial surrenders involving ₹ 61.29 crore (more than 40 per cent of total provision) were made in respect of 10 sub-heads (**Appendix 2.6**), out of which in four sub-heads 100 per cent grant amounting to ₹ 32.63 crore was surrendered on account of non-implementation of schemes and transfer of scheme to Secretary Revenue.

Substantial surrenders amounting to ₹ 16.32 crore and ₹ 4.75 crore were made under Grant No. 7-Medical and Public Health and Grant No. 9-Industries under sub-heads 4210 NN.1(1)(1)(1)-Setting up of New Medical College in Dr. Baba Saheb Ambedkar Hospital and 4851 AA.1(1)(1)-Upgradation, improvement handling over of Civic Services of Industrial Estate flatted factories complex respectively. The surrenders were attributed mainly to slow progress of the scheme/work.

2.3.9 Anticipated savings not surrendered

Rule 56 (2) of General Financial Rules stipulates that savings as well as provisions that cannot be profitably utilized should be surrendered to Government as soon as these are foreseen without waiting till the end of the year. The objective is to minimize the scope for avoiding surrenders at a later stage. At the close of the year 2011-12, there were, three grants and one appropriation in which savings occurred but no part of which had been

surrendered by the concerned department. The amount involved in these cases was ₹ 258.89 crore (16.26 per cent of the overall savings i.e. ₹ 1592.27 crore (**Appendix 2.7**)).

Further, out of the savings of ₹ 1331.60 crore under 9 grants and 1 appropriations (savings of ₹ 1 crore and above were indicated in each grant/appropriation), an amount of ₹ 1051.02 crore (78.93 per cent of amount of savings) was not surrendered, details of which are given in **Appendix 2.8**.

Besides, in 22 cases, (surrender of funds in excess of ₹ 1 crore), ₹ 272.23 crore were (**Appendix 2.9**) surrendered on the last working day of March 2012 indicating inadequate financial control besides the fact that these funds could not be utilized for other development purposes.

2.3.10 Unrealistic budgeting

Rule 48 (2) of the General Financial Rules lays down that Ministries/ Departments have to prepare their estimates keeping in view inter alia the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by the Ministry of Finance from time to time. Scrutiny of records for the 2011-12 revealed that provision under various sub-heads under CSS and SCSP scheme was made during the year but in 27 sub-heads in 10 grants/appropriation, the entire provisions of ₹ 10.10 crore (**Appendix 2.10**) remained unutilized defeating the original purpose for which the budget provisions were passed by the Legislative Assembly indicating that the budget estimates were not prepared after adequate pre-budget scrutiny of projects and schemes. The main reasons for non-utilisation of funds were attributed to non-receipt of funds from Government of India and non-implementation of schemes.

A provision of ₹ 190.00 crore for CSS in the budget during the year 2011-12 was made, however, the receipt during the year 2011-12 was ₹ 145.09 crore and the expenditure incurred in implementation of scheme was ₹ 159.42 crore. The accumulated balance of ₹ 69.07 crore lying with the implementing agencies as on 31 March 2012 was not surrendered to the Government.

2.3.11 Rush of expenditure

Rule 56(3) of the General Financial Rules advises against rush of expenditure, particularly in the closing months of the financial year and lays down that this shall be regarded as a breach of financial propriety. Contrary to this, expenditure incurred by the Departments in the month of March 2012 under the following 19 sub-heads ranged between 24.30 per cent and 100 per cent of

the total expenditure as given in **Table 2.5** below:

Table 2.5 Rush of expenditure in the end of the year 2011-12

(₹ in crore)

Sl. No.	Number and Name of the Grant	Head of Accounts	Total Provision	Total Expenditure	Exp. incurred during the last Qtr. of 2012		Expenditure incurred in March 2012	
					Amount	Percentage	Amount	Percentage
1.	02. General Administration	2052 C.1(1)(1)(9)-Chief Secretariat-Publication	0.30	0.29	0.29	100.00	0.29	100.00
2.	03. Administration of Justice	2014 E.1(2)(5)-Grant in aid to Delhi Dispute Resolution Society	1.00	1.00	1.00	100.00	1.00	100.00
3.	04. Finance	4059 FF.1(1)(1)(1)-Trade & Taxes Annexe Building	1.00	0.41	0.41	100.00	0.41	100.00
4.	05. Home	2056 A.1(1)(1)(8)-Jail-Direction & Admn.-Jail Estt.-Motor Vehicles	0.10	0.10	0.10	100.00	0.10	100.00
5.	06. Education	2204 A.2(3)(3)-Development of Play Grounds, Sports Complexes, Swimming Pools etc.	0.02	0.02	0.02	100.00	0.02	100.00
6.		2203 B 1(5)(18)-Grant in aid to Delhi Institute of Pharmaceutical Science & Research	1.25	1.25	1.25	100.00	1.25	100.00
7.		2202 J.1(1)(1)(3)-Grant in aid to colleges for construction of hostels for college going girls students.	0.23	0.23	0.23	100.00	0.23	100.00
8.	07. Medical and Public Health	2210 A.1(1)(4)(6)-Grant in aid to Delhi State Cancer Institute	65.00	65.00	21.75	33.46	16.25	25.00
9.		2210 A.1(1)(5)(6)-Grant to MCD for Health Purposes	107.30	107.30	48.38	45.09	48.38	45.09
10.		2210 B.1(1)(1)(1)(8)-Lok Nayak Hospital-Supplies & Materials	43.00	42.83	17.44	40.72	10.41	24.30
11.		2210 F.1(1)(1)(1)(5)-Guru Teg Bahadur Medical College and Hospital-Machinery & Equipment	38.50	38.47	15.12	39.29	10.27	26.70

12.	08. Social Welfare	2235 A.2(1)(3)(10)- Senior Citizen Pension Scheme (Expansion of old age Assistance)	490.00	470.99	122.96	26.10	115.99	24.62
13.		5055 DD.1(2)(4)- Equity Capital to Delhi Transport Corporation for JNNURM	241.00	201.00	112.23	55.83	112.23	55.83
14.		7055 DD.4(2)(3)-Loan to DTTDC for ISBT	20.00	20.00	20.00	100.00	20.00	100.00
15.	11. Urban Development and Public Works Department	2202 A.4(1)(1)(2)(1)- New Delhi Municipal Council-Grant in aid	26.02	26.02	19.52	75.00	19.52	75.00
16.		2202 A.4(2)(1)(1)(1)NDMC for Secondary Education-Grant in aid	32.09	32.09	24.07	75.00	24.07	75.00
17.		2202 A.6(2)(1)(5)-GIA to DJB for interceptor sewer along three major drains under JNNURM projects	225.00	207.50	163.85	78.96	154.35	74.38
18.		2216 A.7(1)(1)(2)- Grants to MCD (Slum) for construction of houses for weaker section (JNNURM)	100.00	100.00	100.00	100.00	100.00	100.00
19.		2216 A.7(1)(1)(3)- Grants to DSIDC for construction of houses for weaker section (JNNURM)	450.00	450.00	349.69	77.70	302.46	67.21
Total			1841.81	1764.50	1018.31		937.23	

The reasons for disproportionately higher expenditure incurred in the last quarter were awaited from the Government.

2.4 Advances from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent nature, postponement of which, till its authorization by the legislature would be undesirable. There were no such cases noticed during the audit of appropriation accounts of Government of NCT of Delhi for the year 2011-12.

2.5 Recoveries in reduction of expenditure

The demands for grants presented to the Legislature are for gross expenditure including credits and recoveries, which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the Budget Estimates. During 2011-12 such recoveries were

anticipated at ₹ Nil. However, actual recoveries during the year were ₹ 55.98 crore. Position of estimated and actual recoveries during the previous five years is depicted in the table below:

Table 2.6 Recoveries in reduction of expenditure

(₹ in crore)

Year	Estimated recoveries	Actual recoveries	Excess (+) shortfall (-)	Percentage of variation excess (+) short fall (-)
2011-12	-	55.98	(+) 55.98	(+) 100.00
2010-11	-	38.85	(+) 38.85	(+) 100.00
2009-10	-	35.89	(+) 35.89	(+) 100.00
2008-09	16.67	27.92	(+) 11.25	(+) 67.49
2007-08	17.49	58.86	(+) 41.37	(+) 236.54

2.6 Unnecessary provision for vacant posts

As per instructions issued by the Department of Finance, Government of NCT of Delhi, no provision should be kept for the post lying vacant for one year or more and likewise no provision should be kept in respect of such posts, which have been kept in abeyance. However, scrutiny of records revealed that the Departments were making provision of funds in the Budget Estimates in violation of extant instructions with the result that savings occurred in the following Departments due to provisions for vacant posts as detailed below:

Table 2.7: Unnecessary provision for vacant posts

(₹ in crore)

Sl. No.	Grant No. & name	Department	Major Head/Sub Head	Description	Total Grant	Savings/re-appropriation
Revenue-Charged						
1	Grant No. 3: Administration of Justice	High Court	2014 A.1(1)(1)(1)	Direction & Administration-Salaries	103.86	3.63
Revenue-Voted						
2	Grant No. 3: Administration of Justice	Civil & Session Court	2014 B.1(2)(1)(1)	Criminal Courts-Judicial Magistrate's Courts-Salaries	31.67	1.50
3	Grant No.4: Finance	Principal Accounts Office	2054 A.1(1)(1)(1)	Treasury & Accounts Administration-Directorate of Accounts-Salaries	31.31	3.20
4		Directorate of Internal Audit	2016 B.1(1)(1)(1)	Audit-Civil Audit & Accounts Office-Salaries	8.12	1.20
5	Grant No. 5: Home	Central Jail	2056 A.1(1)(1)(1)	Jails-Direction & Administration-Salaries	114.79	vii 4.00
6		Delhi Fire Service	2070 C.1(1)(2)(1)	Other Administrative Services-Protection & Control	109.17	6.45

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7	Grant No. 6: Education	Directorate of Education	2202 A.1(2)(6)(1)	Assistance to Non-Govt. Secondary schools- Assistance to Govt. aided schools for salaries of employees	340.00	28.00
8			2202 A.1(2)(8)(1)(1)	Other Expenditure- Additional Schooling facilities-Salaries	1333.95	91.00
9			2202 A.1(3)(2)(3)(1)	Other Expenditure- Provision of pre-primary/ primary classes in existing Govt. School-Salaries	103.50	13.09
10			2202 A.1(4)(4)(2)(1)	Other Expenditure- Introduction of Yoga Scheme in schools- Salaries	30.16	1.85
11		Directorate of Training. & Technical Education	2203 B.1(4)(1)(1)	Polytechnics-Direction & Administration-Salaries	51.84	1.23
12		Directorate of NCC	2204 D.1(1)(1)(1)	Sports & Youth Services- NCC/ACC-Salaries	12.13	1.56
13		Govt. Engineering College, Jaffarpur	2203 K.1(1)(1)(1)	Technical Education-Govt. Engineering College, Jaffarpur-Salaries	4.00	1.35
14		G.B. Pant Engineering College	2203 L.1(1)(1)(1)	Technical Education- G.B. Pant Engineering College, Okhla	8.97	2.11
15	Grant No. 7: Medical & Public Health	Directorate of Health Services	2210 A.1(1)(4)(1)(1)	Hospitals & Dispensaries- Govt. Dispensaries- Salaries	120.19	7.96
16		Aruna Asaf Ali Govt. Hospital (Civil Hospital)	2210 D.1(1)(1)(1) (1)	Hospital & Dispensaries- Aruna Asaf Ali Govt. Hospital (Civil Hospital)- Salaries	33.47	4.75
17		Deen Dayal Upadhyay Hospital	2210 E.1(1)(1)(1) (1)	Hospital & Dispensaries- Deen Dayal Upadhyay Hospital revamping of hospital Admn.- Salaries	160.48	4.94
18		Guru Teg Bahadur Medical College and Hospital	2210 F.1(1)(1)(1) (1)	Hospital & Dispensaries- Guru Teg Bahadur Medical College & Hospital-Salaries	224.20	3.75
19		Maulana Azad Medical College	2210 H.1(1)(1)(1)(5) (1)	Education-Chacha Nehru Bal Chikitsalaya, Geeta Colony-Salaries	40.00	3.00
20		Sanjay Gandhi Memorial Hospital	2210 L.1(1)(1)(1)	Hospital & Dispensaries- Sanjay Gandhi Memorial Hospital-Salaries	67.54	4.87

21		Dr. Baba Saheb Ambedkar Hospital	2210 N.1(1)(1)(1)(1)	Hospital & Dispensaries-Dr. Baba Saheb Ambedkar Hospital-Salaries	83.06	1.30
22		Bhagwan Mahavir Hospital	2210 V.1(1)(1)(1)(1)	Hospital & Dispensaries-Bhagwan Mahavir Hospital-Salaries	37.74	11.01
23		Malviya Nagar Hospital	2210 W.1(1)(1)(1)(1)	Hospital & Dispensaries-Malviya Nagar Hospital-Salaries	22.89	2.30
24		Acharya Bhikshu Hospital	2210 X.1(1)(1)(1)(1)	Hospital & Dispensaries-Acharya Bhikshu Hospital-Salaries	26.74	1.22
25		Shastri Park Hospital	2210 Y.1(1)(1)(1)	Hospital & Dispensaries-Shastri Park Hospital-Salaries	31.00	1.25
26		Lal Bahadur Shastri Hospital	2210 AB.1(1)(1)(1)(1)	Special Component Plan for Scheduled Castes-Lal Bahadur Shastri Hospital (SCSP)	42.33	1.20
27		Rao Tula Ram Hospital	2210 AC.1(1)(1)(1)(1)	Hospital & Dispensaries-Rao Tula Ram Hospital, Jaffarpur-Salaries	36.33.	2.17
28		Satyawadi Raja Harish Chandra Hospital	2210 AG.1(1)(1)(1)(1)	Hospital & Dispensaries-Satyawadi Raja Harish Chandra Hospital-Salaries	25.10	1.76
29	Grant No. 8: Social Welfare	Transport Department	2401 D.1(1)(1)	Taxes on Vehicles-Collection Charges-Salaries	26.02	1.90
30	Grant No. 9: Industries	Industries Department	2851 A.2(1)(1)(1)	Village & Small Industries-Direction & Admn.-Headquarter Estt.-Salaries	10.37	2.50
31		Employment Department	2230 B.1(1)(2)(1)(1)	Employment Services-General Employment Exchanges-Salaries	5.37	1.09
32	Grant No. 10: Development	Development Department	2403 B.3(2)(1)(1)	Veterinary Services and Animal Health-Hospital & Dispensaries-Salaries	8.08	2.00
33		Cooperative Department	2425 C.1(1)(1)(1)	Co-Operation-Direction & Administration-Headquarter Estt.-Salaries	8.79	1.50
Total					3293.17	220.64

Further, it was also noticed that in Grant No. 10 - Development, there was persistent saving over more than crore for the past three years, i.e. 2009-10 to

2011-12 on account of vacant posts as shown below:

(₹ in crore)

Sl. No.	Grant no. & name	Department	Major head/Sub head	Description	Original grant/Total grant	Savings/re-appropriation
1.	10. Development	Co-operative Department	2425 C. 1(1)(1)(1)	Co-operation- Direction & Administration- Headquarter Estt.-Salaries	2009-10 – 8.91	2009-10 – 1.19
					2010-11 – 8.67	2010-11 – 1.08
					2011-12 – 8.79	2011-12 – 1.50

2.7 Other audit observations

(a) While seeking approval for Supplementary Demand for Grants of ₹ 983.68 crore in March 2012, the total Revised Estimate (RE) stood at ₹ 27770 crore which included revenue expenditure of ₹ 19065.89 crore and capital expenditure of ₹ 8704.11 crore. However, the final total expenditure for 2011-12 was of ₹ 26458.40 crore (revenue ₹ 18013.09 crore and capital ₹ 8445.31 crore). This showed that the expenditure was over estimated for seeking Supplementary Grant.

It was also noticed that in the year 2011-12, the Government of NCT of Delhi had passed the first and final batch of Supplementary Demand for Grants at the fag end of the financial year in March 2012 which violated Rules 48 and 56(3) of the General Financial Rules, due to which various departments failed to either utilize entire supplementary grant or it led to heavy expenditure in last quarter/month of March of the financial year 2011-12.

Further, scrutiny of Re-appropriation orders for the year 2011-12 revealed that all Re-appropriation orders were issued by the Finance Department on the last working day of the financial year i.e. on 31st March 2012. Re-appropriation orders were issued apparently to cover the excess expenditure over budget provision. Incurring of expenditure without budget allotment was highly irregular and should have been avoided.

The mater was referred to the Controller of Accounts who in turn referred (January 2013) the matter to the Finance Department, GNCTD for their comments.

(b) As per Rule 8 of the Delegation of Financial Powers Rules 1978, object heads such as 51-Motor Vehicles, 52-Machinery and Equipment and 53-Major Works fall under Object Class-6 (Acquisition of Capital Assets and other capital expenditure).

However, analysis of the data of actual expenditure of GNCTD for the year 2011-12 in Contact Software made available by the Controller of Accounts, GNCTD revealed that in 83 cases (**Appendix 2.11**) an aggregate expenditure

of ₹ 134.71 crore had been incorrectly classified as revenue expenditure, instead of being correctly classified as capital expenditure, as detailed in the table below:

Table: 2.8 Expenditure of capital nature booked under revenue head

(₹ in crore)			
Sl. No.	Object Head	No. of cases	Amount
1.	51-Motor Vehicles	25	3.56
2.	52-Machinery and Equipment	56	125.70
3.	53-Major Works	02	5.45
Total		83	134.71

Source: Data of expenditure for the year 2011-12 in Contact Software

Thus, during the financial year 2011-12 there was an overstatement of revenue expenditure by ₹ 134.71 crore and understatement of revenue surplus by an equivalent amount.

Further, review of the detailed Demand for Grants for the year 2011-12 revealed that in the above 83 cases, an amount of ₹ 170.47 crore was incorrectly provisioned under the Revenue section, pointing to erroneous and deficient budgeting.

On being pointed out in Audit, the Controller of Accounts confirmed (January 2013) the above figures as correct as per accounts and referred the case to the Finance Department, GNCTD for further comments. Further reply was awaited (January 2013).

(c) In accordance with instructions issued (May 2006) by the Ministry of Finance, Government of India, augmentation of provision by way of re-appropriation to the object head 'Grants-in-aid' to any body or authority from the Consolidated Fund of India/State in all cases could only be made with the prior approval of Parliament/Legislature.

Scrutiny of Re-appropriation orders for the year 2011-12 revealed that in 34 cases (**Appendix 2.12**), there was augmentation of provision by way of re-appropriation in the object head '31-Grants-in-aid'.

The Controller of Accounts was requested (December 2012) to confirm whether the prior approval of the Legislature was taken for the above re-appropriations. Their reply was awaited (January 2013).

(d) Similarly, in accordance with instructions issued (May 2006) by the Ministry of Finance, Government of India for augmentation of provision in the existing appropriation under the object head 'subsidies' through re-appropriation, prior approval of the Parliament/ Legislature is required, if the

addition is more than 10 *per cent* of the appropriation already voted by the Parliament/ Legislature or ₹ 10 crore, whichever is less.

Scrutiny of Re-appropriation orders for the year 2011-12 revealed that in 4 cases (**Appendix 2.13**), there was augmentation of provision by more than 10 *per cent* of the original provision or ₹ 10 crore by way of re-appropriation in the object head '33-Subsidies'.

The Controller of Accounts was requested (December 2012) to confirm whether the prior approval of the Legislature was taken for the above re-appropriations. Their reply was awaited (January 2013).

2.8 Outcome of Review of Grant No. 5 - Home

2.8.1 Introduction

Grant No. 5 – 'Home' Government of NCT of Delhi', covers grants for Central Jail, Directorate of Civil Defence and Home Guards, Delhi Fire Service and Forensic Science Laboratory. A brief of these organisations is given below:

A. Central Jail

Central Jail, Tihar New Delhi has been set up for prisoners convicted or those who are being tried by the court. The main objectives of setting up of Jail are (i) to provide safe and secure detention of the prisoners committed to prison custody (ii) to reform and rehabilitate the prisoners and (iii) to provide basic minimum facilities to prisoners to maintain human dignity.

B. Directorate of Civil Defence and Home Guards

Home Guards were raised on 6th Dec. 1946 in Bombay to assist the police in controlling civil disturbance and communal riots. Subsequently, this concept of voluntary citizen's force as auxiliary to the police for maintenance of law and order and for meeting emergencies like floods, fire, famines etc. was adopted by several other states such as Paranti Raksha Dal, West Bengal Village block and civic guards. In the wake of Chinese aggression in 1962, Centre advised the States and Union Territories to merge their existing voluntary organizations into one all India force known as Home Guards which would also be voluntary in concept.

C. Delhi Fire Service

The Delhi Fire Services is responsible for protecting and safeguarding the lives and property of people residing in Delhi from fire disasters etc., issue of fire safety clearances to high rise buildings (above 15 meter), Cinema Halls, Business Complexes, and the places of public congregation etc. The administrative control of Delhi Fire Service, (previously with the MCD), rests with the Government of NCT of Delhi. The Delhi Fire Service is divided into

five Divisions and nine Sub Divisions for operational purposes. Each division is headed by Deputy Chief Fire Officer, assisted by Divisional Officer and Assistant Divisional Officer.

D. Forensic Science Laboratory

Forensic Science Laboratory (FSL) is engaged in providing assistance to the investigating agencies by examining evidences at the scene or incident requiring investigation etc. FSL has divisions such as Chemistry, Physics, Biology, Document, Ballistics, Photo, DNA unit in its laboratory. The reports of laboratory are aimed at contributing to the administration of justice.

2.8.2 Budget and expenditure

The overall position of budget provision, actual disbursement and unspent provision under the grant for the last three years is given below:

Table 2.9: Budget and Expenditure

(₹ in crore)

Sl. No.	Year	Provision		Actual Disbursement		Unspent provision	
		Revenue	Capital	Revenue	Capital	Revenue	Capital
1.	2009-10	225.09	0.50	204.31	0.42	20.78	0.08
2.	2010-11	246.32	0.50	223.77	0.35	22.55	0.15
3.	2011-12	291.54	0.50	245.39	Nil	46.15	0.50

Note:-The above figures include 'Charged' appropriation and disbursement.

2.8.3 Large savings under various Sub-head

While framing the estimates, Department should take into account the past performance, the stages of formulation/implementation of the schemes, the institutional capacity of the implementing agencies to implement the scheme, the constraints on spending by the spending agencies etc., with the objective of minimizing the scope for surrenders at a later stage.

Scrutiny of the head-wise Appropriation Accounts for the year 2009-10, 2010-11, 2011-12 revealed that the Department made excessive provisions under various sub-heads, which resulted in large saving. Large savings occurred due to non- filling up of vacant posts, receipt of less claims, bills, transfer of civil defence staff to Secretary Revenue, purchase of less stores and machinery, procurement of less fire fighting equipments etc. Large savings indicated that expenditure could not be incurred as estimated and were pointers to deficiencies in the system of public expenditure management. A list of 13 cases where savings were more than ₹ one crore are given in **Appendix 2.14.**

2.8.4 Persistent savings

According to Rule 48(2) of the General Financial Rules, Ministries/ Departments are required to prepare their estimates, keeping in view the trends of disbursement during the previous year and relevant factors like instructions on economy issued by the Ministry of Finance from time to time. Scrutiny of Appropriation Accounts for the years 2009-10 to 2011-12 revealed that there were persistent savings under various sub-heads (**Appendix 2.15**), which indicated unrealistic budgeting, deficient financial management and slackness on the part of the Department in adherence of rules and regulations. The main reasons for persistent savings were:

- Non-filling up of vacant posts and receipt of less claims/bills.
- Non-finalisation of purchase proposals.
- Non-finalisation of projects.
- Less procurement of stores i.e. machinery & equipment.
- Non-purchase of motor vehicle.

2.8.5 Variation in figures shown in Appropriation Accounts and reconciled monthly progress report of expenditure

As per rule 52 (5) of the General Financial Rules, the Head of the Department and the Accounts Officer shall be jointly responsible for the monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Office books.

Scrutiny of records relating to monthly progress report of expenditure for the month of March 2010, March 2011 and March 2012 revealed that there were discrepancies in figures shown in the Appropriation Accounts of Grant No.- 5 for the year 2009-10, 2010-11 and 2011-12 prepared by Principal Pay and Accounts Office and figures shown in the monthly progress report of expenditure prepared by Head of Department as given in **Appendix 2.16**.

2.8.6 Surrender of unspent provision at the end of financial year

Rule 56(2) of the General Financial Rules provides that unspent provision in a grant or appropriation is to be surrendered to the Government as soon as these are foreseen without waiting for the end of financial year. Unspent provision should also not to be held in reserve for any possible future excess. Test check revealed that contrary to this, the Central Jail surrendered unspent provisions amounting to ₹ 3.71 crore and ₹ 3.00 crore at the fag end of financial years 2010-11 & 2011-12 respectively. The details are given in **Appendix 2.17**. These surrenders were not included in the surrender orders issued by the Finance Department, Government of NCT of Delhi. Had the above unspent

provision been surrendered timely, these could have been fruitfully utilised in other schemes/projects/programmes of the government instead of being allowed to lapse.

2.8.7 Rush of expenditure

As per Rule 56 (3) of the General Financial Rules, rush of expenditure particularly in the closing months of financial year, shall be regarded as a breach of financial propriety and should be avoided. Contrary to this, the head-wise expenditure incurred by the department during the month of March in past three years under various sub-Heads of three head of accounts ranged between 52 *per cent* and 100 *per cent* of the total expenditure and expenditure in last quarter of the year ranged between 64 *per cent* and 100 *per cent* of total expenditure, as shown in **Appendix 2.18**.

2.8.8 Unrealistic budgeting

As per Rule 48(2) of the General Financial Rules, Ministries/Departments have to prepare their estimates keeping in view inter alia the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by Ministry/Department of Finance from time to time. Scrutiny of records for the years 2009-10 to 2011-12 revealed that entire provision remained unutilized under nine Sub-Heads of three head of Accounts (**Appendix 2.19**).

The reasons stated in the Appropriation Accounts revealed that the matter is under process with BIS, non-payment of overtime allowance and non conduct of foreign tour. This indicates that the budget estimates were not prepared after adequate pre budget scrutiny.

2.8.9 Unnecessary supplementary grant

While obtaining a supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds. Resort to supplementary demands should only be made in exceptional and urgent cases.

Audit scrutiny revealed that in the following cases the Department sought Supplementary Provisions in anticipation of higher expenditure but the final expenditure was less than the original grants/ appropriations, which shows that supplementary provisions were unnecessary and are indicative of deficient budgeting. Reasons for non utilisation of the supplementary grants

were stated to be non filling of vacant posts, receipts of less bills/claims and economy measures.

Table:-2.10: Unnecessary Supplementary Grant

(₹ in Lakh)

Sl. No..	Years	Sub-Head	Provision	Actual Expenditure	Unspent provision
1.	2010-11	2070-B1(1)(4) Revamping of Civil Defence (State share)	S-8.00	-nil-	8.00
2.	2010-11	2070-C1(1)(2) Protection & Control Voted	O-9147 S-1134 R-(-) 923	7927.29	3276.71
3.	2011-12	2070-C1(1)(4)(1)-Procurement of Equipment for Training (CSS)	S-1.00 R-37.27	-nil-	38.27

2.8.10 Injudicious Re-appropriation of funds to Sub-Heads

Re-appropriation of funds to the following sub-heads was injudicious as the original provision under the sub-heads was found to be more than adequate.

Final savings under the sub-heads were more than the amount re-appropriated to sub-heads as per detail below:

Table 2.11: Injudicious Re-appropriation of funds to sub-heads

(₹ in lakh)

Sl. No.	Year	Sub-Head	Original(O)	Re-appropriation	Total provision	Actual Expenditure	Savings
1.	2010-11	2056-A 1-Jail A 1(1) Direction & Admn. A 1(1) Jail Estt.(Charged)	15.00	7.00	22.00	12.11	9.89
2.	2010-11	2055-D1 Police D1(1) Forensic Science D1(1)(1) Forensic Science Laboratory	1169.00	42.20	1211.20	925.94	285.26
3.	2011-12	A 1-Jail A 1(1) Direction & Admn. A1(1)(1)Jail Estt.(Voted)	23.00	2.00	25.00	17.70	7.30

2.8.11 Excess expenditure over appropriation

It is an important function of the Accounts Office to see that no payment is made in excess of the budget allocation. The Pay and Accounts Offices can make payment only on receipt of an assurance in writing from the Head of Department controlling the Grant that necessary funds to accommodate the disbursement will be provided by issue of re appropriation order etc.

Test check of records of Directorate of Civil Defence and Home Guards revealed that there was original provision of ₹ 4.99 crore in demand for grants under sub head 2070 B-1(1)(1)(9) – other charges which was increased to ₹ 5.52 crore in the revised estimates for the year 2009-10. However Department had incurred an expenditure of ₹ 5.64 crore against the budget provision of ₹ 5.52 crore. Thus, the department made payment in excess of ₹ 0.12 crore against the available budget provision, but did not issue any re-appropriation orders to accommodate the excess expenditure which is indicative of deficient budget control.

2.9 Internal Audit

Directorate of Audit GNCT Delhi is responsible for conducting internal audit of Department of Home. It was noticed that audit of the units under the Department of Home is not being done regularly. Internal audit of Department of Home for the period 2010-11 to 2011-12 has not been conducted.

2.10 Conclusions

Against total provision of ₹ 28050.67 crore during 2011-12, an expenditure of ₹ 26458.40 crore was incurred. This resulted in an unspent provision of ₹ 1592.27 crore (5.67 per cent). The saving was mainly due to receipt of less claims/bills, purchase of less store items/machinery & equipment, less release of grant to various organizations, slow progress of work and non-finalisation of purchase proposals in time. An excess expenditure of ₹ 47.60 crore relating to the period 2006-07 to 2010-11 required regularization under Article 205 of the Constitution. While, supplementary provision of ₹ 118.48 crore in 31 cases was unnecessary, re-appropriation of funds in 40 cases where final savings were more than ₹ one crore was made injudiciously resulting in un-utilised/excessive provision of ₹ 211.95 crore. In eight grants and one appropriation, ₹ 272.23 crore was surrendered on the last working day of the financial year. In eight grants/appropriations, a provision of ₹ 220.64 crore was made for vacant posts in violation of instruction issued by the Finance Department of the GNCTD.

2.11 Recommendations

Budgeting process must include information on the relationship between expenditure and corresponding performance in producing result. Budgetary control needs to be strengthened in all the Government Departments, where saving/excess persisted for last five years. Re-appropriation/surrender order should not be issued at the end of the year as earlier pointed out in previous audit reports. Re-appropriation/supplementary grant is to be provided after proper assessment in such heads where actual additional funds are needed. The practice of keeping provision for vacant posts should be avoided.