

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 Acts. 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, in 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 2015-16 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 2016	Percentage of savings surrendered by 31 March 2016
Voted	I Revenue	1,01,051.55	7,032.67	1,08,084.22	97,649.96	(-) 10,434.26	10,339.64	10,339.64	99.1
	II Capital	21,955.66	5,430.34	27,386.00	22,466.66	(-) 4,919.34	5,731.75	5,731.75	116.5
	III Loans and Advances	1,317.82	37,365.24	38,683.06	36,602.25	(-) 2,080.81	1,112.26	1,112.26	53.5
Appropriation to Contingency Fund		-	-	-	-	-			
Total Voted		1,24,325.03	49,828.25	1,74,153.28	1,56,718.87	(-)17,434.41	17,183.65	17,183.65	
Charged	IV Revenue	12,076.55	11.60	12,088.15	12,130.11	(+) 41.96	4.22	4.22	-
	V Capital	1	0.16	0.16	0.16	-	2	2	-
	VI Public Debt-Repayment	4,830.44	0.65	4,831.09	4,959.04	(+) 127.95	-	-	-
Total Charged		16,906.99	12.41	16,919.40	17,089.31	(+) 169.91	4.22	4.22	-
Grand Total		1,41,232.02	49,840.66	1,91,072.68	1,73,808.18³	(-) 17,264.50	17,187.87	17,187.87	

Source: Appropriation Accounts

Table 2.1 indicates that supplementary provision aggregating to ₹ 49,840.66 crore obtained during 2015-16 was excessive in comparison to total savings. The overall saving (₹ 17,264.50 crore) was the result of savings of ₹ 17,438.77 crore in 48 grants and 42 appropriations under Revenue Section, 33 grants and three appropriations under Capital Section, offset by overall excess of ₹ 174.27 crore in one grant and two appropriation under Revenue Section and one appropriation under Capital Section.

Had the Government not achieved the savings, its revenue deficit and fiscal deficit would have gone upto ₹ 16,346 crore and ₹ 40,412 crore respectively against the overall revenue deficit of ₹ 5,954 crore and fiscal deficit of ₹ 23,020 crore (without UDAY) during the year. The detail is given below:

(₹ in crore)

Particulars	Actuals	Deficit, if savings had not occurred
Revenue Deficit (-)/ Surplus (+)	(-) 5,954	(-) 16,346
Fiscal Deficit (-)	(-) 23,020	(-) 40,412

The Principal Accountant General (PAG), Accounts and Entitlement (A&E), Rajasthan forwarded (June 2016) Detailed Appropriation Accounts to the Controlling Officers for explanation the significant variations of

¹ Only ₹ 6,000.

² Only ₹ 3,000.

³ The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 3,540.83 crore and Capital: ₹ 481.56 crore, Total: ₹ 4,022.39 crore).

savings/excesses. Out of 1,536 sub-heads, explanations for variation in respect of 723 sub-heads (saving: 478 and excess: 245) were awaited (October 2016).

2.3 Financial accountability and budget management

2.3.1 Excess over provisions relating to previous years (2012-15) 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 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 ₹ 3.97 crore for the period 2012-15 was yet to be regularised (as on 9 September 2016). 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 (As on 9 September 2016)
2012-13	2	11- Miscellaneous Social Services	Revenue-charged	0.01	Action Taken Report No. 137 th of PAC placed in State Legislature on 02.09.2016 and Action Taken Note awaited from the Government.
		20-Housing	Revenue-charged	.4	
2013-14	2	16-Police	Revenue-charged	.5	Action Taken Report No. 138 th of PAC placed in State Legislature on 02.09.2016 and Action Taken Note was awaited from the Government.
		41-Community Development	Capital-voted	0.81	
2014-15	1	Public Debt	Capital Charged	3.15	Yet to be examined by PAC
Total	5			3.97	

Source: Appropriation Accounts

2.3.2 Excess over provisions during 2015-16 requiring regularisation

Table 2.3 contains the summary of excess over provision under one grant and three appropriation amounting to ₹ 174.27 crore, which was authorised from the Consolidated Fund of the State, during 2015-16 and requires regularisation under Article 205 of the Constitution.

⁴ Only ₹ 2,100.

⁵ Only ₹ 23,122.

Table 2.3: Excess over provisions requiring regularisation during 2015-16

(₹ in crore)

S. No.	Number and name of Grant/Appropriation	Total appropriation	Expenditure	Excess
Revenue Charged				
1.	Interest Payment	11,962.09	12,008.30	46.21
2.	22-Area Development	-*	-\$	-#
Revenue Voted				
3.	18-Public Relation	57.24	57.35	0.11
Capital Charged				
4.	Public Debt	4,831.08	4,959.03	127.95
Grand Total		16,850.41	17,024.68	174.27

* Only ₹3,000, \$ Only ₹24,106, # Only ₹21,106

Source: Appropriation Accounts

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

2.3.3 Excess Expenditure

In nine 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 head (*Appendix 2.1*). Even though there was overall savings in the grant, in eight heads of accounts, reappropriation was not done. Besides, in one grant “18-Public Relation” and three appropriation “Public Debt”, “Interest Payment” and “22-Area Development” there was an excess expenditure of ₹ 174.27 crore.

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 2015-16, in respect of 97 sub-heads (*Appendix 2.2*), expenditure of ₹ 23,925.74 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 51.5 per cent of total expenditure. Of this, ₹ 17,624.78 crore (73.7 per cent) was spent in March 2016 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 2015-16

(₹ in crore)

Sl. No.	Head of Account	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2016	
			Amount	% of total expenditure	Amount	% of total expenditure
1.	2075-Miscellaneous General Services	400.21	398.18	99.5	398.06	99.5
2.	3452- Tourism	75.12	50.86	67.7	46.12	61.4
3.	3454-Census Surveys and Statistics	357.27	242.84	68.0	203.85	57.1
4.	4202-Capital Outlay on Education, Art and Culture	155.02	106.57	68.7	87.97	56.7
5.	4210- Capital Outlay on Medical and Public Health	575.58	424.79	73.8	358.10	62.2
6.	4401-Capital Outlay on Crop Husbandry	180.35	111.85	62.0	92.55	51.3
7.	4801-Capital Outlay on Power Project	9,433.83	6,864.98	72.8	6,466.42	68.5

Source: Information compiled by office of the PAG (A&E), Rajasthan

Incidentally, out of ₹ 22,996.30 crore transferred/deposited in Personal Deposit Account during 2015-16, ₹ 3,522.60 crore (15.32 per cent) was transferred in March 2016 alone, as detailed in *Paragraph 3.5*.

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 ₹ 17,264.50 crore during the year 2015-16, in 21 Grants savings exceeded ₹ 100 crore and above in each case, amounting to ₹ 16,267.38 crore (94.2 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	Supplementary	Total	Actual expenditure	Savings (% of savings)	Reasons of savings as reported in Appropriation Accounts
(A) Revenue-Voted							
1	8-Revenue	707.49	-	707.49	593.03	114.46 (16.2)	Posts remaining vacant, less expenditure on travelling and office expenses, delay in issue of work order for construction of modern record room, digitization of cadastral map and non-receipt of central assistances for computerization of sub-registrar offices.
2	10- Miscellaneous General Services	676.95	-	676.95	400.20	276.75 (40.9)	Less receipt of Guarantee fees.

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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
3	12- Other Taxes	482.00	-	482.00	343.99	138.01 (28.6)	Non-compliance of terms of Reform Linked Plan made by Rajasthan State Road Transport Corporation.
4	15-Pensions and Other Retirement Benefits	11,075.89	97.49	11,173.38	10,863.54	309.84 (2.8)	Less expenditure on pension to State employees and non-submission of entire new revised pension cases of pre-2006 and pre-2013 pensioners by the Department.
5	21-Roads and Bridges	1,803.87	-	1,803.87	1,367.65	436.22 (24.2)	Expenditure reported by Border Road Development Board was less than estimation, closing of Output and Performance Based Road Contract (OPRC) scheme and transfer of amount to Central Road Fund as received from GoI.
6	24-Education, Art and Culture	19,755.14	-	19,755.14	17,969.64	1,785.50 (9.0)	Less receipt of fund from GoI, transfer of posts due to merger of Elementary Education School with Secondary Education Schools and delay in starting of payment process on linking of first payment under Right to Education through pay manager.
7	26-Medical and Public Health and Sanitation	6,849.90	0.01	6,849.91	5,930.54	919.37 (13.4)	Less/non receipt of funds from GoI, less release of grants to Rajasthan Health Science University and posts remaining vacant. Detailed reasons for savings in some cases were not intimated by the State Government.
8	28-Special Programmes for Rural Development	635.43	-	635.43	391.19	244.24 (38.4)	Less/non receipt of fund from GoI.
9	29- Urban Plan and Regional Development	2,812.24	602.39	3,414.63	2,872.96	541.67 (15.9)	Less/non-receipt of fund from GoI. Detailed reasons for savings in some cases were not intimated by the State Government.
10	30-Tribal Area Development	6,715.05	-	6,715.05	5,507.54	1,207.51 (18.0)	Less/non-receipt of fund from GoI, less expenditure on Pay and Allowances, reduction in plan ceiling and posts remaining vacant. Detailed reasons for savings in some cases were not intimated by the State Government.
11	33-Social Security and Welfare	5,815.48	-	5,815.48	5,007.39	808.09 (13.9)	Less expenditure on pay and allowances, less release of grants, less receipts of applications of scholarship and less payment of pensions. Detailed reasons for savings in some cases were not intimated by the State Government.
12	34- Relief from Natural Calamities	2,353.18	3,045.05	5,398.23	5,047.51	350.72 (6.5)	Less expenditure on relief works and less demand for assistance from farmers against the damage of crops.

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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
13	37-Agriculture	1,867.92	-	1,867.92	1,542.41	325.51 (17.4)	Less demand even after approval of new project, less receipt of on-line applications from farmers due to less sanctions of grants in respect of Diggi (Jalhauz) by GoI, less expenditure incurred due to drought in State, less expenditure incurred because of passing of entire year to get the guidelines/action of restricting of Rajasthan Agriculture competitiveness project, non-achieving the targets of Kharif 2015 due to failure of monsoon, unanticipated deviation of temperature in Rabi 2016, less purchase of animals and less expenditure on plantations due to early departure of monsoon. Detailed reasons for savings in some cases were not intimated by the State Government.
14	41-Community Development	4,814.90	1,181.53	5,996.43	5,754.74	241.69 (4.0)	Less receipt of fund from GoI and funds release as per the recommendations of State Finance Commission resulted in excess provision. Detailed reasons for savings in some cases were not intimated by the State Government.
15	43-Minerals	369.58	-	369.58	230.70	138.88 (37.6)	Non-execution of work in time by Public Works Department, non-commencement of scheme and posts remaining vacant.
16	48-Power	10,140.13	999.17	11,139.30	11,016.42	122.88 (1.1)	Payment of less interest on power bonds in accordance with actual realization, detail reasons for which were not intimated.
17	50-Rural Employment	3,207.04	-	3,207.04	2,468.03	739.01 (23.0)	Less receipt of fund from GoI.
18	51-Special Component Plan for Welfare of Scheduled Castes	5,950.25	264.92	6,215.17	5,310.64	904.53 (14.6)	Less/non-receipt of fund from GoI, delay in start of payment process on linking of first time payment under Right to Education through pay manager, reduction in plan ceiling, posts remaining vacant and less expenditure of pay and allowances.
		86,032.44	6,190.56	92,223.00	82,618.12	9,604.88	
(B) Capital Voted							
19	12-Other Taxes	300.00	-	300.00	151.00	149.00 (49.7)	Non-implementation of proceedings to transfer the assets of Rajasthan State Road Transport Corporation to Bus Terminal Development Authority.
20	19-Public Works	1,142.22	-	1,142.22	823.09	319.13 (27.9)	Slow progress of works and less execution of works than originally estimates and reasons for savings in some cases were not intimated by the State Government.
21	21-Roads and Bridges	2,980.92	-	2,980.92	2,375.43	605.49 (20.3)	Non-receipt of new sanctions from the GoI under Central Road Fund, reduction in plan ceiling, non-receipt of new sanctions for Road recouped by State Road Development Fund and less receipt of fund from GoI.
22	26-Medical and Public Health and Sanitation	339.00	-	339.00	136.71	202.29 (59.7)	Slow progress of construction works and non-release of sanctions by the State Government.

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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
23	27- Drinking Water Scheme	3,594.78	-	3,594.78	3,113.31	481.47 (13.4)	Reasons not intimated by the State Government.
24	29-Urban Plan and Regional Development	959.30	-	959.30	636.71	322.59 (33.6)	Less receipt of fund from GoI for Rajiv Housing Scheme for Slum Free India, posts remaining vacant and slow progress of work and reasons for savings in some cases were not intimated by the State Government.
25	30-Tribal Area Development	2,653.19	6,101.53	8,754.72	8,045.56	709.16 (8.1)	Less/non-execution of works, less/non-receipt of fund from GoI, reduction in plan ceiling and less release of Bond of UDAY Yojana. Detailed reasons for savings in some cases were not intimated by the State Government.
26	33-Social Security and Welfare	250.11	-	250.11	106.05	144.06 (57.6)	Reasons not intimated by the State Government.
27	37-Agriculture	283.25	-	283.25	147.64	135.61 (47.9)	Delay in process of making available such 25 per cent contribution to panchayat samitis through treasuries since NABARD did not release fund due to non-submission of Utilisation Certificate of entire amount on time by Panchayati Raj Department, delay in allotment of land for construction of godown, unseasonal rain and non-submission of bills by contractors due to non-completion of works on time.
28	46-Irrigation	1,162.00	-	1,162.00	867.72	294.28 (25.3)	Non-receipt of sanction of fountain system project from GoI, less execution of works, less receipts of fund from GoI, adjustment of proportionate expenditure as per actual expenditure on works. Detailed reasons for savings in some cases were not intimated by the State Government.
29	48-Power	4,697.17	28,804.93	33,502.10	31,144.02	2,358.08 (7.0)	Due to reduction in plan ceiling which resulted in less investment in power companies, less loan taken from Asia Development Bank and K.F.W. and less release of Bond under UDAY Yojana.
30	51- Special Component Plan for Welfare of Scheduled Castes	3,329.49	7,758.63	11,088.12	10,146.77	941.35 (8.5)	Less receipt of fund from GoI, slow progress of works, less/non-execution of work, reduction in plan ceiling resulted in less investment in share capital and less release of Bond of UDAY Yojana.
	Total (B)	21,691.42	42,665.09	64,356.51	57,694.01	6,662.50	
	Grand Total (A+B)	1,07,723.86	48,855.65	1,56,579.51	1,40,312.13	16,267.38	

Source: Appropriation Accounts

The cases discussed above indicate that provisions contained in 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 ₹ 16,267.38 crore.

Out of total savings of ₹ 17,264.50 crore, a sum of ₹ 9,604.88 crore (55.6 per cent) pertained to savings (₹ 100 crore and above) under 'Revenue-Voted Section', which indicates deficiencies in budget estimation of expenditure.

Large savings occurred in areas of Roads and Bridges, Education, Medical and Public Health, Rural Development, Tribal Area Development, Social Security and Welfare, Mineral, Rural Employment, Urban Plan and Special Component Plan for Welfare of Scheduled Castes. The main reasons of savings were attributed to less/non-receipt of fund from GoI. Other reasons reported were reduction in Plan ceiling, delay in starting of payment process under Right to Education, less expenditure on pay and allowance and posts remaining vacant. Keeping budgetary provision for vacant posts was in contravention of provisions of para 13.18.2 of the SBM.

A sum of ₹ 6,662.50 crore (38.6 per cent) pertained to savings (₹ 100 crore and above) under 'Capital Section'. Large savings occurred in areas of Public Works, Urban Plan and Regional Development, Road & Bridges, Medical and Public Health, Drinking Water, Urban Plan, Tribal Area Development, Power and Special Component Plan for Welfare of Scheduled Castes. The main reasons of savings were attributed to non-receipt of funds from GoI, reduction in plan ceiling resulting in less investment in power companies, less release of Bond of UDAY Yojana, non-release of sanctions and less execution/slow progress of works, which indicated stalling in developmental works and non-creation of assets of the State Government during the year.

In 22 cases, savings ranged between 20.3 and 99.8 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 17 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 2013-16

S. No.	No. and Name of the Grant	Amount of savings		
		2013-14	2014-15	2015-16
Revenue-Voted				
1.	2- Council of Ministers	1.32	3.39	2.73
2.	8- Revenue	72.08	60.96	114.46
3.	11- Miscellaneous Social Services	13.60	42.47	34.12
4.	12- Other Taxes	45.85	82.19	138.01
5.	28- Special Programmes for Rural Development	30.39	284.40	244.24
6.	35- Miscellaneous Community and Economic Services	22.44	449.52	54.83
7.	43- Minerals	25.29	94.51	138.88
8.	50- Rural Employment	57.43	1221.60	739.01
Capital-Voted				
9.	11- Miscellaneous Social Services	1.62	16.29	29.61
10.	19- Public Works	277.74	688.04	319.13
11.	22- Area Development	102.24	90.45	74.50
12.	23- Labour and Employment	2.87	2.88	24.48

S. No.	No. and Name of the Grant	Amount of savings		
		2013-14	2014-15	2015-16
13.	26- Medical and Health and Sanitation	42.80	122.97	202.29
14.	29- Urban Plan and Regional Development	414.99	573.42	322.59
15.	33- Social Security and Welfare	11.21	255.98	144.06
16.	43- Minerals	1.12	108.21	81.00
17.	46- Irrigation	279.18	211.68	294.28

Source: Appropriation Accounts

Reasons for persistent savings were mainly due to less/non-receipt of fund from GoI. Other reasons reported were less expenditure on pay and allowances, maintenance, travelling, office expenses, supply of computer, non-execution of construction work in time by PWD, less transfer of funds to Environment Reforms and Health Fund in mining area, non-compliance of term of Reform Linked Plan made by Rajasthan State Road Transport Corporation, delay in process and issue of work order for construction of Modern Record Rooms, post 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.

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 the 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. 26 and 29 was undertaken. Major audit findings are discussed below:

Grant No. 26 Medical and Public Health and Sanitation

Medical and Health Department

Test check of various heads showing persistent savings ranging from 17 to 100 per cent during 2014-16, revealed the position as shown in the **Appendix 2.5**.

The Department's replies attributing the savings in Revenue Head Accounts to vacant posts, non-tendering and non completion of construction works, non approval of Financial sanctions for various posts under contract, non preparation of Plan and blueprint by RSRDC etc., are not acceptable because:

- (i) Keeping budgetary provision for vacant posts was in contravention of provision of para 13.18.2(a) of the SBM, which states that provision shall not be made for vacant posts.
- (ii) Delays in tendering and purchasing indicated systemic deficiencies.

- (iii) Wherever financial sanctions were delayed and the plan/blueprint not prepared, the Department should have pursued the matter persistently so as to utilize the funds properly.
- (iv) Slow progress of the 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.

In case of Capital Head Accounts, the replies of the Department that works could not be executed due to non-availability of land due to encroachment, non-purchase of machinery, non-approval of financial sanction etc., are not acceptable as the proposals for capital expenditure should have been made after proper planning, feasibility study etc., and availability of land. Capital works delayed due to non-purchase of machinery and equipments also indicated systemic deficiencies. The savings in capital works ranging from 14 *per cent* to 100 *per cent* in construction works of Hospital and Dispensaries, despite availability of adequate funds, had adverse effect on development.

The matter was brought to notice of the State Government (September 2016) and reply was awaited (October 2016).

Grant No.29 – Urban Plan and Regional Development

Urban Development Department

Test check of various heads showing persistent savings ranging from 34.24 to 100 *per cent* during 2013-16, revealed the position as shown in the ***Appendix 2.6.***

The Department attributed savings to (i) decision not taken by State Government for entering into MoU with GoI regarding Jaipur Metro Rail Project, (ii) non-tendering due to non allotment of land by Jodhpur Development Authority, (iii) non-transfer of fund due to review by Government, (iv) posts remaining vacant, (v) proposals not given by ULBs due to non-receipt public contribution and (vi) delay in consultant selection, non bidding and non preparation of DPRs.

The reasons are not acceptable because (i) huge provision on Jaipur Metro should have been made only after taking decision on entering into MoU with GoI, (ii) non-tendering and non-allotment of land could have been avoided with proper planning (iii) Government review of Urban Development fund should have been anticipated well in time or only token provision could have been made, (iv) making BE for vacant posts are in contravention of para 13.18.2 (a) of SBM, (v) non receipts of public contribution and non framing proposals are indicative of systemic deficiencies in getting contribution from public by ULBs and (vi) non selection of consultant and delay in preparation of DPR in time is indicative of deficiencies in the management process.

The matter was brought to notice of the State Government (September 2016) and reply was awaited (October 2016).

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 Legislature. During 2015-16, supplementary provision, aggregating to ₹ 441.99 crore, obtained in eight 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 2.7*). Out of these, cases where supplementary provisions of more than ₹ 50 crore in each case proved unnecessary are given below in **Table 2.7**:

Table 2.7: Cases where supplementary provisions (more than ₹ 50 crore) proved unnecessary during 2015-16

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Expenditure	Supplementary Provision	Reasons for supplementary provisions
Revenue-Voted					
1	15-Pensions and Other Retirement Benefits	11,075.89	10,863.54	97.49	Government contribution in Defined Contribution Pension Scheme.
2	51-Special Component Plan for Welfare of Scheduled Castes	5,950.25	5,310.64	264.92	Additional receipt of funds from GoI under Total Sanitation Campaign.

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 indicated 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 provision was 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 ₹ 108.70 crore in 126 sub-heads and final savings of ₹ 335.75 crore in 488 sub-heads. The final excesses/savings after reappropriation was more than ₹ one crore in 36 head of accounts (*Appendix 2.8*). There was insufficient reappropriation in 13 head of accounts, unnecessary reappropriation in seven head of accounts and excessive reappropriation in 16 head of accounts. This indicated 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 2016) by the Finance Department, revealed that out of 1,863 explanations, 576 cases were clearly explained in the reappropriation orders. Explanations, in the remaining 1,287 cases, were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'. This 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 2015-16, out of total savings of ₹ 17,264.50 crore, a sum of ₹ 17,187.87 crore (99.6 per cent) was surrendered on the last working day of the financial year. Of this, ₹ 17,067.32 crore in 52 cases (35 grants) where savings were of more than ₹ 20 crore in each case, grants were surrendered on 31 March (**Appendix 2.9**). Whereas in 16 cases (15 grants), where savings (₹ 7,949.21 crore) were ₹ one crore and above, an amount of ₹ 294.57 crore was not surrendered (**Appendix 2.10**).

This indicated 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 2016) reasons/explanations regarding surrender of savings on the last working day of financial year and non-surrendering of ₹ 294.57 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 provision may become unavoidable and barring the cases where expenditure from lump 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 2015-16, in 119 cases (more than ₹ 15 crore and also more than 50 per cent of budget provision in 21 grants), lump sum provision of ₹ 8,115.48 crore was made in the estimates. Out of this, a sum of ₹ 5,993.91 crore (73.9 per cent) remained unutilised, was surrendered at the fag end of the year (**Appendix 2.11**) and the remaining amount of ₹ 2,121.57 crore was re-appropriated. Reasons for making lump sum budget provisions in these cases were not furnished (October 2016) by the Government.

2.3.12 Surrender in excess of actual savings

In three grants, an amount of ₹ 598.91 crore was surrendered against the savings of ₹ 523.73 crore, which was in excess by ₹ 75.16 crore (**Appendix 2.12**). 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 2016).

2.4 Outcome of review of selected grants

A review of receipts and expenditure under Grant No. 8- Revenue and Grant No. 16- Police for the period 2013-16 revealed the following:

Grant No. 8- Revenue

Revenue Department

(a) Revenue Expenditure

Test check of various heads exhibited significant variations in trend of expenditure either due to substantial increase or decrease over the previous year as summarised below:

(₹ in crore)						
Head of account	Year	Original provision	Expenditure	Growth of expenditure	Percentage Growth	Reasons given by Department
2029 Land Revenue 103 Land Records 01 Superintendence (Revenue Board) (Non-Plan)	2013-14	0.88	0.73	-	-	-
	2014-15	1.00	0.80	0.07	9.59	Payment of pay and allowance, increments, dearness allowance and outstanding liabilities of personnel.
	2015-16	0.96	1.09	0.29	36.25	Creation of new posts.
2029 Land Revenue 103 Land Records 03 Training School 03 Revenue Research and Training Institute, Ajmer (Non-Plan)	2013-14	4.77	6.37	-	-	-
	2014-15	18.15	16.53	10.16	159.50	Expenditure incurred on training of newly selected 2200 Patwaris.
	2015-16	4.40	4.23	-12.30	-74.41	Non-conducting of basic training courses for Patwaris and holding of training for Nayab Teshildar in February 2016 instead of November 2015.
2029 Land Revenue 103 Land Records 07 Modernisation of National Land Records Programme (Plan)	2013-14	6.13	3.58	-	-	-
	2014-15	56.80	5.16	1.58	44.13	Computerisation work of Sub-Registrar offices under National Land Records Modernisation programme.
	2015-16	50.99	0.57	-4.59	-88.95	Tender process for digitisation was completed in December 2015 and orders were issued in March 2016. Non- receipt of Central Government Grant for computerisation of Sub-Registrar office.

Reasons given by the Department indicate inadequacies in the Budget Estimates, anticipation/planning of training courses, tendering etc.

(b) Receipt

In following cases short realisation of revenue was observed against previous year as summarised below:

(₹ in crore)								
S. No.	Number and Name of Head of accounts	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess (+) /Shortfall (-)	Per cent Variation	Reasons given by the Department
1	0029-Land Revenue 800-Other Receipts (07)-Fee of Conversion of Agriculture land in to Residential Land [02] through Revenue Board	2013-14	27.00	55.65	58.55	0	0.00	Income from land conversion fees was not received as per BE at Tehsil and District Levels.
		2014-15	65.88	72.20	44.45	-14.10	-24.08	
		2015-16	72.20	53.43	51.20	6.75	15.19	
2	0029- Land Revenue 800-Other Receipts (07)-Fee of Conversion of agriculture land in to Residential Land [03] through Development Authority	2013-14	13.50	13.50	8.62	0	0.00	The Revenue depends upon number of land conversion cases. Decrease in revenue receipts is witnessed after completion of the period of concession given by the Government in land conversion.
		2014-15	13.50	69.13	25.83	17.21	199.65	
		2015-16	13.50	19.00	11.56	-14.27	-55.25	
3	0029- Land Revenue 800-Other Receipts (07)-Fee of Conversion of agriculture land in to Residential Land [04] through Urban Improvement Trust)	2013-14	36.95	36.95	11.99	0	0.00	The Revenue depends upon number of land conversion cases. Decrease in revenue receipts is witnessed after completion of the period of concession given by the Government in land conversion.
		2014-15	36.95	9.32	7.22	-4.77	-39.78	
		2015-16	37.67	51.00	16.39	9.17	127.01	

Reasons given are indicative of deficiencies in estimation and forecasting the revenue realisation/target fixing.

The matter was brought to notice of the State Government (September 2016) and reply was awaited (October 2016).

Grant No. 16- Police

Home Department

(a) Revenue Expenditure

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

(i) Following heads of accounts exhibited significant variations in growth of expenditure during 2013-16 by showing substantial decline and increase over the previous year, besides huge deviation in actuals from BE:

(₹ in crore)

Head of account	Year	Original provision	Supple-mentary	Total provision	Expen-diture	Growth of expenditure	Percentage growth
2055- Police	2013-14(C)	*	2.68	2.68	1.76	-	-
115- Modernisation of Police force	2014-15	4.19	0.91	5.10	0.95	-0.81	-46.02
02- Modernisation of Crime Branch (Non-plan)	2015-16	1.66	0	1.66	1.80	0.85	89.47
2055- Police	2013-14	**	8.13	8.13	4.32	-	-
800- Other Expenditure	2014-15	13.00	0	13.00	10.34	6.02	139.35
01- Police Development Fund (Plan)	2015-16	13.00	0	13.00	6.89	-3.45	-33.37

* Only ₹ 1,000

** Only ₹ 9,000

The Department informed that expenditure was incurred on the basis of Administrative and Financial sanctions issued by State Government on the proposals approved by Empowered Committee of the State Government in the context of funds approved by GoI.

Reasons given by the Department are not acceptable because framing of proposals for expenditure and approval thereon should have been taken into consideration during estimation through regular coordination with GoI and the Empowered Committee.

(ii) In following cases, the variations in expenditure over the previous year and excess in expenditure against the budget provision, were noticed. The Department attributed the variations and excesses due to (i) increase in pay and allowances and increments and (ii) payment of salaries of the employees in the next financial years due to delay in furnishing details of income tax by them.

(₹ in crore)

Head of account	Year	Original provision	Supple-mentary	Total provision	Expen-diture	Growth of expenditure	Percentage growth
2055- Police	2013-14	124.73	0.54	125.27	126.52	-	-
101- Criminal Investigation and vigilance	2014-15	54.24	0.32	54.56	54.34	-72.18	-57.05
01- Crime Branch	2015-16	57.39	0	57.39	57.99	3.65	6.72
02- Crime Branch (Non-plan)							
2055- Police	2013-14	482.97	6.80	489.77	474.04	-	-
104- Special Police	2014-15	549.61	4.75	554.36	547.05	73.01	15.40
01- Sepoy Unit (Non-plan)	2015-16	562.28	44.87	607.15	597.57	50.52	9.23
2055- Police	2013-14	23.41	2.15	25.56	24.35	-	-
109- District Police	2014-15	28.51	0.00	28.51	27.42	3.07	12.61
02- Security Forces for Central Offices, Banks etc.	2015-16	31.01	0.00	31.01	29.50	2.08	7.59
01- Central offices (Non-plan)							

Head of account	Year	Original provision	Supplementary	Total provision	Expenditure	Growth of expenditure	Percentage growth
2055- Police 109- District Police 03- Mewar Bhil Bodies (Non-plan)	2013-14	32.66	0.00	32.66	32.21	-	-
	2014-15	36.73	0.82	37.55	37.23	5.02	15.59
	2015-16	40.29	0.00	40.29	39.76	2.53	6.80
2055- Police 109- District Police 06- Traffic Police (Non-plan)	2013-14	68.12	2.00	70.12	67.01	-	-
	2014-15	75.08	6.73	81.81	80.99	13.98	20.86
	2015-16	88.81	0.00	88.81	94.36	13.37	16.51
2055- Police 109- District Police 10- Police commissioner system 02- Traffic Police (Non-plan)	2013-14	40.98	2.63	43.61	41.96	-	-
	2014-15	45.27	9.45	54.72	53.58	11.62	27.69
	2015-16	57.80	0.00	57.80	59.74	6.16	11.50

The reasons given by the Department indicate deficiencies in budget formulation and system management because (i) estimation on account of pay & allowances and increments is normally predictable and (ii) payment of salaries of the employees in the next financial years due to delay in furnishing details of income tax by them, was injudicious.

(iii) Unnecessary demand for supplementary provisions was noticed in two sub-heads during 2014-15, for which the reasons given by the Department are summarised below:

(₹ in crore)

Head of account	Year	Original provision	Supplementary	Total provision	Expenditure	Department Reply
2055- Police 115- Modernisation of Police force 02- Modernisation of Crime Branch (Non-plan)	2014-15	4.19	0.91	5.10	0.95	New vehicles and equipment required in modernisation of Police Force Scheme, were not supplied by the supplier by the end of the financial year 2014-15.
2055- Police 003- Education & Training 01- Rajasthan Police Academy (Non-plan)	2014-15	18.42	0.23	18.65	17.75	Need for conversion of 1 G.B. line to 4 G.B. lines and due to delay in furnishing details of income by the some employee in time.

This indicates systemic deficiencies in financial management of the department, deficient estimation and budgetary forecasting.

(b) Capital Expenditure

Significant savings and decreasing trend in capital expenditure despite adequate provisions were observed as summarised below:

(₹ in crore)

S. No.	Head of Account	Year	Original	Supplementary	Total Provision	Expenditure	Savings	Growth of Expenditure	Percentage growth
1	4055-Capital Outlay on Police 211-Police Housing 01-Through the Rajasthan State Road Development and Construction Corporation Ltd. 90-Construction works (Plan)	2013-14	*	-	*	-	*	-	-
		2014-15	16.98	-	16.98	0.83	16.14	-	-
		2015-16	16.56	-	16.56	4.36	12.20	3.52	419.05
2	4055-Capital Outlay on Police	2013-14	67.31	-	67.31	67.31	-	-	-
		2014-15	67.31	0.45	67.76	63.98	3.78	(-) 3.33	(-) 4.95

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S. No.	Head of Account	Year	Original	Supplementary	Total Provision	Expenditure	Savings	Growth of Expenditure	Percentage growth
	211-Police Housing 03-Through Awas Vikas Limited 90-Construction works (Plan)	2015-16	52.58	-	52.58	42.28	10.30	(-) 21.70	(-) 33.92
* Only ₹ 1,000									

On being pointed out, the Department stated that (i) for S.No. 1, the works were sanctioned in December 2014 and the surrender of funds was made on the decision of Budget Finalisation Committee and (ii) for S.No. 2, savings were attributed to adjustment of interest/principal by HUDCO on account of before time payment of loan and interest through Awas Vikas Limited. The replies are not acceptable because (i) for S. No. 1, the delay in sanction of works indicated systemic deficiencies and (ii) for S. No. 2, payment of Loan and Interest should have been scheduled, keeping in view the time of payment during budget formulation. Besides these, heavy savings in these heads also deprived other sectors from allocation of capital outlay. Further, supplementary provision for S. No. 2, was also not necessary as the expenditure could not come up to the original provision.

(c) Receipts

Shortfall in actual receipts against REs was observed in the services rendered by the Police Department on various assignments, which are summarised below:

(₹ in crore)								Department Reply
S.No.	Number and Name of Head of accounts	Year	Budget Estimates	Revised Estimates	Actual Receipts	Excess (+) /Short-fall (-)	Per cent variation	
1	0055-Police 101-Police supplied to other Government 01-Contribution for Railway Department	2013-14	15.00	27.50	23.30	-4.20	-15.27	Receipt depends on the budget of railway to whom Home Department provides police force.
		2014-15	27.50	27.50	42.08	14.58	53.02	
		2015-16	27.50	27.50	14.40	-13.10	-47.64	
2	0055- Police 101- Police supplied to other Government 02- Amount Recouped from Gol	2013-14	1.50	2.80	1.89	-0.91	-32.50	Receipt depends on the budget of Central offices, Sainik School Dholpur to whom Home Department provides police force.
		2014-15	2.80	2.80	0.90	-1.90	-67.86	
		2015-16	2.80	2.88	2.08	-0.80	-27.78	
3	0055- Police 102- Police supplied to other parties 02-Police Forces provide from other persons, Public Company and other Party	2013-14	64.53	90.00	86.29	-3.71	-4.12	Under this head receipt is received against police forces provided to PSUs, Private Company, bank and individual. Excess receipt was due to outstanding dues for 2013-14 which were realised from 2014-15.
		2014-15	90.00	90.00	92.58	2.58	2.87	
		2015-16	90.00	90.00	82.23	-7.77	-8.63	

Less receipts from previous years and also against BE/RE were indicative of deficiencies in pursuance with the agencies to whom services were rendered and there was overestimation also in some cases like S. No. 1 (2015-16), S. No. 2 (2014-15) and S.No. 3 (2013-14 and 2015-16).

The matter was brought to notice of the State Government (September 2016) and reply was awaited (October 2016).

2.5 Advances from Contingency Fund

According to Article 267(2) of the constitution of India, Government may take advance from Contingency Fund for the purpose of unforeseen expenditure pending authorisation by the legislature of the State. The advances and withdrawals from the Contingency Fund of the GoR are governed by the Rajasthan Contingency Fund Rules 1957 (Rules) and provisions of chapter 5 of the State Budget Manual (SBM). As per rule 4(i) of the Rules, the advance from Contingency Fund shall be made for the purpose of meeting unforeseen expenditure, including new service, not contemplated in the annual financial statement. Further, as envisaged in Para 5.11 of SBM, if the advance from the Contingency Fund for meeting unforeseen expenditure remains unutilised, a cancellation or modification of the sanction for the same should be obtained from the Finance Department.

Scrutiny of records revealed that the Finance Department issued (July 2015) Orders to the Water Resources Department, for issue of an advance of ₹ 1.48 crore from Rajasthan Contingency Fund for payment of salaries to the staff of Rajasthan River Basin and Water Resources Planning Authority (Authority) during 2015-16. The sanction was effective till 31 December 2015. However, the advance was transferred to the PD account of the authority on 10 September 2015. The authority utilised only ₹ 0.28 crore upto the effective date of sanction i.e. 31 December 2015 and fund of ₹ 1.20 crore remained unutilised.

Thus, the drawal from the Contingency fund was irregular as the authority could not utilise the funds till the effective date of the sanction. Further, the State Government also overlooked the fact that the legislature was in session from 16 September 2015 and it could have obtained supplementary grant for the purpose during that period.

The matter was brought to the notice of the State Government (September 2016) and reply was awaited (October 2016).

2.6 Irregularities in submission of Detailed Contingent Bills against Abstract Contingent Bills

Rule 8(2) of General Financial and Accounts Rules (GF&ARs), prescribes that funds shall be withdrawn only if required for immediate payment and the expenditure is authorised by the competent authority. Further, the Rule 220(1) provides for submission of Detailed Contingent (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).

It was observed that against 45,244 AC bills amounting to ₹ 5,203.47 crore drawn up to 31 March 2016, a total of 44,992 DC bills amounting to ₹ 4,929.59 crore were received by the PAG (A&E), leaving 252 AC bills amounting to ₹ 273.88 crore outstanding to be received as on 30 June 2016. 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.	upto 2009-10	31,806	2,686.79	31,785	2,682.51	21	4.28
2.	2010-11	2,460	419.86	2,459	419.59	1	0.27
3.	2011-12	1,471	197.72	1,463	193.82	8	3.90
4.	2012-13	1,834	253.84	1,828	250.47	6	3.37
5.	2013-14	3,130	616.42	3,121	610.23	9	6.19
6.	2014-15	3,264	619.89	3,241	575.75	23	44.14
7.	2015-16	1,279	408.95	1,095	197.22	184	211.73
Total		45,244	5,203.47	44,992	4,929.59	252	273.88

Most of the outstanding AC bills pertained to Relief Department (44 cases: ₹ 224.78 crore), Land Revenue Department (10 cases: ₹ 8.32 crore), Medical and Health Department (29 cases: ₹ 21.31 crore) and Police Department (6 cases: ₹ 3.56 crore). The Major Head wise pendency of AC bills for the period upto June 2016 is detailed in *Appendix 2.13*.

(i) Unadjusted AC bills

Test check of two Departments (Ayurved and Police) revealed that AC bills were drawn but remained unadjusted despite lapse of a period of more than one year, as detailed below:

(₹ in lakh)

S. No.	Name of office	AC bill		Amount drawn	Reason given by Department of delay
		Major Head	No. and Date		
1.	Directorate, Ayurved Department, Rajasthan, Ajmer	2210	436/14.03.2014	179.70	Time taken in tender process and decision making by Rajasthan Medical Services Corporation (RMSC) and Equipment Purchase Committee.
2.	Director (Account), State Forensic Laboratories(SFL), Rajasthan, Jaipur	2055	283/06.01.2015	57.00	Non-purchase of equipments by STC New Delhi due to hike in rates of imported equipments. The matter is under consideration with State Government.
		2055	395/27.03.2015	180.50	
		2055	396/27.03.2015	9.60	
		2055	397/27.03.2015	28.00	

The reasons given by the departments are not tenable because (i) the nature of expenditure should be of contingent type and (ii) the tendering process and purchase processes should be given due consideration at the time of drawal

through AC Bills in such a manner that process does not lead to payment and utilisation beyond limit prescribed under rule. The delay in tendering, decision taken and purchases also indicate systemic deficiencies.

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

In following five cases, the DC bills for adjustment of funds drawn through AC bills were submitted with delays of 5 to 160 months after the prescribed period. This also involved refund of unspent amount of ₹ 1.11 lakh.

(₹ in lakh)							
S. No.	Name of Office	Major Head	AC bill No. & Date	Amount	DC bills No. and Date (Amount)	Amount deposit through Challan	Delay in Months
1.	Chief Medical & Health Office, Tonk	2210	87/15.07.2015	1.00	341/31.03.2016 (₹ 0.59 lakh)	0.41	5
2.	District Collector, Tonk	2245	20/20.05.2010	15.00	146/15.06.2016	-	70
		2245	80/30.08.2010	50.00	147/15.06.2016	-	67
3.	District Collector, Bundi	2245	358/16.01.2015	3.22	1/28.06.2016	-	14
4.	Superintendent, PBM Hospital, Bikaner	2210	1457/11.03.2014	41.83	530/27.07.2016 (₹ 41.15 lakh)	0.68	25
5.	District Collector, Jhunjhunu	2245	141/18.12.2002	15.00	01/02.08.2016 (₹ 14.98 lakh)	0.02	160
Total						1.11	

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

The matter was brought to notice of the State Government (September 2016) and reply was awaited (October 2016).

2.7 Conclusions and Recommendations

During 2015-16, a sum of ₹ 1,73,808.18 crore was incurred against total grants and appropriations of ₹1,91,072.68 crore leaving savings of ₹ 17,264.50 crore. Supplementary provision of ₹ 441.99 crore, obtained in eight cases, proved unnecessary.

Departments surrendered ₹ 17,187.87 crore on the last working day of the financial year leaving no scope for utilising these funds for other purposes. In three cases, ₹ 75.16 crore was surrendered in excess of actual savings. In one grant and three appropriations there was excess expenditure of ₹ 174.27 crore, which requires regularisation. Further, in 119 cases, lump sum provision of ₹ 8,115.48 crore was made, out of which ₹ 5,993.91 crore (73.9 per cent) remained unutilised.

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.

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.

Detailed Contingent Bills remained outstanding against 252 Abstract Contingent Bills amounting to ₹ 273.88 crore as on 30 June 2016.

A rigorous monitoring mechanism should be put in place to adjust the advances drawn against Abstract Contingent Bills within the stipulated period.

Out of total expenditure of ₹ 46,420.51 crore, a sum of ₹ 23,925.74 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, ₹ 17,624.78 crore was spent in March 2016 alone, which led to rush of expenditure at the end of the year.

Departments should closely monitor progress of expenditure throughout the year to avoid the quality related pitfalls associated with rush of expenditure at the end of the year.