

## Chapter II

### Financial Management and Budgetary Control

#### 2.1 Introduction

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

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

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

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2016-17 against 55 grants/appropriations is given in **Table 2.1** below:

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

(₹ in crore)

Nature of expenditure		Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Amount surrendered on 31 March 2017	Percentage of savings surrendered by 31 March 2017
<b>Voted</b>	I Revenue	1,16,812.07	6,615.05	1,23,427.12	1,12,448.04	(-)10,979.08	10,940.11	10,940.11	99.6
	II Capital	24,591.00	95.84	24,686.84	17,849.21	(-) 6,837.63	5,885.57	5,885.57	86.1
	III Loans and Advances	11,067.20	1,379.41	12,446.61	12,965.45	(+) 518.84	366.28	366.28	-
<b>Appropriation to Contingency Fund</b>		-	-	-	-	-	-	-	
<b>Total Voted</b>		<b>1,52,470.27</b>	<b>8,090.30</b>	<b>1,60,560.57</b>	<b>1,43,262.70</b>	<b>17,297.87</b>	<b>17,191.96</b>	<b>17,191.96</b>	<b>99.4</b>
<b>Charged</b>	IV Revenue	17,649.99	315.90	17,965.89	17,897.85	(-) 68.04	66.71	66.71	98.0
	V Capital	- <sup>1</sup>	0.75	0.75	0.75	-	- <sup>2</sup>	- <sup>2</sup>	
	VI Public Debt-Repayment	4,720.49	316.49	5,036.98	5,014.57	(-) 22.41	22.42	22.42	100.0
<b>Total Charged</b>		<b>22,370.48</b>	<b>633.14</b>	<b>23,003.62</b>	<b>22,913.17</b>	<b>90.45</b>	<b>89.13</b>	<b>89.13</b>	<b>98.5</b>
<b>Grand Total</b>		<b>1,74,840.75</b>	<b>8,723.44</b>	<b>1,83,564.19</b>	<b>1,66,175.87<sup>3</sup></b>	<b>17,388.32</b>	<b>17,281.09</b>	<b>17,281.09</b>	<b>99.4</b>

Source: Appropriation Accounts

Table 2.1 indicates that supplementary provision aggregating to ₹ 8,723.44 crore obtained during 2016-17 proved unnecessary as the actual expenditure did not even come up to the level of original grant/appropriation. The overall saving (₹ 17,388.32 crore) was the result of savings of ₹ 17,388.72 crore in 47 grants and 45 appropriations under Revenue Section, 33 grants and four appropriations under Capital Section, offset by overall excess of ₹ 0.40 crore in two grants under Revenue Section.

The Accountant General (AG), Accounts and Entitlement (A&E), Rajasthan forwarded (June-July 2017) Detailed Appropriation Accounts to the Controlling Officers for explanation of the significant variations of savings/excesses. Out of 1,460 sub-heads, explanations for variation in respect of 814 sub-heads (saving: 642 and excess: 172) were awaited (October 2017).

## 2.3 Financial accountability and budget management

### 2.3.1 Excess over provisions relating to previous years (2014-16) requiring regularisation

Under Article 205 of the Constitution of India, it is mandatory for State Governments to get the excess over grant/appropriation, regularised by the

<sup>1</sup> Only ₹ 6,000.

<sup>2</sup> Only ₹ 6,000.

<sup>3</sup> The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 3,205.75 crore and Capital: ₹ 870.24 crore, Total: ₹ 4,075.99 crore).

State Legislature. Although no time limit for regularisation of expenditure has been prescribed, such regularisation is done after completion of the discussion on Appropriation Accounts by the Public Accounts Committee (PAC).

In one grant and four appropriations, excess expenditure amounting to ₹ 177.42 crore for the period 2014-16 was yet to be regularised (as on 14 August 2017). The year-wise details are summarised in **Table 2.2** below:

**Table 2.2: Excess over provisions relating to previous years requiring regularisation**

Year	Total number of Grants/Appropriations	Number and name of Grant/Appropriation	Grant/Appropriation	Amount of excess (₹ in crore)	Stage of consideration by PAC
2014-15	1	Public Debt	Capital Charged	3.15	Yet to be examined by PAC
2015-16	4	Interest Payment	Revenue Charged	46.21	Yet to be examined by PAC
		22-Area Development		₹ <sup>4</sup>	
		18-Public Relation	Revenue Voted	0.11	
		Public Debt	Capital Charged	127.95	
<b>Total</b>	<b>5</b>			<b>177.42</b>	

Source: Appropriation Accounts

### 2.3.2 Excess over provisions during 2016-17 requiring regularisation

**Table 2.3** contains the summary of excess over provision under two grants amounting to ₹ 0.40 crore, which was authorised from the Consolidated Fund of the State, during 2016-17 and requires regularisation under Article 205 of the Constitution.

**Table 2.3: Excess over provisions requiring regularisation during 2016-17**

(₹ in crore)				
S. No.	Number and name of Grant	Total appropriation	Expenditure	Excess
<b>Revenue Voted</b>				
1.	02- Council of Ministers	10.69	10.86	0.17
2.	20-Housing	88.17	88.40	0.23
<b>Grand Total</b>		<b>98.86</b>	<b>99.26</b>	<b>0.40</b>

Source: Appropriation Accounts

The Finance Department did not furnish reasons for excess expenditure over authorisation from Consolidated Fund of the State to Accountant General (A&E), Rajasthan.

### 2.3.3 Excess Expenditure

In five heads of accounts, there were cases of excess expenditure of more than ₹ one crore and also by more than 10 per cent of the total provisions in each

<sup>4</sup> Only ₹ 21,106

head (*Appendix 2.1*). Even though there was overall savings in the grant, in four heads of accounts, reappropriation was not done.

**Inadequate provision of funds resulting in excess expenditure indicated deficient budgetary and expenditure controls.**

**2.3.4 Rush of expenditure**

Maintaining uniform pace of expenditure is a crucial component of sound public financial management. Any rush of expenditure in the closing month of the financial year should be avoided.

During 2016-17, in respect of 75 sub-heads (*Appendix 2.2*), expenditure of ₹ 14,624.19 crore (exceeding ₹ 50 crore and more than 30 per cent of the total expenditure in each case) was incurred in the last quarter of the financial year, which was 51.2 per cent of total expenditure (₹ 28,548.73 crore). Of this, ₹ 10,590.05 crore (72.4 per cent) was spent in March 2017 alone.

Major Heads, where expenditure exceeding ₹ 25 crore and more than 50 per cent of total expenditure, was incurred either during the last quarter or during the last month of the Financial Year, are shown below:

**Table 2.4: Cases of Rush of expenditure towards the end of the Financial Year 2016-17**

(₹ in crore)

S. No.	Head of Account	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2017	
			Amount	% of total expenditure	Amount	% of total expenditure
1.	2075- Miscellaneous General Services	281.31	279.28	99.3	279.04	99.2
2.	2245- Relief on account of Natural Calamities	2155.54*	2777.37	128.8	1667.65	77.4
3.	2853- Non-Ferrous Mining and Metallurgical Industries	329.27	220.57	67.0	181.66	55.2
4.	3452-Tourism	96.08	70.02	72.9	63.35	65.9
5.	4210-Capital Outlay on Medical and Public Health	515.34	312.55	60.6	271.21	52.6
6.	4406-Capital Outlay on Forestry and Wild Life	173.74	120.02	69.1	87.83	50.6
7.	5475- Capital Outlay on Other General Economic Services	466.72	405.83	87.0	360.77	77.3
8.	6235-Loans for Social Security and Welfare	45.00	25.00	55.6	25.00	55.6

**Source:** Information compiled by office of the AG (A&E), Rajasthan.

\* Less expenditure shown in this head due to expenditure met from SDRF at the end of the year.

Incidentally, out of ₹ 34,599.49 crore transferred/deposited in Personal Deposit Account during 2016-17, ₹ 3,626.96 crore (10.48 per cent) was transferred in March 2017 alone, as detailed in *Paragraph 3.6*.

**Thus, substantial expenditure was incurred by the departments at the fag end of the year which was indicative of inadequate financial control over the expenditure.**

**2.3.5 Appropriation vis-à-vis Allocative Priorities**

There were deviations from budget allocation with regard to the expenditure during the financial year, raising questions about the credibility of the budgeting process and budget monitoring.

Appropriation audit revealed that out of the total savings of ₹ 17,388.32 crore during the year 2016-17, in 23 Grants savings exceeded ₹ 100 crore and above in each case, amounting to ₹ 16,203.33 crore (93.2 per cent) as indicated in **Table 2.5** below.

**Table 2.5: List of Grants with savings ₹ 100 crore and above**

(₹ in crore)							
S. No.	No. and Name of the Grant	Original	Supple-mentary	Total	Actual expen-diture	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
<b>(A) Revenue-Voted</b>							
1	8-Revenue	854.81	-	854.81	653.09	201.72 (23.60)	Posts remaining vacant, less expenditure on wages and office expenses, Digital India Land Record Modernisation programme changed into Centre Sector Scheme from 1.4.2016 and expenditure of the scheme incurred through saving bank account of Programme Management Unit, late sanction of survey/re-survey work and release of fund to the extent of unspent amount remained out of total funds which were released earlier by the GoI.
2	10-Miscellaneous General Services	412.83	-	412.83	281.31	131.52 (31.86)	Less receipts of Guarantee fees.  Detailed reasons for savings in other cases were not intimated by the Department.
3	15-Pension and Other Retirement Benefits	12,492.46	177.70	12,670.16	12,278.88	391.28 (3.09)	Reduction in estimated provision was due to death of pensioners, conversion of their pension into family pension and effecting correct classification of pension of employees of Zila Parishads, Municipalities and Panchayat Samiti by treasuries.
4	16-Police	4,426.31	204.64	4,630.95	4,498.59	132.36 (2.86)	Posts remaining vacant, less expenditure on machinery and equipment.  Detailed reasons for savings in other cases were not intimated by the Department.
5	21-Roads and Bridges	1,492.21	109.75	1,601.96	1,458.11	143.85 (8.98)	Non-transfer of cess on sale of petrol and diesel to State Road Development Fund (SRDF).  Detailed reasons for savings in other cases were not intimated by the Department.
6	24-Education, Art and Culture	20,876.09	763.76	21,639.85	20,963.52	676.33 (3.13)	Posts remaining vacant, less receipt of funds from GoI, non-finalization of recruitment process against vacant posts, transfer of posts due to merger of Elementary Education Schools with Secondary Education Schools, non-transfer of non-salary grant in the Personal Deposit Accounts of Block Elementary Education Officer by the Finance Department, less receipt of claims of scholarships, delay in tendering and non-receipts of bills from contractor.  Detailed reasons for savings in other cases were not intimated by the Department.

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(₹ in crore)

S. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual expenditure	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
7	26-Medical and Public Health and Sanitation	6,811.78	-	6,811.78	6,442.86	368.92 (5.42)	Posts remaining vacant, less release of grant for creation of assets, change in project, non-receipt of funds from GoI, slow progress in tendering process and utilization of excess balance of unspent amount of previous years available with Rajasthan Medical Services Corporation more than the prescribed limit of fund.
8	27-Drinking Water Scheme	2,836.98	339.95	3,176.93	2,913.73	263.20 (8.28)	Posts remaining vacant, contradiction in electricity bills and non-submission of bills by the contractors.
9	28-Special Programmes for Rural Development	949.64	-	949.64	741.41	208.23 (21.93)	Less/non-receipts of funds from GoI and diversion of funds to "for water concept" plan.  Detailed reasons for savings in other cases were not intimated by the Department.
10	29-Urban Plan and Regional Development	4,023.79	809.25	4,833.04	4,206.51	626.53 (12.96)	Delay in receipt/less receipt of funds from GoI, posts remaining vacant, slow progress of work and reduction in grant (non-salary).  Detailed reasons for savings in other cases were not intimated by the Department.
11	30-Tribal Area Development	9,113.00	-	9,113.00	7,378.93	1,734.07 (19.03)	Posts remaining vacant at lower level after promotion of official and transfer of posts due to merger of Elementary Education Schools with Secondary Education Schools, less receipt of applications for scholarship, non/less receipt of funds from GoI, delay in tendering process, less release of grants for creation of capital assets from GoI and non-receipts of sanction for schemes from GoI.  Detailed reasons for savings in other cases were not intimated by the Department.
12	33-Social Security and Welfare	4,563.64	222.29	4,785.93	4,521.83	264.10 (5.52)	Posts remaining vacant, less expenditure on food materials and repairs and maintenance of hostels, less release of grant (non-salary) and less receipt of applications for scholarships.  Detailed reasons for savings in other cases were not intimated by the Department.
13	34-Relief from Natural Calamities	2,325.65	2,211.49	4,537.14	4,209.87	327.27 (7.21)	Less expenditure on relief works.
14	35-Miscellaneous Community and Economic Services	420.52	-	420.52	273.33	147.19 (35.0)	Posts remaining vacant, less/non-receipts of funds from GoI, less expenditure on computerization and Bhamashah Yojana.  Detailed reasons for savings in other cases were not intimated by the Department.
15	37-Agriculture	2,482.89	-	2,482.89	2,160.90	321.99 (12.97)	Saving mainly occurred due to delay in restructuring of externally aided project and its implementation. Further, non-implementation of various activities like, strengthening of canals, watershed development, ground water management and solar pump, non/less receipt of fund from GoI, fund release directly by the GoI to respective department, posts remaining vacant, reduction in plan ceiling and less distribution of certified and hybrid seeds also contributed to the savings.
16	41-Community Development	6,537.05	293.49	6,830.54	6,130.37	700.17 (10.25)	Less receipt of fund from GoI and funds released as per recommendation of State Finance Commission.  Detailed reasons for savings in other cases were not intimated by the Department.

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(₹ in crore)

S. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual expenditure	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
17	48-Power	14,623.68	411.48	15,035.16	13,606.55	1,428.61 (9.50)	Non-deposit of Power Tax by the Jaipur, Jodhpur, Ajmer Vidyut Vitran Nigam Limited resulting in non-release of grants and receipts of grants directly by Rajasthan Rajya Vidyut Prasaran Nigam Limited from the GoI under <i>Rashtriya Swachh Urja Kosh</i> .  Detailed reasons for savings in other cases were not intimated by the Department.
18	50-Rural Employment	2,506.38	-	2,506.38	1,499.85	1,006.53 (40.16)	Less receipts of funds from GoI.
19	51-Special Component Plan for Welfare of Scheduled Castes	9,549.49	-	9,549.49	8,304.44	1,245.05 (13.04)	Less receipts of funds from GoI, less expenditure on scholarship, posts remaining vacant, delay in tendering process, non-release of grants for development of Sambal Villages and reduction in plan ceiling.  Detailed reasons for savings in other cases were not intimated by the Department.
	<b>Total (A)</b>	<b>1,07,299.20</b>	<b>5,543.80</b>	<b>1,12,843.00</b>	<b>1,02,524.08</b>	<b>10,318.92</b>	
<b>(B) Capital Voted</b>							
20	12-Other taxes	301.00	-	301.00	100.00	201.00 (66.78)	Not intimated by the State Government.
21	19-Public works	1,617.68	-	1,617.68	719.52	898.16 (55.52)	Due to slow progress of work and less execution of work.  Detailed reasons for savings in other cases were not intimated by the Department.
22	21-Roads and Bridges	3,466.39	-	3,466.39	2,202.98	1,263.41 (36.45)	Not intimated by the State Government.
23	26-Medical and Public Health and Sanitation	352.96	-	352.96	172.50	180.46 (51.13)	Non-execution of technical process of tenders in time by the executive agency for construction works of new building/additional works at subordinate offices and for construction work in respect of declaration made in budget speech, slow progress of work and less receipt of funds from GoI.
24	27-Drinking Water Scheme	3,876.33	-	3,876.33	2,980.11	896.22 (23.12)	Less execution of work.  Detailed reasons for savings in other cases were not intimated by the Department.
25	29-Urban Plan and Regional Development	1,742.68	-	1,742.68	959.45	783.23 (44.94)	Non/less execution of work, less receipt of funds from GoI, posts remaining vacant, time period of development of works of phase II was extended by Asian Development Bank due to obstruction in completion of work at site and tendering of development works at Ganganager, Jhunjhunu, Hanumangarh and Bhilwara, was under process.
26	30-Tribal Area Development	4,666.90	13.93	4,680.83	4,346.48	334.35 (7.14)	Less expenditure on construction work, slow progress of work, reduction in plan ceiling, less adjustment of percentage charges, less/non-execution of work, less/non receipts of funds from GoI, non-receipt of sanction of scheme from GoI and less Internal and Extra Budgetary Resources required by Rajasthan Rajya Vidyut Prasaran Nigam Limited resulting in less investment in share capital.  Detailed reasons for savings in other cases were not intimated by the Department.
27	37-Agriculture	588.97	-	588.97	232.55	356.42 (60.52)	Non-submission of UCs of entire amount by Panchayati Raj Department, less receipt of funds from GoI, funds released directly by

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(₹ in crore)

S. No.	No. and Name of the Grant	Original	Supple-mentary	Total	Actual expen-diture	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
							the GoI to respective Departments under their existing head of account and less execution of construction work by the Rajasthan State Warehousing.
28	43-Minerals	166.00	-	166.00	10.53	155.47 (93.66)	Non-implementation of the scheme (establishment of refinery) in the state, less execution of work by PWD, proposal for purchasing items was not received from Medical & Health Department and proposal for plantation in mining areas was not received from Forest Department.
29	46-Irrigation	1503.68	-	1503.68	1264.09	239.59 (15.93)	Non-submission of bills by the contractors, delay in tendering process, diversion of work from Accelerated Irrigation Benefit Programme to Command Area Development and Water Management, slow progress of works, non-receipts of sanction from GoI, non-adjustment of proportionate expenditure on Parvan Project and less/non-execution of work.
30	51-Special Component Plan for Welfare of Scheduled Castes	5,988.15	-	5,988.15	5,412.05	576.10 (9.62)	Less/non-receipts of funds from GoI, less/non-execution of works, slow progress of work, reduction in plan ceiling and less Internal and Extra Budgetary Resources (IEBR) required by Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur, Jodhpur Vidyut Vitran Nigam Limited respectively resulting in less investment in share capital. Detailed reasons for savings in other cases were not intimated by the Department.
	<b>Total (B)</b>	<b>24,270.74</b>	<b>13.93</b>	<b>24,284.67</b>	<b>18,400.26</b>	<b>5,884.41</b>	
	<b>Grand Total (A+B)</b>	<b>1,31,569.94</b>	<b>5,557.73</b>	<b>1,37,127.67</b>	<b>1,20,914.34</b>	<b>16,203.33</b>	

**Source:** Appropriation Accounts

The cases discussed above indicate that the provisions of Chapter 13 of the SBM were not followed in preparation of budget estimates of expenditure by the departments and Budget Controlling Officers of these grants, which resulted in savings of ₹ 16,203.33 crore.

Out of total savings of ₹ 17,388.32 crore, a sum of ₹ 10,318.92 crore (59.3 *per cent*) pertained to savings (₹ 100 crore and above) under 'Revenue-Voted Section', which indicates deficiencies in budget estimation of expenditure. Savings mainly occurred in areas of Pension and Other Retirement Benefits, Education, Art and Culture, Medical and Public Health and Sanitation, Urban Plan and Regional Development, Tribal Area Development, Relief from Natural Calamities, Agriculture, Community Development, Power, Rural Employment and Special Component Plan for Welfare of Scheduled Castes. The reasons reported were failure to deposit of Power Tax by the three Discoms resulting in non-release of grant, slow progress of work, reduction in grant (non-salary), less expenditure on wages, office expenses, machinery and equipment and posts remaining vacant. However, keeping budgetary provision for vacant posts was in contravention of provisions of para 13.18.2 (a) of the SBM.

A sum of ₹ 5,884.41 crore (33.8 *per cent* of total savings) pertained to savings (₹ 100 crore and above) under 'Capital Section'. Large savings occurred in areas of Public Works, Urban Plan and Regional Development,



Drinking Water Scheme, Road & Bridges, Tribal Area Development, Agriculture and Special Component Plan for Welfare of Scheduled Castes. The main reasons of savings were attributed to less/non-receipt of funds from GoI, reduction in plan ceiling, non/less execution of work and slow progress of works, which indicated stalling in developmental works and non/less creation of assets of the State Government during the year.

In 18 cases, savings ranged between 21.9 and 93.7 *per cent* and exceeded by ₹ 20 crore and more than 20 *per cent* of total provision in each case as detailed in *Appendix 2.3*.

### 2.3.6 Persistent savings

In 23 cases, there were persistent savings of more than ₹ one crore in each case and also by more than 10 *per cent* of the total grant during last three years as summarised in **Table 2.6** and details including major reasons for persistent savings are given in *Appendix 2.4*.

**Table 2.6: List of Grants indicating persistent savings during 2014-17**

S. No.	No. and Name of the Grant	(₹ in crore)		
		2014-15	2015-16	2016-17
<b>Revenue-voted</b>				
1.	11- Miscellaneous Social Services	42.47	34.12	18.96
2.	12- Other Taxes	82.19	138.01	80.25
3.	22-Area Development	5.98	4.00	3.20
4.	28- Special Programmes for Rural Development	284.40	244.24	208.23
5.	29-Urban Plan and Regional Development	565.52	541.67	626.53
6.	30-Tribal Area Development	1222.56	1207.51	1734.07
7.	35- Miscellaneous Community and Economic Services	449.52	54.83	147.19
<b>Capital-Voted</b>				
8.	9-Forest	88.49	14.40	13.20
9.	11- Miscellaneous Social Services	16.29	29.61	25.96
10.	12-Other Taxes	300.00	149.00	201.00
11.	19- Public Works	688.04	319.13	898.17
12.	20-Housing	18.70	3.07	8.36
13.	21-Roads and Bridges	881.43	605.50	1263.41
14.	22- Area Development	90.45	74.50	37.13
15.	23- Labour and Employment	2.88	24.48	25.73
16.	26- Medical and Public Health and Sanitation	122.97	202.29	180.46
17.	27-Drinking Water Scheme	265.69	481.47	896.22
18.	29- Urban Plan and Regional Development	573.42	322.59	783.23
19.	33- Social Security and Welfare	255.98	144.06	57.85
20.	37-Agriculture	120.30	135.61	356.42
21.	43- Minerals	108.21	81.00	155.47
22.	46- Irrigation	211.68	294.28	239.59
23.	47-Tourism	12.87	13.87	28.04

**Source:** Appropriation Accounts

Reasons for persistent savings were mainly due to less/non-receipt of fund from GoI. Other reasons reported were slow progress of work, non receipt of sanction, non/less execution of work, non-implementation of the scheme

(establishment of refinery) in the state, delay in land allotment, late release of sanction for work, reduction in plan ceiling, non-completion of works due to excess work load on Public Works Department, less expenditure on pay and allowances, posts remaining vacant and in some cases reasons for savings were not intimated by the State Government. Keeping budgetary provision for vacant posts was in contravention of provisions of the SBM.

**Thus, the budgetary controls in various departments were not effective and trends of expenditure during previous years were not taken into account while allocating funds for the year. The persistent savings over the years were indicative of over assessment of requirement of funds by the State Government in their Appropriation Act without adequate scrutiny and proper monitoring the flow of expenditure.**

The Controlling Officers of these grants need to be directed by the Finance Department to take necessary steps to avoid persistent savings.

**2.3.6.1** A detailed review of persistent savings under Grant No. 21, 33 and 37 was undertaken. Significant audit findings are discussed below:

***Grant No. 21 Roads and Bridges***

***Public Works Department***

During the period 2014-17, there were persistent savings under the grant No.21-Roads and Bridges, which ranged between ₹ 0.32 crore and ₹ 156.39 crore, being 5.9 per cent to 99.3 per cent of the total provisions, as detailed below:

(₹ in crore)

S. No.	Head of Account	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reason	Audit Comment
1.	3054- Roads and Bridges 04- District and Other Roads 800- Other Expenditure 02-Rural Roads 04-Rajasthan road area modernisation project financed by world Bank (Additional Operational Cost) (Plan)	2014-15	1.00	0.65	-0.35	35.0	Less payment of bill of tender publication works against Estimation.	This indicated that the department did not assess the expenditure properly at the time of estimation.
		2015-16	1.30	0.15	-1.15	88.5	Less payment of bill of Training Service Provider and non-receipts of NOC from World Bank.	This indicated that the department did not pursue the matter with World Bank to ensure timely release of requisite NOC.
		2016-17	1.68	0.21	-1.47	87.5	Reduction in revised estimates	The trend of expenditure in previous years was not kept in view while allocating fund for ensuing year and huge savings indicate faulty estimation
2.	5054- Capital outlay on roads and Bridges 03- State Highways 337-Road Works 01- Construction (Plan)	2014-15	174.73	116.14	-58.59	33.5	Reduction in revised estimates	This indicated that the proposal of capital expenditure was not prepared with proper planning and feasibility study.
		2015-16	51.68	41.40	-10.28	19.9		
		2016-17	39.50	20.84	-18.66	47.2	Revision of estimates due to reduction in plan ceiling.	
3.	5054- Capital outlay on roads and Bridges	2014-15	116.05	101.32	-14.73	12.7	Reduction in revised estimates	The trend of expenditure in previous
		2015-16	218.87	107.77	-111.10	50.8		

S. No.	Head of Account	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reason	Audit Comment
	03- State Highways 337-Road Works 07- Roads Financed by State Road Development Fund 90-Construction Work (Plan)	2016-17	178.00	21.61	-156.39	87.9	Revision of estimates due to reduction in plan ceiling.	years was not kept in view while allocating funds for ensuing year and huge savings indicate faulty estimation. Proposal of capital expenditure should have been prepared with proper planning and feasibility study.
4.	5054- Capital outlay on roads and Bridges 04- District and Other Roads 800-Other Expenditure 14-Road recouped from State Road Development Fund 90-Construction Works (Plan)	2014-15	29.86	18.32	-11.54	38.6	Late release of Administrative Sanction.	This indicates that department did not make efforts to get Administrative sanction in time.
		2015-16	145.91	29.80	-116.11	79.6		
		2016-17	145.37	11.66	-133.71	92.0	Revision of estimates due to reduction in plan ceiling.	The trend of expenditure in previous years was not kept in view while allocating fund for ensuing year and huge savings indicate faulty estimation. Proposal of capital expenditure should have been prepared with proper planning and feasibility study.
5.	5054- Capital outlay on roads and Bridges 04- District and Other Roads 800-Other Expenditure 21- Rajasthan Road Area Modernisation Project Financed by world Bank 01- Rural Link Road (Plan)	2014-15	442.48	390.61	-51.87	11.7	Late release of Administrative Sanction	This indicated that the department did not make efforts to get Administrative sanction within time.
		2015-16	146.02	137.37	-8.65	5.9		
		2016-17	57.00	21.94	-35.06	61.5	Revision of estimates due to reduction in plan ceiling.	The trend of expenditure in previous years was not kept in view while allocating fund for ensuing year and huge savings indicate faulty estimation
6.	5054- Capital outlay on roads and Bridges 04- District and Other Roads 800-Other Expenditure 21- Rajasthan Road Area Modernisation Project Financed by world Bank 02- Road Safety management (Plan)	2014-15	0.71	0.10	-0.61	85.9	Late release of Administrative Sanction.	This indicated that the department did not make efforts to get Administrative sanction within time.
		2015-16	4.42	0.57	-3.85	87.1	Reduction in revised estimates.	The trend of expenditure in previous years was not kept in view while allocating fund for ensuing year and huge savings indicate faulty estimation.
		2016-17	19.47	2.59	-16.88	86.7	Revision of estimates due to reduction in plan ceiling.	
7.	5054- Capital outlay on roads and Bridges 03- State Highways 337-Road Works 07- Roads Financed by State Road Development Fund 91- Percentage Charges for Establishment Expenses (2059) (Plan)	2014-15	9.28	0.96	-8.32	89.7	Reduction in revised estimates and inclusion of prescribed percentage on actual expenditure.	The trend of expenditure in previous years was not kept in view and huge savings indicate faulty estimation.
		2015-16	17.51	1.85	-15.66	89.4		
		2016-17	14.24	1.83	-12.41	87.1	Revision of estimates due to reduction in plan ceiling.	
8.	5054- Capital outlay on roads and Bridges 03- State Highways 337-Road Works 07- Roads Financed by State Road Development Fund 93- Percentage Charges for Roads and bridges (3054) (Plan)	2014-15	3.48	0.36	-3.12	89.7	Reduction in revised estimates and inclusion of prescribed percentage on actual expenditure.	The trend of expenditure in previous years was not kept in view and huge savings indicate faulty estimation.
		2015-16	6.57	0.69	-5.88	89.5		
		2016-17	5.34	0.69	-4.65	87.1	Revision of estimates due to reduction in plan ceiling.	

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S. No.	Head of Account	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Reason	Audit Comment
9.	5054- Capital outlay on roads and Bridges 04- District and Other Roads 800-Other Expenditure 14-Roads recouped from State Road Development Fund 91- Percentage Charges for Establishment Expenditure(2059) (Plan)	2014-15	2.39	1.13	-1.26	52.7	Revision of estimates and inclusion of prescribed percentage on actual expenditure.	The trend of expenditure in previous years was not kept in view and huge savings indicate faulty estimation.
		2015-16	11.67	0.10	-11.57	99.1		
		2016-17	11.63	0.21	-11.42	98.2		
10.	5054- Capital outlay on roads and Bridges 04- District and Other Roads 800-Other Expenditure 14-Road recouped from State Road Development Fund 92- Percentage Charges for tools and Plants(2059) (Plan)	2014-15	0.60	0.28	-0.32	52.3	Revision of estimates and inclusion of prescribed percentage on actual expenditure.	The trend of expenditure in previous years was not kept in view and huge savings indicate faulty estimation.
		2015-16	2.92	0.02	-2.90	99.3		
		2016-17	2.91	0.05	-2.86	98.3		
11.	5054- Capital outlay on roads and Bridges 04- District and Other Roads 800-Other Expenditure 14-Road recouped from State Road Development Fund 93-- Percentage Charges for Roads and bridges (3054) (Plan)	2014-15	0.90	0.42	-0.48	53.3	Revision in revised estimates and inclusion of prescribed percentage on actual expenditure.	The trend of expenditure in previous years was not kept in view and huge savings indicate faulty estimation.
		2015-16	4.38	0.04	-4.34	99.1		
		2016-17	4.36	0.08	-4.28	98.2		

The supplementary provision of ₹ 109.75 crore<sup>5</sup> obtained against this grant during 2016-17 was unnecessary. Besides though there was overall savings of ₹143.85 crore in the grant, ₹173.91 crore was surrendered on last working day of financial year.

**The persistent savings in the above cases indicate inadequate financial control of the department over the expenditure and also that the funds could not be utilized for other development purposes.**

With proper forecasting, such funds which were surrendered at the fag end of year could have been used for execution of other important works/programmes /projects/schemes.

### *Grant No.33 – Social Security and Welfare*

#### *Social Justice and Empowerment Department*

During the period 2014-17, there were persistent savings under the grant No.33 -Social Security and Welfare, ranged between ₹ 0.12 crore and ₹ 180.17 crore, being 0.2 per cent to 100 per cent of the total provisions, as details given below:

<sup>5</sup> Head 3054-80-797-(03)- Transfer to Central Road Fund (100% central).

**Financial Management and Budgetary Control**

**(₹ in crore)**

S. No.	Heads of Accounts	Year	Original Provision#	Expenditure	Savings	Percent-age of savings	Reason	Audit Comment
1	2225- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 01- Welfare of Scheduled Castes 793-Special Central Assistance for Welfare of Scheduled Castes Component Plan 01- Scheduled Castes sub plan (Plan)	2014-15	55.00	54.88	-0.12	0.2	Less number of persons covered the criteria of grants due to various eligibility conditions.	Before making budget provision trends of expenditure in previous year, feasibility/availability of beneficiaries under the scheme should have been properly assessed/ worked out.
		2015-16	55.00	34.00	-21.00	38.2		
		2016-17	60.00	12.44	-47.56	79.3		
2	2235 –Social Security and Welfare 02- Social Welfare 101-Welfare of Handicapped 38- Directorates of Special Abled Persons 03- Interest Grant under Special Abled person Self -employment Scheme (Plan)	2014-15	1.00	0.00	-1.00	100.0	Scheme could not be executed due to non approval of scheme guidelines.	This indicated that the department did not pursue the matter with GoI for approval of scheme guideline.
		2015-16	0.25	0.00	-0.25	100.0		
		2016-17	0.29	0.00	-0.29	100.0		
3	2235 –Social Security and welfare 02- Social welfare 103- Women 's Welfare 20- Mission Gramaya Shakti 01-through the women empowerment department (Plan)	2014-15	10.60	0.00	-10.60	100.0	The scheme could not be executed due to non-sanction of Action plan by the Finance Department.	This indicated that due diligence was not given in preparation of Action plans by the department for getting approval of Finance Department.
		2015-16	10.60	0.00	-10.60	100.0	Non-approval of revised Action plan by the Finance Department.	
		2016-17	10.60	0.00	-10.60	100.0	Non-approval of Action plan by the Finance, Planning Departments and Rajasthan Rural Livelihood Development Parishad.	
4	2235 –Social Security and welfare 02- Social welfare 196-Asistance of Zila Parishads/ district level Panchayats 02-For District level Offices of Women Empowered 10-Integrated Women Enforcement Programme (Plan)	2014-15	2.21	1.57	-0.64	29.0	Less receipt of funds from GoI.	Trend of expenditure in previous year was not taken in consideration by the Department and the department should have pursued the matter with GoI to ensure timely release of funds.
		2015-16	3.99	0.86	-3.13	78.4		
		2016-17	3.96	1.78	-2.18	55.1		
5	2235 –Social Security and welfare 02- Social welfare 196-Asistance of Zila Parishads/ district level Panchayats 05-Grants for Joint Assistance 02-Programme and Activities (Plan)	2014-15	5.00	0.85	-4.15	83.0	Camps for distribution of equipments for Specially Abled Persons could not be organized due to non receipts of required number of applications from possible beneficiaries.	Before making budget provision trends of expenditure in previous year, feasibility/availability of beneficiaries under the scheme should have been properly assessed/worked out.
		2015-16	3.33	2.25	-1.08	32.4		
		2016-17	3.33	2.08	-1.25	37.5		
6	2235 –Social Security and welfare 02- Social welfare 102-Child Welfare 11-Through the Directorate of Child Empowerment department 02-District level Child Empowerment and District Child Protection Unit (Plan)	2014-15	2.25	0.43	-1.82	80.9	Posts remaining vacant	Keeping provisions for vacant posts was in contravention of provision of para 13.18.2(a) of the SBM.
		2015-16	1.68	0.85	-0.83	49.4		
		2016-17	1.34	0.72	-0.62	46.3		
7	2235 –Social Security and welfare 02- Social welfare 103-Women Welfare 05-Women Development Programme 01-Women Development Programme (Plan)	2014-15	1.73	1.21	-0.52	30.1	Posts remaining vacant.	Keeping provisions for vacant posts was in contravention of provision of para 13.18.2(a) of the SBM.
		2015-16	1.89	1.64	-0.25	13.2		
		2016-17	2.57	1.67	-0.90	35.0		

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S. No.	Heads of Accounts	Year	Original Provision#	Expenditure	Savings	Percent-age of savings	Reason	Audit Comment
8	2236- Nutrition 02- Distribution of Nutritious Food and Beverages 101- Special Nutrition Programme 01- Through the Integrated Child Development Service Department 10- I.C.D.S. -IV ( World Bank) (Plan)	2014-15	10.62	1.25	-9.37	88.2	Late receipt of approval of Annual Action Plan and non-receipts of guidelines of schemes from GoI	This indicated that the department did not make timely efforts to get Action Plan.
		2015-16	10.12	3.74	-6.38	63.0	Due to stay of GoI in April 2015 for recruitment of consultants, other personnel under contract and on purchase of materials and other services to be provided.	The Department should have pursued the matter persistently with GoI to vacate the stay.
		2016-17	17.65	8.08	-9.57	54.2	Tender process was not completed for purchase of electronic items.	Delay in tendering process indicates systemic deficiencies.
9	2236- Nutrition 02- Distribution of Nutritious Food and Beverages 101- Special Nutrition Programme 01- Through the Integrated Child Development Service Department 12- Rajiv Gandhi Kishori Balika Empowerment and Nutrition Scheme (Plan)	2014-15	136.33	109.99	-26.34	19.3	Less number of beneficiaries available against target.	Before making budget provision availability of beneficiary under scheme should have been properly assessed.
		2015-16	10.00	0.18	-9.82	98.2	Less expenditure incurred as it was not possible to provide supplementary nutrition to beneficiaries as per prescribed financial norms by GoI.	The department should have pursued the matter with GoI so as to utilize the funds properly.
		2016-17	101.36	0.37	-100.99	99.6	Supplementary nutritional specification were same for ICDS scheme, however financial norms were different for per beneficiary per day and supplies were being made by one Self Help Group for both the schemes, as such for same recipe, different rates cannot be fixed which resulted non-execution of the scheme.	Planning of the scheme for supplementary nutrition for girls indicate defective planning of the department as ICDS scheme for the same purpose was existed.
10	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, other Backward classes and minority 03-welfare of Backward classes 800- Other Expenditure 09- Devnarain Yojana (through the Higher Education Department) 01-Construction of College cum Hostel Building for Girls Students (Plan)	2014-15	7.50	0.00	-7.50	100.0	Non availability of land.	Non-allotment/late allotment of land could have been avoided with proper planning.
		2015-16	3.00	1.92	-1.08	36.0	Delay in allotment of land.	
		2016-17	6.00	3.67	-2.33	38.8	Reduction in revised grant due to reduction in plan ceiling.	The trend of expenditure in previous years was not kept in view and huge savings indicate faulty estimation.
11	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, other Backward classes and minority 04- welfare of minorities 800- Other Expenditure 01-Through the Directorates of Minority Affairs Department 01 Construction of Hostel Building (Plan)	2014-15	2.00	1.06	-0.94	47.0	Construction work of Hostel was completed during 2014-15 for which only ₹ 105.75 lakh was required.	The extent of savings shows systemic deficiencies.
		2015-16	4.00	2.30	-1.70	42.5	The work could not be started in Fatehpur due to dispute, which is under the	Delay in tender process of entrustment of work indicates systemic deficiencies.
		2016-17	4.15	2.65	-1.50	36.1		

**Financial Management and Budgetary Control**

S. No.	Heads of Accounts	Year	Original Provision#	Expenditure	Savings	Percent-age of savings	Reason	Audit Comment
							consideration of the Wafq Tribunal and delay in tender process in Kota, Jodhpur and Ramgarh.	
12	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, other Backward classes and minority 04- welfare of minorities 800- Other Expenditure 01-Through the Directorates of Minority Affairs Department 03-Construction of office building of Minority Affairs Department (Plan)	2014-15	-*	0.00	-*	100.0		
		2015-16	2.00	0.01	-1.99	99.5	Delay in tendering Process	Delay in tender process of entrustment of work indicates systemic deficiencies.
		2016-17	3.76	1.76	-2.00	53.2		
13	4235-Capital Outlay on social Security and Welfare 02- Social Welfare 800- Other Expenditure 09-Scheme for economic backward class 01- Construction of college level hostel building (Plan)	2014-15	-*	0.00	-*	100.0		
		2015-16	40.65	0.00	-40.65	100.0	Non-allotment of Land.	Non-allotment of land could have been avoided with proper planning.
		2016-17	40.65	0.00	-40.65	100.0		
14	4236 -Capital Outlay on Nutrition 02-Distribution of Nutritious food and Beverages 800- Other Expenditure 03-building Construction (Plan)	2014-15	2.18	0.00	-2.18	100.0	Delay in allotment of Land and District collector has not been furnished the complete proposal.	Late allotment of land could have been avoided with proper planning
		2015-16	4.37	0.43	-3.94	90.2	Non-utilisation of complete funds in time by DDO, PWD.	Non-utilisation of funds for intended purpose within stipulated time for construction work led to blocking of fund.
		2016-17	5.00	1.78	-3.22	64.4	Reasons not furnished by the Department.	
15	4236-Capital Outlay on Nutrition 02- Distribution of Nutritious Food and Beverages 800- Other Expenditure 09- Construction of Angan Wari Centre under ICDS Mission Mode (Plan)	2014-15	180.17	0.00	-180.17	100.0	Late approval of Annual Perspective Implementation Plan (APIP) by GoI under Mission Mode Scheme and late receipt of first installment.	The Department should have pursued the matter persistently with GoI to release the requisite sanction.
		2015-16	134.77	39.84	-94.93	70.4		
		2016-17	51.52	24.34	-27.18	52.8	Less rate per unit sanctioned by GoI for construction of <i>Aanganbari</i> centre. At this rate per unit construction was not possible. Another proposal for additional amount was sent to GoI and reply is awaited.	The Department should have pursued the matter persistently with GoI for timely release of funds.
16	4236-Capital Outlay on Nutrition 02- Distribution of Nutritious Food and Beverages 800- Other Expenditure 10-Upgradation and maintenance of Angan Wari centre including crèche construction under ICDS Mission Mode (Plan)	2014-15	9.97	0.00	-9.97	100.0	Non-approval of APIP scheme in time under ICDS Mission Mode by GoI.	The Department should have pursued the matter persistently with GoI for timely release of funds and requisite sanction.
		2015-16	9.97	0.00	-9.97	100.0	Non-approval of amount for maintenance and upgradation of <i>Aanganbari</i> Centre with construction of Cretch under APIP scheme by GoI.	
		2016-17	9.96	0.00	-9.96	100.0	Reasons were not furnished by the Department.	

## Financial Management and Budgetary Control

S. No.	Heads of Accounts	Year	Original Provision#	Expenditure	Savings	Percent-age of savings	Reason	Audit Comment
17	4235-Capital Outlay on Social Security and Welfare 02- Social Welfare 800- Other Expenditure 10-Scheme for persons under Handicapped Act 01- Construction of Ramp and Lift etc. (Plan)	2014-15	2.43	0.44	-1.99	81.9	Non-completion of work in time by PWD, non-availability of land, delay in selection of sites and non-submission of UCs by PWD.	This indicates lack of monitoring and coordination on the part of Department, non-allotment of land/delay in selection of sites could have been avoided with proper planning, and non-submission of UCs shows systematic deficiencies.
		2015-16	5.50	-2.15**	-7.65	139.1		
		2016-17	4.13	1.57	-2.56	62.0		

#Supplementary provisions were not made in these cases

\* Only ₹1000 \*\* Receipt

The supplementary provision in overall grant of ₹ 236.77 crore obtained during 2014-15 was excessive and provision of ₹ 222.29 crore obtained during 2016-17 was unnecessary against budget provision even though there was overall savings ₹ 233.27 crore and ₹ 264.09 crore during 2014-15 and 2016-17 respectively in the grant.

**This indicates deficiencies in estimation of requirement of funds for the remaining period of financial year and failure to ensure smooth and consistent flow of expenditure by the department.**

Keeping budgetary provision for vacant posts was in contravention of provision of para 13.18.2(a) of the SBM, which stated that provision shall not be made for vacant posts. The savings against total budget provision during 2014-17 exhibited persistent trends which was indicative of over assessment of requirement of funds under various heads by the department without adequately scrutinising the same and properly monitoring the flow of expenditure.

### **Grant No. 37- Agriculture**

#### **Agriculture Department**

During the period 2014-17, there were persistent savings under the grant No.37-Agriculture, ranging between ₹ 1.00 crore and ₹ 184.38 crore, being 6.9 per cent to 100 per cent of the total provisions, as detailed given below:

(₹ in crore)

S. No.	Head of Account	Year	Original provision#	Expenditure	Savings	Percentage of savings	Reasons	Audit comment
1	2401- Crop Husbandry 102-Food Grain Crops 01-National Food Security Mission 02- National Food Security Mission Pulses (Plan)	2014-15	5.17	2.65	-2.52	48.7	Less availability of gypsum due to closing of the Rawala plant of RSMAL and less cost per unit of gypsum.	The trend of expenditure in previous year was not kept in view and department should have pursued the matter with GoI appropriately for availability of adequate funds for scheme.
		2015-16	3.98	2.98	-1.00	25.1	Less demand of gypsum by farmers due to increase in rate of gypsum after abolition of Top-up subsidies on gypsum.	



**Financial Management and Budgetary Control**

S. No.	Head of Account	Year	Original provision#	Expenditure	Savings	Percentage of savings	Reasons	Audit comment
		2016-17	5.31	2.01	-3.30	62.1	Non- release of second installment and revalidation of balance amount of previous years was not done by GoI and less cost per unit of gypsum even after achieving excess physical progress.	
2	2401- Crop Husbandry 109- Extension and Farmers' Training 13 Innovatives Programme/Minikit Distribution (Plan)	2014-15	25.13	21.48	-3.65	14.5	Less expenditure incurred per crop exhibition due to less availability of required <i>Adaan</i> for crop exhibition.	Before making Budget provision availability of seeds, required sanction was not kept in view and huge savings indicate faulty estimation.
		2015-16	8.68	5.10	-3.58	41.2	Non-receipt of sanction from Finance Department for Mini Kit Distribution.	
		2016-17	5.82	3.11	-2.71	46.6	Less availability of certified seeds and late receipts of sanction for nutrient mini kit distribution.	
3	2401- Crop Husbandry 109- Extension and Farmers' Training 16- National Mission on Agriculture Extension and Technology mission 01-National Mission on Agriculture Extension (Plan)	2014-15	25.71	6.10	-19.61	76.3	Less receipt of funds from GoI and late release of funds by GoI.	This indicated that the department did not make timely efforts for release of more funds. Further, it was the responsibility of the department/State Government to ensure timely completion of required level of work.
		2015-16	15.14	13.32	-1.82	12.0	Less receipt of fund from GoI and posts remaining vacant	
		2016-17	22.02	11.97	-10.05	45.6	Posts remaining vacant under contractual head and non-completion of construction work.	
4	2401- Crop Husbandry 119- Horticulture and Vegetable Crops 26-For conversion from flow irrigation to drip irrigation (Pradhanmantri Krishi Sinchai Yojana-Macro Irrigation) (Plan)	2014-15	149.80	61.99	-87.81	58.6	The estimates were prepared on the basis of proposed physical targets for ensuing year. Revision of estimates due to less interest shown by the farmers because of curtailment of grant in previous years.	The trend of expenditure in previous years was not kept in view and huge savings indicate faulty estimation.
		2015-16	127.62	57.42	-70.20	55.0		
		2016-17	139.15	69.25	-69.91	50.2		
5	2401- Crop Husbandry 119- Horticulture and Vegetable Crops 38- National Agriculture Forestry and Bamboo Mission (Plan)	2014-15	1.94	0.19	-1.75	90.2	Non/late/less receipt of funds from GoI and non/delayed sanction of the work plan.	This indicates that the department did not make efforts timely to get funds released and sanction of the work plan.
		2015-16	1.65	0.42	-1.23	74.5		
		2016-17	1.99	0.10	-1.89	95.0		
6	2401- Crop Husbandry 196-Assistance to Zila Parishads/District Level Panchayats 06-District level Agriculture Schemes 19-National Food Security Mission- Wheat (Plan)	2014-15	31.97	17.01	-14.96	46.8	Less work scheme sanctioned by GoI, less receipts of funds from GoI, abolition of top-up subsidy on gypsum and grant given to only those farmers for Pump sets who has made farm ponds which resulted less demand shown by the farmers. Non-release of second installment by the GoI and revalidation of balance amount of previous year was not done by GoI.	The trend of expenditure in previous years not kept in view and department should have pursued the matter with GoI appropriately for availability of adequate funds and more sanctions of work for schemes.
		2015-16	27.33	9.36	-17.97	65.8		
		2016-17	24.50	6.35	-18.15	74.1		

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S. No.	Head of Account	Year	Original provision#	Expenditure	Savings	Percentage of savings	Reasons	Audit comment
7	2401- Crop Husbandry 196-Assistance to Zila Parishads/District Level Panchayats 06-District level Agriculture Schemes 20- National Food Security Mission-Pulses (Plan)	2014-15	99.92	76.54	-23.38	23.4	Less availability of seeds, grant given to only those farmers for Pump sets who has made farm ponds which resulted less demands shown by farmers. Posts remaining vacant, less number of beneficiary farmers in drip irrigation scheme due to less grant was given in comparison to other schemes, non-release of second installment by GoI and revalidation of balance amount of previous year was not done by GoI.	Before making budget provision availability of seeds, trends of expenditure in previous years, requirement for implementation of schemes was not kept in view by the department. Keeping provisions for vacant posts was in contravention of provision of para 13.18.2 (a) of the SBM. Department should have pursued with GoI for availability for adequate funds for schemes.
		2015-16	108.90	81.57	-27.33	25.1		
		2016-17	153.49	77.54	-75.95	49.5		
8	2401- Crop Husbandry 196-Assistance to Zila Parishads / District level Panchayats 06-District Level Agriculture Schemes 22- National Food Security Mission-Coarse Cereals (Plan)	2014-15	42.53	12.99	-29.54	69.5	Less availability of seeds and in cluster exhibition the unit cost was less.	Before making budget provision availability of seeds, trends of expenditure in previous years, requirement of schemes was not kept in view by the department and department should have taken effective steps to ensure availability of seeds.
		2015-16	38.44	16.83	-21.61	56.2		
		2016-17	38.44	17.14	-21.30	55.4		
9	2401- Crop Husbandry 196-Assistance to Zila Parishad/District Level Panchayat 06-District level Agriculture Scheme 25- National Mission on Agriculture Extension and Technology- Agriculture extension (Plan)	2014-15	25.17	7.10	-18.07	71.8	Late/less-receipt of fund from GoI.	This indicated that the department did not pursue the matter with GoI for timely release of adequate funds.
		2015-16	22.47	14.13	-8.34	37.1		
		2016-17	17.80	13.38	-4.42	24.8		
10	2401- Crop Husbandry 196-Assistance to Zila Parishads/District level Panchayats 06-District Level Agriculture Schemes 28- Sustainable Agriculture Mission- Rainfed Area Development (Plan)	2014-15	32.28	0.86	-31.42	97.3	Less receipt of fund from GoI, delay in issue of guidelines by GoI and activities of work related to various departments. Delay in sanction of annual plan for 2016-17.	This indicated that the department did not make efforts for release of adequate funds from GoI.
		2015-16	40.22	10.24	-29.98	74.5		
		2016-17	9.75	5.13	-4.62	47.4		
11	2401- Crop Husbandry 197-Assistance to Block Panchayats/Intermediate level Panchayats 02-Establishment expenditure at Panchayat Samiti Level (Non-plan)	2014-15	216.45	192.94	-23.51	10.9	Posts remaining vacant.	Keeping provision for vacant posts was in contravention of provision of para 13.18.2 (a) of the SBM.
		2015-16	221.28	192.44	-28.84	13.0		
		2016-17	214.28	188.68	-25.60	11.9		
12	2401- Crop Husbandry 800- Other expenditure 27-Rashtriya Krishi Vikas Yojana (SCA) 01-Through the Agriculture Department (Plan)	2014-15	251.72	234.34	-17.38	6.9	Estimate of Budget provision was made on the basis of previous year expenditure and demand for running projects.	Before making budget provision, trends of expenditure in previous years and assessing the requirement of schemes was not
		2015-16	181.55	114.57	-66.98	36.9		
		2016-17	193.56	152.59	-40.97	21.2		

S. No.	Head of Account	Year	Original provision#	Expenditure	Savings	Percentage of savings	Reasons	Audit comment
								kept in view by the department.
13	2401- Crop Husbandry 800- Other expenditure 27- Rashtriya Krishi Vikas Yojana (SCA) 17-Through the Gopalan Department	2014-15	.*	0.00	.*	100.00	Estimate of Budget provision was made on the basis of previous year expenditure and demand for running projects.	Before making budget provision trends of expenditure in previous years and assessing the requirement of schemes was not kept in view.
		2015-16	5.00	0.22	-4.78	95.6		
		2016-17	3.00	0.85	-2.15	71.7		
14	2401- Crop Husbandry 800- Other expenditure 31-Rajasthan Agriculture Competitive Project 01-Through the Agriculture Department	2014-15	27.60	2.00	25.60	92.8	Due to delay in restructuring of schemes, time taken by the department due to understanding the process of schemes and delay in approval of revised financial agreements.	Before making budget provision time taken in procedure of restructuring of schemes was not kept in view by the department.
		2015-16	58.65	12.53	-46.12	78.6		
		2016-17	233.96	49.58	-184.38	78.8		
15	2401- Crop Husbandry 800- Other expenditure 35-National Mission of Sustainable Agriculture 02- Soil Health Management	2014-15	15.89	0.00	-15.89	100.0	Work could not be started due to non receipt of sanction from GoI, delay in establishment of labs, less purchase of equipment and expenditure incurred as per actual requirement.	The extent of savings shows systemic deficiencies.
		2015-16	10.90	2.14	-8.76	80.4		
		2016-17	10.40	3.74	-6.66	64.0		
16	4401-Capital Outlay on Crop Husbandry 800-Other expenditure 02 Through the agency of Agriculture Department 05-Construction of building for Kisan Sewa Kendra and Village knowledge Centres	2014-15	222.18	141.59	-80.59	36.3	Non receipt of UCs from Panchayati Raj Department.	The extent of savings shows systemic deficiencies.
		2015-16	77.75	18.99	-58.76	75.6		
		2016-17	77.75	58.17	-19.58	25.2		
17	4401-Capital outlay on Crop Husbandry 800-Other Expenditure 03- Rashtriya Krishi Vikas Yojana (SCA) 07-Through the Agriculture Marketing Board	2014-15	15.00	10.00	-5.00	33.3	In anticipation of less expenditure, revised provision was made.	The trend of expenditure in previous years not kept in view and department should have pursued with GoI appropriately for availability adequate funds for schemes and more works sanctions for schemes.
		2015-16	15.00	4.90	-10.10	67.3	Less expenditure on the implementation of RKVY works.	
		2016-17	5.00	1.00	-4.00	80.0	Short sanction of funds by GoI. Looking in to last year's progress and after review of current year progress and availability of fund, provision was revised.	

#Supplementary provisions were not made in these cases

\* ₹1,000

**The persistent savings of huge funds against total provisions in respect of important development works/programmes as mentioned in the above table were indicative of deficiencies in monitoring and budgetary controls.**

### 2.3.7 Unnecessary/excessive supplementary provision

Para 24.2 of SBM stipulates that during the course of a financial year, the amount provided for the purpose is found to be inadequate or need arises for an

expenditure on some object or service for which no provision has been made, a supplementary provision can be sanctioned by the Legislature. During 2016-17, supplementary provision, aggregating to ₹ 1,453.04 crore, obtained in 16 cases (₹ one crore or more in each case), proved unnecessary as the expenditure did not even come up to the level of the original provision (*Appendix 2.5*). Out of these, 5 cases where supplementary provisions of more than ₹ 100 crore in each case proved unnecessary are given below in **Table 2.7**:

**Table 2.7: Cases where supplementary provisions (more than ₹ 100 crore) proved unnecessary during 2016-17**

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Expenditure	Supplementary Provision	Reasons for supplementary provisions
<b>Revenue-Voted</b>					
1	15-Pensions and Retirement Benefits Other	12,492.46	12,278.88	177.70	For payment of pension of Zila Parishads and Panchayat Samiti pensioners.
2	21-Roads and Bridges	1,492.21	1,458.11	109.75	For transfer to Central Road Fund.
3.	33-Social Security and Welfare	4,563.64	4,521.83	222.29	Due to increase in number of pensioners under <i>Mukhya Mantri Old Age Samman Pension Yojana</i> .
4.	41-Community Development	6,537.05	6,130.37	293.49	Additional provision for Panchayat Samitis and Gram Panchyats under the recommendation of State Finance Commission and Additional provision of payment of salary to Panchayat Samiti Employees.
5.	48-Power	14,623.68	13,606.55	411.48	Assistance to Vidyut Vitran Company for non- increasing of rates of electricity.

**Source:** Appropriation Accounts

In all the above cases, it was seen that provision for supplementary grants proved unnecessary as the actual expenditure was even less than the original budget estimates.

**This indicates deficiencies in estimation of requirement of funds for the remaining period of the financial year and failure to monitor the flow of expenditure by these departments. Thus, unnecessary supplementary provisions were made without assessing the actual requirements of funds under these sub-heads.**

### 2.3.8 Excessive/unnecessary reappropriation of funds

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

Injudicious reappropriation of funds proved excessive, unnecessary or insufficient and resulted in excess expenditure of ₹ 174.82 crore in 64 sub-heads and final savings of ₹ 242.51 crore in 366 sub-heads. The final excesses/savings after reappropriation was more than ₹ one crore in 22 head of

accounts (*Appendix 2.6*). There was insufficient reappropriation in eight head of accounts, unnecessary reappropriation in four head of accounts and excessive reappropriation in 10 head of accounts.

**This indicates that the availability/ requirement of funds, was properly not assessed before the reappropriation.**

### 2.3.9 *Unexplained reappropriations*

Para 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of reappropriation orders issued (31 March 2017) by the Finance Department, revealed that out of 1,669 explanations, 588 cases were clearly explained in the reappropriation orders. Explanations, in the remaining 1,081 cases, were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'.

**This also goes against the principle of transparency stipulated in Section 4 of Fiscal Responsibility and Budgetary Management Act.**

### 2.3.10 *Anticipated savings not surrendered*

As per para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. During 2016-17, out of total savings of ₹ 17,388.32 crore, a sum of ₹ 17,281.09 crore (99.4 per cent) was surrendered on the last working day of the financial year. Of this, ₹ 17,052.18 crore in 48 cases (31 grants and two appropriations) where savings were of more than ₹ 20 crore in each case, grants were surrendered on 31 March (*Appendix 2.7*). Whereas in 15 cases (13 grants), where savings (₹ 9,770.62 crore) were ₹ one crore and above, an amount of ₹ 227.70 crore was not surrendered (*Appendix 2.8*).

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

The Departments did not furnish (October 2017) reasons/explanations regarding surrender of savings on the last working day of financial year and non-surrendering of ₹ 227.70 crore.

### 2.3.11 *Lump sum provision*

Para 13.16 of SBM stipulates that as a rule, the lump sum provision should not be made in the estimates. However, in some cases, where the lump sum provision may become unavoidable and barring the cases where expenditure from lump sum allotments is regulated by standing sanctions, instructions or rules, detailed explanations justifying proposed provision shall be given in the budget note accompanying the lump sum estimates.

During 2016-17, in 90 cases (more than ₹ 15 crore and also more than 50 per cent of budget provision in 22 grants), lump sum provision of ₹ 6,562.78 crore was made in the estimates. Out of this, a sum of ₹ 4,461.11 crore (68 per cent) remained unutilised, was surrendered at the fag end of the year (*Appendix 2.9*). Reasons for making lump sum budget provisions in these cases were not furnished (October 2017) by the Government.

### ***2.3.12 Surrender in excess of actual savings/excess***

In three grants, an amount of ₹ 362.43 crore was surrendered against the savings/excess of ₹ 234.73 crore, which was in excess by ₹ 127.70 crore (*Appendix 2.10*).

**This indicated that the departments failed to exercise necessary budgetary controls over the flow of expenditure through the monthly expenditure statements.**

The Departments did not furnish any reasons/explanations regarding surrender in excess of actual savings (October 2017).

### ***2.3.13 Unrealistic Budget Estimates***

As per chapter 8 of State Budget Manual, Vol. I of Rajasthan, all Budget Controlling Officers (BCOs) are responsible for collating and reviewing estimates of receipts and expenditure prepared by estimating officers under their administrative control as well as for preparing estimates of off budget funds likely to be provided by GoI for departmental schemes. BCOs should collate all estimates prepared by estimating officers and review, cross verification, consolidation of revenue and expenditure estimates.

During scrutiny of appropriation account it was observed that in 2013-14, 2014-15, 2015-16 and 2016-17 budget provision of ₹ 15.04 crore, ₹ 132.99 crore, ₹ 388.22 crore and ₹ 361.16 crore respectively were made under 20 schemes which remained entirely unutilized. This indicates that budget provision were prepared on *ad hoc* basis without assessing the actual requirement. The details are given in *Appendix 2.11*.

### ***2.3.14 Misclassification of Budget provision under Revenue Section and Capital section***

Indian Government Accounting Standards (IGAS)-2, regarding accounting and classification of grant-in-aid prescribe that the grant-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure in the financial statement of the grantor irrespective of the purpose for which the funds were disbursed. Except in cases specifically authorized by President of India on the advice of the Comptroller and Auditor General, these can be debited to a capital head of account in the financial statements of the Government. As per Rule 338 (1) of GF&ARs, expenditure on a temporary assets or grant-in-aid shall not ordinarily be considered as expenditure of a capital nature.

It was observed that during 2015-16 and 2016-17 grant-in-aid ₹ 2.69 crore and ₹ 1.54 crore respectively was continuously misclassified under capital expenditure. The details are given in table below:

**Misclassification of Grant-in-aid**

(₹ in crore)

S. No.	Number and Name of the Grant	Head of Account	2015-16		2016-17	
			Budget provision	Expenditure	Budget provision	Expenditure
1.	22-Area Development	4705-Capital Outlay on Command Area Development 107-Gang Nahar Project 01-Through the Chief Engineer, Command Area Development (Indira Gandhi Nahar Project, Bikaner) 01-Land Development works (from Gang Nahar Project area) 12- Grants-in-aid (non-salary)	5.10	2.69	5.10	1.54

Further, as per Rule 30 of Government Accounting Rule 1990 read with annexure 8 of SBM, the expenditure of a capital nature shall broadly be defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character. Expenditure of a capital nature shall be distinguished from revenue expenditure both in the Budget estimates and in Government accounts.

Audit observed that ₹ 43.95 crore were incurred under maintenance and repairs were misclassified under capital expenditure. The details are given in table below:

**Misclassification of Maintenance and Repairs**

(₹ in crore)

S. No.	Number and Name of the Grant	Head of Account	2016-17	
			Budget provision	Expenditure
1.	27-Drinking Water Scheme	4215- Capital Outlay on Water Supply and Sanitation 01- Water Supply 102- Rural Water Supply 08- Summer Season Contingency 21- Repair and Maintenance (maintenances)	70.00	43.95

The Finance (Exp.-3) Department accepted the facts and stated (October 2017) that the detailed/object Head 21 is of revenue nature and instructions have been given to Public Health and Engineering Department for sending the proposal for opening these detailed heads under revenue head 2215-Water Supply and Sanitation during processing of supplementary grant for 2017-18.

**2.3.15 Unutilised provision under scheme/heads**

In 48 cases the entire provision under various schemes (₹ 10 crore or more in each case) aggregating to ₹ 3,743.66 crore remained unutilized. The details are given in **Appendix 2.12**.

### **2.3.16 Opening of New Minor Head**

As per Rule 335 of General Financial and Accounts Rule 2017, any new major or minor head as well as the abolition or changes of nomenclature of any of the existing head shall require the approval of Comptroller and Auditor General, who will obtain the approval of the president, where necessary. The State Government has, however, been given discretion to open the sub-heads and detailed heads, where necessary. Para 26 (d) of Government Accounting Rule, 1990 prescribed that classification of account heads in Government Accounts and the order in which the Major and Minor heads shall appear in all account records shall be such as are prescribed by the Central Government from time to time on the advice of the Comptroller and Auditor General of India. The “List of Major and Minor Heads (LMMH)” of Accounts of Union and States contains the classification prescribed in this regard.

Scrutiny of the Budget 2016-17 of Government of Rajasthan revealed that GoR had opened Minor Head 108-*Rashtriya Uchchatar Shiksha Abhiyan* and 103-Youth Welfare Programme for students under Major Head 2202-03 and 4202-03 respectively in the Grant No. 24-Education, Art and Culture, which is not included in the LMMH as intimated by Accountant General, (A&E).

State Government accepted (October 2017) the fact that the Minor Heads were opened during 2015-16 and 2016-17. Thus, GoR has not followed the prescribed provision/procedure laid down in GF&AR and Government Accounting Rules, 1990.

### **2.3.17 Parking of Public Money in the Banks**

Rural Development and Panchayati Raj Department is responsible for implementing various Central & State sponsored schemes in the rural area of the state in order to reduce poverty, increase infrastructure facilities, increase the avenues of wages/self employment and remove the regional imbalances in the field of development. These basic amenities and services are provided through various schemes<sup>6</sup>.

These schemes are implemented and monitored at the State level by the Secretary, Rural Development Department and Secretary cum Commissioner, Panchayati Raj Department. At District level these schemes are implemented by Chief Executive Officer (CEO), Rural Development Cell (RDC) and Additional Chief Executive Officer (ACEO), Panchayati Raj (PR) of Zila Parishad (ZP) through Panchayat Samities and Gram Panchayats. Funds for

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<sup>6</sup> Member of Parliament Local Area Development (MPLAD), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Member of Legislative Assembly Local Area Development (MLALAD), Border Area Development Programme (BADP), Dang Area Development Programme, XIV-Finance Commission, Fifth State Finance Commission, Mukhya Mantri Adarsh Gram Panchayat Yojana (MAGPY), Integrated Wastelands Development Programme (IWDP), Desert Development Programme (DDP), Swachh Bharat Mission (SBM), Mukhyamantri BPL Awas Yojana (MBAY), Mid-day Meal (MDM), Provision of Urban Amenities to Rural Areas (PURA), Swarnjayanti Gram Swarozgar Yojana (SGSY), Particularly Vulnerable Tribal Groups (PVTG), Indira Awas Yojana (IAY), Employment Assurance Scheme (EAS), etc.



Centrally Sponsored Schemes and State Sponsored Schemes are being kept in Bank Accounts and Deposit Accounts respectively.

A review of management of unspent amounts in eight<sup>7</sup> test checked ZPs (RDC and PR) for 2014-15 to 2016-17 was made during July-August 2017, which revealed the following:-.

**(i) Retention of balances by District Offices**

The State Government, in order to implement all development activities for improving the quality of life and economic well-being of the people living in the rural area of the State, release the funds to *Zila Parishads/Panchayat Samiti/Gram Panchayats* for execution of works and implementation of the schemes. Funds so released are deposited in the savings bank accounts in Nationalised Banks/Deposit Accounts. The tendency to draw funds and to keep the same in deposit accounts/bank accounts to avoid lapse of budgetary provisions at the end of the financial year, is against the canons of financial propriety.

Finance Accounts of GoR for 2016-17 had shown the balance of ₹ 1,683.32 crore and ₹ 1,280.05 crore lying in the deposit accounts of Zila Parishad and Panchayat Samities respectively as on 31 March 2017.

A test check of bank accounts of selected ZPs (RDC and PR) revealed that there were huge balances of ₹ 257.46 crore, ₹ 335.59 crore and ₹ 272.13 crore as on 31 March 2015, 31 March 2016 and 31 March 2017 respectively lying in bank accounts as detailed in **Appendix 2.13**.

ZP (RDC), Jaipur and ZP (RDC and PR), Dausa accepted (September 2017) the facts. The ZP (RDC), Jaipur stated that balances were lying in banks pending adjustment. Reasons for non-utilization of scheme funds were not intimated by other ZP (RDC and PR).

**(ii) Saving/Unspent amount under the in-operative/closed schemes not returned to the Government/Schemes**

Scrutiny of schemes, in test-checked districts, indicated that the unspent amount/ savings of in-operative/closed schemes amounting to ₹ 75.15 crore (as on 31 March 2017) (**Appendix 2.14**), were not remitted to government account. Such retention of Government money may lead to a situation where the money could be diverted/mis-appropriated and may remain undetected.

ZP (RDC and PR), Dausa accepted (September 2017) the facts and stated that efforts for refund of balances to State/Central Government of closed schemes are being made by the department. Reasons were not intimated by other ZPs (RDC and PR).

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<sup>7</sup> Ajmer, Bikaner, Bhilwara, Dausa, Jaipur, Jodhpur, Kota and Sikar.

**(iii) Operation of Government transactions in Private/other than nationalized Banks**

As per guidelines issued (June 2004) by the Ministry of Rural Development (MRD), the funds should be deposited and operated in nationalized banks.

It was, however, observed that nine Drawing and Disbursing Officers (DDOs) operated 37 bank accounts in Private/other than nationalized banks during 2014-17 as detailed in **Appendix 2.15**. As of March 2017, ₹ 67.51 crore were lying in bank accounts.

ZP (RDC), Jaipur and ZP (RDC), Dausa stated (September 2017) that accounts of private banks would be closed at the earliest and balances of these accounts would be transferred to Nationalised Banks. Reasons were not intimated by other ZPs (RDC and PR).

**(iv) Multiplicity of Bank Accounts for one Scheme**

In Accounting Procedure for District Rural Development Agency (DRDA), Ministry of Rural Development Guidelines stipulates that the principle of one bank account for each scheme must be followed by DRDA and line level. Second bank account for the same scheme, if at all required could only be opened with the approval of the State Secretary (RD). Multiplicity of bank accounts for one scheme is not permissible.

It was, however, observed that 10 Drawing and Disbursing Officers operated two to eight bank accounts for same scheme during 2014-17 as detailed in **Appendix 2.16**.

ZP (RDC), Dausa accepted (September 2017) the facts and stated that action would be taken for merging of separate accounts of a schemes in one account. Reasons for multiplicity of Bank Accounts for one scheme were not intimated by other ZPs (RDC and PR).

## **2.4 Outcome of review of selected grants**

A review of receipts and expenditure under Grant No. 39- Animal Husbandry and Medical and Grant No. 47- Tourism for the period 2014-17, revealed the following:

***Grant No. 39- Animal Husbandry and Medical***

***Animal Husbandry Department***

**(a) Revenue Expenditure**

Major points revealed during test check of various heads are summarized below:

(i) Following heads of accounts exhibited significant variations of growth of expenditure during 2014-17 by showing substantial decline and increase over the previous year, besides huge deviation in actual from budget estimates.

(₹ in crore)

Head of Account	Year	Original provision#	Expenditure	Growth of expenditure	Percentage of Growth/decline (-)
2403- Animal Husbandry 101- Veterinary Services and Animal Health 17-Animal Disease Control Scheme (ASCAD) 1:3 (Plan)	2014-15	3.24	1.59	-	-
	2015-16	2.98	1.88	0.29	18.24
	2016-17	1.69	1.36	-0.52	- 27.66
2403- Animal Husbandry 102- Cattle & Buffalo Development 16- Cattle Breed Improvement Scheme 01- Through the volunteer Institutions (Plan)	2014-15	5.00	1.52	-	-
	2015-16	4.87	9.60	8.08	531.58
	2016-17	3.81	-	- 9.60	- 100.00
2403- Animal Husbandry 102- Cattle & Buffalo Development 17- Goat Development (plan)	2014-15	0.54	0.29	-	-
	2015-16	0.58	0.51	0.22	75.86
	2016-17	0.54	0.22	- 0.29	-56.86
2403- Animal Husbandry 113- Administrative Investigation and Statistics 02- Live Stock Production Survey Scheme (CSS) 50:50 (Plan)	2014-15	2.66	2.53	-	-
	2015-16	2.64	2.16	- 0.37	- 14.62
	2016-17	2.88	2.63	0.47	21.76
2404-Dairy Development 195- Assistance to Cooperatives 01- Assistance to Raj. Rajya Cop. Dairy Federation (Plan)	2014-15	16.54	1.15	-	-
	2015-16	8.19	3.90	2.75	239.13
	2016-17	8.71	-	- 3.90	- 100.00

#Supplementary provisions were not made in these cases

On this being pointed out the department attributed reasons to revision of estimates, reduction in plan ceiling and non-release of state share. The reasons given by the department are not acceptable because trends of expenditure was not kept in view while making budget provisions which indicate deficient estimation and budgetary forecasting. Moreover, huge budget provision was made despite substantial savings in previous years.

(ii) In following cases, the variation in expenditure over previous years and excess in expenditure against the budget provision ranging between 31.60 per cent to 65.37 per cent were noticed.

(₹ in crore)

Head of Account	Year	Total Provision (O+S)	Expenditure	Growth of expenditure	Percentage of Growth
2403- Animal Husbandry 001- Direction and Administration 01- Animal Husbandry 01- Head Office Staff (Plan)	2014-15	3.73	3.07	-	-
	2015-16	5.29	4.04	0.97	31.60
	2016-17	5.83	5.81	1.77	43.81
2403- Animal Husbandry 101- Veterinary Services and Animal Health 05- Hospitals & Dispensaries (Plan)	2014-15	25.50	21.89	-	-
	2015-16	39.86	36.20	14.31	65.37
	2016-17	64.73	50.29	14.09	38.92
2403- Animal Husbandry 101- Veterinary Services And Animal Health 11- Establishment of polyclinics (Plan)	2014-15	3.25	3.25	-	-
	2015-16	3.53	4.71	1.46	44.92
	2016-17	5.32	6.26	1.55	32.91

The department stated that this was due to revision of estimates. Reasons given by the department indicate deficiencies in budget formulation and system management.

**(b) Capital Expenditure**

In some cases, the variation in expenditure over the previous years were noticed. It was observed that there was reduction in capital expenditure under the Head 4405-101-02-07 to the extent of 31.3 *per cent* during 2016-17 over previous years as shown below. It was also noticed that prior to 2016-17 there was remarkable increase in capital expenditure over previous year.

(₹ in crore)

Head of Account	Year	Original Provision	Supplementary Provision	Total Provision	Expenditure	Growth of expenditure	Percentage of Growth/decline (-)
4405- Capital Outlay on Fisheries 101- Inland Fisheries 02-Through the Chief Engineer, Water Resources Department 07- Development of Fisheries farm	2014-15	1.95	0.35	2.30	0.77	-	-
	2015-16	1.80	0.14	1.94	1.50	0.73	94.8
	2016-17	1.38	-	1.38	1.03	-0.47	-31.3

The department attributed the reasons to (i) late receipt of funds, (ii) late release of financial sanction for Matsya farm, Gilwa, Tonk and (iii) non-utilisation of funds by Water Resources Department, Tonk, Alwar and Command Area Development (CAD), Kota.

The reasons given by the department indicate deficiencies in budget formulation and financial management and lack of pursuance by the Department, besides stalling of development work in 2016-17.

Further, scrutiny also revealed that supplementary provision of ₹ 0.35 crore obtained in 2014-15 and ₹ 0.14 crore in 2015-16 for development of fisheries farm for encouragement to fish cultivation and fisheries production. However, the supplementary provision was proved unnecessary as the expenditure could not come up the original provision. This indicates deficiencies in estimation of requirement of funds for the remaining period of financial year and budgetary forecasting.

**(c) Non-utilisation of entire provision**

As envisaged in para 13.6 of SBM that the estimates of expenditure should be as accurate as possible, an avoidable excess in an estimates is as much a financial irregularity as an excess in actual expenditure. Text check (2014-17) of six sub-heads revealed that the department did not utilise the entire budget provision (more than ₹ one crore) and surrendered/re-appropriated on the last day of financial year, as given in **Appendix 2.17**.

**(d) Receipts**

The revenue receipts Heads “0403-Animal Husbandry” and “0405-Fishries” of Animal Husbandry and Fisheries department comprise the receipts of live stock, service fees, sale of fisheries and fisheries seed, rent and other receipts. The position of Budget Estimates, Revised Estimates and Actual Receipts under heads during the period 2014-17 summarised below:

(₹ in crore)

S. No.	Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+)/ (-) Shortfall	Percent variation to Revised Estimates
1.	0403- Animal Husbandry 102- Receipts from Cattle & Buffalo Development 03- other Misc. Receipt	2014-15	0.07	0.22	0.48	0.26	118.18
		2015-16	0.07	0.20	8.38	8.18	4090.00
		2016-17	0.20	9.00	6.69	- 2.31	25.67
2.	0403- Animal Husbandry 501-Services & Service tax 01- Services & Service tax	2014-15	1.20	1.40	1.32	-0.08	5.71
		2015-16	1.55	2.75	2.50	- 0.25	9.09
		2016-17	3.00	3.00	2.31	-0.69	23.00
3.	0405- Fisheries 800-Other Receipts 01- Other Receipts	2014-15	0.05	0.05	0.55	0.50	1000.00
		2015-16	0.06	1.43	2.42	0.99	69.23
		2016-17	0.90	1.00	1.65	0.65	65.00

It was observed that in all above cases, there was fall of receipts during 2016-17 over the previous year ranging between 7.60 per cent and 31.82 per cent. The revised estimation was not appropriate in case of S. No. 1 and 2 in which receipts fell considerably. The above position indicated under estimation of receipts by the department.

The Department attributed this increase/decrease in receipts to renewal /non-renewal of license by fish cultivators, inadequate water in ponds which led to non-renewal of license by fish cultivators and which eventually resulted in forfeiture of money.

**Thus, there was variation ranging between 5.71 and more than 100 per cent in respect of actual receipts and revised estimates which indicated deficiency in estimation.**

#### Grant No. 47- Tourism

#### Tourism Department

#### (a) Revenue Expenditure

Major points revealed during test check of various heads are summarized below:

(i) Following heads of accounts exhibited significant variations of growth of expenditure during 2014-17 by showing substantial decline and increase over the previous years, besides huge deviation in actual from budget estimates.

(₹ in crore)

Head of Account	Year	Original Provision	Supplementary Provision	Total Provision	Expenditure	Growth of expenditure	Percentage of Growth/decline (-)
3452- Tourism 80-General 800-Other Expenditure 03- Lighting on Historical building and Monument (Plan)	2014-15	0.20	-	0.20	0.21	-	-
	2015-16	0.25	-	0.25	0.25	0.04	19.04
	2016-17	0.30	-	0.30	0.10	- 0.15	-60.00
3452- Tourism 80-General 800-Other Expenditure 05-IT Project (Plan)	2014-15	0.40	-	0.40	0.24	-	-
	2015-16	0.40	-	0.40	0.37	0.13	54.17
	2016-17	2.00	-	2.00	0.28	- 0.09	-24.32
3452- Tourism 80-General 800-Other Expenditure 07-Rajasthan Fair Management Authority (Plan)	2014-15	1.20	-	1.20	0.57	-	-
	2015-16	1.20	-	1.20	0.36	- 0.21	-36.84
	2016-17	1.40	-	1.40	0.60	0.24	66.67

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Head of Account	Year	Original Provision	Supplementary Provision	Total Provision	Expenditure	Growth of expenditure	Percentage of Growth/decline (-)
3452- Tourism 80-General 001-Direction and Administration (Plan)	2014-15	3.75	-	3.75	3.46	-	-
	2015-16	3.57	-	3.57	3.74	0.28	8.09
	2016-17	3.61	-	3.61	4.32	0.58	15.51
3452- Tourism 80-General 001- Direction and Administration (Non-plan)	2014-15	7.62	-	7.62	6.98	-	-
	2015-16	8.06	0.32	8.38	8.41	1.43	20.49
	2016-17	9.51	-	9.51	9.37	0.96	11.41
3452- Tourism 80-General 800-Other Expenditure 02-Tourist Information and Publicity (Plan)	2014-15	11.44	-	11.44	9.05	-	-
	2015-16	24.99	21.07	46.06	45.69	36.64	404.86
	2016-17	42.82	6.82	49.64	50.19	4.50	9.85

The department attributed the variations in expenditure (2015-16) to (i) increase in renovation/maintenance and electrical maintenance, expenses on electrical works, purchase of new computers and hardware parts, expenditure on aggressive marketing campaign, pay and allowances and (ii) less expenditure (2016-17) on renovations/maintenance, transfer of liability of payment of electrical expenditure, less expenditure on pay and allowances, expenses on organising fairs and less expenditure due to sanctions of departmental works was under process and slow progress of work.

**The reasons given by the department indicate systemic deficiencies in financial management of the department, lack of monitoring, deficient estimation and budgetary forecasting because estimation on pay and allowances, renovation work, purchase of computers is normally predictable/forecast before making budget provision.**

### (b) Capital Expenditure

Significant savings and decreasing trends in capital expenditure despite adequate provision, were observed as summarised below:

Head of Account	Year	Original provision*	Expenditure	Growth/decline of expenditure	Percentage of Growth/decline (-)
5452-Capital outlay on Tourism 80-General 800-Other Expenditure 01-Development of Tourist Places (Plan)	2014-15	19.09	15.20	-	-
	2015-16	25.69	23.88	8.68	57.11
	2016-17	29.42	9.75	-14.13	-59.17
5452-Capital outlay on Tourism 80-General 800- Other Expenditure 05-Development Rural Tourism (Plan)	2014-15	13.29	1.31	-	-
	2015-16	38.20	18.14	16.83	1284.73
	2016-17	18.71	10.62	- 7.52	- 41.46

\*Supplementary provisions were not made in these cases

The department attributed the growth/decline in expenditure to (i) non-release of sanctions, (ii) non-utilisation of funds by DDOs and executive agency and (iii) slow progress of work by executing agency. The reply was not acceptable because (i) whenever financial sanctions were delayed, the department should have pursued the matter persistently so as to utilize the fund properly, (ii) non-utilisation of funds indicate deficient estimation and budgetary forecasting and (iii) slow progress of work resulting in savings was indicative of lack of monitoring and coordination on the part of the department which made the proposal for execution of work.

Besides above, review of provision made for developmental and capital works during last three years revealed the followings:

- As per announcement of Hon'ble Chief Minister of Rajasthan during budget speech 2014-15, a provision of ₹ 2.24 crore was made for development of *Rain Basera* in Jhalawar. However, the work was not taken up during the year. Subsequent provisions for the work were again made during 2015-16 and 2016-17. However, the work was yet to be started as of March 2017.

The department stated (August 2017) that the development work could not be started as it was decided (February 2016) to change the work to landscaping of the proposed place, which too could not be taken up during 2016-17 on verbal direction (March 2016) of Principal Secretary to Chief Minister.

- Similarly, a budget provision of ₹ 1.00 crore was also made as per announcement of CM in budget speech 2015-16 for Development work of Mangarhdham (a martyr memorial) in Banswara. However, the work was not taken up during the year. The provision for the work was again made for the year 2016-17. However, the work was yet to be taken up as of March 2017.

The department stated (August 2017) that work plans have been prepared and the work would be started after its approval.

**Thus, the feasibility of work was not properly assessed before making budget provision and provision was extended year to year raising questions about the effectiveness of the budgeting process and budget monitoring.**

**(c) Receipts**

The revenue receipts Heads "1452-Tourism" of Tourism Department comprise the receipts of funds received from GoI for development of tourism places under "other receipts". The position of Budget Estimates, Revised Estimates and Actual Receipts under head during the period 2014-17, is summarised in table.

(₹ in crore)							
S. No.	Head of Account	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess(+)/ (-) Shortfall	Percent variation to Revised Estimates
1.	1452-Tourism	2014-15	0.50	0.90	1.17	0.27	30.00
	800-Other Receipts	2015-16	0.95	1.02	0.80	-0.22	-21.57
	01-Other Receipts (plan)	2016-17	1.15	0.85	0.76	-0.09	-10.59

During 2014-15, the actual receipts were higher by ₹ 0.27 crore from revised estimates. Besides, there was short realisation of receipts to the extent of ₹ 0.22 crore and ₹ 0.09 crore against revised estimates during 2015-16 and 2016-17 respectively.

## 2.5 Irregularities in submission of Detailed Contingent Bills against Abstract Contingent Bills

Rule 8(2) of General Financial and Accounts Rule, (GF&ARs) 2017 prescribes that funds shall be withdrawn only if required for immediate payment and the expenditure is authorised by the competent authority. Further, Rule 219 regulates preparation and drawal of Abstract Contingent (AC) Bill and submission of Detailed Contingent (DC) Bill to the Accountant General and Rule 220 (1) provides for submission of DC bills within a period of three months from the drawal of AC bills (except in case of purchase of machinery/equipments and other articles from abroad by opening of letter of credit, the DC bills may be rendered to the competent authority within six months of the drawal of AC bills).

### Last five years position of the Pendency in submission of Detailed Contingent bills against Abstract Contingent bills at the end of the year

(₹ in crore)

S.No.	Year upto	AC bills drawn		DC bill received		Outstanding AC bills	
		Number	Amount	Number	Amount	Number	Amount
1.	2012-13	37,571	3,558.21	36,912	3,462.64	659	95.57
2.	2013-14	40,701	4,174.63	39,619	3,851.06	1,082	323.57
3.	2014-15	43,965	4,794.52	43,597	4,505.59	368	288.93
4.	2015-16	45,244	5,203.47	44,992	4,929.59	252	273.88
5.	2016-17	46,426	5,847.82	46,206	5,476.07	220	371.75

The outstanding amount of AC bills increased from ₹ 95.57 crore in 2012-13 to ₹ 371.75 crore in 2016-17. While there was considerable improvement in 2014-15 in terms of number of Outstanding Bills, the fact remains that the amount outstanding has not shown a substantial decrease.

Further, during 2016-17 outstanding amount of AC Bills increased by 37 per cent over the previous year.

It was observed that against 46,426 AC bills amounting to ₹ 5,847.82 crore drawn up to 31 March 2017, a total of 46,206 DC bills amounting to ₹ 5,476.07 crore were received by the AG (A&E), leaving 220 AC bills amounting to ₹ 371.75 crore outstanding as on 30 June 2017. Year-wise details of outstanding AC bills are given below:-

### Pendency in submission of Detailed Contingent bills against Abstract Contingent bills

(₹ in crore)

S.No.	Year	AC bills drawn		DC bill received		Outstanding AC bills	
		Number	Amount	Number	Amount	Number	Amount
1.	Up to 2010-11	34,266	3,106.65	34,252	3,103.37	14	3.28
2.	2011-12	1,471	197.72	1,468	197.01	3	0.71
3.	2012-13	1,834	253.84	1,833	252.80	1	1.04
4.	2013-14	3,130	616.42	3,127	612.95	3	3.47
5.	2014-15	3,264	619.89	3,259	614.97	5	4.92
6.	2015-16	1,279	408.95	1,266	405.90	13	3.05
7.	2016-17	1,182	644.35	1,001	289.07	181	355.28
<b>Total</b>		<b>46,426</b>	<b>5,847.82</b>	<b>46,206</b>	<b>5,476.07</b>	<b>220</b>	<b>371.75</b>

The Major Head wise pendency of AC bills for the period upto June 2017 is detailed in *Appendix 2.18*.



Most of the number of unadjusted AC bills pertained to Public Service Commission (39 cases: ₹ 5.18 crore), Other Scientific Research (54 cases: ₹ 0.29 crore), Relief (18 cases: ₹ 342.73 crore) and other Rural Development Programme (15 cases: ₹ 0.19 crore). Outstanding amount of AC bills mainly pertained to Major Head 2245-Relief on account of Natural Calamities, 2210-Medical and Public Health, 4210- Capital Outlay on Medical and Public Health, 2055-Police, 2051-Public Services Commission, 2029-Land Revenue and 4217-Capital Outlay on Urban Development. Un-adjusted AC bills increase the risk of misuse forgery, fraud and wasteful expenditure.

**(i) Unadjusted AC bills**

Text check of information furnished by five departments revealed that in five cases AC bills were drawn but remained unadjusted despite lapse of six months to nine years period, as detailed below:

(₹ in lakh)

S.No.	Name of Office	AC bill		Amount drawn	Reason given by Department for delay
		Major Head	No. and date		
1.	Revenue Board, Ajmer	2029	893/28.02.2012	62.50	Bill received but not verified by the Land Settlement Department.
		2029	183/05.03.2008	292.18	Details of bill awaited from National Informatics Centre Services Inc. (NICSI), New Delhi.
2.	Registration and Stamp Department, Ajmer	2029	510/01.01.2014	125.24	Non-receipt of vouchers from NICSI, New Delhi.
		2029	511/01.01.2014	41.75	
3.	Director, State Forensic Laboratories (SFL), Rajasthan, Jaipur	2055	283/06.01.2015	57.00	Non-purchase of remaining equipment by STC, New Delhi due to hike in rates of imported equipment.
		2055	395/27.03.2015	18.50	
		2055	396/27.03.2015	9.60	
4.	Directorate, Ayurved Department, Rajasthan, Ajmer	2210	436/14.03.2014	179.70	Due to non-submission of final utilization certificate and balance amount was not deposited by Rajasthan Medical Service Corporation Limited.
5.	District Collector, Disaster Management Relief, Udaipur	2245	26/22.11.2016	13007.32	Due to sub-judication of case with High Court, grant-in-aid was not fully utilised.

**Source:** Information compiled by office of the AG (A&E), Rajasthan and from concerned Department

The reasons given by the departments are not acceptable as non-submission of DC bills could have been avoided with proper planning and pursuance for procuring the equipment or AC bills should have been drawn after assessing the actual requirement. Non-receipt of vouchers, non-submission of UCs and delay in purchase indicates lack of monitoring and systemic deficiencies in the Departments.

**(ii) Adjustment of AC bills through DC bills beyond prescribed period**

In the following 10 cases, DC bills for adjustment of funds drawn through AC bills were submitted with delays of three to 144 months after the prescribed period. This also involved refund of unspent amount of ₹ 891.09 lakh.

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(₹ in lakh)

S. No.	Name of Office	Major Head	AC Bills No. & Date	Amount	DC bill No. and Date (Amount)	Amount deposited through Challan	Delay in Months
1.	Revenue Board, Ajmer	2029	134/18.01.2011	26.60	23/05.07.2017	-	75
		2029	582/11.11.2011	82.80	24/05.07.2017 (72.84)	9.96	65
		2029	804/24.01.2012	131.40	25/05.07.2017 (12.05)	119.35	63
		2029	805/24.01.2012	48.60	26/05.07.2017 (14.36)	34.24	63
2.	State Forensic Laboratories, Rajasthan, Jaipur	2055	397/27.03.2015	28.00	90/18.04.2017	-	19
3.	SP, Central Store, Police, Jaipur	2055	787/23.11.2012	79.57	963/09.03.2017	-	49
4.	Principle and Controller, Medical College, Kota	2210	1263/26.03.2016	450.00	464/22.06.2017	-	12
5.	District Collector, Disaster Management and Relief Department, Jalore	2245	24/15.09.2016	4658.48	1/10.07.2017 (4,435.61)	222.87	7
6.	District Collector, Disaster Management and Relief Department, Banswara	2245	33/02.06.2016	0.63	225/20.03.2017	-	6
		2245	35/02.06.2016	11585.49	08/13.06.2017	-	9
7.	District Collector, Disaster Management and Relief Department, Hanumangarh	2245	162/21.07.2016	621.00	96/09.06.2017 (314.73)	306.27	8
		2245	165/21.07.2016	621.00	99/13.06.2017 (429.26)	191.74	8
8.	District Collector, Ajmer	2245	297/03.10.2016	61.45	4/30.03.2017 (57.41)	4.04	3
9.	XEN, PWD, District Division-I, Jaipur	3054	110/29.10.2014	148.10	105/18.10.2016	-	21
		3054	111/29.10.2014	236.13	106/18.10.2016	-	21
		3054	112/29.10.2014	22.49	104/18.10.2016	-	21
		3054	113/29.10.2014	91.21	120/16.11.2016 (89.22)	1.99	22
10.	District Collector, Disaster Management and Relief Department, Sri Ganganagar	2245	101/28.06.2005	4.20	854/07.11.2017 (3.57)	0.63	144
<b>Total</b>						<b>891.09</b>	

Source: Information compiled by office of the AG (A&E), Rajasthan and from concerned Department

Delay in depositing the DC bills and unspent amount was in contravention of provisions contained in Rules 219 and 220(1) of GF&ARs.

### 2.6 Conclusion and Recommendations

During 2016-17, an expenditure of ₹ 1,66,175.87 crore was incurred against total grants and appropriations of ₹ 1,83,564.19 crore leaving savings of ₹ 17,388.32 crore. Further, supplementary provisions of ₹ 1,453.04 crore obtained in 16 cases, proved unnecessary.

Departments surrendered ₹ 17,281.09 crore on the last working day of the financial year leaving no scope for utilising these funds for other purposes. In three cases, ₹ 127.70 crore was surrendered in excess of actual savings. In two grants there was excess expenditure of ₹ 0.40 crore, which requires

regularisation. Further, in 90 cases, lump sum provision of ₹ 6,562.78 crore was made, out of which ₹ 4,461.11 crore (68 per cent) remained unutilised.

Detailed Contingent Bills remained outstanding against 220 Abstract Contingent Bills amounting to ₹ 371.75 crore as on 30 June 2017.

Out of total expenditure of ₹ 28,548.73 crore in respect of 75 sub-heads, a sum of ₹ 14,624.19 crore (exceeding ₹ 50 crore and more than 30 per cent of the total expenditure in each case) was incurred in last quarter of the financial year. Of this, ₹ 10,590.05 crore was spent in March 2017 alone, which led to rush of expenditure at the end of the year.

***Recommendations:***

6. *Controlling/Disbursing Officers should keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to ensure utilisation of allotted funds as per requirement. They should also specifically strengthen monthly expenditure control and monitoring mechanism.*
7. *Efforts should be made by all Departments to submit realistic budget estimates keeping in view the trends of expenditure in order to avoid large scale savings/excesses, reappropriations and surrenders at the end of the year, so that they can be effectively utilised in other areas/schemes.*
8. *A monitoring mechanism should be put in place to adjust the advances drawn against Abstract Contingent Bills within the stipulated period.*
9. *Departments should closely monitor progress of expenditure throughout the year to avoid the rush of expenditure at the end of the year.*