

CHAPTER-II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of voted grants and appropriations charged for different purposes, as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual revenue and capital expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts, thus, facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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

Deficiencies in the management of budget and expenditure and violation of the Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2014-15 against 46 grants/appropriations is given in **Table 2.1**:

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

(₹ in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	45,405.74	2,872.54	48,278.28	41,708.36	(-)6,569.92
	II Capital	14,451.65	510.70	14,962.35	1,0342.36	(-)4,619.99
	III Loans and Advances	1,001.40	0.00	1,001.40	842.87	(-)158.53
Total Voted		60,858.79	3,383.24	64,242.03	52,893.59	(-)11,348.44
Charged	IV Revenue	7,708.20	966.92	8,675.12	7,700.00	(-)975.12
	V Capital	65.00	0.00	65.00	66.58	(+)1.58
	VI Public Debt repayments	13,849.85	0.00	13,849.85	8,227.41	(-)5,622.44
Total Charged		21,623.05	966.92	22,589.97	15,993.99	(-)6,595.98
Appropriation to Contingency Fund		-	-	-	--	--
Grand Total		82,481.84	4,350.16	86,832.00	68,887.58	(-)17,944.42

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 290.48 crore) and Capital Heads (₹ 6,693.42 crore).

Supplementary provisions of ₹ 4,350.16 crore constituted five *per cent* of the original provision as against four *per cent* in the previous year.

The overall savings of ₹ 17,944.42 crore were the result of savings of ₹ 18,350.77 crore in 44 grants under the Revenue Section, 22 grants under the Capital Section and one appropriation (Public Debt-Repayments) under the Loan Section, offset by excess of ₹ 406.35 crore mainly under the Capital Section of Grant No. 24 – Irrigation. The excess of ₹ 406.35 crore requires regularisation under Article 205 of the Constitution.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-a-vis allocations

Appropriation audit revealed that savings in 24 cases exceeded ₹ 100 crore in each case (**Appendix 2.1**). Against the total provision of ₹ 76,519 crore actual expenditure was ₹ 59,169.39 crore and savings were ₹ 17,349.61 crore. In eight grants namely - 9-Education (Revenue-Voted), 13-Health (Revenue-Voted), 15-Local Government (Revenue Voted), 24-Irrigation (Revenue Voted), 32-Rural and Community Development (Revenue-Voted), 06-Finance (Revenue Charged), 23-Food and Supplies (Capital-Voted) and Public Debt savings exceeded ₹ 500 crore. Reasons for substantial savings were not intimated by the State Government.

2.3.2 Persistent savings

During the last five years, seven grants and one appropriation showed persistent savings of more than ₹ 10 crore and which were also 10 *per cent* or more of the total grants (**Table 2.2**).

Table 2.2: Grants indicating persistent savings

Sr. No.	Number and name of the grant	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
(₹ in crore)						
Revenue (Voted)						
1.	09-Education	610.53 (10)*	882.37 (13)	1,591.65 (19)	1,818.31 (21)	1,369.49 (14)
2.	13-Health	249.65 (19)	222.05 (16)	253.27 (14)	279.74 (14)	576.18 (21)
3.	15-Local Government	654.40 (69)	587.83 (39)	379.76 (22)	589.57 (27)	584.00 (28)
4.	24-Irrigation	311.48 (27)	409.81 (30)	375.55 (27)	382.54 (25)	512.00 (31)
Capital (Voted)						
5.	8-Building & Roads	260.48 (19)	351.37 (22)	226.50 (12)	346.60 (14)	449.61 (20)
6.	38-Public Health & Water Supply	303.54 (30)	201.05 (20)	324.40 (28)	137.28 (11)	146.74 (13)
7.	45-Loans and Advances by State Government	880.53 (55)	532.72 (46)	366.19 (41)	313.67 (29)	158.54 (16)
Capital (Charged)						
8.	Public Debt	3,226.08 (41)	2,944.26 (37)	4,250.68 (40)	5,027.64 (38)	5,622.44 (41)

* Figures in parenthesis show percentage of savings to total provision

Savings under Grant No. 9-Education occurred mainly in head 2202-General Education, 01-Elementary Education, 101-Government Primary Schools, 95-Expansion of Facilities Classes VI to VIII (full time) (₹ 108.94 crore), Under Grant No. 13-Health, savings occurred mainly in head 2210-Medical and Public Health, 03-Rural Health Services-Allopathy, 103-Primary Health Centres, 84-Grant-in-Aid as State Share under NRHM (₹ 75.17 crore) under grant No. 15-Local Government savings occurred mainly in head 2217-Urban Development, 80-General, 191-Assistance to Local Bodies Corporations, Urban Development Authority, Town Improvement Board etc., 96-Contribution to Local Bodies from Proceeds of Stamp Duty to Municipal Corporation (₹ 100.37 crore) under grant No. 24-Irrigation savings occurred mainly in head 2700-Major Irrigation, 02-Western Jamuna Canal Project (Commercial), 001-Directions and Administration, 91-Executive Engineer, 89-Special Revenue, 92-Superintending Engineer (₹ 331.38 crore). In capital voted under grant No. 8-Buildings and Roads savings occurred mainly in head 5054-Capital Outlay on Road and Bridges, 04-Districts and other roads, 789-Special Component Plan for Scheduled Caste, 98-Rural Roads in SC population area under PMGSY Scheme (₹ 61.81 crore) under grant No. 38-Public Health and Water Supply savings occurred mainly in head 4215-Capital outlay on Water Supply and Sanitation, 01-Water Supply, 101-Urban Water Supply, 99-Urban Water Supply, 97-TFC (Shivalik & Southern Haryana) (₹ 61.24 crore) under grant No. 45-Loans and Advances by State Government savings occurred mainly under head 6801-Loans for power project. 205-Transmission and Distribution, 98-Loans to Haryana Vidyut Parsaran Nigam Ltd. (₹ 213.91 crore) and under capital (charged) Public Debt savings occurred mainly under in head 6003-Internal Debt of State Government, 107-Loans

from the State Bank of India and Other Banks (₹ 3,504.55 crore). Reasons for persistent savings under these heads were not intimated.

2.3.3 Excess expenditure

In grant number “24-Irrigation” (Table 2.3), excess expenditure of more than ₹ 10 crore had been observed consistently for the last five years:

Table 2.3: List of grants indicating persistent excess expenditure during 2010-15

Sr. No.	Number and name of the grant	Amount of excess expenditure				
		2010-11	2011-12	2012-13	2013-14	2014-15
(₹ in crore)						
Capital-Voted						
1.	24-Irrigation	198.58 (39)	254.64 (45)	275.23 (53)	213.26 (33)	402.89 (79)

* Figures in parenthesis show percentage of excesses to total provision

Excesses occurred mainly under the head, “4701-Capital Outlay on Medium Irrigation, 07-Improvement of old/existing channel under NABARD, 001-Direction and Administration, 91-Executive Engineer, 89-Special Revenue, 92-Superintending Engineer, 93-Chief Engineer, 88-Pensionary Charges” (₹ 148.89 crore).

2.3.4 Expenditure without provision

As per the Budget Manual, no expenditure is to be incurred on a scheme/service without provision of funds. It was, however, noticed that in 50 cases as detailed in Appendix 2.2, the expenditure of ₹ 838.08 crore was incurred without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this effect.

2.3.5 Excess over provisions requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee. However, excess expenditure amounting to ₹ 1,021.22 crore for the period 2011-12 to 2013-14 had not been discussed by PAC and ₹ 406.35 crore during 2014-15 was still to be regularised.

2.3.6 Unnecessary/Inadequate supplementary provision

Supplementary provisions aggregating ₹ 2,660.04 crore obtained in 28 cases, involving ₹ 50 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in Appendix 2.3.

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. Reappropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in excesses of over ₹ 499.40 crore in 27 sub-heads and savings of over ₹ 1,307.71 crore under 39 sub-heads by more than ₹ one crore in each case as detailed in *Appendix 2.4*. Excesses/Savings were more than ₹ 10 crore under 27 sub-heads. In 14¹ cases, reduction of provisions through reappropriation proved injudicious as the actual expenditure was more than the provisions reduced through reappropriation. Similarly, in eight² cases, the reappropriation of funds proved excessive as the savings were more than the funds provided through reappropriation.

2.3.8 Non-surrendering and excess surrendering of funds

At the close of the year 2014-15, in 47 cases funds of more than ₹ 10 crore in each case were surrendered. In these cases, the total provision was ₹ 85,696.81 crore and actual expenditure was ₹ 67,919.09 crore resulting in savings of ₹ 17,777.72 crore and excess of ₹ 402.89 crore resulting in net savings of ₹ 17374.83 crore, out of which ₹ 17,083.97 crore were (*Appendix 2.5*) surrendered, indicating inadequate budgetary and financial control.

Further analysis revealed that in 18 cases against the savings of ₹ 4,507.64 crore ₹ 1,374.37 crore were not surrendered which was against the provisions of paragraph 13.2 of Punjab Budget Manual (also applicable to Haryana). In twenty cases, ₹ 9,963.77 crore were surrendered against the savings of ₹ 9,719.93 crore and in 24-Irrigation (Capital Voted) even though the actual expenditure exceeded by ₹ 402.89 crore, funds of ₹ 33.91 crore were injudiciously surrendered. Only in eight cases all the savings of ₹ 3,953.03 crore were surrendered. Reasons for non surrendering and excess surrendering of funds were not intimated by the State Government.

2.3.9 Rush of expenditure

Rule 56 of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. Contrary to this, in respect of 11 heads under 11 grants/appropriations listed in *Appendix 2.6*, expenditure exceeding ₹ 10 crore and also more than 50 per cent of the total expenditure for the year was incurred during the last quarter of the year or in March 2015.

¹ Sr. No. 7, 8, 9, 10, 11, 16, 43, 45, 46, 48, 49, 54, 57 and 64 of *Appendix 2.4*.

² Sr. No. 2, 5, 18, 33, 44, 50, 52 and 65 of *Appendix 2.4*.

Further scrutiny revealed that out of the expenditure of ₹ 1,817.89 crore incurred on 11 major heads under 11 grants during 2014-15, expenditure of ₹ 1,011.04 crore (56 per cent) was incurred during the month of March 2015. Rush of expenditure during the last quarter, especially during the month of March, showed non-adherence to financial rules.

2.4 Deficiencies noticed in working of treasuries

Deficiencies noticed in the working of treasuries during compilation and inspection for 2014-15 by the Accountant General (Accounts and Entitlement) (AG (A&E)) Haryana are given below:

2.4.1 Non-submission of vouchers in support of Payments

Rule 3.17 of Punjab Financial rules Volume-I envisages that Treasury Officers should ensure that all vouchers required to be sent to the Accounts office are attached with the relevant Monthly Civil Accounts. 3,416 vouchers of ₹ 40.34 crore were found missing as per *Appendix 2.7*. Despite best efforts by AG (A&E) office through regular correspondence with Director Treasuries & Accounts Haryana, Chandigarh and frequent visits to concerned quarters, vouchers were still awaited from various Treasury Officers.

2.4.2 Delay in submission of Monthly Accounts by treasuries

During the year, in 87 cases the account from various treasuries (first list of payment in 44 cases and second list of payment in 43 cases) were received late by four to 19 days. Hence only 84 per cent Accounts were received in time. Matter was brought to the notice of the Government every month but the delay continued to occur. The delay in the submission of initial accounts caused consequent delay in compiling Monthly Civil Accounts by the Accountant General (A&E). Treasury officers need to be directed to ensure timely submission of initial account to that office.

2.4.3 Non-submission of Plus and Minus Memorandum

As per rule 13.5 of Punjab Financial Rules Volume-I, a Plus and Minus Memorandum should be prepared of all deposit transactions and submitted to the Accountant General as prescribed in Rules 91 & 92 of Accounting Rules for Treasuries, 1992. But the Plus and Minus Memorandum are not submitted by the Treasury Officers regularly or timely manner along with monthly accounts. A number of Plus and Minus memos for the year 2014-15 are still awaited from nine Treasury Offices³, thus resulting in outstanding balances in the Broadsheets. Treasury Officers need to be instructed strictly in this regard.

³ Ambala, Bhiwani, Fatehabad, Gurgoan, Jhajjar, Jind, Kaithal, Narnaul and Rewari

2.4.4 Non-operational Personal Ledger Accounts

As per rule 12.7 of Punjab Finance Rules volume-I, PLAs credited by debit to the Consolidated Fund should be closed at the end of financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund. Fresh PLAs, be opened next year again, if necessary, in the usual manner. Strict instructions need to be issued to all the Treasury Officers in this regard. At the close of the year 2014-15, there were 157 PLAs with a balance of ₹ 232.37 crore of which 76 accounts involving ₹ 5.30 crore were inoperative for more than three years and have not been closed thereby leading to deviation from prescribed procedure.

2.4.5 Details of overpayment on account of disbursement of Pension/ Family Pension/Death-cum-Retirement Gratuity/ Commutation

Treasury is the basic unit of financial administration of a State. Cash management requires strict adherence to prescribed rules and procedures in handling and retention of cash. Inspection of District Treasuries including Sub-Treasuries for the year 2014-15 revealed overpayment of pensionary benefits of ₹ 1.52 crore by Treasury Officers/Sub-Treasury Officers to Pensioners/Family Pensioners due to non-observance/incorrect interpretation of rules/orders issued by the State Government, non deduction of commuted value of a portion of pension, over-payment of Family Pension and Death-cum-Retirement Gratuity.

2.5 Outcome of Analysis of Budgetary Assumptions

2.5.1 Unrealistic Budget Estimates

The original budget of ₹ 59,451.23 crore prepared by the State Government for the year 2014-15 was revised to ₹ 61,449.82 crore, as against this, actual expenditure of ₹ 53,676.27 crore only was incurred during 2014-15, which was not even to the level of original budget provisions. Similar cases were also found during financial year 2010-11 to 2013-14. (Table 2.4)

Table 2.4: Details of the original budget, revised estimate and actual expenditure during 2010-11 to 2014-15

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Original Budget	33,600.84	40,276.28	45,318.93	53,073.59	59,451.23
Revised Estimate	36,571.70	41,487.77	46,413.29	53,548.30	61,449.82
Actual Expenditure	33,063.16	38,014.30	44,355.56	46,597.31	53,676.27
Saving /excess	3,508.54	3,473.47	2,057.73	6,950.99	7,773.55

(Source: Figures obtained from Finance Department)

Further, not only the provision of Annual Plan was subsequently reduced from ₹ 22,251 crore to ₹ 22,110 crore, but the actual expenditure incurred was ₹ 17,597 crore which was only 79 percent of the projected plan outlay during the year 2014-15, whereas it was 75 percent in the previous year indicating unrealistic provisions.(Table 2.5)

Table 2.5: Details of the provision of Annual Plan

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Original Budget	11,864	15,337	16,549	20,353	22,251
Revised Estimate	12,772	15,254	16,336	19,471	22,110
Actual Expenditure	10,096	12,146	13,647	15,219	17,597
Saving /excess	2,676	3,108	2,689	4,252	4,513

(Source: Finance Department)

Similarly, the estimated receipt of ₹ 48,058 crore were revised to ₹ 45,821 crore against which only ₹ 41,090 crore were actually realized. (Table 2.6)

Table 2.6: Details of the Receipts

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Original Budget	24,785	32,268	37,722	44,098	48,058
Revised Estimate	27,822	33,806	38,281	42,033	45,821
Actual Receipt	25,805	30,861	33,994	38,284	41,090
Saving /excess	2,017	2,945	4,287	3,749	4,731

(Source: Finance Department)

2.5.2 Unrealistic forecasting of resources

As per Rule 4.2 of the Punjab State Budget Manual “the revised estimates are forecasts, as accurate as it is possible to make at the time of what the actual receipts of the year will be and the most important guide to their preparation would, therefore, ordinarily be found in the actual receipts of those months of the year which have already elapsed. If an officer observes that the actual receipts from a particular source of revenue reveal a growth or a diminution, compared with those of the corresponding period of the previous year, he would, be justified in assuming a continuance of the growth or decline at the same rate during the remaining months”. Both the department and the district estimate should always receive careful personal attention of the officers who submit them. These should be as accurate as possible. However, it was noticed that the revised estimates for 2014-15 for non tax revenue projections was ₹ 12,016.39 crore while actual realization was ₹ 9,616.00 crore resulting in downward variation of ₹ 2,400.39 crore i.e. 20 percent below the original forecast. Similarly, tax revenue for the year 2014-15 was projected at ₹ 33,402.75 crore while actual realization was ₹ 31,182.66 crore resulting in variation of ₹ 2,220.09 crore below the projection. Projections and actual revenue for the last five years are detailed below in the **Table 2.7**.

Table 2.7: Projections of Tax Revenue and Non- Tax Revenue vis-à-vis actual

(₹ in crore)				
Year	Description	Revised estimates	Actual	Difference
2010-11	Tax Revenue	19,653.46	19,092.12	561.34
	Non- Tax Revenue	7,943.28	6,471.56	1,471.72
2011-12	Tax Revenue	23,780.57	23,081.01	699.56
	Non- Tax Revenue	9,707.06	7,476.58	2,230.48
2012-13	Tax Revenue	27,460.10	26,621.13	838.97
	Non- Tax Revenue	10,363.97	7,012.40	3,351.57
2013-14	Tax Revenue	30,234.52	28,909.84	1,324.68
	Non- Tax Revenue	11,401.42	9,102.24	2,299.18
2014-15	Tax Revenue	33,402.75	31,182.66	2,220.09
	Non- Tax Revenue	12,016.39	9,616.00	2,400.39

2.5.3 Shortcomings in Plan Estimates

The plan expenditure during 2014-15 was assessed at ₹ 22,110 crore. The actual expenditure of ₹ 17,597 crore which was 79.59 per cent of the above amount and less than the projections. Variations were due to the following facts:

i A total of 16 schemes with an approved outlay of ₹ 219.54 crore included in approved plan for 2014-15 were not implemented and withdrawn in revised estimates (*Appendix 2.8*).

ii Provision of ₹ 456.87 crore made under 17 schemes in approved outlay for 2014-15 was reduced to ₹ 77.92 crore in the revised estimate, but the schemes were not implemented (*Appendix 2.9*) for which reasons were not given.

iii Provisions of ₹ 210.54 crore were made under 17 schemes in approved outlay as well as in revised outlay, but no expenditure was incurred during the year 2014-15 (*Appendix 2.10*).

iv The provision of ₹ 420.49 crore made under 15 schemes was increased to ₹ 603.75 crore against which expenditure of ₹ 179.42 crore (43 per cent) was incurred during the year 2014-15. Further augmentation of funds through supplementary grants proved unnecessary as the total expenditure was even less than 80 per cent of the original estimates (*Appendix 2.11*).

v 60 plan schemes for which the outlay of ₹ 2,671.10 crore approved for execution during 2014-15 was reduced to ₹ 1,666.81 crore in the revised estimates. The expenditure incurred on these schemes was less than 80 per cent of the revised outlay as detailed in *Appendix 2.12*.

vi 16 schemes for which provision of ₹ 459.70 crore was revised to ₹ 339.59 crore, but expenditure of ₹ 527.31 crore was 155 per cent of revised provision as detailed in *Appendix 2.13*.

vii 40 schemes for which provision of ₹ 1,075.40 crore was made in approved outlay as well as in revised estimates, but expenditure of ₹ 382.28 crore (36 per cent) was incurred which was much less than the provision made (*Appendix 2.14*).

viii Three schemes for which provision was enhanced from ₹ 12.70 crore to ₹ 50.40 crore in revised estimates and eight new schemes for which provision of ₹ 33.47 crore was made in revised estimates, but no expenditure was incurred on these schemes during the year 2014-15 (*Appendix 2.15*).

2.6 Outcome of Review of Selected Grants

A review of budgetary procedure and control over expenditure of two grants (Grant No. "14-Urban Development" and Grant No. "27-Agriculture") was conducted (July-August 2015) on the basis of the variations during the last three years and magnitude of the grants and supplementary demands made during the year 2014-15.

2.6.1 Grant No. 14-Urban Development

Important points noticed during review of Grant No. 14-Urban Development for 2014-15 are detailed below:

- i) Against the budget provision of ₹ 136.08 crore under Revenue Head, an expenditure of ₹ 103.44 crore was incurred, which resulted in savings of ₹ 32.64 crore which was 24 *per cent* of the budget provision. This shows that unrealistic provision was made in the budget.
- ii) Out of total expenditure of ₹ 531.21 crore on eight schemes, an expenditure of ₹ 235.16 crore (44.27 *per cent*) was incurred on these schemes during the last quarter of 2014-15. Out of above eight schemes, 100 *per cent* expenditure was incurred on two schemes during the last quarter (*Appendix 2.16*).
- iii) In four sub heads, there were persistent savings ranging between 5 and 86 per cent of the total provision as per details given in *Appendix 2.17*.
- iv) Against the provision of ₹ 249.43 crore (after re-appropriation) under Head 4217-60-51-97 Stimulus Package for Public Health Engineering Department, an expenditure of ₹ 254.18 crore was incurred during 2014-15. This resulted in excess expenditure of ₹ 4.75 crore.

2.6.2 Grant No. 27-Agriculture

Review of budgetary procedure and control over expenditure of Grant No. 27 "Agriculture" on the basis of the Grants and supplementary demands was made during the year 2014-15. Important points noticed during the review are as under:-

- i) Against the budget provision of ₹ 1,276.14 crore (original ₹ 1,254.54 crore and supplementary ₹ 21.60 crore), under revenue head, an expenditure of ₹ 802.40 crore was incurred during the year 2014-15 resulting in saving of ₹ 473.74 crore.
- ii) Against the budget provision of ₹ 0.36 crore under the revenue charged, an expenditure of ₹ 0.03 crore was incurred during the year 2014-15 resulting in saving of ₹ 0.33 crore (91.67 *per cent* of Budget provision).

- iii) Out of total expenditure of ₹ 304.41 crore for 2014-15 on 36 schemes, an expenditure of ₹ 252.96 crore (83 *per cent*) was incurred on these schemes during the last quarter of the year 2014-15. Out of these 36 schemes, 100 *per cent* expenditure was incurred on 14 schemes during the last quarter (*Appendix 2.18*).
- iv) Against the total provision of ₹ 244.71 crore, savings of ₹ 84.35 crore were shown in 15 schemes (34.47 *per cent*) (*Appendix 2.19*).
- v) Against the supplementary provision of ₹ 21.60 crore under Sub Mission on Agriculture Mechanization Head, 100 *per cent* saving was shown. This amount could not be incurred due to non finalization of the notification under the scheme.
- vi) Annual financial statement of the Government provides for the provision for different schemes and programmes in order to carry out various development programmes/ schemes. In grant No. 27, it was noticed that the entire budgetary provision of ₹ 192.60 crore remained unutilized at the end of the financial year 2014-15 in 26 minor heads/schemes and whole budget provision amounting to ₹ 192.60 crore was withdrawn through re-appropriation in the month of March 2015 as detailed in *Appendix 2.20*.

2.7 Delay in submission of Budget Estimates

Budget estimates for the year 2014-15 were required to be submitted to the Finance Department by the Administrative Departments and Heads of various offices before 4th November 2013. Contrary to this, it came to notice during review of two grants (Grant No. 14 and Grant No. 27) that Heads of offices submitted their budget estimates to Finance Department on 13 December 2013 and 20 February 2014 respectively after delays ranging between 38 and 107 days.

2.8 Conclusions

During 2014-15, expenditure of ₹ 68,887.58 crore was incurred against total grants and appropriations of ₹ 86,832.00 crore. Overall savings of ₹ 17,944.42 crore were the result of saving of ₹ 18,350.77 crore in various grants and appropriation offset by excess expenditure of ₹ 406.35 crore in one grant which required regularisation under Article 205 of the Constitution of India in addition to excess expenditure of ₹ 1,021.22 crore in grants relating to the period 2011-12 to 2013-14.

In 47 cases, ₹ 17,083.97 crore were surrendered at the end of the financial year (more than ₹ 10 crore surrender in each case). In eight cases, ₹ 3,353.13 crore was surrendered including an excess surrender of ₹ 241.02 crore than actual savings indicating inadequate budgetary control in these departments.

Out of savings of ₹ 4099.37 crore in 14 cases, savings of ₹ 1374.01 crore were not surrendered. There were also cases of injudicious reappropriations.

2.9 Recommendations

The Government may consider:

- taking up the matter with Public Accounts Committee secretariat for regularisation of excess expenditure.
- preparing realistic budget estimates to avoid large savings and supplementary provisions.
- devising suitable mechanism by finance department to avoid rush of expenditure in last quarter/month of the financial year.
- devising suitable mechanism by treasuries to check overpayment on account of pensions and death cum retirement gratuity.