

CHAPTER II

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 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-a-vis* those authorised by the Appropriation Acts in respect of both charged and voted items of the 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 Acts and whether 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 law, relevant rules and regulations and instructions.

2.1.3 The Finance Department of the State Government is responsible for preparation of the annual budget by obtaining estimates from various Departments. The Departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of the utmost foresight both in estimating revenue and anticipating expenditure. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in financial management and budgetary control are discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 83 grants/appropriations is as given in **Table 2.1**.

Table 2.1: Summarised 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	6379.62	511.78	6891.40	5311.69	(-)1579.71
	II. Capital	1997.11	215.61	2212.72	994.13	(-)1218.59
	III. Loans & Advances	0	0	0	3.98	3.98
Total voted		8376.73	727.39	9104.12	6309.80	(-)2794.32
Charged	I. Revenue	785.95	0.90	786.85	837.38	50.53
	II. Capital	0	1.89	1.89	1.44	(-)0.45
	III. Public Debt	386.98	0	386.98	339.06	(-)47.92
Total Charged		1172.93	2.79	1175.72	1177.88	2.16
Grand Total		9549.66	730.18	10279.84	7487.68	(-)2792.16

(Source: Appropriation Accounts of the State)

Note: The expenditure includes the recoveries of revenue expenditure amounting to ₹ 87.73 crore and capital expenditure amounting to ₹ 53.30 crore adjusted as reduction of expenditure

Supplementary provisions of ₹ 730.18 crore obtained during the year constituted 7.65 per cent of the original provision as against 7.57 per cent in the previous year.

The overall savings of ₹ 2,792.16 crore were the result of savings of ₹ 2,844.25 crore in 79 grants and two appropriations under the Revenue Section and 62 grants under the Capital Section and one appropriation (Public Debt-Repayments), offset by an excess of ₹ 52.09 crore in one appropriation under the Revenue Section.

As may be seen that, against the original provision of ₹ 9,549.66 crore, expenditure of only ₹ 7,487.68 crore was incurred. There was no requirement of supplementary funds. The actual savings of ₹ 2,792.16 crore, constituting 382 per cent of the supplementary budget of ₹ 730.18 crore, clearly indicated inaccurate estimation of funds and lack of control mechanism. Cases where supplementary provisions proved unnecessary as the expenditure did not come up to the level of the original provisions are discussed in **Paragraph 2.3.5**.

2.3 Financial accountability and budget management

2.3.1 Appropriations vis-à-vis allocative priorities

Appropriation audit revealed that in 63 cases, savings exceeded ₹ two crore in each case and by more than 20 per cent of the total provision (**Appendix 2.1**). A list of grants where savings exceeded ₹ 50 crore is

given in **Table 2.2**. Out of total savings of ₹ 2,792.16 crore, savings of ₹ 1,624.86 crore (56 per cent) occurred in 10 cases relating to nine grants.

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

(₹ in crore)

Sl. No.	No. and Name of grant	Original	Supplementary	Total	Actual Expenditure	Savings
REVENUE (VOTED)						
1	21-Public works	513.99	53.00	566.99	489.33	77.66
2	34-School Education	820.51	3.38	823.89	701.59	122.30
3	43-Art and Culture	113.44	4.55	117.99	55.34	62.65
4	55-Municipal Administration	313.09	1.12	314.21	53.95	260.26
5	58-Women and Child Development	381.58	8.00	389.58	113.92	275.66
6	76- Electricity	1184.09	220.00	1404.09	1296.61	107.48
CAPITAL (VOTED)						
7	21-Public works	427.73	59.00	486.73	287.73	199.00
8	32-Finance	235.00	-	235.00	79.37	155.63
9	78-Tourism	211.35	100.00	311.35	47.13	264.22
10	81-Tribal welfare	108.00	-	108.00	8.00	100.00
	Total	4308.78	449.05	4757.83	3128.97	1624.86

(Source: Appropriation Accounts of the State)

The reason furnished for unspent provisions under the major heads of account as reported in appropriation account are given below :

- **Grant number 21-Public works**

The savings under Major head 2059 occurred mainly due to less expenditure on minor works and curtailment of expenditure under rent, rate and taxes, travel expenses *etc.* Savings in Major Head 2215- water supply and sanitation was due to non-filling of vacant posts and less expenses under rural and urban water supply scheme.

Under the head 4215- capital outlay on water supply and sanitation, savings occurred due to re-appropriation of grants in sub head 010(01,02,03,04,06,07), 101(01,06,09,12,13,14). The reasons attributed for the savings were mainly on account of less works executed and the schemes being in the formulation stage. Savings under 5054- Capital outlay on roads and bridges under minor head 101(01) was on account of non-execution of works/scheme.

- **Grant number 34-School Education**

Savings was due to curtailment of expenditure in 2202- General Education, under minor head 104(01) and 106(01,02,04). Savings attributed to non-implementation of Part-B scale and curtailment of expenditure. Under minor head 110(01,04) the savings was due to less submission of claims.

- **Grant number 43-Art and Culture**

Savings in 2205-Art and Culture under minor head 001(01, 02) were due to non-filling of vacant posts and savings under minor head 789(01) and 796(01) was due to less number of beneficiaries than anticipated.

- **Grant number 55-Municipal Administration**

Savings under the head 2217- urban development was due to re-appropriation of grants in sub head 191(01, 02, 04, 05, and 07). The reasons attributed were non receipt of proposals from Municipal Councils / City Corporation of Panaji for release of funds.

- **Grant number 58-Women and Child Development**

Savings under 2235-Social Security and Welfare under Minor head 102(04, 20) was mainly due to less submission of bills under Integrated Child Development Scheme/ non implementation of the scheme.

- **Grant number 76-Electricity**

2801-Power, savings under minor head 001(01,02) was due to non-filling of posts and austerity measures taken by the Government.

- **Grant number 32-Finance**

4075-Capital outlay on Miscellaneous services, savings under minor head 800(01,03,05,06) as no progress was made in construction work by Goa State Infrastructure Development Corporation Limited, non-engagement of consultant for PPP project.

- **Grant number 78-Tourism**

5452-Capital outlay on Tourism, reasons for savings under minor head 101(01, 03, 04, 05) was not intimated. Savings under minor head 101(06) was due to non-finalisation of works.

- **Grant number 81-Tribal welfare**

4225-Capital outlay on welfare of SC's, STs and OBCs (i) savings under minor head 190(02) was due to non-implementation of investment on Public sector and other undertakings and (ii) Infrastructure development in Scheduled Tribes Area.

2.3.2 Persistent savings

In 20 grants, during the last five years, there were persistent savings of more than ₹ one crore in each case, as shown in **Table 2.3**.

Table 2.3: List of grants indicating persistent savings during 2008-13

(*₹ in crore*)

Sl. No.	Number and name of the grant	Amount of savings (Per cent to total grant)				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue (Voted)						
1	8-Treasury and Accounts Administration (North Goa)	57.27 (19.91)	325.50 (47.27)	126.92 (24.36)	45.39 (8.70)	10.80 (2.04)
2	13-Transport	2.32 (10.97)	3.19 (10.06)	7.81 (18.11)	46.17 (54.46)	45.77 (49.53)
3	19-Industries, Trade and Commerce	4.65 (20.83)	4.34 (17.05)	4.63 (15.87)	25.28 (60.41)	23.32 (50.69)
4	21-Public Works	2.96 (0.87)	5.23 (1.26)	9.06 (2.07)	28.03 (5.30)	77.66 (13.69)
5	31-Panchayats	8.28 (12.43)	13.24 (15.50)	1.49 (1.76)	15.41 (14.87)	46.48 (34.19)
6	43-Art & culture	1.62 (7.16)	6.32 (22.04)	13.68 (33.75)	50.20 (35.23)	62.65 (53.09)
7	47-Goa Medical College	9.59 (9.75)	7.39 (5.80)	6.11 (4.07)	13.08 (7.80)	6.09 (3.45)
8	48-Health Services	6.41 (5.56)	5.69 (4.32)	13.25 (7.90)	6.55 (3.37)	32.26 (14.01)
9	55-Municipal Administration	70.48 (59.15)	66.41 (51.90)	60.49 (43.85)	55.78 (43.95)	260.26 (82.82)
10	57-Social Welfare	16.61 (12.11)	11.12 (7.17)	13.73 (8.53)	61.86 (29.70)	18.24 (6.75)
11	61-Craftsmen Training	3.94 (17.87)	1.60 (6.13)	5.68 (16.90)	10.17 (25.48)	7.20 (18.82)
12	64-Agriculture	5.98 (16.34)	2.09 (5.34)	1.75 (3.39)	4.65 (5.14)	41.54 (35.13)
13	65-Animal Husbandry & Veterinary Services	5.15 (19.00)	1.92 (6.41)	5.98 (19.38)	18.06 (37.90)	28.26 (39.03)
14	78-Tourism	7.85 (26.95)	6.31 (19.14)	5.51 (15.35)	13.19 (25.25)	21.43 (42.89)
15	82-Information Technology	37.49 (62.48)	30.89 (42.95)	33.92 (43.41)	9.42 (16.73)	23.91 (39.85)
Capital (Voted)						
16	1-Legislature Secretariat	1.08 (67.87)	1.18 (25.76)	1.06 (27.98)	1.46 (85.88)	1.51 (71.90)
17	18-Jails	9.96 (84.67)	13.27 (76.79)	1.74 (13.91)	2.20 (12.57)	3.37 (15.92)
	21-Public Works	81.59 (23.01)	27.01 (7.11)	62.82 (14.11)	65.13 (13.23)	199.00 (40.88)
18	45-Archives and Archaeology	3.99 (36.26)	1.94 (18.50)	1.29 (17.86)	10.14 (97.03)	13.73 (96.55)
	61-Craftsmen Training	1.63 (33.73)	10.29 (83.13)	1.12 (18.11)	12.51 (64.75)	7.80 (59.49)
19	67-Ports Administration	3.41 (66.24)	3.08 (33.53)	16.42 (84.12)	2.82 (15.59)	7.01 (45.22)
20	74-Water Resources	2.84 (1.51)	6.16 (3.17)	10.14 (4.56)	75.82 (27.67)	129.39 (53.33)
	78-Tourism	1.17 (7.84)	2.34 (8.01)	26.58 (53.22)	17.83 (41.27)	264.22 (84.86)

(Source: Appropriation Accounts of the State)

Figures in parenthesis indicate as per cent to total grants

It was observed that persistent savings of more than ₹ 25 crore were observed in Grant no. 55 (Revenue- Voted), and Grant no. 21 (Capital-Voted) during the years 2008-13.

The persistent savings indicated that the budgetary controls in the Departments were not effective and previous years' trends were not taken into account while preparing the budget estimates and allocating funds during the years.

2.3.3 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 on the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 29.24 crore for the years 2007-08 to 2011-12 was still to be regularised. The year-wise amount of excess expenditure pending regularisation for grant/appropriations are summarised in **Table 2.4**.

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

(Amount in ₹)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grants	Appropriations		
2007-08	1	-	2,57,094	Yet to be discussed by the PAC
2008-09	3	-	3,01,034	
2009-10	1	1	7,57,03,905	
2010-11	1	1	2,74,15,571	
2011-12	-	1	18,87,72,521	
Total	6	3	29,24,50,125	

(Source: Appropriation Accounts of the State)

Non-regularisation of the excess over grant/appropriation over the years is a breach of legislative control over grants/appropriation.

2.3.4 Excess over provisions during 2012-13 requiring regularisation

During 2012-13, excess expenditure was incurred in one appropriation over the amount authorised by the legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The detail is given in **Table 2.5**.

Table 2.5: Excess over provisions requiring regularisation during 2012-13

(Amount in ₹)

Sl. No.	Number and title of Grant/Appropriation	Total grant / Appropriation	Expenditure	Excess
1	Appropriation-Debt Services (Revenue-Charged)	7,78,62,27,000	8,30,71,43,923	52,09,16,923

(Source: Appropriation Accounts of the State)

The excess expenditure under Appropriations-Debt Services was mainly due to the increased expenditure on interest payments towards small savings, Provident fund, aided school teachers and employees Provident fund and Defined Contribution Pension System *etc.* needs to be regularised.

2.3.5 *Unnecessary/excessive/inadequate supplementary provision*

Supplementary provisions aggregating ₹ 335.73 crore obtained in 33 cases involving ₹ 20 lakh or more in each case during the year, proved unnecessary as the expenditure did not come up to the levels of the original provisions as detailed in **Appendix 2.2**.

2.3.6 *Excessive/unnecessary/insufficient re-appropriation of funds*

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Re-appropriation proved injudicious in view of the excessive surrenders or insufficient augmentation and resulted in savings/excess of over ₹ one crore in 14 major heads (41 cases) as detailed in **Appendix 2.3**. Some of the cases are discussed below:

In Grant No. 74 (Water resources), augmentation of funds of ₹ 0.36 crore under Major head 2702 through re-appropriation proved insufficient due to excess expenditure of ₹ 6.27 crore. (Sl.No. 23 refers).

In Grant No. 34 (School education), withdrawal of fund (₹ 52.49 crore) proved unnecessary due to excess expenditure of ₹ 5.88 crore (Sl.No. 12 refers).

In Grant No.78 (Tourism), augmentation of funds through re-appropriation (₹ 2.95 crore) proved unnecessary due to savings of ₹ 5.96 crore (Sl.No.40 refers).

2.3.7 *Unexplained re-appropriations*

In the re-appropriation statement, the reasons for the additional expenditure and the savings should be explained and general expressions such as “economy measures”, “austerity measures” “budget inadequate” *etc.*, should be avoided. However, scrutiny of re-appropriation orders issued by various Departments revealed that in respect of 292 out of 379 items (77 *per cent*), the reasons given for additional provision/withdrawal of provision in re-appropriation orders were of general nature.

2.3.8 *Substantial surrenders*

Out of the total provision of ₹ 1,560.73 crore, substantial surrenders amounting to ₹ 1,134.64 crore were made from 28 grants on account of either non-implementation or slow implementation of Schemes/Programmes. The details of the cases where the surrenders were more than 50 *per cent* of the provisions are given in **Appendix 2.4**.

The Departments attributed the substantial surrenders to:

- **27-Official language:** Non release of grants to Marathi Academy and Marathi Bhavan.
- **32-Finance:** Non-engagement of Consultant for financial and legal services and interest subsidy on loan towards Chief Ministers Rozgar Yojana Scheme not being claimed by the Educational Development Corporation.
- **43-Art and Culture:** Grants were unutilised on account of economy measures.
- **55-Municipal Administration:** Non receipt of proposals from Municipal Council/City Corporation of Panaji for release of funds.
- **83-Mines:** Non-implementation of scheme for welfare of mining affected people and non-filling of new posts.
- **20-Printing and Stationery:** Non-approval for purchase of machinery and equipment.
- **81-Tribal welfare:** Non-implementation/poor response to the welfare schemes.

2.3.9 Surrenders in excess of actual savings

In 11 cases, the amount surrendered (₹ 10 lakh or more in each case) was in excess of the actual savings, indicating lack of or inadequate budgetary control in these Departments. As against savings of ₹ 285.55 crore, the amount surrendered was ₹ 311.09 crore, resulting in excess surrender of ₹ 25.54 crore. Details are given in **Appendix 2.5**.

In respect of Appropriation-Debt Services (Charged), though an excess expenditure of ₹ 52.09 crore was incurred, an amount of ₹ 3.53 crore was surrendered in March 2013, indicating weak budgetary control mechanism.

2.3.10 Anticipated savings not surrendered

Rule 56 of the General Financial Rules, 2005 provides that the spending Departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the close of the year 2012-13, there were seven grants/appropriations, where no expenditure was incurred and the entire amount was surrendered in the last month of the financial year by the concerned Departments. The total amount involved in these cases was ₹ 16.89 crore (**Appendix 2.6**). Further, there were 16 grants in which savings occurred but no part of them had been surrendered by the

concerned Departments. The total amount involved in these cases was ₹ 388.95 crore as given in **Appendix 2.7**.

Similarly, out of total savings of ₹ 967.59 crore under 28 other grants/appropriations, saving of ₹ 91.60 crore (₹ 20 lakh and above) was not surrendered. The details are given in **Appendix 2.8**. In 36 grants, ₹ 2,077.01 crore was surrendered (in excess of ₹ five crore) in the last month of the financial year (**Appendix 2.9**) indicating inadequate financial control. Moreover, these funds could not be utilised for other development purposes.

2.3.11 Rush of expenditure

Rule 56 (3) of the General Financial Rules, 2005 provides that rush of expenditure, particularly in the closing months of the financial year shall be regarded as a breach of financial propriety and is to be avoided. **Table 2.6** presents the major heads where the expenditure exceeded ₹ ten crore and also more than 50 per cent of the total expenditure was incurred in March 2013/last quarter of 2013.

Table 2.6: Details of expenditure exceeding ₹ 10 crore and also more than 50 per cent of total expenditure incurred in March 2013/last quarter of 2013

(₹ in crore)

Sl. No.	Major head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2013	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2225	15.12	12.10	80.06	10.90	72.16
2	4059	32.44	20.26	62.45	19.16	59.07
3	4202	82.18	67.66	82.33	50.44	61.39
4	4801	205.15	124.37	60.62	117.92	57.48
5	5055	30.03	24.16	80.45	18.30	60.93
	Total	364.92	248.55	73.18	216.72	62.20

(Source: Directorate of Accounts)

2.4 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, Departmental officers are required to reconcile periodically and before the close of the accounts of a year, the Departmental figures of expenditure with those recorded in the books of the Director of Accounts. The Public Accounts Committee in its forty-eighth report (1992) had desired that punitive action should be taken against erring Budget Controlling Authorities (BCAs). Even though non-reconciliation of Departmental figures is pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2012-13. During 2012-13, 39 out of 85 BCAs,

had not carried out any reconciliations for the entire year in respect of 2,109 units under their control, involving ₹ 2,616.72 crore and the details of 28 major BCAs (out of 47) amounting to ₹ 2,754.20 crore who did not reconcile their expenditure are indicated in **Table 2.7**. Eight BCAs had carried out reconciliations only for part of the year in respect of 425 units under their control, involving ₹ 216.09 crore. The un-reconciled periods in case of the partially reconciled units ranged from one to nine months.

Table 2.7: Major Budget Controlling Authorities who did not reconcile their figures

(₹ in crore)

Sl.No.	Budget Controlling Authority who did not reconcile their figures	Amount not reconciled
1	Secretary, Legislature	19.37
2	Under Secretary, General Administration Department	41.51
3	Principal, District & Session Judge, North Goa	12.57
4	Principal, District & Session Judge, South Goa	11.00
5	Director of Transport	76.66
6	Collector, North Goa	14.74
7	Inspector General of Prisons	25.41
8	Principal Chief Engineer, Public Works Department	777.75
9	Director of Panchayats	89.70
10	Director of Education	717.44
11	Director of Higher Education	140.84
12	Director of Technical Education	14.94
13	Director of Art and Culture	86.02
14	Director of Institute of Psychiatry & Human Behaviour	13.07
15	Dean, Goa Dental College & Hospital	11.83
16	Director of Municipal Administration	54.46
17	Director of Information and Publicity	19.72
18	State Director of Craftsmen Training	36.36
19	Under Secretary, Law	14.80
20	Director of Animal Husbandry & Veterinary Services	47.94
21	Chief Conservator of Forests	38.20
22	Chief Engineer, Water Resources Department	205.38
23	Director of Tourism	75.66
24	Under Secretary, Finance	16.49
25	Director of Sports	82.99
26	Commissioner of Labour	19.69
27	Director of Civil Supplies & Consumer Affairs	57.77
28	Director of Information and Publicity	31.89
	Total	2754.20

(Source: Director of Accounts)

2.5 Outcome of review of selected grant

A review on the budgetary procedure and control over expenditure in respect of Grant No. 78 -Tourism was conducted. Important points noticed during the review are detailed below:

As against a budget provision of ₹ 361.30 crore (₹ 49.96 crore under revenue and ₹ 311.34 crore under capital), the actual expenditure was

only ₹ 75.66 crore (20.94 per cent) under the grant, resulting in a savings of ₹ 21.42 crore under revenue and ₹ 264.22 crore under capital.

As per Rule 56(2) of General Financial Rules, 2005, savings as well as provisions that cannot be profitably utilised should be surrendered to the Government immediately when they are foreseen without waiting till the end of the year. Contrary to the Rules, the entire savings of ₹ 285.64 crore was not surrendered by the Department in the financial year 2012-2013.

2.6 Conclusion

The overall savings of ₹ 2,792.16 crore were the result of savings of ₹ 2,844.25 crore in 79 grants and two appropriations under the Revenue Section and 62 grants under the Capital Section and one appropriation (Public Debt-Repayments), offset by an excess of ₹ 52.09 crore in one appropriation under the Revenue Section.

During 2012-13, expenditure of ₹ 7,487.68 crore was incurred against the total provision of ₹ 9,549.66 crore, resulting in savings of ₹ 2,792.16 crore. The overall savings were the net result of savings of ₹ 2,844.25 crore, offset by an excess of ₹ 52.09 crore. This excess requires regularisation under Article 205 of the Constitution of India.

In most of the cases, the budget estimates were either overestimated or underestimated. At the end of the year 2012-13, there were seven grants/appropriations where no expenditure was incurred and the entire amount was surrendered in the last month of the financial year by the concerned Departments. The total amount involved in these cases was ₹ 16.89 crore.

In five major heads, more than 50 per cent of the expenditure was incurred either during the last quarter or during the last month of financial year, which violated financial propriety.

2.7 Recommendations

- Budgetary controls should be strengthened in all the Departments, especially in those Departments where savings/excesses have been observed. All the Departments should submit realistic budget estimates, keeping in view the trends of expenditure and the actual requirement of funds in order to avoid large savings/excesses.
- All the Departments should closely monitor the expenditure against the allocations and incurring of expenditure in excess of the grants should be strictly avoided.

- Surrender of funds should be done much before the closing of the financial year so as to enable the Government to utilise the funds on other Schemes.
- Action needs to be taken to regulate and systematise the procedure to avoid heavy expenditure during the last quarter of the financial year.
- The Government may take steps to regularise excess expenditure incurred over six grants and four appropriations amounting to ₹ 81.34 crore incurred for the years 2007-08 to 2012-13 under Article 205 of the Constitution of India.
- The reconciliation of expenditure figure by the BCAs must be strictly enforced.