

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 2016-17 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	65,019.28	3,604.84	68,624.12	58,048.66	(-)10,575.46
	II Capital	18,612.53	172.76	18,785.29	14,384.39	(-)4,400.90
	III Loans and Advances	4,729.39	61.96	4,791.35	4,514.91	(-)276.44
Total Voted		88,361.20	3,839.56	92,200.76	76,947.96	(-)15,252.80
Charged	IV Revenue	10,654.46	5.74	10,660.20	10,717.06	56.86
	V Capital	95.00	26.00	121.00	128.80	7.80
	VI Public Debt Repayments	9,677.50	0.00	9,677.50	5,275.84	(-)4,401.66
Total Charged		20,426.96	31.74	20,458.70	16,121.70	(-)4,337.00
Appropriation to Contingency Fund		-	-	-	-	-
Grand Total		1,08,788.16	3,871.30	1,12,659.46	93,069.66	(-)19,589.80

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 (₹ 362.29 crore) and Capital Heads (₹ 7,650.10 crore).

Supplementary provision of ₹ 3,871.30 crore constituted four *per cent* of the original provision as against 25 *per cent* in the previous year.

The overall savings of ₹ 19,589.80 crore were the result of savings of ₹ 19,846.78 crore in 44 grants under the Revenue Section, 20 grants under the Capital Section and one appropriation (Public Debt-Repayments) under the Loan Section, offset by excess of ₹ 256.98 crore mainly under the Revenue Charged Section of Grant No. 6-Finance (₹ 71.27 crore), under Capital Section of Grant No. 14- Urban Development (₹ 0.92 crore) and Grant No. 24-Irrigation (₹ 176.99 crore) and under Capital Charged Section of Grant No. 8 -Buildings & Roads (₹ 1.98 crore) and Grant No. 24-Irrigation (₹ 5.82 crore). The excess of ₹ 256.98 crore requires regularisation under Article 205 of the Constitution.

2.3 Financial Accountability and Budget Management

2.3.1 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 54 cases as detailed in *Appendix 2.1*, the expenditure of ₹ 1,311.53 crore was incurred without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this effect.

2.3.2 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 ₹ 2,841.81 crore for the period 2011-12 to 2015-16 had not been discussed by Public Accounts Committee (PAC) and ₹ 256.98 crore during 2016-17 was still to be regularised.

Further, in grant number “24-Irrigation” (*Table 2.2*), excess expenditure of more than ₹ 10 crore had been observed consistently for the last five years:

Table 2.2: List of grants indicating persistent excess expenditure during 2012-17
(₹ in crore)

Sr. No.	Number and name of the grant	Amount of excess expenditure				
		2012-13	2013-14	2014-15	2015-16	2016-17
Capital-Voted						
1.	24-Irrigation	275.23 (53)	213.26 (33)	402.89 (79)	211.00 (35)	176.99 (27)

* Figures in parenthesis show percentage of excesses to total provision

Excesses occurred mainly under the head, “4700-Capital Outlay on Major Irrigation, 13- Modernisation and Lining of Canal System, 001-Direction and

Administration, 91-Executive Engineer, 89-Special Revenue, 93-Chief Engineer, 92-Superintending Engineer, 88-Pensionary Charges” (₹ 113.71 crore).

2.3.3 Savings vis-a-vis allocations

Appropriation audit revealed that savings in 27 cases exceeded ₹ 100 crore in each case (**Appendix 2.2**). Against the total provision of ₹ 90,862.75 crore actual expenditure was ₹ 71,782.42 crore and savings were ₹ 19,080.33 crore. In eight grants namely 9-Education (Revenue-Voted), 13-Health (Revenue-Voted), 15-Local Government (Revenue-Voted), 24-Irrigation (Revenue-Voted), 27-Agriculture (Revenue-Voted), 8- Buildings and Roads (Capital-Voted), 23-Food and Supplies (Capital-Voted) and Public Debt savings exceeded ₹ 500 crore. Reasons for substantial savings were not intimated by the State Government.

2.3.4 Persistent savings

During the last five years, 13 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 2.3**).

Table 2.3: Grants indicating persistent savings

(₹ in crore)

Sr. No.	Number and name of the grant	Amount of savings				
		2012-13	2013-14	2014-15	2015-16	2016-17
Revenue (Voted)						
1.	07-Planning and Statistics	270.60 (69)	280.85 (51)	333.58 (81)	237.74 (58)	283.17 (62)
2.	09-Education	1,591.65 (19)	1,818.31 (21)	1,369.49 (14)	2,317.26 (20)	3,436.36 (25)
3.	10- Technical Education	68.22 (19)	78.68 (21)	137.08 (28)	93.47 (20)	98.19 (21)
4.	11-Sports and Youth Welfare	19.25 (13)	56.33 (31)	58.82 (25)	84.43 (27)	105.84 (25)
5.	13-Health	253.27 (14)	279.74 (14)	576.18 (21)	547.14 (18)	595.38 (18)
6.	14-Urban Development	41.48 (15)	118.37 (62)	32.64 (24)	63.06 (37)	12.47 (13)
7.	15-Local Government	379.76 (22)	589.57 (27)	584.00 (28)	1,407.70 (43)	879.77 (25)
8.	17-Employment	15.14 (20)	25.61 (33)	25.15 (31)	29.62 (38)	16.12 (23)
9.	23-Food and Supplies	107.83 (52)	185.52 (51)	166.43 (45)	122.74 (33)	115.61 (14)
10.	24-Irrigation	375.55 (27)	382.54 (25)	512.00 (31)	359.16 (21)	512.12 (27)
11.	27-Agriculture	184.55 (20)	256.92 (24)	473.74 (37)	374.19 (27)	826.91 (43)
12.	32-Rural and Community Development	159.83 (10)	345.36 (16)	580.95 (23)	815.54 (28)	366.90 (10)
Capital (Voted)						
13.	38-Public Health & Water Supply	324.40 (28)	137.28 (11)	146.74 (13)	323.70 (28)	310.50 (25)
Capital (Charged)						
14.	Public Debt	4,250.68 (40)	5,027.64 (38)	5,622.44 (41)	2,820.83 (28)	4,401.67 (45)

* Figures in parenthesis show percentage of savings to total provision

Cases where saving were more than ₹ 100 crore in each case, are highlighted below:

- Savings under Grant No. 7- Planning & Statistics, 3451- Secretariat Economy Services, 102- District Planning Machinery, 95- District Plan (₹ 151.55 crore) and 789-Special Component Plan for Scheduled Castes, 99- Welfare of Scheduled Castes under the District Plan Scheme (₹ 105.33 crore).
- Savings under Grant No. 9-Education occurred mainly in head 2202-General Education, 01-Elementary Education, 101-Government Primary Schools, 88-Establishment of Primary Education Classes I to V, 95- Expansion of Facilities Classes VI-VIII (Full time), 98-Middle Education Classes VI to VIII (₹ 1,019.74 crore), 02-Secondary Education, 109-Government Secondary Schools, 86-Rashtriya Madhyamic Shiksha Abhiyan, 98-Establishment Expenses (₹ 644.28 crore), 001-Direction and Administration, 97-Computer Literacy and Studies in School (₹ 140.30 crore), 793-Special Central Assistance for Scheduled Castes Component Plan, 98-Rasthriya Madhyamik Shiksha Abhiyan (₹ 183.50 crore), 03-University and Higher Education, 103-Government Colleges and Institutes, 97-Rashtriya Uchcharat Shiksha Abhiyan (₹ 154.49 crore).
- Savings under Grant No. 13- Health, 2210- Medical & Public Health, 03- Rural Health Service Allopathy, 103- Primary health Centres, 84- Grant-in-aid under NRHM (₹ 107.25 crore).
- Under Grant No. 15-Local Government savings occurred mainly in head 2217-Urban Development, 80-General, 192-Assistance to Municipal Committees/Councils, 86- New Urban Renewal Mission, 87-Smart City, 92-Contribution to Local Bodies from the proceeds of Stamp Duty to Municipal Committee/Council (₹ 750.82 crore).
- Under Grant No 27-Agriculture savings occurred in head 2401-Crop Husbandry, 109-Extension and Farmers' Training, 80-Scheme for Rashtriya Krishi Vikas Yojana (₹ 272.56 crore) and 111-Agricultural Economics and Statistics, 90-Modified National Agriculture Insurance Scheme Renamed as Pradhan Mantri Fasal Bima Yojana (₹ 198.65 crore).
- Under Grant No. 32-Rural and Community Development savings occurred mainly in head 2505- Rural Employment, 02-Rural Employment Guarantee Scheme, 101-National Rural Employment Guarantee Scheme, 99- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) (₹ 164.44 crore).

- 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 (₹ 3,500.01 crore).

Reasons for persistent savings under these heads were not intimated.

2.3.5 Unnecessary supplementary provision

Supplementary provisions aggregating ₹ 1,536.89 crore obtained in 24 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*.

2.3.6 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in excesses of over ₹ 2,774.12 crore in 35 sub-heads and savings of over ₹ 1,063.26 crore under 49 sub-heads by more than ₹ one crore in each case as detailed in *Appendix 2.4*. Excesses/Savings were more than ₹ 10 crore under 31 sub-heads. In 32¹ cases, reduction of provisions through re-appropriation proved injudicious as the actual expenditure was more than the provisions reduced through re-appropriation. Similarly, in six² cases, the re-appropriation of funds proved excessive as the savings were more than the funds provided through re-appropriation.

2.3.7 Non-surrendering and excess surrendering of funds

At the close of the year 2016-17, in 50 cases funds of more than ₹ 10 crore in each case were surrendered. In these cases, the total provision was ₹ 1,11,537.69 crore and actual expenditure was ₹ 92,026.75 crore resulting in savings of ₹ 19,759.20 crore and excess of ₹ 248.26 crore resulting in net savings of ₹ 19,510.94 crore, out of which ₹ 22,180.04 crore were (*Appendix 2.5*) surrendered, indicating inadequate budgetary and financial control.

Further analysis revealed that in 30 cases against the savings of ₹ 9,968.73 crore, ₹ 823.41 crore were not surrendered which was against the provisions of paragraph 13.2 of Punjab Budget Manual (also applicable to Haryana). In 12 cases, ₹ 11,870.37 crore were surrendered against the savings of ₹ 9,361.43 crore and in Grants 6-Finance (Revenue Charged) and 24-Irrigation (Capital

¹ Sr. No. 10, 13, 16 to 25, 27 to 31, 33, 44, 51, 58, 60, 61, 64, 67, 69, 71, 78, 79 and 82 to 84 of *Appendix 2.4*.

² Sr. No. 5, 6, 14, 34, 37 and 41 of the *Appendix 2.4*.

Voted) even though the actual expenditure exceeded by ₹ 71.27 crore and ₹ 176.99 crore respectively, funds of ₹ 562.77 crore and ₹ 172.54 crore were injudiciously surrendered. Only in six cases all the savings of ₹ 429.04 crore were surrendered. Reasons for non-surrendering and excess surrendering of funds were not intimated by the State Government.

2.3.8 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 18 heads under 16 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 2017.

Further, it was revealed that out of the expenditure of ₹ 5,022.49 crore incurred on 18 major heads under 16 grants during 2016-17, expenditure of ₹ 2,015.61 crore (40 *per cent*) was incurred during the month of March 2017.

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 2016-17 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. 1,358 vouchers of ₹ 18.49 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 17 cases the account from various treasuries (first list of payment in 11 cases and second list of payment in 6 cases) were received late by four to nine days every month. 96.96 *per cent* Accounts were received in time. The delay in the submission of initial accounts caused consequent delay in compiling Monthly Civil Accounts by the AG (A&E).

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 in a timely manner along with monthly accounts. A number of Plus and Minus memos for the year 2016-17 are still awaited from 11 Treasury Offices³, thus resulting in outstanding balances in the Broadsheets. Treasury Officers need to be instructed strictly in this regard.

2.4.4 Non-operational Personal Ledger Accounts

As per rule 12.7 of Punjab Finance Rules Volume-I, Personal Ledger Accounts (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 2016-17, there were 124 PLAs with a balance of ₹ 234.87 crore of which 13 accounts involving ₹ 3.56 crore were inoperative and had not been closed thereby leading to deviation from prescribed procedure.

2.5 Outcome of Analysis of Budgetary Assumptions

2.5.1 Unrealistic Budget Estimates

The original budget of ₹ 88,781.96 crore prepared by the State Government for the year 2016-17 was revised to ₹ 84,132.15 crore. As against this, an actual expenditure of ₹ 79,781.44 crore was incurred during 2016-17. Details of the Original Budget, Revised Estimate, actual expenditure for the period 2012-13 to 2016-17 is given in Table 2.4.

Table 2.4: Original Budget, Revised Estimate and Actual Expenditure during 2012-17

	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Original Budget	45,318.93	53,073.59	59,451.23	69,140.29	88,781.96
Revised Estimate	46,413.29	53,548.30	61,449.82	85,037.30	84,132.15
Actual Expenditure	44,355.56	46,597.31	53,676.27	79,394.32	79,781.44
Saving /excess	2,057.73	6,950.99	7,773.55	5,642.98	4,350.71

Further, not only the provision of Annual Plan was revised from ₹ 40,256.21 crore to ₹ 37,266.34 crore, but the actual expenditure of ₹ 33,124.05 crore

³ Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Jhajjar, Kaithal, Karnal, Nuh, Rewari and Rohtak.

could be incurred, which did not come to the level of original budget provision as details given in **Table 2.5**.

Table 2.5: Details of the provision of Annual Plan

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Original Budget	16,549	20,353	22,251	25,743	40,256.21
Revised Estimate	16,336	19,471	22,110	42,743	37,266.34
Actual Expenditure	13,647	15,219	17,597	25,185	33,124.05
Saving /excess	2,689	4,252	4,513	17,558	4,142.29

Similarly, the estimated receipt of ₹ 63,666 crore were revised to ₹ 60,784 crore against which only ₹ 53,496 crore were actually realized as per details given in **Table 2.6**.

Table 2.6: Details of the Receipts

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Original Budget	37,722	44,098	48,058	52,717	63,666
Revised Estimate	38,281	42,033	45,821	54,642	60,784
Actual Receipt	33,994	38,284	41,090	47,915	53,496
Saving /excess	4,287	3,749	4,731	6,727	7,288

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”. Estimate should always be submitted after careful personal attention of the officers who submit them and should be as accurate as possible. However, it was noticed that the revised estimates for 2016-17 for Non-tax revenue projections was ₹ 15,239.46 crore while actual realization was ₹ 11,873.67 crore resulting in downward variation of ₹ 3,365.79 crore i.e. 22 per cent below the revised estimates. Similarly tax revenue for the year 2016-17 was projected at ₹ 45,087.83 crore while actual realization was ₹ 40,623.15 crore, resulting in variation of ₹ 4,464.68 crore below the projection. Projections and actual revenue for the last five years are given 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
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
2015-16	Tax Revenue	40,436.10	36,425.31	4,010.79
	Non- Tax Revenue	13,731.25	11,131.24	2,600.01
2016-17	Tax Revenue	45,087.63	40,623.15	4,464.48
	Non- Tax Revenue	15,239.46	11,873.67	3,365.79

2.5.3 Shortcomings in Plan Estimates

The Revised Plan expenditure during 2016-17 was assessed at ₹ 37,266.34 crore. An amount of ₹ 33,124.05 crore were spent on plan schemes which was 88.88 *per cent* of the above amount and less than the projections. Variations were due to the following facts:

- i) A total of 15 schemes with an approved outlay of ₹ 143.53 crore included in approved plan for 2016-17 were not implemented and withdrawn in revised estimates (*Appendix 2.8*).
- ii) Provision of ₹ 367.44 crore made under 19 schemes in approved outlay for 2016-17 was reduced to ₹ 46.33 crore in the Revised Estimates, but the schemes were not implemented (*Appendix 2.9*) for which the reasons were not given.
- iii) Provisions of ₹ 296.52 crore were made under 28 schemes in approved outlay and in revised outlay, but no expenditure was incurred during the year 2016-17(*Appendix 2.10*).
- iv) The provision of ₹ 569.20 crore made under 15 schemes was increased to ₹ 625.60 crore against which expenditure of ₹ 292.60 crore was incurred during the year 2016-17 which was 51 *per cent* of the original estimates. Further augmentation of funds through supplementary grants proved unnecessary as the total expenditure was less than the original estimates (*Appendix 2.11*).
- v) 68 plan schemes for which the outlay of ₹ 5,125.75 crore approved for execution during 2016-17 was reduced to ₹ 3,158.30 crore in the revised estimates. Only ₹ 1,494.87 crore was spent on these schemes which was 47 *per cent* of the revised outlay (*Appendix 2.12*).
- vi) 6 schemes for which provision of ₹ 720.66 crore was approved for execution during 2016-17 was reduced to ₹ 465.77 crore in the revised estimate, but expenditure of ₹ 661.41 crore was incurred which was 142 *per cent* of revised estimate as detailed in *Appendix 2.13*.

- vii) 93 schemes for which provision of ₹ 3,273.29 crore was made in approved outlay as well as in revised estimates, but expenditure of ₹ 1,981.65 crore was incurred which was much less than the provision made (*Appendix 2.14*).
- viii) Five Schemes for which no provision was made in approved outlay but included in revised estimate ₹ 35.92 crore. Expenditure of ₹ 9.93 crore on these scheme was less than the provision made as detailed in (*Appendix 2.15*).
- ix) Nine new schemes for which provision of ₹ 111.76 crore was made in revised estimates and one scheme for which provision was enhanced from ₹ 2.20 crore to ₹ 4.07 crore in revised estimates but no expenditure was incurred during the year 2016-17 as shown in (*Appendix 2.16*).
- x) The provision of ₹ 1,265.40 crore made under 17 schemes was increased to ₹ 1,643.66 crore against which expenditure of ₹ 1,169.58 crore was incurred during the year 2016-17. Further augmentation of funds through supplementary grants proved excessive as the total expenditure of these schemes were 71 per cent of the revised estimates (*Appendix 2.17*).
- xi) Provisions of ₹ 0.40 crore were made under Award for Rural Adolescent Girls in Women and Child Development Department in approved outlay and in revised outlay but expenditure of ₹ 0.58 crore was incurred which was 145 per cent of revised estimate.

2.6 Outcome of review of Selected Grants

A review of budgetary procedure and control over expenditure of two grants (Grant No.“11- Sports and Youth Welfare” and Grant No.“19-Welfare of SCs, STs, Other BCs and Minorities” was conducted (July-August 2017) on the basis of the variations during the current year and magnitude of the grants and supplementary demands made during the year 2016-17.

2.6.1 Grant No.11- Sports and Youth Welfare

Important points noticed during review of the grant for 2016-17 are detailed below:

- i) Against the budget provision of ₹ 420.78 crore (Original ₹ 313.13 crore and Supplementary ₹ 107.65 crore) under Revenue Head, an expenditure of ₹ 314.94 crore was incurred during the year 2016-17 resulting in saving of ₹ 105.84 crore, which was 25 per cent against the budget provisions. This shows that unrealistic provision was made in budget.

- ii) In five schemes, an amount of ₹ 5.06 crore was surrendered against the total savings of ₹ 6.01 crore under the Revenue Section of grant during the year. Thus, savings of ₹ 0.95 crore were not surrendered indicating inadequate financial control and the fact that these funds not be utilized on other development schemes/programmes of the Government (*Appendix 2.18*).
- iii) Against the budget provision of ₹ 60.59 crore (Original: ₹ 54.09 crore and supplementary: ₹ 6.50 crore) in two⁴ schemes under this grant, an expenditure of ₹ 43.51 crore was incurred resulting in saving of ₹ 17.08 crore (28 *per cent* of total provision). Supplementary provision of ₹ 6.50 crore obtained under these schemes, proved unnecessary as the expenditure did not come up to the level of the original provision.
- iv) In 12 sub heads, there were persistent saving ranging between 18 and 100 *per cent* of the total provision as per details given in (*Appendix 2.19*).
- v) Out of total expenditure of ₹ 228.71 crore in 17 schemes, an expenditure of ₹ 102.58 crore (45 *per cent*) was incurred on these schemes during the last quarter during 2016-17 and ₹ 79.38 crore (35 *per cent*) in March 2017. Out of these 17 schemes, 100 *per cent* expenditure was incurred on six schemes during the last quarter (*Appendix 2.20*).
- vi) Entire budget provision of ₹ 7.31 crore made for three⁵ scheme/heads remained unutilized at the end of the financial year 2016-17 and whole budget provision amounting to ₹ 7.31 crore was withdrawn through re-appropriation.

2.6.2 Grant No. 19-Welfare of SCs, STs, Other BCs and Minorities

Important points noticed during review of the grant for 2016-17 are detailed below:

- i) Against the budget provision of ₹ 778.48 crore under Revenue Head (original ₹ 662.52 crore and supplementary ₹ 115.96 crore) an expenditure of ₹ 564.69 crore was incurred which resulted into saving of ₹ 213.79 crore which was 27 *per cent* against the budget provision. Supplementary provisions of ₹ 115.96 crore proved unnecessary.

⁴ (i) Moti Lal Nehru School of Sports, Rai and Kamla Nehru School of Sports, Rai and (ii) Human Resource Development Scheme

⁵ (i) Grant-in-aid to universities under NSS scheme at the ratio 7:5 by GOI and State of Haryana (₹ 2 crore), (ii) Infrastructure Scheme (₹ 5.30 crore) and (iii) Old age Pension (₹ 0.01 crore)

- ii) Against the budget provision of ₹ 11.55 crore under Capital Head an expenditure of ₹ 3.07 crore incurred which resulted into saving of ₹ 8.48 crore was 73 per cent against the budget provisions. This shows that unrealistic provision was made in budget.
- iii) The entire budgetary provision of ₹ 53.70 crore remained unutilized at the end of the financial year 2016-17 in 8 minor heads/schemes and whole budget provision amounting to ₹ 53.70 crore was withdrawn through re-appropriation (*Appendix 2.21*).
- iv) In 20 sub heads, there were persistent saving ranging between 12 and 100 per cent of the total provision as per details given in (*Appendix 2.22*).
- v) Out of total expenditure of ₹ 262.52 crore for 2016-17 on 22 schemes, an expenditure of ₹ 152.93 crore (58 per cent) was incurred on these schemes during the last quarter of the year 2016-17. Out of these 22 schemes, 100 per cent expenditure was incurred on five schemes during the last quarter (*Appendix 2.23*).
- vi) Against the provision of ₹ 0.05 crore under Head 2225-01-283-98 establishment cost chargeable, an expenditure of ₹ 1.14 crore was incurred during 2016-17. This resulted in excess expenditure of ₹ 1.09 crore which requires regularisation from Legislature.

2.6.3 Delay in submission of Budget Estimates

Budget estimates for the year 2016-17 were required to be submitted to the Finance Department by the Administrative Departments and Heads of various offices before 5th November 2015. Contrary to this, it came to notice during review of Grant No. 11 and 19 that Head of offices submitted their estimates to Finance Department on 4th December 2015 and 26th November 2015 respectively after delays ranging between 21 days and 29 days.

2.7 Conclusions

During 2016-17, expenditure of ₹ 93,069.66 crore was incurred against total grants and appropriations of ₹ 1,12,659.46 crore. Overall savings of ₹ 19,589.80 crore were the result of saving of ₹ 19,846.78 crore in various grants and appropriation offset by excess expenditure of ₹ 256.98 crore under three grants which required regularisation under Article 205 of the Constitution of India in addition to excess expenditure of ₹ 2,841.81 crore in grants relating to the period 2011-12 to 2015-16.

In 50 cases, ₹ 22,180.04 crore were surrendered at the end of the financial year (more than ₹ 10 crore surrender in each case). In 12 cases, ₹11,870.37 crore was surrendered including an excess surrender of ₹ 2,508.94 crore than actual savings indicating inadequate budgetary control in these departments.

Out of savings of ₹ 9,968.73 crore in 30 cases, savings of ₹ 823.41 crore were not surrendered. There were also cases of injudicious re-appropriations.

2.8 Recommendations

The Government may consider:

- i) Taking up the matter with Public Accounts Committee for regularisation of excess expenditure;
- ii) Preparing realistic budget estimates to avoid large savings and supplementary provisions;
- iii) Devising suitable mechanism to avoid rush of expenditure in the last quarter/month of the financial year; and
- iv) Devising suitable mechanism for improvement in functioning of treasuries to ensure timely submission of vouchers, accounts, etc.