

# Chapter II

## Financial Management and Budgetary Control

### 2.1 Introduction

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 reappropriations 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. Appropriation Accounts thus facilitate management of finances, in monitoring budgetary provisions and therefore, are complementary to Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether expenditure, incurred under various grants, is within the authorisation given under the Appropriation Act and whether charged as required to be charged under the provisions of the Constitution. It also seeks to ascertain whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

As per the State Budget Manual (SBM), the Finance Department is responsible for the preparation of the annual budget by obtaining from the various departments, material on which to base its estimates. The departmental estimates of receipt and expenditure are prepared by Controlling Officers on the advice of their Heads of Departments and submitted to the Finance Department by the prescribed dates. The Finance Department then consolidates the estimates and prepares the Detailed Estimates and Grants. The estimates of expenditure should be as accurate as possible. An avoidable excess in an estimate is as much a financial irregularity as an excess in the actual 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 it should neither be larger nor smaller.

The SBM published in 1995, was revised and uploaded on the website<sup>1</sup> on 27 September 2012. Deficiencies in management of budget and expenditure and violation of SBM noticed in audit have been discussed in the subsequent paragraphs.

<sup>1</sup> <http://www.finance.rajasthan.gov.in>

## 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 55 grants/appropriations is given in **Table 2.1** below:

**Table 2.1: Actual Expenditure vis-à-vis original/supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	I Revenue	55,164.79	5,981.14	61,145.93	56,016.75	(-) 5,129.18
	II Capital	10,557.81	2,840.15	13,397.96	11,255.44	(-) 2,142.52
	III Loans and Advances	48.20	1,753.15	1,801.35	2,411.83	(+) 610.48
<b>Total Voted</b>		<b>65,770.80</b>	<b>10,574.44</b>	<b>76,345.24</b>	<b>69,684.02</b>	<b>(-) 6,661.22</b>
Charged	IV Revenue	8,399.78	199.14	8,598.92	8,435.11	(-) 163.81
	V Capital	-	0.24	0.24	0.23	(-) 0.01
	VI Public Debt- Repayment	4,718.62	-	4,718.62	4,706.72	(-) 11.90
<b>Total Charged</b>		<b>13,118.40</b>	<b>199.38</b>	<b>13,317.78</b>	<b>13,142.06</b>	<b>(-) 175.72</b>
<b>Appropriation to Contingency Fund</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>78,889.20</b>	<b>10,773.82</b>	<b>89,663.02</b>	<b>82,826.08<sup>2</sup></b>	<b>(-) 6,836.94</b>

Source: Appropriation Accounts

The overall saving of ₹ 6,836.94 crore was the result of savings in 49 grants and 42 appropriations under Revenue Section, 35 grants and 3 appropriations under Capital Section, offset by excess<sup>3</sup> in 2 appropriations under Revenue Section (**Table 2.10**). These savings were 63.5 per cent of the supplementary provisions made during the year, which indicated erroneous estimation of budget and inadequate monitoring of expenditure. The excess of ₹ 610.48 crore under Loans and Advances was mainly due to conversion of capital expenditure into loans given to local bodies under head of account "6217-03 Integrated Development of Small and Medium Towns".

The Principal Accountant General (Accounts and Entitlement) forwarded (June and July 2013) Detailed Appropriation Accounts to the Controlling Officers, requesting them to explain the significant variations of savings/excesses. Reminders were also issued to each department. Out of 1,291 sub-heads, explanations for variation in respect of 479 sub-heads (saving: 386 and excess: 93) were awaited (November 2013).

2 Gross expenditure figures without taking into account the recoveries adjusted in accounts as reduction of expenditure (revenue: ₹ 990.08 crore and capital: ₹ 572.10 crore, Total: ₹ 1,562.18 crore).

3 Only ₹ 79,100.

## 2.3 Financial accountability and budget management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

Appropriation audit revealed that in 16 cases, savings exceeded by ₹ 10 crore which were also more than 20 per cent of total provision in each case (Appendix 2.1).

Against the total savings of ₹ 6,836.94 crore, savings of more than ₹ 100 crore in each case amounting to ₹ 5,575.40 crore (81.5 per cent), occurred in 22 cases relating to 17 grants and 1 appropriation as indicated in Table 2.2 below:

Table 2.2: List of Grants/Appropriation with savings of ₹ 100 crore and above

(₹ in crore)						
S. No.	No. and Name of the Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings
<b>Revenue-Voted</b>						
1.	3-Secretariat	320.52	Negligible Amount	320.52	147.78	172.74
2.	9-Forest	632.89	-	632.89	478.66	154.23
3.	15-Pensions and other Retirement Benefits	6,721.30	316.26	7,037.56	6,869.75	167.81
4.	21-Roads and Bridges	1,373.21	38.93	1,412.14	1,271.85	140.29
5.	24-Education, Art and Culture	12,458.04	Negligible Amount	12,458.04	11,491.79	966.25
6.	26-Medical and Public Health and Sanitation	3,283.31	109.66	3,392.97	3,223.45	169.52
7.	29-Urban Plan and Regional Development	1,981.85	487.50	2,469.35	2,330.75	138.60
8.	30-Tribal Area Development	2,656.33	319.15	2,975.48	2,698.37	277.11
9.	33-Social Security and Welfare	2,331.28	121.87	2,453.15	2,278.76	174.39
10.	34-Relief from Natural Calamities	1,336.25	110.84	1,447.09	1,038.82	408.27
11.	37-Agriculture	1,438.91	0.82	1,439.73	1,322.44	117.29
12.	41-Community Development	2,858.73	588.23	3,446.96	3,334.32	112.64
13.	48-Power	4,443.21	2,164.13	6,607.34	5,607.34	1,000.00
14.	51-Special Component Plan for Welfare of Scheduled Castes	2,238.35	214.74	2,453.09	2,257.44	195.65
<b>Capital-Voted</b>						
15.	19-Public Works	512.57	Negligible Amount	512.57	376.86	135.71
16.	21-Roads and Bridges	1,311.71	71.94	1,383.65	1,250.77	132.88

(₹ in crore)

S. No.	No. and Name of the Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings
17.	27-Drinking Water Scheme	1,266.19	10.99	1,277.18	1,099.13	178.05
18.	29-Urban Plan and Regional Development	918.30	251.59	1,169.89	975.95	193.94
19.	30-Tribal Area Development	1,216.91	23.55	1,240.46	1,008.19	232.27
20.	46-Irrigation	811.29	Negligible Amount	811.29	582.32	228.97
21.	51-Special Component Plan for Welfare of Scheduled Castes	1,404.00	2.69	1,406.69	1,282.86	123.83
<b>Revenue-Charged</b>						
22.	Interest Payments	8,315.49	179.52	8,495.01	8,340.05	154.96
<b>Total</b>		<b>59,830.64</b>	<b>5,012.41</b>	<b>64,843.05</b>	<b>59,267.65</b>	<b>5,575.40</b>

Source: Appropriation Accounts

Details of savings under a few major heads of account, as reported in Appropriation Accounts, are as under:

● **Grant number 3-“Secretariat”**

Savings of ₹ 172.74 crore occurred mainly under “3451-Secretariat-Economic Services-Secretariat-Schemes recommended by State Planning Board-Through the Planning Department” (₹ 50.75 crore) in which the entire provision was surrendered at the end of the year due to non-receipt of appropriate proposals by the State Planning Board. Besides, savings under “District Planning Machinery-Expenditure for District Poverty Alleviation Project Phase-II under World Bank Assistance” (₹ 107.70 crore) was due to delay in implementation of agreement by Resource Agency under Resource Block Strategy and release of less grant-in-aid (salary) due to posts remaining vacant. This was against the provision contained in para 13.18.2 of revised SBM.

● **Grant number 9-“Forest”**

Savings of ₹ 154.23 crore occurred mainly under “2406-Forestry and Wildlife-Forestry-Direction and Administration-Subordinate and expert staff” (₹ 21.70 crore), “Social and Farm Forestry-External assistance received for Rajasthan Forestry and Bio-diversity Project Phase-II” (₹ 63.81 crore), “Environmental Forestry and Wildlife-Wildlife Preservation-Tiger Project, Ranthambhore” (₹ 38.29 crore) and “Tiger Project, Sariska” (₹ 17.07 crore). No reasons for savings were intimated by the State Government (November 2013).

● **Grant number 15-“Pensions and other Retirement Benefits”**

The savings of ₹ 167.81 crore occurred mainly under “2071-Pensions and Other Retirement Benefits-Civil-Superannuation and Retirement Allowances-Pensions to State employees” (₹ 101.94 crore), “Family Pensions”

(₹ 23.03 crore) and "Pensions of employees of Local Bodies" (₹ 35.55 crore) were mainly due to less expenditure in the month of March 2013, against the trend of monthly expenditure up to February 2013. No reasons for final savings were intimated by the State Government (November 2013).

- ***Grant number 21-“Roads and Bridges”***

Savings of ₹ 140.29 crore mainly under “3054-Roads and Bridges-Strategic and Border Roads-Road Works-Through Border Road Development Board-Maintenance and Restoration” (₹ 89.80 crore) was due to the expenditure on roads incurred directly by the Border Road Development Board at international border areas for which the sanction was issued by the GoI. Besides, savings of ₹ 42.23 crore under “General-Transfer to/from Reserve Fund/Deposit Account-Transfer to Central Road Fund” was due to delay in sanction of road works under Central Road Fund and non-receipt of funds from GoI against the expenditure for which utilisation certificate was sent in March 2013.

- ***Grant number 24-“Education, Art and Culture”***

Savings of ₹ 966.25 crore occurred mainly under “2202-General Education-Secondary Education-Government Secondary Schools-Boys’ School” (₹ 815.39 crore) and "Girls’ School" (₹ 126.76 crore) due to posts remaining vacant. This was against the provisions of revised SBM.

- ***Grant number 26-“Medical and Public Health and Sanitation”***

Savings of ₹ 169.52 crore occurred mainly under “2210-Medical and Public Health-Urban Health Services-Allopathy” (₹ 30.59 crore), "Rural Health Services-Allopathy" (₹ 52.95 crore), "Rural Health Services-Other Systems of Medicine" (₹ 45.98 crore) mainly due to posts remaining vacant. Similarly, savings in “2211-Family Welfare-Assistance to Block Panchayats/ Intermediate Level Panchayats-Block Level establishment" (₹ 15.47 crore) were also due to posts remaining vacant and in “Other Services and Supplies-Conventional Contraceptives" (₹ 5.47 crore) due to less receipt of conventional contraceptives from the GoI. Reasons for savings were not intimated by the Government in several other cases (November 2013). Savings due to posts remaining vacant were against the provisions of revised SBM.

- ***Grant number 29-“Urban Plan and Regional Development”***

Savings of ₹ 138.60 crore occurred mainly under “2217-Urban Development-General-Assistance to Municipal Corporation-Public Light-Payment of Power Bills" (₹ 43.10 crore), "Assistance to Municipalities/Municipal Councils-Urban Integrated Development Scheme of Small and Medium Towns-Development Work" (₹ 14.60 crore), "Public Light-Payment of Power Bills" (₹ 40.44 crore), “General-Direction and Administration-Director of Local Bodies" (₹ 14.37 crore) and "Assistance to Municipal Corporations-General

Grants" (₹ 9.70 crore). Reasons for savings were not intimated by the State Government (November 2013).

● ***Grant number 30-"Tribal Area Development"***

Savings of ₹ 277.11 crore occurred under "2202-General Education-Secondary Education-Government Secondary Schools-Rashtriya Madhyamik Shiksha Abhiyan-Madhyamik Shiksha Abhiyan for Scheduled Tribes" (₹ 15.45 crore) due to non-receipt of funds from GoI.

Savings under "2401-Crop Husbandry-Assistance to Zila Parishads/District Level Panchayats-For District level establishment expenditure under Tribal Area Sub-plan-Grant for Water Plan" (₹ 9.23 crore), "2406-Forestry and Wildlife-Forestry-Tribal Area Sub-plan-External aided Rajasthan Forestry and Bio-diversity Project Phase-II" (₹ 11.59 crore), "2501-Special Programmes for Rural Development-Self Employment Programmes (State Share)-Assistance to Zila Parishads/District Level Panchayats-Gramin Swaraj Yojana-Grants" (₹ 10.25 crore), "2505-Rural Employment-Rural Employment Guarantee Scheme (State Share)-National Rural Employment Guarantee Scheme-Functional related" (₹ 10.51 crore) and "2515-Other Rural Development Programmes-Assistance to Zila Parishads/District Level Panchayats-Backward District Development Fund (Central Assistance)-Functional relating activities" (₹ 10.04 crore) were mainly due to less receipt of funds from GoI.

Savings under "2210-Medical and Public Health-Urban Health Services-Allopathy-Tribal Area Sub-plan-Other Hospitals" (₹ 13.61 crore) was mainly due to posts remaining vacant and less expenditure on machinery and computerisation.

Reasons for savings of ₹ 94.96 crore under "2202-General Education-Secondary Education-Tribal Area Sub-plan-Government Secondary Schools-Boys' School", ₹ 31.99 crore under "2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes-Welfare of Scheduled Tribes-Tribal Area Sub-plan-Through the Director, Social Justice and Empowerment Department-Scholarships" and ₹ 13.58 crore under "2515-Other Rural Development Programmes-Assistance to Gram Panchayats-National Nutrition Assistance Programme under Mid-day Meal Yojana Assistance (for the students of Elementary Schools of Gram Panchayats)-Functional/Activities" were not intimated by the Government (November 2013).

● ***Grant number 33-"Social Security and Welfare"***

Savings of ₹ 174.39 crore occurred mainly under "2236-Nutrition-Distribution of Nutritious Food and Beverages-Special Nutrition Programmes-Through the Integrated Child Development Services Department-Nutrition Crash Programme" (₹ 107.04 crore) due to less presence of beneficiaries under the scheme and non-running of all *Anganbari* Centres. Savings also occurred under head "2236-Nutrition-Distribution of Nutritious Food and Beverages-Assistance to Block Panchayats/Intermediate Level Panchayats-Through the Integrated Child Development Services Department-District Level establishment expenditure of Block/Intermediate Panchayats" (₹ 24.28 crore)

due to posts remaining vacant and non-selection of *Anganbari* workers and *Sahayoginis* by Gram Panchayats. Savings under “2235-Social Security and Welfare-Other Social Security and Welfare Programmes-Pensions under Social Security Schemes-Through the Director, Pension and Pensioners Welfare Department-Grants in aid to Rajasthan Government Pensioners Medical Fund for indoor medical facility scheme to Pensioners of State Government” (₹ 24.03 crore) were due to free distribution of medicines under ‘Chief Minister free Medicine Yojana’ resulting in less medical reimbursement claims.

● **Grant number 34-“Relief from Natural Calamities”**

Savings of ₹ 408.27 crore occurred mainly under “2245-Relief on account of Natural Calamities” (₹ 333.91 crore) due to less relief works in drought affected areas and under "Repairs and restoration of damaged roads and bridges" (₹ 74.53 crore) due to fewer floods and cyclones in the State.

● **Grant number 37-“Agriculture”**

Savings of ₹ 117.29 crore occurred under head “2401-Crop Husbandry-Other Expenditure-National Agriculture Development Project (Special Central Assistance)-Through the Agriculture Department” due to less receipt of funds from GoI.

● **Grant number 41-“Community Development”**

Savings of ₹ 112.64 crore occurred under “2515-Other Rural Development Programmes-Assistance to Zila Parishads/District Level Panchayats-Rural BPL Awas-General Operational/Activities” (₹ 14.95 crore) and ₹ 53.74 crore under “2515-Other Rural Development Programmes-Assistance to Gram Panchayats-National Nutrition Assistance Programme under Mid-day Meal Assistance (for students of Elementary Schools of Gram Panchayats)-Functional/Activities” reasons of which were not intimated by the Government (November 2013). Savings of ₹ 39.78 crore occurred under head “2515-Other Rural Development Programmes-Assistance to Gram Panchayats-Untied Funds for Panchayati Raj Institutions-Operational/Activities” due to non-submission of claims of 10 *per cent* incentive by Panchayati Raj Institutions as recommended by the State Finance Commission.

● **Grant number 48-“Power”**

Savings of ₹ 1,000 crore occurred under “2801-Power-General-Assistance to Public Sector and other Undertakings-Grants to *Vidyut Vitaran Nigam*<sup>4</sup> for interest on bonds” was attributed to less release of grants due to finalisation of Financial Resource Planning (FRP) for Power Distribution Companies by GoI.

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<sup>4</sup> Jaipur, Jodhpur and Ajmer.

- **Grant number 51-“Special Component Plan for Welfare of Scheduled Castes”**

Savings of ₹ 195.65 crore occurred mainly under “2202-General Education-Elementary Education-Sarva Shiksha Abhiyan-Special Component Plan for Scheduled Castes” (₹ 21.66 crore), reasons were not intimated (November 2013). Savings under “2202-General Education-Secondary Education-Government Secondary Schools-Rashtriya Madhyamik Shiksha Abhiyan-Madhyamik Shiksha Abhiyan for Scheduled Castes” (₹ 52.18 crore), “2406-Forestry and Wildlife-Forestry-Special Component Plan for Scheduled Castes-Externally Aided Rajasthan Forestry and Bio-diversity Project-Phase II” (₹ 16.53 crore), “2501-Special Programmes for Rural Development-Self Employment Programmes (State Share)-Assistance to Zila Parishads/District Level Panchayats-National Rural Livelihood Mission-Grants” (₹ 19.23 crore), “Gramin Swaraj Yojana-Grants” (₹ 14.52 crore) and “2505-Rural Employment-Rural Employment Guarantee Scheme (State Share)-National Rural Employment Guarantee Scheme-Functional related” (₹ 16.80 crore) were due to less receipts/non-receipt of funds from GoI. Besides, savings under “2515-Other Rural Development Programmes-Assistance to Gram Panchayats-Untied Development Funds for Panchayati Raj Institutions-Functional/Activities” (₹ 15.19 crore) were due to less release of grants to Panchayati Raj Institutions. Savings of ₹ 35.90 crore occurred under “3451-Secretariat-Economic Services-Special Component Plan for Scheduled Castes-Rajasthan Rural Livelihood Project” due to posts remaining vacant and delay in implementation of agreement by Resource Agency under Resource Block Strategy.

- **Grant number 19-“Public Works” (Capital)**

Savings of ₹ 135.71 crore occurred mainly under head “4059-Capital Outlay on Public Works-General-Construction” (₹ 104.16 crore) and under “4210-Capital Outlay on Medical and Public Health-Urban Health Services” (₹ 6.61 crore), “Rural Health Services” (₹ 18.34 crore) and “Medical Education, Training and Research” (₹ 12.05 crore) due to slow progress/ less execution of works and less receipt of funds from GoI.

- **Grant number 21-“Roads and Bridges” (Capital)**

Savings of ₹ 132.88 crore occurred mainly in “5054-Capital Outlay on Roads and Bridges-District and Other Roads-Other expenditure-Other Road Construction Programme-Externally Aided Project” due to non-receipt of funds from GoI.

- **Grant number 27-“Drinking Water Scheme” (Capital)**

Savings of ₹ 178.05 crore occurred mainly under “4215-Capital Outlay on Water Supply and Sanitation-Water Supply-Urban Water Supply-General Urban Water Supply Schemes” (₹ 163.08 crore) due to slow progress/non-execution of works and non-receipt of funds from GoI.



- **Grant number 29-“Urban Plan and Regional Development”(Capital)**

Savings of ₹ 193.94 crore occurred mainly under “4217-Capital Outlay on Urban Development-Integrated Development of Small and Medium Towns-Other expenditure” (₹ 108.50 crore) and under “Other Urban Development Schemes-Land-Rajasthan Urban Sector Development Investment Programmes (RUSDIP) Rajasthan Urban Infrastructure Development Project (RUIDP) Second Stage (Economic Action Plan) Construction Works” (₹ 83.95 crore) reasons for which were not intimated (November 2013).

- **Grant number 30-“Tribal Area Development” (Capital)**

Savings of ₹ 232.27 crore occurred under “4215-Capital Outlay on Water Supply and Sanitation-Water Supply-Tribal Area Sub-plan-Rural Water Supply Schemes” (₹ 35.98 crore) and “Urban Water Supply Schemes” (₹ 30.31 crore) due to slow progress/non-execution of works under water supply schemes in tribal areas. Savings under “4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes-Welfare of Scheduled Tribes-Tribal Area Sub-plan-Schemes for amount received from GoI under Article 275(1) of the Constitution” (₹ 41.16 crore) was due to less receipt of funds from the GoI. Besides, reasons for savings under “4801-Capital Outlay on Power Projects-General-Tribal Area Sub-plan-Investment in Rajasthan Rajya Vidyut Utpadan Nigam Limited” (₹ 83.40 crore) and under “Investment in Rajasthan Rajya Vidyut Prasaran Nigam Limited” (₹ 13.94 crore) were not intimated by the Government (November 2013).

- **Grant number 46-“Irrigation” (Capital)**

Savings of ₹ 228.97 crore occurred mainly under “4700-Capital Outlay on Major Irrigation-Narbada Project (Commercial)-Direction and Administration-Accelerated Irrigation Benefit Programme-Construction Works in Rajasthan” (₹ 115.20 crore), “Gang Nahar (Commercial) (through the Chief Engineer, Water Resources (North) Department)-Direction and Administration-Construction Works in Rajasthan-Modernisation” (₹ 21.87 crore) and “4702-Capital Outlay on Minor Irrigation-Other expenditure-Restoration of Minor Irrigation Schemes” (₹ 43 crore) due to less execution of works. Reasons for savings of ₹ 36.36 crore under “4700-Capital Outlay on Major Irrigation-General-Other expenditure-Rajasthan Water Sector Restructuring Project” were not intimated by the State Government (November 2013).

- **Grant number 51-“Special Component Plan for Welfare of Scheduled Castes”(Capital)**

Savings of ₹ 123.83 crore occurred mainly under “4215-Capital Outlay on Water Supply and Sanitation-Water Supply-Special Component Plan for Scheduled Castes-Water Supply in Scheduled Castes Areas” (₹ 50.49 crore), “Water Supply in Scheduled Castes Areas-Urban” (₹ 49.61 crore) and under “5054-Capital Outlay on Roads and Bridges-State Highways-Special Component Plan for Scheduled Castes-Financed by State Road Development Fund (State Highways)”, reasons for which were not intimated (November 2013).

● **Interest Payment (Revenue-Charged)**

Savings of ₹ 154.96 crore occurred under “2049-Interest Payments-Interest on Internal Debt-Interest on Special Securities issued to National Small Savings Fund of the Central Government by State Government-Interest on loan from National Small Saving Fund” were due to less receipt of National Small Saving Fund Loan from the GoI resulting in less payment of interest than estimated.

The cases discussed above indicate that provisions contained in Chapter 13 of the revised SBM were not followed in preparing budget estimates and monitoring expenditures by the Departments and Budget Controlling Officers of these grants, resulting in heavy savings of ₹ 6,836.94 crore.

**2.3.2 Persistent savings**

In 14 cases, there were persistent savings of more than ₹ one crore in each case and also by more than 10 per cent of the total grant (Table 2.3) during last three years.

**Table 2.3: List of Grants indicating persistent savings during 2010-13**

Sl. No.	No. and Name of the Grant	Amount of savings (₹ in crore)		
		2010-11	2011-12	2012-13
<b>Revenue-Voted</b>				
1.	03-Secretariat	42.32	356.84	172.74
2.	09-Forest	66.03	134.70	154.23
3.	13-Excise	21.44	35.63	17.51
4.	34-Relief from Natural Calamities	360.37	543.86	408.27
5.	35-Miscellaneous Community and Economic Services	96.00	28.25	35.25
6.	38-Minor Irrigation and Soil Conservation	22.64	11.78	21.86
<b>Capital-Voted</b>				
7.	09-Forest	49.44	20.23	27.44
8.	19-Public Works	22.33	109.81	135.71
9.	23-Labour and Employment	3.83	2.57	1.38
10.	27-Drinking Water Scheme	705.25	593.18	178.05
11.	29-Urban Plan and Regional Development	269.07	354.54	193.94
12.	33-Social Security and Welfare	7.95	21.83	85.77
13.	35-Miscellaneous Community and Economic Services	498.10	17.22	35.90
14.	46-Irrigation	181.67	171.26	228.97

**Source: Appropriation Accounts**

Reasons for persistent savings, as intimated by the State Government, are given below:

**In Grant No. 03**, persistent savings ranged between ₹ 42.32 crore and ₹ 356.84 crore were mainly due to posts remaining vacant and non-receipt of appropriate proposals by State Planning Board for recommendation of the schemes during 2010-13.

**In Grant No. 09**, persistent savings ranged between ₹ 66.03 crore and ₹ 154.23 crore under Revenue Section, were mainly due to posts remaining vacant and non-receipt of funds from GoI during 2010-12. Reasons for savings in 2012-13 were not intimated (November 2013). Besides, the persistent savings ranged between ₹ 20.23 crore and ₹ 49.44 crore in Capital Section

during 2010-12, were due to reduction in plan ceiling under different projects for Forest/CAMPA and Development of *Keoladeo* National Park. Reasons for savings in 2012-13 were not intimated by the Government (November 2013).

***In Grant No. 23***, persistent savings ranged between ₹ 1.38 crore and ₹ 3.83 crore. The main reasons for savings were non-receipt of sufficient tenders, less receipt of material from the firms against purchase orders, rejection of some of the materials supplied by the firm due to technical reasons and non-fulfilment of terms and conditions of World Bank by the suppliers under Vocational Training Improvement Project during 2010-12. Savings in 2012-13 were due to non-availability of buildings on rent for Industrial Training Institutes as per the National Council for Vocational Training norms.

***In Grant No. 27***, persistent savings ranged between ₹ 178.05 crore and ₹ 705.25 crore. The main reason for saving was less execution of works under various water supply schemes.

***In Grant No. 29***, persistent savings ranged between ₹ 193.94 crore and ₹ 354.54 crore. The main reasons for saving were reduction in plan ceiling, less receipt of funds from GoI in 2010-11 and non-release of grants to Rajasthan Urban Development Fund, less receipt of funds from the GoI and delay in payment of bills of Bisalpur Project in 2011-12. Reasons for savings in 2012-13 were not intimated (November 2013).

***In Grant No. 34***, persistent savings ranged between ₹ 360.37 crore and ₹ 543.86 crore. The main reason of savings was fewer relief works in drought and flood affected areas.

***In Grant No. 35***, persistent savings ranged between ₹ 28.25 crore and ₹ 96 crore under Revenue Section were mainly due to the funds for expenditure on Census 2011 being directly released to District Collectors by the GoI, instead of through State Budget during 2010-11. Savings during 2011-13 were due to non-release of payment process of BPL promotion amount by Unique Identification Authority of India under Unique Identification Number Projects. Besides, the persistent savings ranged between ₹ 17.22 crore and ₹ 498.10 crore under Capital Section. Savings in 2010-11 were mainly due to non-investment of ₹ 492.32 crore in "Rajasthan State Investment Fund". Savings in 2011-12 and 2012-13 were due to non-receipt of funds from GoI for National e-Governance Plan.

***In Grant No. 38***, persistent savings ranged between ₹ 11.78 crore and ₹ 22.64 crore. The main reasons for savings were less receipt of funds from GoI in 2010-11 and posts remaining vacant in 2011-12. Reasons for savings in 2012-13 were not intimated by the Government (November 2013).

***In Grant No. 46***, persistent savings ranged between ₹ 171.26 crore and ₹ 228.97 crore. The savings were due to less execution of works under *Narbada* Project (Commercial)-Accelerated Irrigation Benefit Programme, Rajasthan Water Sector Restructuring Project, *Gardada* Project (Commercial) and Restoration of Minor Irrigation Schemes (Japan International Cooperation Agency) in 2010-11 and less execution of works during 2011-13.

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Persistent savings under 14 grants over the years was indicative of over assessment of requirement of funds by the State Government in Appropriation Act without adequately scrutinising the same and properly monitoring the flow of expenditure. The Controlling Officers of these grants need to be directed by the Finance Department to take necessary steps to avoid persistent savings. Moreover, the savings should be surrendered as soon as it is anticipated.

2.3.2.1 A detailed review of persistent savings under Grants No. 8, 13, 19, 30 and 33 was undertaken. Major audit findings are discussed below:

### Grant No. 08-Revenue

#### Revenue Department

During 2010-13, in five sub heads, there were persistent savings ranging between ₹ 0.48 crore and ₹ 50.98 crore, being more than 7 to 100 per cent of the total provision as detailed in Table 2.4.

Table 2.4: Persistent savings under Grant No. 08-Revenue

(₹ in crore)

S.No.	Head of Account	Year	Total Budget *	Expenditure	Gross Savings	Percentage of savings
1.	2029-Land Revenue 102-Survey and Settlement Operations 02- District Staff	<b>Non-Plan</b>				
		2010-11	53.14	46.40	6.74	12.7
		2011-12	56.98	50.55	6.43	11.3
		2012-13	57.49	52.33	5.16	9.0
2.	2029-Land Revenue 103-Land Records 04- Land Record Improvement Scheme (through the Land Settlement Commissioner) 02- Modernisation of Land Settlement Department (50:50)	<b>Plan</b>				
		2010-11	49.85	-	49.85	100.0
		2011-12	35.03	0.72	34.31	97.9
		2012-13	37.93	12.32	25.61	67.5
		<b>Centrally Sponsored Schemes</b>				
		2010-11	49.85	-	49.85	100.0
		2011-12	35.03	0.72	34.31	97.9
		2012-13	41.85	14.30	27.55	65.8
3.	2029-Land Revenue 103-Land Records 07-Computerisation of Land Records under Pilot Project	<b>Plan</b>				
		2010-11	9.51	-	9.51	100.0
		2011-12	9.51	2.23	7.28	76.5
		2012-13	4.50	1.04	3.46	76.9
4.	2052-Secretariat-General Services 099-Board of Revenue 02-Revenue Appellate Officer	<b>Non-Plan</b>				
		2010-11	3.58	3.10	0.48	13.4
		2011-12	3.94	3.31	0.63	16.0
		2012-13	4.39	3.44	0.95	21.6
5.	2029-Land Revenue 103-Land Records 02-District Expenditure	<b>Non-Plan</b>				
		2010-11	360.88	319.62	41.26	11.4
		2011-12	399.31	348.33	50.98	12.8
		2012-13	403.08	371.53	31.55	7.8
*There was no supplementary provision in all these cases						

Source: Appropriation Accounts

Scrutiny of the records of the Revenue Department revealed that the savings were mainly due to posts remaining vacant in various cadres, non-finalisation of bid for outsourcing work, reduction in plan ceiling by the State Government and non-receipt of central share. Under sub-head '2029-103-04-02', the expenditure was nil in 2010-11 and ₹ 0.72 crore in 2011-12 against the total

budget of ₹ 49.85 crore and ₹ 35.03 crore respectively in Plan and Centrally Sponsored Schemes. Reasons for savings attributed to time taken in the Process of policy decision, work execution and preparation of plan for supervision under National Land Record Modernisation Programme. The reply was not acceptable as, looking at heavy savings, the Department did not revise its demand in subsequent years.

**Grant No. 13-Excise**

**Excise Department**

During 2010-13, in one sub-head, there were persistent savings ranging between ₹ 0.55 crore and ₹ 4.35 crore, being 4.7 to 35 per cent of the total provision (Non-Plan) as detailed in **Table 2.5**.

**Table 2.5: Persistent savings under Grant No. 13-Excise**

(₹ in crore)					
Head	Year	Total Budget	Expenditure	Gross Savings	Percentage of savings
2039-State Excise 001- Direction and administration 01- Head Office	2010-11	11.57*	11.02	0.55	4.7
	2011-12	12.31	7.96	4.35	35.3
	2012-13	12.30	11.68	0.62	5.0
* Including supplementary provision ₹ 1.13 crore					

Source: Appropriation Accounts

Reasons of savings were intimated as delay in tender process for purchase of holograms for wine bottles as the matter was pending in court (2010-11), decision of the State Government for not using holograms (2011-12), and making the provision for expenditure under Plan instead of Non-Plan because of capital nature works (2012-13).

The reply was not acceptable for 2011-13 as the provision should have been made keeping in view the trends of expenditure during previous years.

**Grant No. 19-Public Works**

**Public Works Department**

During 2010-13, in seven sub-heads, there were persistent savings ranging between ₹ 0.02 crore and ₹ 16.02 crore, being 5 to 99.8 per cent of the total provision as detailed in **Table 2.6**.

**Table 2.6: Persistent savings under Grant No. 19-Public Works**

(₹ in crore)						
S. No.	Head	Year	Total Provision	Expenditure	Gross Savings	Percentage of savings
1	4059- Capital Outlay on Public Works 80- General 001- Direction and Administration 01- Percentage Charges (General Area) 91- Percentage charges for establishment expenditure (2059)	2010-11	4.32	2.19	2.13	49.3
		2011-12	10.75*	4.30	6.45	60.0
		2012-13	16.17	5.80	10.37	64.1

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(₹ in crore)

S. No.	Head	Year	Total Provision	Expenditure	Gross Savings	Percentage of savings
2	4059- Capital Outlay on Public Works 80- General 001- Direction and Administration 01- Percentage Charges (General Area) 93- Percentage charges for Roads and Bridges (3054)	2010-11	1.62	0.82	0.80	49.4
		2011-12	2.90	0.95	1.95	67.2
		2012-13	6.06	2.17	3.89	64.2
3	4059- Capital Outlay on Public Works 80- General 051- Construction 01- General Building (Land Revenue) 01- Through the Chief Engineer, Public Works Department	2010-11	9.49	6.46	3.03	31.9
		2011-12	9.07	3.15	5.92	65.3
		2012-13	20.35	4.33	16.02	78.7
4	4210- Capital Outlay on Medical and Public Health 01- Urban Health Services 110-Hospital and Dispensaries 05- Allopathy (Director, Medical and Health Services) 90-Construction Work	2010-11	10.51	5.62	4.89	46.5
		2011-12	10.77	8.86	1.91	17.7
		2012-13	12.19	8.15	4.04	33.1
5	4210-Capital Outlay on Medical and Public Health 02-Rural Health Services (Directorate of Medical and Health Services) 101-Health Sub-centres 01- Building 90- Construction Work	2010-11	1.67	0.01	1.66	99.4
		2011-12	0.42	0.17	0.25	59.5
		2012-13	13.41	0.02	13.39	99.8
6	4210- Capital Outlay on Medical and Public Health 03- Medical Education, Training and Research 105-Allopathy 03- Medical College, Udaipur 90- Construction Work	2010-11	0.53	0.12	0.41	77.4
		2011-12	4.31	2.38	1.93	44.8
		2012-13	8.09	3.39	4.70	58.1
7	4210- Capital Outlay on Medical and Public Health 03- Medical Education, Training and Research 105-Allopathy 06-Medical College, Kota 90-Construction Work	2010-11	0.37	0.35	0.02	5.4
		2011-12	6.34	1.63	4.71	74.3
		2012-13	9.60	5.04	4.56	47.5
* Including supplementary provision ₹ 3.02 crore						

**Source: Appropriation Accounts**

Reasons given by the department were percentage charges on capital expenditure, non-receipt of new sanctions against lump sum provision, late issue of sanctions, non-availability of land, time taken in tender process and delay in work due to boycott of tenders by the contractors. The reply was not acceptable as the department could have taken timely remedial action to avoid savings at the end of the year.

**Grant No. 30-Tribal Area Development**

**Tribal Area Development Department**

During 2010-13, in nine sub-heads, there were persistent savings ranging between ₹ 0.05 crore and ₹ 5.61 crore, being 5 to 100 per cent of the total provision as detailed in Table 2.7.

**Table 2.7: Persistent savings under Grant No. 30-Tribal Area Development**

(₹ in crore)

S. No.	Head of Account	Year	Total Provision*	Expenditure	Gross Savings	Percentage	
1.	2202- General Education 02- Secondary Education 796- Tribal Area Sub-plan 01- Inspection	<b>Non-Plan</b>					
		2010-11	0.95	0.90	0.05	5.3	
		2011-12	1.03	0.80	0.23	22.3	
		2012-13	1.56*	1.19	0.37	23.7	
2.	2202- General Education 02- Secondary Education 796- Tribal Area Sub-plan 02- Government Secondary School 02- Girls' School	<b>Non-Plan</b>					
		2010-11	19.24	16.79	2.45	12.7	
		2011-12	20.54	16.90	3.64	17.7	
		2012-13	26.50	20.89	5.61	21.2	
3.	2202- General Education 03- University and Higher Education 796- Tribal Area Sub-plan 01- Government College (for men)	<b>Plan</b>					
		2010-11	2.21	1.97	0.23	10.4	
		2011-12	2.88	1.81	1.07	37.2	
		2012-13	1.58	0.72	0.86	54.4	
4.	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 02- Welfare of Scheduled Tribes 796- Tribal Area Sub-plan 01- Administration 02- Commissioner, Tribal Area Development	<b>Non-Plan</b>					
		2010-11	2.90	2.69	0.21	7.2	
		2011-12	3.32	2.95	0.37	11.1	
		2012-13	3.39	3.01	0.38	11.2	
5.	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 02- Welfare of Scheduled Tribes 796- Tribal Area Sub-plan 02- Grants-in-aid for Schemes of Tribal Area Sub-plan 16- Tribal Research and Training Institute (Central Sponsored Scheme)	<b>Plan</b>					
		2010-11	0.50	0.16	0.34	68.0	
		2011-12	0.26	-	0.26	100.0	
		2012-13	0.26	-	0.26	100.0	
		<b>Centrally Sponsored Schemes</b>					
		2010-11	0.50	0.16	0.34	68.0	
		2011-12	0.26	-	0.26	100.0	
6.	2236-Nutrition 02- Distribution of Nutritious Food and Beverages 796- Tribal Area Sub-plan 01- Through the Integrated Child Development Services Department 02- Integrated Child Development Programme	<b>Centrally Sponsored Schemes</b>					
		2010-11	29.23	26.12	3.11	10.6	
		2011-12	2.66	2.46	0.20	7.5	
		2012-13	3.13	2.28	0.85	27.2	
7.	2700- Major Irrigation 27- Mahi Project (Commercial) 796- Tribal Area Sub-plan 02- Unit-II (Canals)	<b>Non-Plan</b>					
		2010-11	15.46	13.90	1.56	10.1	
		2011-12	15.67	14.62	1.05	6.7	
		2012-13	16.44	14.62	1.82	11.1	
8.	2700- Major Irrigation 27- Mahi Project (Commercial) 796- Tribal Area Sub-plan 03- Suspense 02- Unit- II (Canals)	<b>Non-Plan</b>					
		2010-11	0.75	-	0.75	100.0	
		2011-12	0.75	-	0.75	100.0	
		2012-13	0.75	-	0.75	100.0	

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S. No.	Head of Account	Year	Total Provision*	Expenditure	Gross Savings	Percentage	
9	4702- Capital Outlay on Minor Irrigation 796- Tribal Area Sub-plan 01- Minor Irrigation Construction Work (through the Chief Engineer, Water Resources) 01- Execution	<b>Plan</b>					
		2010-11	2.94	2.77	0.17	5.8	
		2011-12	3.09	2.67	0.42	13.6	
		2012-13	3.57	2.50	1.07	30.0	
* Including supplementary provision ₹ 0.01 lakh							

**Source: Appropriation Accounts**

The reasons for savings intimated were posts lying vacant and non-release of Central Share resulting in non-release of matching share by State Government. The reply was not acceptable because the estimates prepared in respect of vacant posts violate the provision of revised SBM. Moreover, the department did not revise its demands in subsequent years in view of non-release of Central Share.

**Grant No. 33-Social Security and Welfare**

**Social Justice and Empowerment Department**

During 2010-13, in four sub-heads, there were persistent savings ranging between ₹ 0.05 crore and ₹ 127.53 crore, being more than 3 to 100 per cent of the total provision as detailed in **Table 2.8**.

**Table 2.8: Persistent savings under Grant No. 33-Social Security and Welfare**

(₹ in crore)								
S.No.	Head of Account	Year	Original Budget	Total Provision	Expenditure	Gross Savings	Percentage of savings	
1.	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 01- Welfare of Scheduled Castes 001-Direction and Administration	<b>Non-Plan</b>						
		2010-11	11.94	11.94*	10.82	1.12	9.4	
		2011-12	6.03	6.03	5.29	0.74	12.3	
		2012-13	6.56	6.56	5.54	1.02	15.5	
2.	2235- Social Security and Welfare 60- Other Social Security and Welfare Programmes 105- Government Employees Insurance Scheme 01- State Insurance Department	<b>Non-Plan</b>						
		2010-11	36.81	36.81	35.46	1.35	3.7	
		2011-12	39.90	39.90	36.47	3.43	8.6	
		2012-13	46.16	46.16	40.26	5.90	12.8	
3.	2236- Nutrition 02- Distribution of Nutritious Food and Beverages 101- Special Nutrition Programmes 01- Through the Integrated Child Development Services Department 01- Nutrition Crash Programme	<b>Centrally Sponsored Schemes</b>						
		2010-11	323.83	323.83	196.30	127.53	39.4	
		2011-12	294.03	294.03	201.69	92.34	31.4	
		2012-13	260.81	260.81	231.06	29.75	11.4	
4.	4235- Capital Outlay on Social Security and Welfare 02- Social Welfare 103- Women's Welfare 11- Construction of mentally retarded Woman and Child home building	<b>Plan</b>						
		2010-11	-	0.05**	-	0.05	100.0	
		2011-12	10.00	10.00	0.39	9.61	96.1	
		2012-13	15.00	15.00	9.42	5.58	37.2	
* Including supplementary provision ₹ 1,000								
** Supplementary provision								

**Source: Appropriation Accounts**



Reasons attributed were posts lying vacant, transfer of posts to other budget heads due to cadre review, non-payment of honorarium, non-appointment of retired personnel, non-functioning of new *Anganbari* centres, less attendance of beneficiaries and slow progress of work by Public Works Department.

Reply was not tenable as the estimates prepared in respect of vacant posts violate the provision of revised SBM. Department should have monitored its expenditure and was taken necessary steps to avoid heavy savings.

### 2.3.3 Excess expenditure

In 10 cases, the programme delivery Departments exceeded (₹ 185.06 crore) the expenditure limits set by the Legislature through grants. In these cases, excess expenditure was more than ₹ one crore and also more than 10 per cent of the total provisions in each case (*Appendix 2.2*).

Inadequate provision of funds resulting in excess expenditure indicates under budgeting and weak expenditure controls.

### 2.3.4 Excess over provisions relating to previous years (2010-12) requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for 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, such regularisation is done after completion of the discussion of Appropriation Accounts by the Public Account Committee.

In nine grants, the excess expenditure amounting to ₹ 19.92 crore for the years 2010-12 was yet to be regularised (30 September 2013). The year-wise details are summarised in **Table 2.9** below:

**Table 2.9: Excess over provisions relating to previous years requiring regularisation**

Year	Total number of grants/appropriations	Number and name of Grant/appropriations	Grant/appropriation	Amount of excess (₹ in crore)	Stage of consideration by Public Account Committee (PAC) (As on 30 September 2013)
2010-11	4	20-Housing	Capital-voted	2.16	Examined by PAC
		27-Drinking Water Scheme	Revenue-voted	15.70	Examined by PAC
		28-Special Programme for Rural Development	Revenue-voted	1.90	Not examined by PAC
		38-Minor Irrigation and Soil Conservation	Capital-voted	0.01	Not examined by PAC
	2	13-Excise	Revenue-charged	<sup>5</sup>	Not examined by PAC
		15-Pensions and Other Retirement Benefits	Revenue-charged	0.03	Not examined by PAC
2011-12	1	48-Power	Capital-voted	0.01	Not examined by PAC
	2	12-Other Taxes	Revenue-charged	0.11	Not examined by PAC
		36-Co-operation	Revenue-charged	<sup>6</sup>	Not examined by PAC
<b>Total</b>	<b>9</b>			<b>19.92</b>	

Source: Appropriation Accounts

<sup>5</sup> Only ₹ 54,783

<sup>6</sup> Only ₹ 57

**2.3.5 Excess over provisions during 2012-13 requiring regularisation**

Table 2.10 contains the summary of total excesses under two appropriations amounting to ₹ 79,100 over and above what was authorised from the Consolidated Fund of the State, by the State Legislature during 2012-13 and requires regularisation under Article 205 of the Constitution.

**Table 2.10: Excess over provisions requiring regularisation during 2012-13**

(In ₹)

S. No.	Number and name of appropriation		Total appropriation	Expenditure	Excess
<b>Revenue- Charged</b>					
1.	11	Miscellaneous Social Services	3,000	80,000	77,000
2.	20	Housing	1,000	3,100	2,100
<b>Grand Total</b>			<b>4,000</b>	<b>83,100</b>	<b>79,100</b>

Source: Appropriation Accounts

The Finance Department did not furnish reasons for excess expenditure over authorisation from the Consolidated Fund of the State to the Principal Accountant General (Accounts and Entitlement), Rajasthan.

**2.3.6 Unnecessary/excessive supplementary provision**

Para 24.2 of revised SBM stipulates that if during the currency of a financial year, the amount provided for any purpose is found to be inadequate or a need arises for an expenditure on some object or service for which no provision has been made, a supplementary provision can be sanctioned by the Legislature. Supplementary provision aggregating to ₹ 652.10 crore were obtained during 2012-13 in 18 cases (₹ one crore or more in each case) proved unnecessary as the expenditure did not come up to even to the level of original provision (*Appendix 2.3*). Important cases where supplementary provisions proved unnecessary are discussed below:

*In Grant No. 26-Medical and Public Health and Sanitation*, supplementary provision of ₹ 109.66 crore was obtained in March 2013 for payment of pay and allowances in anticipation of creation of new posts, payment of scholarships and release of State contribution in anticipation of receipt of funds from the GoI but it proved unnecessary as the actual expenditure was less than the original budget estimates.

*In Grant No. 33-Social Security and Welfare*, supplementary provision of ₹ 120.87 crore obtained in March 2013 for payment scholarships and old age pensions, was proved unnecessary as the actual expenditure was less than the original budget estimates.

*In Grant No. 34-Relief from Natural Calamities*, supplementary provision of ₹ 110.84 crore obtained in March 2013 for payment on account of

Meharagarh (Jodhpur) incident, Chambal incident, Sitapura (Jaipur) Indian Oil Corporation Depot fire incidents and reimbursement of increased expenditure as per norms under State Disaster Response Fund proved unnecessary as the actual expenditure was less than the original budget estimates.

This indicated poor estimation of requirement of funds for the remaining period of the financial year and failure to monitor the flow of expenditure through the monthly expenditure control mechanism by these departments, as prescribed in Chapter 21 of the revised SBM. Thus, unnecessary supplementary provisions were made without assessing the actual requirements of funds under these sub-heads.

### **2.3.7 Excessive/unnecessary reappropriation of funds**

Reappropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Injudicious reappropriation of funds proved excessive, unnecessary or insufficient resulting in excess expenditure of ₹ 203.84 crore in 97 sub-heads and final savings of ₹ 208.40 crore in 345 sub-heads. The final excess/saving after reappropriation was more than ₹ one crore in 37 heads of accounts (*Appendix 2.4*). There was insufficient reappropriation in 14 heads of accounts, unnecessary reappropriation in 10 heads of accounts and excessive reappropriation in 13 heads of accounts. This indicates that the availability/requirement of funds was not properly assessed before such reappropriation.

### **2.3.8 Unexplained reappropriations**

Para 23.15.6 of revised SBM provides that the reasons for anticipating excesses or savings should be clearly explained. Scrutiny of reappropriation orders issued by the Finance Department (31 March 2013), however, revealed that out of 2,371 sub-heads, explanations for excesses/savings were received in respect of 587 sub-heads only, of which explanations for 148 sub-heads were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'. Besides, in 1,784 sub-heads, no specific explanation was given. This also goes against the principle of transparency stipulated in Section 4 of Fiscal Responsibility and Budget Management Act.

### **2.3.9 Anticipated savings not surrendered**

As per para 23.16 of revised SBM, grants that cannot be properly utilised should be surrendered.

During 2012-13, an amount of ₹ 6,717.45 crore (98.3 *per cent*) was surrendered out of total saving of ₹ 6,836.94 crore, on the last working day of the financial year. Of this, ₹ 6,435.39 crore in 38 cases (27 grants and 1 appropriation) where savings were of more than ₹ 20 crore in each case, were surrendered on the last working day (*Appendix 2.5*) while in 22 grants, where

savings was ₹ one crore and above, an amount of ₹ 280.30 crore (7.4 per cent of total savings of ₹ 3,762.71 crore) was not surrendered (*Appendix 2.6*).

This indicated lack of realistic financial planning and weak financial control. The Chief Controlling Officers and the Heads of the Departments ignored the budgetary controls laid down in the SBM and the Finance Department failed to exercise the overall financial control over the State budget, which resulted in deprivation of funds for other development purposes.

Departments did not furnish (November 2013) any reasons/explanations as to surrender of savings on the last working day of financial year.

### **2.3.10 Lump sum provision**

Para 13.16 of revised SBM stipulated that lump sum provision should not be, as a rule, made in estimates.

During 2012-13, in 179 cases (more than ₹ one crore and also by more than 50 per cent of budget provision in 17 grants and 3 appropriations) a lump sum provision of ₹ 1,539.34 crore was made in the estimates. Of this, ₹ 1,275.09 crore (82.8 per cent) remained unutilised at the close of the financial year, which was surrendered at the fag end of the year (*Appendix 2.7*) and the remaining amount of ₹ 264.25 crore was reappropriated. Reasons for making lump sum budget provisions under these cases were not furnished (November 2013) by the State Government.

### **2.3.11 Surrender in excess of actual savings**

In four grants, the amount surrendered (₹ one crore or more in each grant) was ₹ 508.48 crore as against the savings of ₹ 343.66 crore, which was in excess of ₹ 164.82 crore (*Appendix 2.8*) indicating that the departments failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements. Departments did not furnish any reasons/explanations regarding surrender in excess of actual savings (November 2013).

### **2.3.12 Rush of expenditure**

Maintaining uniform pace of expenditure is a crucial component of sound public financial management.

During 2012-13, in respect of 98 sub-heads (*Appendix 2.9*) expenditure of ₹ 7,672.65 crore (exceeding ₹ 10 crore and more than 50 per cent of the total expenditure in each case) was incurred in the last quarter of the financial year, which was 80.7 per cent of total expenditure. Of this, ₹ 7,216.37 crore (75.9 per cent) was spent in March 2013 alone. Thus, expenditure of a substantial amount was incurred by the department at the fag end of the year which is indicative of poor financial control over the expenditure.

### 2.3.13 Drawal of funds to avoid lapse of Budget

According to the provisions contained in General Financial and Accounts Rules (Rule 8), funds shall be withdrawn only if required for immediate payment and shall not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department. Besides, the practice of withdrawing funds with a view to avoiding lapse of Budget grant and placing such moneys as deposits in the Public Account or with Bank is forbidden.

From the information compiled by the office of the Principal Accountant General (Accounts and Entitlement), Rajasthan, it was seen that an amount of ₹ 2,198.60 crore was drawn by the State Government during the month of March 2013 and deposited in the deposit head<sup>7</sup> to avoid lapse of budget grant. This included transfer on the last three days i.e. 29 March, 30 March and 31 March 2013 respectively.

## 2.4 Budget formulation and budgetary control

A review of budget formulation and budgetary control in respect of Grant No. 27-"Drinking Water Scheme" was undertaken. Major audit findings are discussed below:

### Public Health Engineering Department

- *Delay in submission of final statements of excesses and savings*

Para 23.12 of the revised SBM prescribed that statement of excesses and savings against expenditure are required to be submitted by all Budget Controlling Officers to the Finance Department twice during a financial year as per date specified by the Finance Department. It was observed that the Controlling Officers submitted the statement to the Finance Department only once on the last day of the financial years.

- During 2012-13, in three sub-heads (Plan), the entire allotted budget<sup>8</sup> of ₹ 22.39 crore remained unutilised and was surrendered at the end of the financial year.

- ₹ 7.02 crore was obtained through supplementary provision<sup>9</sup> under head '4215-01-102-54 Fatehpur-Laxmangarh Drinking Water Project' during 2012-13 proved unnecessary as no expenditure was incurred out of this.

<sup>7</sup> 8338-Deposits of Local Funds; 8342-Other Deposits and 8443-Civil Deposits.

<sup>8</sup> 4215-01-101-05-01-Through the Public Health and Engineering Department (₹ 16.20 crore).  
4215-01-102-01-35-Matasukh-Jayal Tehsil Water Supply Scheme (NABARD) (₹ 3.45 crore).  
4215-01-102-05-01-Construction Works (₹ 2.74 crore).

<sup>9</sup> Original provision was nil.

● **Persistent savings**

In four sub-heads, there were persistent savings ranging between 15 and 93 per cent of the total provision as detailed in **Table 2.11**.

**Table 2.11- Persistent savings during 2010-13**

(₹ in crore)					
Head of Account	Year	Total Budget	Expenditure	Savings	Percentage of savings
2215-02-001-04 Shilp Shala	2010-11	42.39*	35.90	6.49	15.31
	2011-12	42.75	35.92	6.83	15.98
	2012-13	43.84	36.69	7.15	16.31
4215-01-101-01-61 Urban Water Supply Scheme, Jodhpur (Economic Action Plan)	2010-11	70.00	4.94	65.06	92.94
	2011-12	109.10	44.14	64.96	59.54
	2012-13	77.79	14.88	62.91	80.87
4215-01-101-08 Restoration of Water Supply Schemes against Depreciation Reserve Fund	2010-11	107.64	28.37	79.27	73.64
	2011-12	53.82	41.71	12.11	22.50
	2012-13	53.82	29.02	24.80	46.07
4215-01-102-18 Bisalpur-Dudu Water Supply Scheme (NABARD)	2010-11	15.00	12.21	2.79	18.60
	2011-12	34.96	13.79	21.17	60.55
	2012-13	20.71	16.09	4.62	22.31

\* Including supplementary provision of ₹ 3.58 crore.

**Source: Appropriation Accounts**

The reasons for savings were not intimated by the Department (November 2013).

● **Irregular flow of expenditure**

Test check of four sub-heads revealed that 46.26 to 71.12 per cent of total expenditure was incurred during the last quarter of the year while 24.11 to 48.61 per cent was incurred in the last month of the year which indicated rush of expenditure at the end of the year as shown in **Table 2.12** below:

**Table 2.12- Irregular flow of expenditure during 2012-13.**

(₹ in crore)					
Head of Account	Expenditure incurred in March 2013	Expenditure during Jan 2013 to March 2013	Total Expenditure	Percentage of	
				Last quarter to total expenditure	Last month to total expenditure
1	2	3	4	5 (3/4)	6 (2/3)
4215-01-101-01 General Urban Water Supply Schemes	153.29	180.36	315.31	57.20	48.61
4215-01-102-01 Accelerated Rural Water Supply Schemes	19.54	37.50	81.06	46.26	24.11
4215-01-102-03 Other Rural Water Supply Programmes	68.04	129.34	203.71	63.49	33.40
4215-01-102-49 Works under XIII Finance Commission	11.90	25.14	35.35	71.12	33.66

**Source: Appropriation Accounts**

Reply of the State Government was awaited (November 2013).

## 2.5 Outcome of review of selected grants

A review of receipts and expenditure of Grant No. 16-"Police" and Grant No. 24-"Education, Art and Culture" for the period 2010-13 was undertaken. Major irregularities noticed are summarised below:

### Grant No. 16 - Police

#### Home Department

#### A. Expenditure

- *Unnecessary/excessive supplementary provisions of funds*

Para 24.2 of revised SBM provides that if the amount provided for any purpose is found inadequate or a need arises for an expenditure on some object or service for which no provision was made, a supplementary grant can be sanctioned by the legislature. The status of original budget estimates, supplementary provision and actual expenditure thereagainst for the year 2010-13 is given in **Table-2.13** below:

**Table 2.13: Summarised position of actual expenditure vis-a-vis original/supplementary provision during 2010-13**

(₹ in crore)

S. No.	Head of Account	Year	Original	Supple- mentary	Total	Exp	Savings	Reasons given by the Department
<b>Non-Plan</b>								
1	2055-101-01 Criminal Branch	2012-13	109.03	1.30	110.33	104.78	5.55	Less expenditure on Pay and Allowances
2	2055-101-02	2011-12	25.64	3.27	28.91	25.96	2.95	Posts remained vacant.
3	Anti Corruption Bureau	2012-13	33.30	1.73	35.03	33.86	1.17	Posts remained vacant
4	2055-104-01 Sepoy unit	2012-13	384.27	22.00	406.27	402.63	3.64	Less expenditure on Pay and Allowances
5	2055-109-01-01 General Police (Direction)	2011-12	1,176.60	34.29	1,210.89	1,185.36	25.53	Non-supply of vehicles and other materials by the suppliers, posts remained vacant
6		2012-13	1,295.44	34.78	1,330.22	1,325.08	5.14	Non-supply of vehicles and other materials by the suppliers, posts remained vacant
7	2055-109-10-01 General Police	2012-13	283.10	11.58	294.68	292.30	2.38	Less expenditure on Pay and Allowances
<b>CSS</b>								
8	2055-115-04 Modernisation of General Police	2010-11	—*	20.82	20.82	19.18	1.64	Non-supply of vehicles and other materials by the suppliers
9		2012-13	—*	19.03	19.03	16.55	2.48	Non-supply of vehicles and other materials by the suppliers
* ₹ 1000 only								

Source: Appropriation Accounts

Audit comments are given below:

- S.No. 2 and 3: The provision for vacant posts in Budget Estimates were in contravention of Para no. 13.18.2 of revised SBM.
- S.No. 1, 4 and 7: The department did not prepare estimates properly. The variation in budget estimates and actuals in respect of pay and allowances is not justified as the same could be anticipated with reasonable correctness.
- S.No. 5, 6, 8 and 9: The reasons given by the department indicates system deficiency in inventory management and pursuing suppliers for purchases.
- **Surrender of entire supplementary provision**

During 2012-13, provision of ₹ 0.50 crore was made under capital budget head “4055-190-01 (Plan)” through supplementary grant for formation of Rajasthan Police Housing and Construction Corporation Limited (RPHCCL). However, the department surrendered the entire amount on 31 March 2013 due to non-constitution of RPHCCL, indicating that supplementary provision was made without completion of basic formalities.

## B. Receipts

The position of Budget Estimates, Revised Estimates and Actual Receipts under head “0070-Other Administrative Services” during 2010-13 is given in Table 2.14 below:

Table 2.14: Statement of receipts during 2010-13.

(₹ in crore)						
Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipts	Variation	Growth in Receipts (Per cent)
1	2	3	4	5	6 (4-5)	7
0070-Other Administrative Services	2010-11	0.01	5.10	6.24	(+) 1.14	-
	2011-12	1.00	3.08	2.38	(-) 0.70	(-) 61.9
	2012-13	1.00	0.04	0.31	(+) 0.27	(-) 87.0
60-Other Services	2010-11	11.08	8.95	11.31	(+) 2.36	-
	2011-12	8.00	10.72	2.70	(-) 8.02	(-) 76.1
	2012-13	8.00	1.98	0.08	(-) 1.90	(-) 97.0
106-Civil Defence						
02-Home Guard						
01-Border						
03-Urban						

Source: Budget Documents and Finance Accounts

There was a decrease of 61.9 and 87 per cent in 2011-12 and 2012-13 respectively in actual receipts as compared to the receipts of 2010-11 and 2011-12 under receipt head ‘0070-60-106-02-01’. The department informed that variation was due to increase/decrease in deployment of volunteers/permanent staff for election duties in other states and deployment in Cairn Energy/Chabra Thermal Station/other institutions/agencies. The reply was not acceptable as the estimation required reasonable anticipation of



deployment of volunteers. Moreover, it was not clear from the reply whether the decrease in receipts was due to non-deployment or non-requisition of volunteers/staff by the agencies.

There was a decrease of 76.1 and 97 per cent in 2011-12 and 2012-13 respectively in actual receipts as compared to the receipts of 2010-11 and 2011-12 under receipt head '0070-60-106-02-03'. The department informed that variation was due to less receipt of income and less reimbursement from GoI. The reply was not acceptable as the estimates should have been prepared keeping in view the factors including previous trends, anticipated income and reimbursement from GoI.

Reply of the State Government was awaited (November 2013).

**Grant No. 24- Education, Art and Culture**

**Education Department**

**A. Expenditure**

The revenue budget head revealed following position:

**Table 2.15- Unnecessary supplementary provision and persistent savings**

(₹ in crore)

Head of Account	Year	Original	Supplementary	Total	Expenditure	Saving
2202-General	2010-11	2,701.99	-	2,701.99	2,371.91	330.08
Education	2011-12	2,668.21	45.73	2,713.94	2,602.55	111.39
02-Secondary	2012-13	3,616.10	-	3,616.10	2,980.17	635.93
Education						
109-Government						
Secondary Schools						
01-Boys' School						
(Non-plan)						

Source: Appropriation Accounts

This shows that the budget estimates during 2010-11 and 2012-13 were not prepared keeping in view the trend of savings during previous years. Besides, savings at the end of 2011-12 shows that the supplementary provisions were unnecessary.

● **Rush of expenditure**

During 2012-13, it was observed that 69.56 to 100 per cent of total expenditure was incurred during the last quarter of the year while 50.53 per cent to 100 per cent was incurred in the last month of the year (Appendix 2.10).

**B. Receipts**

● The position of Revised Estimates and Actual Receipts under "0202- Education, Sports, Art and Culture" during 2010-13 is given in Table 2.16 below:

Table 2.16: Statement of receipts during 2010-13

(₹ in crore)

S. No.	Heads of account	Year	Revised Estimates	Actual Receipts	Variation	Percentage variation to revised estimates
1.	0202-Education, Sports, Art and Culture 01-General Education 101-Elementary Education	2010-11	4.23	10.74	(+) 6.51	153.90
		2011-12	2.87	7.80	(+) 4.93	171.78
		2012-13	3.08	11.00	(+) 7.92	257.14
2.	0202-Education, Sports, Art and Culture 01-General Education 103- Universities and Higher Education	2010-11	4.03	5.87	(+) 1.84	45.66
		2011-12	4.06	3.95	(-) 0.11	2.71
		2012-13	3.51	7.18	(+) 3.67	104.56
3.	0202-Education, Sports, Art and Culture 01-General Education 600-General	2010-11	0.12	0.81	(+) 0.69	575.0
		2011-12	0.28	0.37	(+) 0.09	32.14
		2012-13	0.18	0.24	(+) 0.06	33.33

Source: Budget Documents and Finance Accounts

This shows that the receipts were not properly assessed and varied between (-) 2.71 per cent and 575 per cent during 2010-13. Reply of the State Government was awaited (November 2013).

## 2.6 Outcome of Inspection of Treasuries

There were 262 units i.e. 40 Treasuries (including 1 e-treasury) and 222 sub-treasuries in the State during 2012-13. Major irregularities noticed during inspection of 39 treasuries and 149 sub-treasuries during 2012-13 are discussed below:

- *Non-accountal of balance amount under proper heads*

As per instructions of Finance Department (April 2005) the unspent balances, after the closing of the financial year, shall be credited to respective receipt revenue heads from which it was debited. It was observed that unspent balances of ₹ 0.17 crore in 16 treasuries/sub-treasuries pertaining to Major head "2235" were shown as minus debit under expenditure head instead of crediting concerned receipt head of accounts.

- *Difference in closing balance of Personal Deposit (PD) Accounts*

The inspection of four PD accounts revealed that at the end of March 2012 there was difference of ₹ 0.90 crore between closing balances of treasuries and that shown in the passbooks of the account holders. This needs to be reconciled.

- *Incomplete maintenance of Broadsheets of Long Term Loans*

As per the instructions issued by the State Finance Department (May 1988) requirements of all columns of Broadsheets for long term Loans and Advances viz. House Building Advances and Conveyance Advances should be fulfilled. Thirteen treasuries did not maintain the broad sheets of long term loans and

advances with complete details like number and date of sanctions issued, number and amount of monthly instalments, treasury voucher number and date.

- *Non-disposal of outdated/damaged stamps of ₹0.24 crore*

Rule 246 of Rajasthan Treasury Rules, 2012 provides that report on surplus/obsolete/unusable stamps should be submitted to the Inspector General of Registration and Stamps, Ajmer, by the Treasury Officer for their disposal and action should be taken for disposal according to the sanction of the Inspector General. Contrary to this, seven treasuries did not take action for disposal of such outdated/damaged stamps worth ₹ 0.24 crore.

- *Non-obtaining security bonds from Cashiers*

Rule 63 of Rajasthan Treasury Rules 2012 provides the Collector and the Treasury Officer to ensure that the cashier furnishes sufficient security against loss due to negligence or fraud, in the form prescribed in General Financial and Accounts Rules. In contravention of these instructions, the cashiers in 63 treasuries/sub-treasuries were handling cash without obtaining requisite security bond.

Reply of the State Government was awaited (November 2013).

## 2.7 Misclassification of Grants-in-aid

Para 9 of Indian Government Accounting Standards (IGAS) 2, prescribes that Grants-in-aid from the Union Government to the State Government shall be classified and accounted for as revenue expenditure in the Financial Statements of the State Government. During the year 2012-13, a sum of ₹ 1.83 crore was received as Grants-in-aid from the GoI, was treated as capital expenditure by the State Government as detailed in **Table 2.17**.

**Table 2.17: Misclassification of Grants-in-aid under Capital heads of account**

(₹ in crore)	
Head of Account	Amount
4202-Capital outlay on Education, Sports, Art and Culture 03-Sports and Youth Services 789-Special Component Plan for Scheduled Castes 01-District <i>Sankul</i> through Sports Department	0.43
4202-Capital outlay on Education, Sports, Art and Culture 03-Sports and Youth Services 796-Tribal Area Sub-plan 01-District <i>Sankul</i> through Sports Department	1.40
<b>Total</b>	<b>1.83</b>

Source: Appropriation Accounts and Finance Accounts

## 2.8 Advances from Contingency Funds

The Contingency Fund of the State has been established under the Rajasthan Contingency Fund Act, 1956 in terms of provisions of Article 267 (2) and 283

(2) of the Constitution of India. Advances from the Fund are permissible only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. Advances from Contingency Fund may be given for meeting expenditure in the circumstances where (i) provision could not be made in annual/supplementary budget, (ii) expenditure could not be foreseen and (iii) the expenditure cannot be postponed till vote of Legislature is obtained. The fund is in the nature of an imprest and has a corpus of ₹ 200 crore. Chapter 5 of the revised SBM envisages that advance from Contingency Fund should not be applied for unless and until all the preliminaries such as administrative approval, technical sanction, selection of site, etc. are completed and there is a reasonable prospect of the advance asked for being fully utilised before its recoupment through supplementary grant.

During the year 2012-13, four sanctions aggregating ₹ 19.64 crore were issued under four Major heads for grant of advance from Contingency Fund by the State Government. Scrutiny of sanctions revealed that:

- An advance of ₹ one crore was sanctioned (June 2012) to Rajasthan State Legal Services Authority for Rajasthan Victim Compensation Scheme, 2011. The whole amount remained unutilised up to the effective date of sanction (31 October 2012). The department informed (April 2013) that the amount could not be utilised due to delay in completion of formalities required under the scheme and lack of awareness of the scheme amongst the public. This indicated that the department did not ensure utilisation of amount by stipulated date by not completing preparatory work well in time as envisaged under Para 5.6 of revised SBM.
- An advance of ₹ three crore was sanctioned (July 2012) to Labour and Employment Department for operation of Rajasthan Unemployment Allowance Scheme, 2012. The Department incurred only ₹ 0.25 crore up to the effective date (31 October 2012) of sanction. The department informed (April 2013) that the amount could not be utilised because of some problems in the income certificates furnished by the applicants. The reply was not acceptable as the department could have anticipated the constraints to ensure timely disbursement of funds.

Reply of the State Government was awaited (November 2013).

## **2.9 Irregularities in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

- *Pendency in submission of Detailed Countersigned Contingent (DCC) Bills against Abstract Contingent (AC) Bills*

Rule 219 of General Financial and Accounts Rules regulates preparation and drawal of AC Bills and submission of DCC Bills to Controlling Officer/Principal Accountant General. Every drawing officer has to certify in each AC bill that the DCC bills in respect of all AC bills drawn in the

preceding months have been submitted to the Controlling Officer/Principal Accountant General.

Out of 37,571 AC bills amounting to ₹ 3,558.21 crore (as on 31 March 2013) 659 DCC bills amounting to ₹ 95.57 crore were not submitted till 31 July 2013 as detailed in **Table 2.18**:

**Table 2.18: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

(₹ in crore)

Year	AC bills		DCC bills		DCC bills as percentage of AC bills	Outstanding AC bills	
	Number	Amount	Number	Amount		Number	Amount
Up to 2007-08	25,035	1,680.82	24,990	1,676.14	99.8	45	4.68
2008-09	3,102	297.18	3,097	296.78	99.8	5	0.40
2009-10	3,669	708.79	3,662	708.12	99.8	7	0.67
2010-11	2,460	419.86	2,422	413.82	98.5	38	6.04
2011-12	1,471	197.72	1,379	176.71	93.7	92	21.01
2012-13	1,834	253.84	1,362	191.07	74.3	472	62.77
<b>Total</b>	<b>37,571</b>	<b>3,558.21</b>	<b>36,912</b>	<b>3,462.64</b>	<b>98.2</b>	<b>659</b>	<b>95.57</b>

Source: Finance Accounts

The outstanding AC bills pertained mainly to Revenue Department (₹ 40.22 crore), Medical College (₹ 18.88 crore), Revenue Board (₹ 6.56 crore), Police (₹ 6.22 crore) and General Administration Department (₹ 5.11 crore). The department wise pendency of DCC bills up to 31 July 2013 is given in **Appendix 2.11**. Due to long pendency of the adjustment of the bills, possibility of misuse of government funds and misappropriation thereof could not be ruled out.

## 2.10 Conclusion and Recommendations

### Conclusion

During 2012-13, there was an overall savings of ₹ 6,836.94 crore against the total grants and appropriations of ₹ 89,663.02 crore. There was an excess of ₹ 0.79 lakh which requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 652.10 crore obtained in 18 cases proved unnecessary, reappropriation of funds in 442 cases was made injudiciously resulting either in savings or excesses over provisions. The departments surrendered ₹ 6,717 crore on the last working day of the financial year leaving no scope for utilising these funds for other development purposes. In four cases, ₹ 164.82 crore was surrendered in excess of actual savings.

In 179 cases, lumpsum provision of ₹ 1,539.34 crore was made in violation of provisions of revised SBM. Of this, ₹ 1,275.09 crore (83 *per cent*) remained unutilised.

An amount of ₹ 2,198.60 crore drawn by the State Government during the month of March 2013 and was deposited in the deposit heads to avoid lapse of budget grants.

Out of ₹ 19.64 crore sanctioned under Contingency Fund in four cases, ₹ 3.75 crore (19 *per cent*) remained unutilised. The Controlling Officers did not submit (July 2013) the Detailed Contingent Bills in respect of ₹ 95.57 crore drawn on Abstract Contingent Bills up to 31 March 2013.

Inspection of treasuries also indicated deficiencies in their functioning. Hundred *per cent* of revenue and capital provisions were spent in some schemes during the month of March 2013 instead of spreading it throughout the year, leading to rush of expenditure at the fag end of the year. Grants-in-aid of ₹ 1.83 crore was accounted for under capital section instead of revenue section.

***Recommendations***

- Controlling Officers and Head of the Departments should strictly observe the provisions of revised SBM to ensure budgetary and expenditure controls. They should endeavor to strengthen the monthly expenditure monitoring mechanism.
- Efforts should be made by all the departments to submit realistic budget estimates keeping in view the trends of expenditure in order to avoid large scale savings/excess, reappropriations and surrenders at the end of the year.
- Savings should be assessed and surrendered before the close of the financial year so that it can effectively be utilised in other areas/schemes.
- The expenditure should be spread evenly over the year so as to avoid the quality related pitfalls associated with rush of expenditure at the end of the year.
- Functioning of Treasuries should be monitored to avoid their deficient functioning.
- A rigorous monitoring mechanism should be put in place to adjust the advances drawn against Abstract Contingent bills within the stipulated period.