

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 passed under Article 204 and 205 of the Constitution of India. These Accounts list the original budget estimate, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provision and are therefore, complementary to Finance Accounts.

2.1.2 Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants was within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provision of the Constitution was so charged.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 58 Grants/Appropriations was as given in **Table 2.1**:

Table 2.1: Summarised Position of Actual Expenditure *vis-à-vis* Original/Supplementary provision

| (₹ in crore) | | | | | | |
|----------------|--|----------------------------------|--|------------------|------------------------|----------------------------|
| | Nature of expenditure | Original grant/ appropriation | Supplementary grant/ appropriation | Total | Actual expenditure* | Savings (-)/ Excess (+) |
| Voted | I. Revenue | 5,491.66 | 500.00 | 5,991.66 | 4,806.71 | (-) 1,184.95 |
| | II. Capital | 1,901.00 | 1,145.80 | 3,046.80 | 1,513.49 | (-) 1,533.31 |
| | III. Loans and Advances | 7.38 | 13.40 | 20.78 | 18.93 | (-) 1.85 |
| | Total Voted | 7,400.04 | 1,659.20 | 9,059.24 | 6,339.13 | (-) 2,720.11 |
| Charged | IV. Revenue | 583.70 | 5.34 | 589.04 | 545.04 | (-) 44.00 |
| | V. Capital | - | - | - | - | - |
| | VI. Public Debt-Repayment | 375.88 | 0.08 | 375.96 | 312.49 | (-) 63.47 |
| | Total Charged | 959.58 | 5.42 | 965.00 | 857.53 | (-) 107.47 |
| | Appropriation to Contingency Fund (if any) | - | - | - | - | - |
| | Grand Total | 8,359.62 | 1,664.62 | 10,024.24 | 7,196.66 | (-) 2,827.58 |

* These are gross expenditure including actual recoveries in 6 Grants (13, 15, 27, 29, 31 and 51) amounting to ₹ 169.17 crore (Revenue: ₹ 138.87 crore and Capital: ₹ 30.30 crore).

The overall saving of ₹ 2,827.58 crore was the result of saving of ₹ 2,835.62 crore in 53 Grants/Appropriations offset by excess of ₹ 8.04 crore in nine Grants/Appropriations.

Out of total savings of ₹ 2,835.62 crore, ₹ 2,401.30 crore was mainly in Finance (₹ 662.94 crore), Tribal Welfare (₹ 532.05 crore), Welfare of Scheduled Castes and Other Backward Classes (₹ 368.68 crore), Planning and Co-ordination (₹ 156.17 crore), Public Works (Water Resources) (₹ 86.69 crore), Agriculture (₹ 153.02 crore), Rural Development (₹ 63.66 crore), Home (Police) (₹ 73.01 crore), Education (Social) (₹ 66.76 crore), Family Welfare & Preventive Medicine (₹ 117.33 crore) and Education (School) (₹ 120.99 crore) Departments.

Total excess expenditure of ₹ 8.04 crore occurred mainly in Co-operation (₹ 0.20 crore), Horticulture (₹ 2.15 crore), Forest (₹ 1.01 crore), Labour Organisation (₹ 2.44 crore), Industries and Commerce (Handloom, Handicrafts & Sericulture) (₹ 0.34 crore) and Industries and Commerce (₹ 0.24 crore) Departments.

Reasons for savings/ excess had not been intimated by the Departments concerned (November 2013).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that out of overall savings of ₹ 2,827.58 crore, in 30 cases savings of ₹ 2,492.72 crore (88.16 per cent) occurred and in each case the savings exceeded ₹ 10 crore (**Appendix 2.1**).

It was also seen that in 20 cases (**Appendix 2.1**) actual expenditure was less than even the original provision of which in 15 cases supplementary provision were also made. There were savings of more than ₹ 100 crore each in four cases under Revenue viz., (i) Tribal Welfare (₹ 177.22 crore), (ii) Welfare of Scheduled Castes & Other Backward Classes (₹ 163.67 crore), (iii) Finance (₹ 222.28 crore) and (iv) Family Welfare & Preventive Medicine (₹ 103.07 crore) Departments and in four cases under Capital viz., (i) Finance (₹ 400.11 crore), (ii) Tribal Welfare (₹ 354.82 crore), (iii) Welfare of Scheduled Castes and Other Backward Classes (₹ 204.98 crore) and (iv) Planning & Co-ordination (₹ 155.90 crore) Departments which varied from 16 to 97 per cent of their provision. Abnormal savings indicated that the basis for assessment of original as well as supplementary requirements were not realistic.

Reasons for savings had not been intimated (October 2013) by the Departments.

2.3.2 Persistent Savings

In 30 cases, there were persistent savings of more than rupees one crore each during the last five year period (**Appendix 2.2**). Out of 30 cases, in 12 cases the savings were more than ₹ 10 crore while in 11 cases the savings were more than 10 per cent of their provision during the year 2008-09 to 2012-13 as detailed in **Table 2.2**.

Table 2.2: List of Grants indicating Persistent Savings of ₹ 10 crore and above during 2008-13

| Sl. No. | Number and name of Grant | Amount of savings | | | | |
|----------------------|--|-------------------|----------------|----------------|----------------|----------------|
| | | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| (₹ in crore) | | | | | | |
| Revenue-Voted | | | | | | |
| 1. | 10 – Home (Police) Department | 37.05 (9) | 18.35 (3) | 17.77 (3) | 49.29 (8) | 47.48 (7) |
| 2. | 19 – Tribal Welfare Department | 42.78 (13) | 56.61 (14) | 123.25 (26) | 110.87 (21) | 177.22 (27) |
| 3. | 20 – Welfare of Scheduled Castes & Other Backward Classes Department | 30.28 (23) | 42.92 (28) | 71.40 (40) | 78.77 (37) | 163.68 (49) |
| Capital-Voted | | | | | | |
| 4. | 13 – Public Works (Roads and Buildings) Department | 46.54 (19) | 23.02 (11) | 64.74 (34) | 31.98 (19) | 21.29 (11) |
| 5. | 15 – Public Works (Water Resources) Department | 13.03 (40) | 27.05 (55) | 79.65 (74) | 58.45 (68) | 42.84 (55) |
| 6. | 19 – Tribal Welfare Department | 215.90 (39) | 305.80 (41) | 263.69 (42) | 195.91 (32) | 354.83 (42) |
| 7. | 20 – Welfare of Scheduled Castes & Other Backward Classes Department | 126.01 (41) | 189.91 (48) | 169.99 (50) | 118.96 (35) | 204.98 (44) |
| 8. | 27 – Agriculture Department | 29.29 (61) | 39.72 (66) | 59.96 (68) | 86.99 (79) | 82.87 (68) |
| 9. | 34 – Planning and Coordination Department | 73.14 (94) | 101.67 (97) | 155.82 (98) | 86.60 (95) | 155.90 (97) |
| 10. | 39 – Education (Higher) Department | 15.97 (71) | 34.71 (54) | 22.88 (47) | 27.47 (41) | 24.88 (39) |
| 11. | 40 – Education (School) Department | 18.12 (33) | 32.73 (44) | 17.31 (35) | 21.96 (27) | 41.11 (52) |
| 12. | 43 – Finance Department | 35.92 (97) | 101.37 (99) | 204.88 (99) | 301.52 (99) | 365.76 (99) |

NB: Percentage of total provision in brackets.

Analysis of the savings revealed that:

- There were increasing trend of savings in respect of Welfare of Scheduled Castes and Other Backward Classes Department (Grant No. 20) in Revenue Account during the last five year period. The savings increased from ₹ 30.28 crore in 2008-09 to ₹ 163.68 crore in 2012-13 in respect of Revenue head and in Capital head the percentage of savings ranged between 35 and 50 per cent as compared to the provision during the period. The high percentage of savings to original provision also occurred during the five year period (2008-13) except 2008-09 in Grant No. 43 in respect of Capital Account which was 99 per cent. In Grant No. 34, the percentage of savings was more than 94 per cent each year during the period in respect of capital head.

2.3.3 Expenditure without Provision

As per the Financial Rule, expenditure should not be incurred on a scheme/service without provision of funds. It was however, noticed that expenditure of ₹ 177.15 crore was incurred in 19 Grants/ Appropriations without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this effect. Details of the scheme / service where expenditure were incurred without any provision of funds are detailed in **Appendix 2.3**.

There were eight cases under seven Grants/Appropriations, where expenditure of rupees one crore in each case (**Appendix 2.3**) was incurred without making any provision during the year out of which in 2 cases amount involved was more than ₹ 10 crore each as detailed in **Table 2.3**.

Table 2.3: Expenditure incurred without provision during 2012-13

(₹ in crore)

| Number and Name of Grants/Appropriations | Head of Account | Head of Service | Amount of expenditure without provision | Reasons/Remarks |
|--|-----------------|--|---|---|
| 43 – Finance Department | i) 2048 | Appropriation for Reduction or Avoidance of Debt | 75.00 | Reasons for incurring expenditure without budget provision had not been intimated (September 2013). |
| | 101 | Sinking Funds | | |
| | 65 | Redemption/ Sinking Funds (Non-Plan) | | |
| | ii) 6003 | Internal Debt of the State Government | 73.59 | |
| | 105 | Loans from the National Bank for Agriculture and Rural Development | | |
| | 11 | NABARD (Non-Plan) | | |

2.3.4 Excess over provision 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 had been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Information on the regularisation of excess expenditure amounting to ₹ 1,400.91 crore pertaining to the years 2000-12 are awaited from the State Government (October 2013). Summarised position of excess expenditure requiring regularisation are given in the table below:

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

(₹ in crore)

| Year | Number of | | Amount of excess over provision | Status of regularisation |
|---------------|--|--------------------|---------------------------------|--------------------------|
| | Grants | Appropriations | | |
| 2000-01 | 5 (5, 10, 31, 45, 51) | 4 (13, 14, 25, 43) | 81.92 | Yet to be regularised. |
| 2001-02 | 10 (5, 7, 10, 14, 17, 22, 24, 31, 41, 45) | 4 (13, 35, 43, 49) | 275.57 | |
| 2002-03 | 6 (6, 7, 10, 36, 45, 47) | 4 (12, 14, 31, 43) | 266.77 | |
| 2003-04 | 3 (5, 28, 36) | 2 (31, 43) | 233.55 | |
| 2004-05 | 11 (2, 4, 6, 14, 18, 22, 33, 36, 40, 54, 55) | 3 (1, 31, 43) | 321.67 | |
| 2005-06 | 5 (6, 15, 39, 45, 56) | 2 (1, 43) | 14.58 | |
| 2006-07 | 3 (22, 41, 42) | 3(13, 20, 43) | 14.85 | |
| 2007-08 | 3 (23, 28, 36) | 2 (43, 48) | 22.89 | |
| 2008-09 | 5 (22, 31, 35, 41, 56) | 2 (2, 43) | 16.56 | |
| 2009-10 | 3 (23, 24, 29) | 1 (14) | 62.17 | |
| 2010-11 | 8 (13, 14, 16, 22, 24,31, 41, 56) | 5 (1, 2, 13, 48) | 20.62 | |
| 2011-12 | 8 (16, 23, 24, 35, 36, 37, 43, 56) | 1 (35) | 69.76 | |
| Total: | | | 1,400.91 | |

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

An excess expenditure aggregating ₹ 8.04 crore was also incurred in 10 Grants/Appropriations which exceeded the approved provision during the year 2012-13 and were required to be regularised by the State Legislature under Article 205 of the Constitution. Details are given in **Appendix 2.4**.

2.3.6 *Unnecessary/Excessive/Inadequate supplementary provision*

Supplementary provision aggregating to ₹ 347.78 crore obtained in 20 cases (₹ one crore or more in each case) during the year proved unnecessary as the expenditure was less than the original provision as detailed in **Appendix 2.5**. In 3 cases, supplementary provision of ₹ 11.10 crore proved insufficient, by rupees one crore or more in each case, leaving an aggregate excess expenditure of ₹ 5.61 crore over the supplementary provision (**Appendix 2.6**). In 31 cases, supplementary provision of ₹ 1,231.31 crore was obtained against actual requirement of ₹ 336.47 crore, resulting in excess supplementary provision as well as savings of ₹ 894.79 crore in those cases, as detailed in **Appendix 2.7**.

2.3.7 *Excessive/unnecessary re-appropriation of funds*

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2012-13, where savings were anticipated, injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over rupees one crore in each sub-head in 28 Grants/Appropriations as detailed in **Appendix 2.8**.

In 19 out of 152 Sub-heads in nine Grants/Appropriations (**Appendix 2.8**), savings/excess of more than ₹ 10 crore in each case occurred due to injudicious, insufficient or excessive re-appropriation of funds during the year 2012-13. This indicated that re-appropriations were done without proper assessment of actual requirement.

Further, scrutiny of detailed Appropriation Accounts for the year 2012-13 revealed that in some major heads under five Grants/Appropriations, re-appropriations were done without the knowledge of the Legislature (**Appendix 2.9**) instead of including the same in the budget as a new service/instrument. The reasons stated for the re-appropriation was 'due to actual requirement for office expenses etc'.

2.3.8 *Unexplained re-appropriation*

According to the Financial Rules, reasons for additional expenditure and savings should be explained with case specific comments and vague expressions such as "based on actual requirements", "based on trend of expenditure", etc., should be avoided. Test-check of re-appropriation orders in respect of Grant No. 19 issued by the Finance Department revealed that out of total 215 cases, re-appropriation in 163 cases (75.81 per cent) was done where the reasons attributed were largely commented upon with expression like 'based on actual requirement' which was in violation of Financial Rules besides being arbitrary and vague.

2.3.9 Substantial surrenders

Scrutiny of Appropriation Accounts revealed that there were substantial savings (cases where more than 50 per cent of total savings) in respect of 21 Grants/Appropriations. Out of the total provision of ₹ 3,711.08 crore in these 21 cases, ₹ 1,124.33 crore (30 per cent) of total provision was available for surrender. Of this, ₹ 751.48 crore (67 per cent of available savings) was not surrendered during the year 2012-13. It is noticeable that as much as 99 per cent of available savings was not surrendered in four Grants (Grant No. 15, 36, 39 and 40) and 90 to 98 per cent were not surrendered in another six Grants (Grant No. 6, 9, 27, 28, 30 and 33). The details of such cases are given in **Appendix 2.10**. Reasons for not surrendering ₹ 751.48 crore were not stated.

2.3.10 Surrender in excess of actual savings

In 6 cases, the amounts surrendered were in excess of actual savings which indicated inadequate budgetary control in those departments. As against savings of ₹ 456.51 crore, ₹ 540.56 crore was surrendered resulting in excess surrender of ₹ 84.05 crore. Details are given in **Appendix 2.11**. In two out of six cases, the amount of excess surrender was above ₹ 10 crore while in one case it was above ₹ 50 crore.

2.3.11 Anticipated savings not surrendered

As per Financial Rules, the departments incurring expenditure are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2012-13, there were 52 Grants/Appropriations in which savings occurred (₹ 10 lakh and above in each case) but no amount was surrendered by the departments concerned. The amount involved in those cases was ₹ 584.32 crore (**Appendix 2.12**). Out of 52, in 23 cases the savings were more than rupees one crore while in 15 cases there were savings of more than ₹ 10 crore. The major departments involved were (i) Public Works (Roads and Buildings) Department (₹ 21.29 crore and ₹ 26.14 crore), (ii) Education (Higher) Department (₹ 24.88 crore), (iii) Home (Police) Department (₹ 47.48 crore and ₹ 25.54 crore), (iv) Law Department (₹ 22.00 crore), (v) Revenue Department (₹ 29.67 crore), (vi) Rural Development Department (₹ 52.75 crore and ₹ 10.91 crore) (vii) Urban Development Department (₹ 26.34 crore and ₹ 30.86 crore), (viii) Education (Social) Department (₹ 52.27 crore and ₹ 14.49 crore) and (ix) Family Welfare and Preventive Medicine Department (₹ 103.07 crore and ₹ 14.26 crore).

Besides, in three Grants, there were no anticipated savings and even the expenditure was in excess of the provision. Though there were no savings, the Controlling Officers (**Appendix 2.13**) surrendered an amount of ₹ 0.59 crore during 2012-13, which was indicative of poor financial management and control over expenditure.

2.3.12 Rush of expenditure

In order to utilise the total resources at the disposal of the Government to the best advantage, the departmental heads / controlling officers at whose disposal a grant is

placed are required to keep constant watch over the progress of expenditure under different units of appropriation so that timely action can be taken to surrender funds that cannot be utilised instead of spending them hastily or in an ill-considered manner at the close of the financial year.

According to the Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 13 Grants/Appropriations more than 20 *per cent* of the total provision and expenditure during the year was incurred in the last month of the financial year (**Appendix 2.14**). In eight Grants more than 30 *per cent* expenditure was incurred during March 2013. In many cases, a major part of expenditure was incurred in the fourth quarter of the year.

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill planned expenditure. The departments should spread the expenditure uniformly throughout the year as far as practicable without holding the funds till the end of the financial year.

2.4 Expenditure controls

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

As per sub-rules 11 (ii) and 14 of Rule 27 of the Delegation of Financial Powers Rules, Tripura, 2007, drawal of the amount in AC Bills should be adjusted in DCC Bills by submitting to countersigning officer within 60 (sixty) days from the date of the drawal of the amount and the Head of the Department shall countersign all DCC Bills and forward them to the Accountant General (Accounts & Entitlement), Tripura within 90 (ninety) days from the date of the drawal of the AC Bill.

Total number of unadjusted AC bills as on 31 March 2012 was 13,548 involving ₹ 148.69 crore which increased to ₹ 150.72 crore in respect of 17,433 bills as on 31 March 2013. The year-wise position of outstanding AC bills for the last three years are given in **Table No. 2.5**.

Table 2.5: Year-wise break-up of outstanding AC Bills as on 31-03-2013

(₹ in crore)

| Year | Outstanding AC Bills as on 31 March 2012 | | Outstanding AC Bills as on 31 March 2013 | |
|----------------|--|---------------|--|---------------|
| | No. of Bills | Amount | No. of Bills | Amount |
| Up to 2010-11 | 3,384 | 37.14 | 3,134 | 34.49 |
| 2011-12 | 10,164 | 111.55 | 4,750 | 48.85 |
| 2012-13 | - | - | 9,549 | 67.38 |
| Total : | 13,548 | 148.69 | 17,433 | 150.72 |

Source: Based on VLC data compiled by Accountant General (A&E) Office.

It was noticed that the amount of AC Bills for 37.14 crore involving 3,384 bills that remained unadjusted up to the end of 2010-11 came down to ₹ 34.49 crore involving 3,134 bills while for the year 2011-12 it came down to ₹ 48.85 crore involving 4,750

bills from ₹ 111.55 crore in 10,164 bills which indicated that 44 *per cent* of the total outstanding amount was adjusted during the year.

Department-wise breakup of AC Bills involving ₹ 67.38 crore drawn during the year 2012-13 are given in **Appendix 2.15**. Year-wise position of substantial amounts drawn on 13,282 AC Bills involving ₹ 107.43 crore by some major departments which remained un-adjusted as on 31 March 2013 are given below:

Table 2.6: Year-wise break-up of AC Bills outstanding in respect of some major departments

(₹ in crore)

| Sl. No. | Name of Department | Year | No. of AC Bills | Amount of AC Bills outstanding as on 31 March 2013 |
|---------------|--|--------------|-----------------|--|
| 1. | Tribal Welfare Department | Upto 2010-11 | 1,462 | 14.39 |
| | | 2011-12 | 1,002 | 12.92 |
| | | 2012-13 | 2310 | 12.95 |
| 2. | Welfare of SC, OBC and Minorities Department | Upto 2010-11 | 362 | 5.10 |
| | | 2011-12 | 719 | 5.32 |
| | | 2012-13 | 1,244 | 5.58 |
| 3. | Education (Social) Department | Upto 2010-11 | 297 | 3.65 |
| | | 2011-12 | 710 | 4.54 |
| | | 2012-13 | 1,035 | 5.89 |
| 4. | Revenue Department | Upto 2010-11 | 626 | 5.86 |
| | | 2011-12 | 715 | 9.59 |
| | | 2012-13 | 1,762 | 8.92 |
| 5. | Education (School) Department | Upto 2011-12 | 548 | 6.54 |
| | | 2012-13 | 361 | 5.14 |
| 6. | Rural Development Department | Upto 2011-12 | 64 | 0.68 |
| | | 2012-13 | 65 | 0.36 |
| Total: | | | 13,282 | 107.43 |

Non-adjustment of AC Bills for long periods and failure of controlling authority in enforcing strict financial discipline is fraught with the risk of mis-appropriation of funds.

2.4.2 Retention of funds in Current Deposit Accounts (CD A/c)

As per Rules 290 of the Central Treasury Rules (CTR), no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

According to the orders of the State Government issued on 11th July 2005, all treasuries passes bills and make payments to the Current Deposit Account (CD A/c) and Saving Bank Account of the DDOs maintained with different banks rather than the beneficiaries of the bill. The DDOs had also been authorised to issue cheques from those accounts to the beneficiaries in contravention of provision contained in Rule 437 of CTR.

As per information received from the State Government an amount of ₹ 95.84 crore was lying unspent in the bank accounts of different DDOs as on 31 March 2013. This was indicative of the fact that the amount was drawn to prevent the lapse of budget during the year 2012-13.

The State Government however, informed that the balance had been reduced to ₹ 36.52 crore as on 31 July 2013 and most of the funds was related to Centrally sponsored schemes and were to be spent over a period of time.

2.5 Outcome of the Inspection of Treasuries

There are five Treasuries and 11 Sub-Treasuries in Tripura. During 2012-13, Inspection was conducted in four Treasuries and eight Sub-Treasuries of the State covering the period 2011-12 to 2012-13.

Some of the important issues raised during the inspection were as under:-

2.5.1 Non-Payment of Pensionery benefits to the Pensioners

A substantial number of General Provident Fund (GPF), Deposit Link Insurance Scheme (DLIS) and Final Payment cases of Pensioners/incumbent remained unpaid in 5 Treasuries/Sub-Treasuries out of 12 inspected, even after expiry of the validity of the authority issued for payment (six months from the date of issue). As per GPF Rule, the unpaid authorities should be returned to the Accountant General (Accounts and Entitlement) for revalidation after expiry of the validity period alongwith a non-payment Certificate from the Treasury Officer. But the respective Treasury Officer had neither intimated nor returned the payment authorities for necessary action. Similarly cases of Pension/Gratuity payment orders were also found to have been lying unpaid in different Treasuries/Sub-Treasuries as detailed below:-

- In Agartala Treasury-II, there were three cases of GPF/DLIS involving ₹ 2.68 lakh pending for final payment. The payment authorities were lying with the Treasury even after expiry of the validity period. No register was maintained in the Treasury for recording the details of GPF and DLIS payments cases.
- In Udaipur Treasury, six cases of GPF Final payment involving ₹ 5.53 lakh were held up even after the expiry of their validity period while in Khowai Sub-Treasury there were seven cases involving ₹ 3.59 lakh remained unpaid upto the end of 2012-13.
- As per Rule 371 of CTR, the matter should be intimated to the Accountant General (A&E) or the cases returned to the issuing authority for necessary action immediately after the expiry of the validity period. Two cases relating to payment of Gratuity amounting to ₹ 1.04 lakh remained unpaid in the Belonia Sub-Treasury for more than one year while in Kanchanpur Sub-Treasury, there were five cases of PPO/GPO lying unpaid for a period ranging from two to eight years.

2.5.2 Overpayment of GPF/Pension/Pay & Allowances, etc

- In three cases there was over payment of ₹ 27,122 towards leave salary and in seven cases there was excess drawal of ₹ 80,660 towards GPF and other benefits in Sabroom Sub-Treasury.
- Overpayment of GPF amounting to ₹ 53,003 was noticed in two cases in Agartala Treasury-II and the payments were allowed even when sufficient funds were not available in their GPF accounts resulting in minus balance in the accounts during 2012-13.

2.5.3 Non-recovery of excess/overpayment

- Excess payment of pay and allowances for ₹ 2,66,951 made to 18 Pensioners during their service period through Belonia Sub-Treasury had not been recovered from them.
- Overpayment of ₹ 68,044 towards General provident Fund/Pay/Dearness Relief etc. had not been recovered from the Pensioners/Incumbents by the Sonamura Sub-Treasury.

2.5.4 Non-reconciliation of receipts and expenditure by DDOs

Out of 116, 56 DDOs did not reconcile the figures of receipts and expenditure with the Agartala Treasury-II, while 67 DDOs out of 90 did not participate in the periodical reconciliation in Kailashahar Treasury during 2012-13 though it was required for financial control, correctness and accountability.

2.6 Outcome of the Review of Selected Grants

2.6.1 Introduction

A review of Grant No. 10, operated in the Home (Police) Department of the State, was undertaken mainly to assess the efficiency in budgeting process, control and monitoring of revenue and capital expenditure under both plan and non-plan heads for the year 2012-13.

The Secretary to the Government of Tripura, Home Department was the administrative head of the Department. The Director General of Police (DGP) was the overall in-charge of the Department and he is assisted by the Inspectors General of Police (IGP) of different wings in the State.

The summarised position of budget provision and actual expenditure thereagainst during 2012-13 in respect of Grant No. 10 is given below:

Table 2.7: Budget provision and actual expenditure

(₹ in crore)

| Nature of expenditure | Budget provision | | | Actual Expenditure | Savings (-)/ Excess (+) |
|-----------------------|------------------|---------------|---------------|--------------------|-------------------------|
| | Original | Supplementary | Total | | |
| Revenue | 600.91 | 60.96 | 661.87 | 614.38 | (-) 47.49 |
| Capital | 42.22 | 15.61 | 57.83 | 32.30 | (-) 25.53 |
| Total: | 643.13 | 76.57 | 719.70 | 646.68 | (-) 73.02 |

Source: Appropriation Accounts – 2012-13

Table above shows that against the total budget provision of ₹ 719.70 crore, expenditure of ₹ 646.68 crore was incurred resulting in an overall savings of ₹ 73.02 crore during the year 2012-13. Supplementary provision of ₹ 76.57 crore was obtained during the year 2012-13.

Summarised position of plan and non-plan expenditure *vis-à-vis* the budget provision of the Home (Police) Department during the year 2012-13 are given below:

Table No. 2.8: Plan and Non-Plan Expenditure 2012-13

(₹incrore)

| Nature of expenditure | Budget | | | Expenditure | | | Savings |
|-----------------------|---------------|--------------|---------------|---------------|--------------|---------------|------------------|
| | Non-Plan | Plan | Total | Non-Plan | Plan | Total | |
| Revenue | 659.20 | 2.67 | 661.87 | 611.79 | 2.59 | 614.38 | 47.49 |
| Capital | 25.08 | 32.75 | 57.83 | 18.85 | 13.45 | 32.30 | 25.53 |
| Total: | 684.28 | 35.42 | 719.70 | 630.64 | 16.04 | 646.68 | (-) 73.02 |

The table above shows that in non-plan revenue expenditure there was a savings of ₹ 47.41 crore while in non-plan capital expenditure savings was ₹ 6.23 crore during the year 2012-13. The overall savings was ₹ 73.02 crore. But the anticipated savings (Revenue: ₹ 47.49 crore and Capital: ₹ 25.53 crore) was not surrendered by the Home (Police) Department during the year though required to be surrendered to the Finance Department as per Financial Rules.

Scrutiny of detailed Appropriation Accounts for the year 2012-13 revealed that out of total savings of ₹ 47.41 crore in non-plan revenue expenditure, maximum savings amounting to ₹ 44.93 crore occurred in major head 2055 – Police Establishment.

The reasons for savings was stated to be mainly due to supplementary grants towards salary expenditure during 2012-13. This indicates that supplementary provision was made in excess of actual requirement without realistic assessment for the year. It was also seen that out of total savings of ₹ 25.53 crore in capital expenditure, ₹ 19.30 crore was in plan side of which saving of ₹ 14.39 crore was in major head 4059 – Construction Works under the Finance Commission Grants. The reasons for final savings had not been intimated.

2.6.2 Persistent Savings

It was seen that during the last five year period from 2008-09 to 2012-13, there was persistent savings of more than ₹ 10 crore in each year on Revenue account. Year-wise break-up of savings are given in the table below:

Table No. 2.9 Persistent Saving 2008-13

(₹in crore)

| Year | Budget Provision | Expenditure | Savings |
|---------|------------------|-------------|---------|
| 2008-09 | 415.02 | 377.97 | 37.05 |
| 2009-10 | 555.18 | 536.83 | 18.35 |
| 2010-11 | 552.80 | 535.03 | 17.77 |
| 2011-12 | 608.92 | 559.63 | 49.29 |
| 2012-13 | 661.87 | 614.39 | 47.48 |

The trend of budget provision and expenditure during 2008-13 as indicated in table above shows that budgeting process in the Department was unrealistic and inadequate as the Department could not utilise the total provision for the period. As a result, there were persistent savings during the period.

2.6.3 Retention of funds in Bank Account

Scrutiny of records furnished by the Home (Police) Department revealed that there was a difference of ₹ 8.93 crore between the Bank Statement and the balance in the Cash Book of 13 Units (**Appendix 2.16**) as on 31 March 2013. As on 31 March 2013, an amount of ₹ 15.95 crore was drawn for specific purpose from the treasury and booked as expenditure though the amount was not actually spent. The drawn amount was either parked in Bank Account or lying as cash balance with the DDOs. Retention of cash in Bank Account for long period is in contravention to the provision of Central Treasury Rules. Money drawn from the Treasury without immediate requirement and parked in Bank Account indicates that the money was drawn to avoid lapse of budget grant during the year.

Besides, during the year from 2009-10 to 2012-13, the Department withdrew an amount of ₹ 35.38 crore through 76 Abstract Contingency Bills out of which 32 AC Bills involving ₹ 15.82 crore remained unadjusted as on 30 June 2013. Year-wise break-up of outstanding bills are as under:

Table No. 2.10 Outstanding AC Bills

(₹ in crore)

| Year | No. of Bills awaiting for adjustment as of June 2013 | Amount involved |
|---------------|--|-----------------|
| 2009-10 | 4 | 0.47 |
| 2010-11 | 3 | 1.00 |
| 2011-12 | 9 | 9.88 |
| 2012-13 | 16 | 4.47 |
| Total: | 32 | 15.82 |

Hence, long pending adjustment of AC Bills indicates lack of financial discipline and violation of Delegated Financial Power Rules, Tripura. The Department should take necessary steps to adjust the outstanding AC Bills in time to avoid the risk of misappropriation and misuse.

2.7 Conclusion and Recommendation

There was an overall saving of ₹ 2,827.58 crore and excess expenditure of ₹ 8.04 crore against 53 Grants/Appropriations during 2012-13. The excess expenditure of ₹ 1,400.91 crore over provision from 2000-01 to 2011-12 increased to ₹ 1,408.95 crore in 2012-13. This excess requires regularisation by the Legislature under Article 205 of the Constitution of India. Rush of expenditure was also observed at the end of the year 2012-13. In respect of three Grants/Appropriations, more than 50 per cent of the total expenditure during the year was incurred in the last month of the financial year. In 52 cases, there were savings of more than 10 lakh each but the same were not

surrendered till the end of the year. The Abstract Contingent Bills were not adjusted for long periods and therefore, invites the risk of fraud and misappropriation.

Budgetary controls should be strengthened in all the Government departments, particularly in the departments where savings/excesses persisted for last five years. A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within sixty days from the date of drawal of the amount as required under the extant Rules. The Departments should follow more reliable mechanisms in budgeting and control over expenditure to avoid persistent savings or excess.