

---

## **CHAPTER II: FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**

---

**2.1 Introduction**

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts 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 CAG 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 2015-16 against 61 Grants/Appropriations was as given in **Table No. 2.1** below:

**Table No. 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
<b>Voted</b>	I. Revenue	8,548.73	597.09	9,145.82	7,239.58
	II. Capital	5,378.91	630.57	6,009.48	3,217.69
	III. Loans and Advances	20.10	1.84	21.94	21.84
<b>Total Voted</b>		<b>13,947.74</b>	<b>1,229.50</b>	<b>15,177.24</b>	<b>10,479.11</b>
<b>Charged</b>	IV. Revenue	743.89	122.91	866.80	750.26
	V. Capital	-	-	-	-
	VI. Public Debt- Repayment	484.37	38.62	522.99	447.29
<b>Total Charged</b>		<b>12,28.26</b>	<b>161.53</b>	<b>1,389.79</b>	<b>1,197.55</b>
Appropriation to Contingency Fund (if any)		-	-	-	-
<b>Grand Total:</b>		<b>15,176.00</b>	<b>1,391.03</b>	<b>16,567.03</b>	<b>11,676.66</b>

**Table No. 2.1: Summarised position of Actual Expenditure vis-à-vis Original/ Supplementary provision (concl.)***(₹ in crore)*

	Nature of expenditure	Savings (-)/ Excess (+)	Amount surrendered during March 2016	Percentage of savings surrendered during March 2016
<b>Voted</b>	I. Revenue	(-) 1,906.24	1,274.00	66.83
	II. Capital	(-) 2,791.79	1,988.63	71.23
	III. Loans and Advances	(-)0.10	-	-
<b>Total Voted</b>		<b>(-) 4,698.13</b>	<b>3,262.63</b>	<b>69.45</b>
<b>Charged</b>	IV. Revenue	(-) 116.54	2.46	2.11
	V. Capital	-	-	-
	VI. Public Debt- Repayment	(-) 75.70	68.31	90.24
<b>Total Charged</b>		<b>(-) 192.24</b>	<b>70.77</b>	<b>36.81</b>
Appropriation to Contingency Fund (if any)		-	-	-
<b>Grand Total:</b>		<b>(-) 4,890.37</b>	<b>3,333.40</b>	<b>68.16</b>

During the year 2015-16, the actual expenditure booked was ₹ 11,676.66 crore against the total provision of ₹ 16,567.03 crore (Voted and Charged) in 61 Grants/Appropriations resulting in overall net savings of ₹ 4,890.37 crore offset by excess of ₹ 24.98 crore in three Voted and three Charged expenditure under Revenue.

Against the overall savings of ₹ 4,890.37 crore during the year, only ₹ 3,333.40 crore (68 per cent) was surrendered by the controlling officers of 51 Grants/Appropriations holding 32 per cent un-utilised provision with them as on 31 March 2016. There was a net savings of ₹ 2,022.78 crore (Voted: ₹ 1,906.24 crore and Charged: ₹ 116.54 crore) in Revenue account and ₹ 2,867.59 crore in Capital account (Voted: ₹ 2791.89 crore and Charged: ₹ 75.70 crore) during the year 2015-16. However, 71.73 per cent savings in Capital account and 63.10 per cent in Revenue account were surrendered during the month of March 2016. Grants-wise details of savings and surrender are shown in **Appendix - 2.1**.

## 2.3 Financial Accountability and Budget Management

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

Audit of Appropriation Accounts 2015-16 revealed that an overall savings of ₹ 4,913.79 crore (Voted: ₹ 4,721.55 crore and Charged: ₹ 192.24 crore) occurred in 98 cases where the savings was more than ₹ 20 lakh in each case during the year 2015-16. Details are shown in **Appendix - 2.2**.

It was noticed that out of 98 cases (**Appendix - 2.2**), savings in 36 cases were more than ₹ 10 crore while in 12 cases it was more than ₹ 100 crore each. Saving of more than ₹ 100 crore were recorded in Revenue account in respect of (i) Tribal Welfare Department (₹ 594.45 crore), (ii) Welfare of Scheduled Castes Department (₹ 270.77 crore), (iii) Panchayati Raj Department (₹ 129.99 crore), (iv) Education (School) Department (₹ 124.30 crore) and (v) Education (Social) Department (₹ 118.79 crore).

In Capital account, savings of more than ₹ 100 crore were recorded in Tribal Welfare Department (₹ 872.00 crore), Welfare of Scheduled Castes Department (₹ 430.56 crore), Agriculture Department (₹ 105.33 crore), Rural Development Department (₹ 100.79 crore) Planning and Co-ordination Department (₹ 431.10 crore), Family Welfare and Preventive Medicine (₹ 146.44 crore) and Urban Development Department (₹ 125.72 crore). Abnormal savings indicated that the basis for assessment of budget provision as well as supplementary requirement for the year 2015-16 were not realistic.

Reasons for occurrence of such savings had not been intimated by the departments (August 2016).

### **2.3.2 Persistent Savings**

During the last five years from 2011-12 to 2015-16, there were persistent savings of more than ₹ 1 crore in 27 cases (**Appendix - 2.3**). During 2015-16, out of the 27 cases, savings in eight cases were more than ₹ 100 crore while in 12 other cases it was more than ₹ 10 crore though less than ₹ 100 crore.

In three cases there were persistent savings of more than ₹ 100 crore over the last five year period from 2011-12 to 2015-16. The departments involved are (i) Tribal Welfare (Revenue and Capital) and (ii) Welfare of Scheduled Castes Department (Capital) (**Appendix - 2.3**).

While analysing the trend of savings it was noticed that there was an increasing trend of persistent savings in respect of (i) Tribal Welfare Department, (ii) Welfare of Scheduled Castes Department, (iii) Education (School) Department and (iv) Education (Social) Department both in Revenue and Capital Heads. It reflected that the overall budget processing was not realistic and indicated the lack of proper assessment as well as prudent utilisation.

The trend of persistent savings are being pointed out every year in the Report of the CAG on State Finances, but no corrective measures had been taken by the departments concerned for minimising the savings.

### **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 ₹ 14.43 crore was incurred in 15 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 - 2.4**.

There were six cases under four Grants/Appropriations, where expenditure of more than ₹ 1 crore in each case (**Appendix - 2.4**) was incurred during the year without making any provision, of which in one case (Election Department) the amount involved was more than ₹ 2 crore, the reasons for which had not been intimated (August 2016).

### 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 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 (PAC). Summarised position of excess expenditure requiring regularisation for the last four years are given in the table below:

**Table No. 2.2: Excess over provision relating to previous years requiring regularisation**  
(₹ in crore)

Year	Number of Grants/Appropriations	Excess over provision	Status of regularisation
2011-12	8(16, 23, 24, 35, 36, 37, 43, 56 )	69.76	Not regularised till 31 March 2016
2012-13	10 (10,12, 24, 25, 28, 30, 37, 42, 47, 56)	8.04	
2013-14	4 (12, 24, 28, 51)	11.97	
2014-15	4 (16, 51, 52, 61)	71.60	
<b>Total:</b>		<b>161.37</b>	

Expenditure incurred in excess of the budget provision under both Voted and Charged expenditure by various departments of the State Government were regularly featured in the Reports of the CAG on State Finances, Government of Tripura. As on 31 March 2015, there was an excess expenditure of ₹ 161.37 crore requiring regularisation under the provision of the Constitution of India.

Out of ₹ 161.37 crore incurred in excess of the Budget provision under both Voted and Charged expenditure by various departments of the State Government during 2011-12 and 2012-13 the State Government had considered for regularising expenditure of ₹ 77.80 crore as detailed below:

The Government had referred to the PAC for consideration of regularising the excess expenditure for the year 2011-12 and 2012-13. Subsequently, the Committee in its 124<sup>th</sup> Report (February 2015) stated that all aspects of regularising the excess expenditure incurred by various departments of the State Government during the last two years was considered on the basis of relevant Appropriation Accounts, and reasons for excess expenditure furnished by the Government. The Committee recommended that Government should control their excess expenditure in different services and take necessary steps to reduce excess expenditure beyond the amount granted by the Assembly for each financial year. The Government also assured the committee that prompt steps would be taken to regularise excess expenditure in future.

The Committee recommended for regularisation of the excess expenditure amounting to ₹ 77.80 crore incurred over the budget provision under Voted and Charged expenditure by the State Legislature at the earliest opportunity.

The Government stated (October 2015) that necessary action had already been taken for regularisation of the excess expenditure of ₹ 77.80 crore pertaining to the years 2011-12 to 2012-13 as recommended by the PAC.

Information on actual regularisation of excess expenditure by the State Legislature pertaining to the last four years though called for by audit (May & August 2016) had not been received (October 2016).

### **2.3.5 Excess expenditure over provision during 2015-16 requiring regularisation**

During the year 2015-16, an expenditure of ₹ 24.98 crore was incurred in excess of the provisions (Voted: ₹ 24.75 crore, Charged: ₹ 0.23 crore) in Revenue account by the controlling officers of five Grants/Appropriations which were required to be regularised by the State Legislature as per Article 205 of the Constitution of India. The details of the Grants/Appropriation in which the excess expenditure occurred are shown in **Appendix - 2.5**.

### **2.3.6 Unnecessary/Excessive/Inadequate Supplementary Provision**

Supplementary provision aggregating to ₹ 845.59 crore obtained in 41 cases (₹ 10 lakh and more in each case) during 2015-16 proved unnecessary as the expenditure was even less than the original provision as detailed in **Appendix - 2.6**. In 22 cases under Revenue (Voted) account, out of original provision of ₹ 5,257.15 crore, expenditure was ₹ 4,406.38 crore, resulting in savings of ₹ 1,250.77 crore during the year. But supplementary provision of ₹ 297.83 crore was obtained though the original provision were not fully utilised during the year. Similarly, in 18 cases under Capital (Voted) account, though the actual expenditure was ₹ 2,913.05 crore only against the original provision of ₹ 4,907.46 crore resulting in a saving of ₹ 1,994.41 crore, supplementary provision of ₹ 546.89 crore was obtained during the year which indicated that the supplementary provision was unnecessary.

Further, there were 20 cases where supplementary provision obtained were either in excess or inadequate resulting in savings or excess which was more than ₹ 10 lakh in each case during 2015-16. In 2 cases, the supplementary provision obtained were (Revenue-Voted) inadequate resulting in excess expenditure of more than ₹ 10 crore in each case. In 18 other cases, the supplementary provision obtained were in excess of their requirement resulting in saving of more than ₹ 10 lakh in each case during 2015-16. The details of cases where supplementary provision were in excess or inadequate are shown in **Appendix - 2.7**.

During the year 2015-16, the State Government approved supplementary provision twice for ₹ 1,391.03 crore (₹ 1,362.75 crore in January 2016 and ₹ 28.28 crore in March 2016) for the financial year 2015-16. The Government had submitted the supplementary budget twice to the State Legislative Assembly and it was approved on both the occasions. The reasons for obtaining supplementary provision twice were not on record.

### 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.

Scrutiny of detailed Appropriation Accounts for the year 2015-16 revealed that in 43 grants, there were 388 cases where the amount of re-appropriation was in excess or less than the requirement resulting in savings or excess of more than ₹ 20 lakh in each case. The details of cases are shown in **Appendix - 2.8**.

Further, it was seen that in 170 cases, there was more than ₹ 1 crore savings or excess in each cases, while in 28 cases it was more than ₹ 10 crore which indicated that the re-appropriation was done without assessing actual requirement of funds for the year 2015-16.

### 2.3.8 Re-appropriation done without knowledge of the State Legislature

On scrutiny of re-appropriation accounts of 28 Grants/Appropriations, it was noticed that in some major heads of accounts, re-appropriation were done without the knowledge of the State Legislative Assembly instead of including the same in the budget as a new service/instrument. The reasons for such re-appropriation were stated to be based on actual requirement. Details are given in **Appendix - 2.9**.

### 2.3.9 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”, “release/sanction of fund by the Government of India”, etc., should be avoided. Test-check of re-appropriation orders in respect of **Grant No. 20** issued by the Finance Department revealed that in all the cases of re-appropriation, the reasons for such re-appropriations were largely commented upon with expression like ‘based on actual requirement’ which was in violation of Financial Rules besides being arbitrary and vague.

### 2.3.10 Insufficient Surrenders

As per Rule, anticipated savings are required to be surrendered as soon as these have occurred. Scrutiny of Appropriation Accounts 2015-16 revealed that there were substantial savings (more than ₹ 25 lakh) in 11 Grants under Revenue Heads where more than 50 *per cent* of the saving were not surrendered. In 12 Grants, no part of the savings was surrendered as on 31 March 2016. Similarly, in Capital heads, more than 90 *per cent* savings were not surrendered in 6 Grants and in 8 Grants, no part of the savings was surrendered as on 31 March 2016. The details of cases where more than ₹ 25 lakh savings occurred but more than 50 *per cent* or no part of the savings was surrendered are shown in **Appendix - 2.10**.

### 2.3.11 Surrender in excess of Actual Savings

In five cases under four Grants and one Appropriation, the amounts surrendered were in excess of actual savings which indicated inadequate budgetary control in those departments. As against savings of ₹ 223.13 crore, ₹ 257.46 crore was surrendered

resulting in excess surrender of ₹ 34.33 crore. Details are given in **Appendix - 2.11**. In one out of five cases, the amounts of excess surrender were above ₹ 25 crore while in one other case, the amount was above ₹ 95 crore. Reason for excess surrender was not stated.

### **2.3.12 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 2015-16, there were 27 Grants/Appropriations in which savings occurred (₹ 20 lakh and above in each case) but no amount was surrendered by the departments concerned. The amount involved in those cases was ₹ 232.01 crore (**Appendix - 2.12**). Out of 27 cases, the savings in 13 cases were more than ₹ 1 crore while in 8 cases there were savings of more than ₹ 10 lakh. The major departments involved were (i) Law Department, (ii) Fire Service Organisation, (iii) Public Works (Roads and Buildings) Department, (iv) Finance Department, (v) Revenue Department, (vi) Transport Department, (vii) Education (School) Department, etc.

### **2.3.13 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 and principle of prudent financial management, the expenditure in the closing month of the financial year should be avoided.

As per information furnished by the Accountant General (Accounts & Entitlement) {AG (A&E)} office, the State Government incurred an expenditure of ₹ 1,541.50 crore (Revenue: ₹ 970.07 crore and Capital: ₹ 571.43 crore) during the month of March 2016 constituting 12.33 *per cent* of total Revenue Expenditure and 17.92 *per cent* of Capital Expenditure during the year in contravention of the Financial Rules. The Government had incurred an expenditure of ₹ 460.65 crore on the last day of March 2016 which was 29.88 *per cent* of the expenditure (₹ 1,541.50 crore) during the month of March 2016.

In 17 Major Heads under 14 Grants/Appropriations, an expenditure of ₹ 181.48 crore (Revenue: ₹ 20.44 and Capital: ₹ 161.04 crore) was incurred during the month of March 2016 which was 61 *per cent* of total expenditure of 17 Major Head of Account. Details of the Major Heads of Accounts where the expenditure incurred in March 2016 ranged between 50 and 100 *per cent* of the total expenditure are given in **Appendix - 2.13**.

Expenditure incurred at the close of the financial year specially on the last day of March indicates that the expenditure was incurred to avoid lapse of budget.



## 2.4 Expenditure Controls

### Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per Sub-Rules 11 (ii) and 14 of Rule 27 of the Delegation of Financial Powers Rules, Tripura, 2011, drawal of the amount in Abstract Contingent (AC) Bills should be adjusted in Detailed Countersigned Contingent (DCC) Bills by submitting to the countersigning officer within 60 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 AG (A&E), Tripura within 90 days from the date of the drawal of the AC Bill.

As on 31 March 2015, there were 21,623 unadjusted AC Bills involving ₹ 175.80 crore. As on 31 March 2016, it decreased to 14,314 bills for ₹ 167.98 crore including 1720 AC Bills drawn during the year 2015-16 involving ₹ 51.17 crore and remained pending for adjustment by DCC Bills. The position of outstanding DCC Bills as on 31 March 2016 are shown in **Table No. 2.3**.

**Table No. 2.3 : Year-wise break-up of outstanding DCC Bills as on 31 March 2016 compared to 31 March 2015**

(₹ in crore)

Year	Outstanding DCC Bills as on 31 March 2015		Outstanding DCC Bills as on 31 March 2016	
	No. of Bills	Amount	No. of Bills	Amount
Up to 2013-14	12,171	86.34	8,191	64.85
2014-15	9,452	89.46	4,403	51.96
2015-16	-	-	1,720	51.17
<b>Total</b>	<b>21,623</b>	<b>175.80</b>	<b>14,314</b>	<b>167.98</b>

Source: AG (A&E)

As per information furnished by the AG (A&E) office, ₹ 53.11 crore was drawn during the year 2015-16 through AC Bills by various Controlling Offices of which ₹ 22.04 crore was drawn during March 2016. Outstanding DCC Bills for the year 2015-16 stood at ₹ 51.17 crore involving 1,720 AC Bills. It was also noticed that out of ₹ 22.04 crore drawn through AC Bills during March 2016, ₹ 19.99 crore was drawn in the last week of March 2016 which indicates that funds were drawn to avoid lapse of budget. However, the amount drawn in March 2016 was due for adjustment by DCC Bills in June 2016.

Substantial amounts by eight major departments drawn on 11,592 AC Bills involving ₹ 102.93 crore remained un-adjusted as on 31 March 2016. Of this, ₹ 71.25 crore involving 10,305 AC Bills pertained to previous years upto 2014-15. The year-wise break-up are given below:

**Table No. 2.4: 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 2016
1.	Revenue Department	2011-12	98	2.49
		2012-13	363	1.58
		2013-14	1,057	6.01
		2014-15	762	4.20
		2015-16	148	1.03
<b>Total:</b>			<b>2,428</b>	<b>15.31</b>
2.	Tribal Welfare Department	Upto 2011-12	84	1.79
		2012-13	522	0.80
		2013-14	1,739	12.78
		2014-15	1,316	9.36
		2015-16	442	16.14
<b>Total:</b>			<b>4,103</b>	<b>40.87</b>
3.	Welfare of Minorities Department	Upto 2012-13	17	0.05
		2013-14	150	0.72
		2014-15	500	2.79
		2015-16	117	1.42
<b>Total:</b>			<b>784</b>	<b>4.98</b>
4.	Education (School) Department	2011-12	96	1.34
		2012-13	168	0.45
		2013-14	73	0.03
		2014-15	56	0.23
		2015-16	21	0.25
<b>Total:</b>			<b>414</b>	<b>2.30</b>
5.	Education (Social) Department	2013-14	54	0.27
		2014-15	168	6.64
		2015-16	1	2.34
<b>Total:</b>			<b>223</b>	<b>9.25</b>
6.	Rural Development Department	2011-12	8	0.03
		2012-13	13	0.07
		2013-14	195	0.94
		2014-15	236	2.80
		2015-16	394	2.01
<b>Total:</b>			<b>846</b>	<b>5.85</b>
7.	Welfare of Scheduled Castes Department	2011-12	85	1.53
		2012-13	654	0.96
		2013-14	928	5.17
		2014-15	714	6.86
		2015-16	136	2.01
<b>Total:</b>			<b>2,517</b>	<b>16.53</b>
8.	Home (Police) Department	2011-12	83	1.17
		2012-13	86	0.51
		2013-14	15	0.18
		2014-15	65	1.03
		2015-16	28	4.95
<b>Total:</b>			<b>277</b>	<b>7.84</b>
<b>Grand Total:</b>			<b>11,592</b>	<b>102.93</b>

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

## 2.5 Review of selected Grants

### 2.5.1 Introduction

A review of **Grant No. 52** operated in the Directorate of Family Welfare and Preventive Medicine under the Health and Family Welfare Department of the State was undertaken mainly to assess the efficiency in the budgeting process, control of expenditure of both Revenue and Capital Heads under Plan and Non-plan Heads for the year 2015-16.

The Principal Secretary, Health and Family Welfare Department, Government of Tripura is the head of the Department. He is assisted by the Director of Family Welfare of the State.

**2.5.2** The summarised position of the budget and actual expenditure during the year 2015-16 in respect of **Grant No. 52** is given below:-

**Table No. 2.5.1: Budget and expenditure during 2015-16**

(₹ in crore)

Nature of expenditure	Budget Provision			Actual expenditure	Savings (-)/ Excess (+)
	Original	Supplementary	Total		
Revenue	226.31	39.96	266.27	198.84	(-) 67.43
Capital	25.15	140.88	166.03	19.59	(-) 146.44
<b>Total</b>	<b>251.46</b>	<b>180.84</b>	<b>432.30</b>	<b>218.43</b>	<b>213.87</b>

Source: Detail Appropriation Accounts

It was seen that out of total provision of ₹ 432.30 crore, actual expenditure was ₹ 218.43 crore, resulting in overall savings of ₹ 213.87 crore during the year. The expenditure during the year was below even the original provision under both Revenue and Capital Heads. Out of the total expenditure of ₹ 218.43 crore, ₹ 100.37 crore was under Plan while expenditure under Non-plan was ₹ 118.06 crore. Details of the Revised Estimates and actual expenditure there against are given below:-

**Table No. 2.5.2: Plan and Non-plan Expenditure**

(₹ in crore)

Particulars	Revised Estimates			Expenditure			Net savings
	Plan	Non-plan	Total	Plan	Non-plan	Total	
Revenue	100.79	137.66	238.45	95.33	103.51	198.84	(-) 39.61
Capital	19.68	140.88	160.56	5.04	14.55	19.59	(-) 140.97
<b>Total</b>	<b>120.47</b>	<b>278.54</b>	<b>399.01</b>	<b>100.37</b>	<b>118.06</b>	<b>218.43</b>	<b>(-) 180.58</b>

Source: Annual Financial Statement

Scrutiny of the Detailed Appropriations revealed that the savings during the year occurred mainly in Major Head-2211 (Revenue: ₹ 27.48 crore).

Further, it was seen that under Major Head-2211, an expenditure of ₹ 2.84 lakh was incurred during the year 2015-16 without any budget provision either in the original or supplementary appropriations.

### 2.5.3 Unnecessary Supplementary Provision

Scrutiny of Appropriation Accounts of the State Government for the year 2015-16 revealed that supplementary provision of ₹ 38.46 crore under revenue sector was obtained unnecessarily even when the original provision (₹ 224.31 crore) was not

fully utilised, resulting in a saving of ₹ 66.06 crore under this head. Even though in the capital sector ₹ 19.59 crore was utilised against the original budget provision of ₹ 25.15 crore, supplementary provision of ₹ 140.88 crore was obtained during the year. Hence, the supplementary provisions under both the heads in **Grant No. 52** proved unnecessary resulting in an overall saving of ₹ 146.44 crore.

#### 2.5.4 Inadequate Surrender of Savings

It was noticed that, out of available savings of ₹ 66.06 crore in Revenue (Voted) under **Grant No.52**, only ₹ 27.82 crore was surrendered at the end of March 2016 resulting in more than 60 *per cent* saving being not surrendered during the year.

In Capital Head, against the total savings of ₹ 146.44 crore, only ₹ 5.47 crore (4 *per cent*) was surrendered leaving an amount of ₹ 140.97 crore (96 *per cent*) with the department which could have been utilised in other grants where required had it been surrendered during the year.

#### 2.5.5 Persistent Savings

During the period from 2011-12 to 2015-16, there were persistent savings under **Grant No. 52** as shown in **Table No. 2.5.3**. But during this period, only a portion of savings in 2011-12 (2 *per cent*), 2013-14 (2 *per cent*) and 2015-16 (16 *per cent*) were surrendered while no amount was surrendered in 2012-13 and 2014-15 respectively.

**Table No. 2.5.3: Persistent Savings during last five year 2011-16**

(₹ in crore)					
Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue	4.93	103.07	169.22	129.16	67.43
Capital	18.51	14.26	13.92	6.07	146.44
<b>Total</b>	<b>23.44</b>	<b>117.33</b>	<b>183.14</b>	<b>135.23</b>	<b>213.87</b>
Amount surrendered	11.27	-	4.20	-	33.29
(Percentage of surrender)	(2)	-	(2)	-	(16)

**Source:** Appropriation Accounts

Persistent savings indicated that the budgeting process and monitoring of the Department was unrealistic due to which the department could not utilise the allocated funds efficiently and effectively during the period.

## 2.6 Conclusion and Recommendations

The overall savings of ₹ 4,890.37 crore was the result of saving of ₹ 4,915.35 crore in 61 Grants/Appropriations offset by excess of ₹ 24.98 crore in five Grants/Appropriations. The excess expenditure of ₹ 24.98 crore over provision in 2015-16 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 2015-16. In respect of 16 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 49 cases under 43 Grants/Appropriations, there were savings of more than ₹ 25 lakh each but more than 50 *per cent* of the same were not surrendered till the end of the year. The AC Bills were not adjusted for long periods which invite the risk of fraud and

misappropriation. These indicate absence of a rigorous monitoring mechanism over the State finances.

*Budgetary controls should be strengthened in all the Government departments, particularly in the departments where savings/excess persisted for the last five years. A close and rigorous monitoring mechanism should be put in place to adjust the amounts drawn in AC Bills by submission of DCC 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.*