

CHAPTER-2

**FINANCIAL MANAGEMENT
AND BUDGETARY CONTROL**

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2.1 Introduction

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2016-17 against 31 grants/appropriations is given in **Table-2.1**.

Table-2.1: Summarised position of Original/ Supplementary Provisions *vis-à-vis* Actual expenditure during the year 2016-17

									(₹ in crore)
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March	Percentage of Amount Surrendered on 31 March out of total amount surrendered
Voted	I Revenue	28,143.15	835.38	28,978.53	21,427.68	(-)7,550.85	450.00	450.00	100
	II Capital	5,739.36	647.71	6,387.07	6,587.91	(+)200.84	160.94	160.94	100
	III Loans and Advances	395.22	15.80	411.02	165.04	(-)245.98	0.00	0.00	0.00
Total Voted		34,277.73	1,498.89	35,776.62	28,180.63	(-)7,595.99	610.94	610.94	100
Charged	IV Revenue	4,107.25	8.98	4,116.23	3,844.68	(-)271.55	31.22	31.22	100
	V Capital	5.00	0.00	5.00	1.90	(-)3.10	0.00	0.00	0.00
	VI Public Debt- Repayment	2,032.23	0.00	2,032.23	5,218.68	(+)3,186.45	0.00	0.00	0.00
Total Charged		6,144.48	8.98	6,153.46	9,065.26	(+)2,911.80	31.22	31.22	100
Appropriation to Contingency Fund (if any)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total		40,422.21	1,507.87	41,930.08	37,245.89	(-)4,684.19	642.16	642.16	100

Source: Appropriation Accounts.

As shown in **Table-2.1**, there was saving of ₹ 4,684.19 crore which was the result of saving of ₹ 10,141.52 crore in grants and Appropriations under Revenue Section

(31 cases), and Capital Section (24 cases) offset by excess of ₹ 5,457.33 crore in three grants under Capital (Voted) and one Appropriation under Capital (Charged) Section.

Departments and Sections against which significant savings of more than ₹ 100 crore were noticed during the year 2016-17 are given in **Table-2.2**.

Table-2.2: Details of significant savings (more than ₹ 100 crore) noticed during 2016-17

				(₹ in crore)
Sl. No.	Number & Name of Grant	Section	Amount	Total Amount
1.	06-Revenue & General Administration	Revenue –Voted	1,284.98	1,284.98
2.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	Revenue –Voted	1,020.53	1,557.75
		Revenue –Charged	226.69	
		Capital-Voted	310.53	
3.	10-Police & Jail	Revenue –Voted	149.77	149.77
4.	11-Education, Sports, Youth Welfare & Culture	Revenue –Voted	1,313.18	1,465.91
		Capital-Voted	152.73	
5.	12-Medical, Health & Family Welfare	Revenue –Voted	452.31	452.31
6.	13-Water Supply, Housing & Urban Development	Revenue –Voted	416.29	590.74
		Capital-Voted	174.45	
7.	15-Welfare	Revenue –Voted	504.66	504.66
8.	17-Agriculture Works & Research	Revenue –Voted	252.03	252.03
9.	19-Rural Development	Revenue –Voted	485.65	485.65
10.	20-Irrigation & Flood	Revenue –Voted	100.57	396.85
		Capital-Voted	296.28	
11.	21-Energy	Capital-Voted	314.05	314.05
12.	22-Public Work	Capital –Voted	323.56	323.56
13.	23-Industries	Revenue –Voted	106.40	106.40
14.	25-Food	Revenue –Voted	171.66	171.66
15.	27-Forest	Revenue –Voted	210.08	210.08
		Capital-Voted	117.96	
16.	30-Welfare of Scheduled Castes	Revenue –Voted	542.21	660.17
		Capital-Voted	117.96	
17.	31-Welfare of Scheduled Tribes	Revenue –Voted	138.15	138.15
Total				9,064.72

Source: Appropriation Accounts.

Similarly, departments against which significant excess expenditure over the allotments was noticed during the year 2016-17, were Finance, Tax, Planning, Secretariat & Miscellaneous (₹ 3,186.45 crore), Food (₹ 2,245.80 crore) and Agriculture Works and Research (₹ 16.08 crore).

The savings/excess (Detailed Appropriation Accounts) were intimated (July 2017) to the Controlling Officers requesting them to furnish reasons for the substantial savings/excess. Their replies were yet to be received (September 2017).

2.3 Financial Accountability and Budget Management

2.3.1 Excess Expenditure

As per paragraph 121 of Chapter XIII of the Uttarakhand Budget Manual (UBM), incurring of unauthorised excess expenditure is most objectionable and must be avoided. In four cases, expenditure aggregating ₹ 7,609.96 crore exceeded the approved provision by ₹ 5,457.33 crore which was more than ₹ one crore in each case or by more than 20 per cent of the total provision. Details are given in **Appendix-2.1**. Of these, excess expenditure has been observed consistently in **Grant No. 25-Food** during the last five years as detailed in **Table-2.3**.

Table-2.3: List of Grant indicating persistent excess expenditure during 2012-17

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of excess expenditure				
		2012-13	2013-14	2014-15	2015-16	2016-17
Capital-Voted						
1	25-Food	1,810.59	1,775.56	1,738.25	2,203.83	2,245.80

Source: Appropriation Accounts.

The persistent excess expenditure indicates that the budgetary control in the department was ineffective and budget estimates were not prepared on realistic basis.

2.3.2 Expenditure without provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ nine crore was incurred in one case as detailed in **Table-2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table-2.4: Expenditure incurred without provision during 2016-17

(₹ in crore)

Sl. No.	No. and Name of Grants	Amount of expenditure without provision
1.	29-Horticulture Development (Capital-Voted)	9.00

Source: Appropriation Accounts.

Reasons for expenditure incurred without provision in 2016-17 were not intimated by the Government (August 2017).

2.3.3 Excess over provision relating to previous years requiring regularisation

Paragraph 121 of Chapter XIII of the UBM envisages that if after the close of the year, it is revealed, through the Appropriation Accounts, that any expenditure was incurred under any Grant or Charged Appropriation in excess of the total final appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly, demands for excess grants as required under Articles 205 (1) (b) of the Constitution. However, excess expenditure amounting to ₹ 15,323.44 crore pertaining to previous years from 2005 to 2016 was yet to be regularised by the State Legislature. The year-wise amount of excess expenditure pending regularisation is summarised in **Table-2.5**.

Table-2.5: Excess expenditure over the provisions relating to previous years requiring regularisation

(₹ in crore)

Year	Number of Grant / Appropriation	Details of Grant / Appropriation	Amount of excess over provision	Status of regularisation
2005-06	7	7,8,17,20,22,25&29	663.50	Status not intimated by the State Government
2006-07	6	7,17,20,22,25& 29	935.92	
2007-08	6	7,17,20, 22,25 & 29	733.79	
2008-09	6	7,17,20,22,25&29	1,146.41	
2009-10	7	7,17,18,21,22,25&29	1,007.49	
2010-11	9	10,12,15,17,20,21,22,25 & 29	1,295.40	
2011-12	5	7,17,22,25&29	1,611.40	
2012-13	7	12,14,17,21,22,25 & 29	1,835.34	
2013-14	3	22,25 & 29	1,837.15	
2014-15	4	17,22, 25& 29	1,922.80	
2015-16	4	17, 22, 25& 29	2,334.24	
Total			15,323.44	

Source: Appropriation Accounts.

2.3.4 Excess over provisions during 2016-17 requiring regularisation

Table-2.6 contains the summary of total excess expenditure registered under three grants and one appropriation amounting to ₹ 5,457.33 crore over authorisation from the Consolidated Fund of the State (CFS) during the year 2016-17.

Table-2.6: Excess over provision requiring regularisation during 2016-17

(₹ in crore)					
Sl. No.	Number and title of Grant		Total Grant	Expenditure	Excess
Capital-Charged					
1.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	2,032.23	5,218.68	3,186.45
Capital -Voted					
1.	17	Agriculture Works & Research	108.33	124.41	16.08
2.	25	Food	12.07	2,257.87	2,245.80
3.	29	Horticulture Development	00	9.00	9.00
			2,152.63	7,609.96	5,457.33

Source: Appropriation Accounts.

Reasons for the excess had not been intimated by the State Government/ Department as of September 2017. The excess expenditure over the provision under the grants incurred during the year 2016-17 should be got regularised by the State Legislature.

2.3.5 Inadequate supplementary provision

Supplementary provision of ₹ 10.03 crore sought in respect of two cases proved insufficient by more than ₹ one crore in each case thereby leaving an aggregate uncovered excess expenditure of ₹ 2,261.88 crore (**Appendix-2.2**).

2.3.6 Rush of expenditure

Paragraph 183 of chapter XVII of UBM stipulates that rush of expenditure in the closing month of the financial year should be avoided. For a sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding 25 per cent or 50 per cent of the total expenditure for the year 2016-17 was incurred in March 2017 and in last quarter (January 2017 to March 2017) in respect of 36 major heads as listed in **Appendix-2.3**.

Scrutiny showed that 50.69 per cent of the total expenditure of ₹ 7,858.86 crore spent against 36 major heads during the year 2016-17 was incurred in the last quarter of the financial year.

2.3.7 Excess provisions resulting in savings

2.3.7.1 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating ₹ 1,418.56 crore obtained in 41 cases, amounting to ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure registered under the grants was within the original provision as detailed in **Appendix-2.4**.

2.3.7.2 Excessive/ unnecessary re-appropriation of funds

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

Re-appropriation proved excessive/ insufficient and resulted in savings/ excess of ₹ 10 lakh and above in 109 cases under 20 grants as detailed in **Appendix-2.5**.

Reasons for the savings were not furnished by the Government as of September 2017.

2.3.7.3 Substantial surrenders

Substantial surrenders (the cases where more than 30 *per cent* of total provision was surrendered) were made in respect of 82 sub-heads, in 13 grants, on account of savings in various items due to non-release of the State share for centrally sponsored schemes, actual expenditure being less than projected requirement of funds, savings in establishment expenses, and non-requirement of fund. Out of the total provision amounting to ₹ 715.52 crore in these 82 sub-heads, ₹ 336.43 crore (47.02 *per cent*) were surrendered which included *cent per cent* surrender in 22 schemes (₹ 38.95 crore) in Voted Grant as detailed in **Appendix-2.6 (A)** and substantial surrenders (the cases where more than 30 *per cent* of total provision was surrendered) were made in respect of one sub-head, in one grant. Out of the total provision amounting to ₹ 52.22 crore in one sub-head, ₹ 26.13 crore (50.04 *per cent*) was surrendered in one appropriation as detailed in **Appendix-2.6 (B)**.

2.3.7.4 Surrender in excess of actual savings

In three cases, the amount surrendered was in excess of actual saving indicating lack of budgetary controls in the Department. As against savings of ₹ 19.26 crore in these cases, the amount surrendered was ₹ 19.48 crore resulting in excess surrender of ₹ 0.22 crore. Details are given in **Appendix-2.7**.

2.3.7.5 Anticipated savings not surrendered

Paragraph 124 of Section I of Chapter XIII of the UBM stipulates that every Controlling Officer must furnish the final statement of excesses and savings in Form B.M. 2 (Part-II) which should reach the Finance Department, through the Administrative Department concerned, not later than 25 January. At the close of the year 2016-17, there were, however, 16 grants in which savings of ₹ five crore and above occurred but no part of it had been surrendered by the concerned departments. The amount involved in these cases was ₹ 4,785.83 crore (47.19 *per cent* of the total savings¹) as given in **Appendix-2.8**.

Similarly, out of savings of ₹ 10,116.39 crore (individual cases where savings were more than ₹ one crore) amount aggregating ₹ 617.88 crore only was surrendered resulting in non-surrender of remaining ₹ 9,498.51 crore (93.89 *per cent* of the savings of ₹ 10,116.39 crore), details of which are given in **Appendix-2.9**. Besides, in eleven cases in voted and one case in charged, (surrender of funds in excess of ₹ 10 crore), ₹ 547.11 crore in voted and ₹ 26.13 crore in charged (total ₹ 573.24 crore) were surrendered {**Appendix-2.10 (A) & Appendix-2.10 (B)**} on the last day of March 2017, thereby defeating the intended purpose of surrenders as these funds could not be utilised for other purposes.

¹ Of total savings of ₹ 10,141.52 crore.

2.3.7.6 Appropriation vis-à-vis expenditure

The outcome of the appropriation audit shows that in 58 cases, savings exceeded ₹ one crore in each case, and more than 20 per cent of total provision in 44 cases (Appendix-2.11). Against the total savings of ₹ 10,141.52 crore, savings of ₹ 9,749.41 crore (96.13 per cent)² occurred in 33 cases relating to 22 grants and one Appropriation as given in Table-2.7.

Table-2.7: List of Grants and Appropriations with savings of ₹ 50 crore and above

(₹ in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue – Voted					
1.	04	Judicial Administration	177.25	54.67	30.84
2.	06	Revenue and General Administration	2,866.81	1,284.98	44.82
3.	07	Finance, Tax, Planning, Secretariat & Misc. Services	5,938.56	1,020.53	17.18
4.	10	Police And Jail	1,589.83	149.77	9.42
5.	11	Education, Sports, Youth Welfare and Culture	6,513.93	1,313.18	20.16
6.	12	Medical, Health and Family Welfare	1,775.94	452.31	25.47
7.	13	Water Supply, Housing and Urban Development	1,161.10	416.29	35.85
8.	15	Welfare	1,663.21	504.66	30.34
9.	16	Labour & Employment	219.74	72.37	32.93
10.	17	Agriculture Works and Research	893.88	252.03	28.20
11.	19	Rural Development	1,117.99	485.65	43.44
12.	20	Irrigation and Flood	461.65	100.57	21.78
13.	22	Public Work	707.66	61.65	8.71
14.	23	Industries	230.58	106.40	46.14
15.	25	Food	377.27	171.66	45.50
16.	27	Forest	648.38	210.08	32.40
17.	28	Animal Husbandry	277.68	73.87	26.60
18.	30	Welfare of Scheduled Castes	1,241.11	542.21	43.69
19.	31	Welfare of Scheduled Tribes	344.49	138.15	40.10
Total			28,207.06	7,411.03	26.27
Revenue – Charged					
1.	07	Finance, Tax, Planning, Secretariat & Misc. Services	4,010.56	226.69	5.65
Total			4,010.56	226.69	5.65
Capital-Voted					
1.	03	Council of Ministers	100.00	81.31	81.31
2.	06	Revenue and General Administration	81.70	74.61	91.32
3.	07	Finance, Tax, Planning, Secretariat & Misc. Services	394.13	310.53	78.79
4.	11	Education, Sports, Youth Welfare and Culture	559.06	152.73	27.32
5.	13	Water Supply, Housing and Urban Development	484.32	174.45	36.02
6.	19	Rural Development	772.10	70.26	9.10
7.	20	Irrigation and Flood	772.68	296.28	38.34
8.	21	Energy	480.64	314.05	65.34
9.	22	Public Work	1,679.57	323.56	19.26
10.	26	Tourism	189.90	71.64	37.73
11.	27	Forest	165.15	64.46	39.03
12.	30	Welfare of Scheduled Castes	325.23	117.96	36.27
13.	31	Welfare of Scheduled Tribes	119.12	59.85	50.24
Total			6,123.60	2,111.69	34.48
Grand Total			38,341.22	9,749.41	25.43

Source: Appropriation Accounts.

The reasons for the savings though called for, were yet to be received (September 2017).

² Exceeding ₹ 50 crore in each case.

2.3.7.7 Persistent Savings

During the last five years, there were persistent savings of more than ₹ one crore in 47 cases as detailed in Table-2.8.

Table-2.8: List of Grants indicating persistent savings during last five years (2012-13 to 2016-17)

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of Saving				
		2012-13	2013-14	2014-15	2015-16	2016-17
Revenue-Voted						
1.	04-Judicial Administration	50.90	36.52	35.73	29.67	54.67
2.	06-Revenue & General Administration	64.40	1,466.73	1,037.70	669.86	1,284.98
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	549.18	116.17	480.27	786.13	1,020.53
4.	08-Excise	1.02	2.02	1.44	1.91	5.13
5.	10-Police & Jail	32.17	23.71	100.55	60.74	149.77
6.	11-Education, Sports, Youth Welfare & Culture	567.60	635.48	741.48	811.98	1,313.18
7.	12-Medical, Health & Family Welfare	133.41	116.11	397.34	514.02	452.31
8.	13-Water Supply, Housing & Urban Development	153.22	308.25	175.86	299.99	416.29
9.	14-Information	1.84	1.16	1.01	2.19	4.76
10.	15-Welfare	191.96	178.11	342.56	396.89	504.66
11.	16-Labour & Employment	36.45	28.70	58.20	86.03	72.37
12.	17-Agriculture Works & Research	131.83	186.93	91.09	215.51	252.03
13.	18-Co-operative	6.03	8.53	7.93	6.60	16.69
14.	19-Rural Development	133.00	179.22	651.46	126.96	485.65
15.	20-Irrigation & Flood	31.45	36.48	63.40	49.57	100.57
16.	22-Public Works	56.85	95.65	205.45	119.55	61.65
17.	23-Industries	11.32	20.89	14.02	34.66	106.40
18.	24-Transport	5.90	3.22	5.27	5.60	11.69
19.	25- Food	230.84	226.55	224.72	129.08	171.66
20.	26-Tourism	30.05	13.43	42.46	4.17	18.69
21.	27-Forest	27.10	31.00	1,19.93	80.72	2,10.08
22.	28-Animal Husbandry	9.04	24.93	33.92	24.21	73.87
23.	29-Horticulture Development	7.19	40.87	41.31	61.45	49.46
24.	30-Welfare of Scheduled Castes	114.39	210.01	269.50	490.39	542.21
25.	31-Welfare of Scheduled Tribes	36.68	58.99	95.59	117.85	138.15
Revenue-Charged						
1.	04-Judicial Administration	5.87	5.52	7.59	8.77	28.12
2.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	41.44	646.03	657.44	414.76	226.69
3.	09-Public Service Commission	1.93	2.40	1.59	1.64	9.49
4.	22-Public Works	1.02	1.75	4.71	5.09	1.38
Capital-Voted						
1.	01-Legislature	22.00	22.00	19.97	23.50	9.93
2.	04-Judicial Administration	3.76	7.94	19.54	29.06	38.67
3.	06-Revenue & General Administration	9.12	13.78	4.85	4.42	74.61
4.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	20.60	40.81	23.09	15.31	310.53
5.	10-Police & Jail	43.76	46.89	7.55	2.91	17.12
6.	11-Education, Sports, Youth Welfare & Culture	122.03	184.55	189.88	370.80	152.73
7.	12-Medical, Health & Family Welfare	230.97	188.14	24.27	33.80	32.28
8.	13-Water Supply, Housing & Urban Development	307.99	275.08	477.85	157.08	174.45
9.	15-Welfare	3.54	6.75	74.29	39.12	17.66
10.	19-Rural Development	132.55	62.82	219.63	51.80	70.26
11.	20-Irrigation & Flood	256.27	609.30	247.86	397.59	296.28
12.	21-Energy	368.40	325.76	361.66	102.42	314.05
13.	23-Industries	23.69	28.21	25.81	16.29	34.66
14.	24-Transport	43.95	95.18	30.00	59.21	44.41
15.	26-Tourism	55.32	47.68	179.95	63.10	71.64
16.	27-Forest	16.32	18.82	8.37	71.35	64.46
17.	30-Welfare of Scheduled Castes	203.71	300.94	299.68	134.77	117.96
18.	31-Welfare of Scheduled Tribes	54.28	81.60	42.37	61.52	59.85

Source: Appropriation Accounts.

Reasons for savings in 2016-17 were not intimated by the Government (September 2017). Despite being mentioned in the Report on State Finances of the

Comptroller & Auditor General of India for the year 2015-16 of the State, a substantial number of cases were noticed where savings persisted during the year which is indicative of persistent over assessment of requirement of funds. This needs to be reviewed.

2.3.8 Drawal of funds to avoid lapse of Budget

Government is authorised to open Personal Deposit Accounts in order to deposit money by transferring funds from the Consolidated Fund for discharging liabilities of the Government. According to the provisions contained in General Financial and Accounts Rules (Rule 8), funds shall be withdrawn only if required for immediate payment and shall not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department. Besides, the practice of withdrawing funds with a view to avoiding lapse of Budget grant and placing such moneys as deposits in the Public Account or with Bank is forbidden.

From the information compiled by the Office of the Accountant General (Accounts and Entitlement), Uttarakhand, it was seen that an amount of ₹ 537.84 crore was drawn by the State Government departments during the month of March 2017 and deposited in the deposit heads namely, “8338-Deposits of Local Funds; 8443-Civil Deposits and 8448-Deposits of Local Funds”, to avoid lapse of the budget grant. The Administrators are required to close Civil Deposit Head 8443– Personal Deposit Account 106 (PDA) on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund. Out of ₹ 537.84 crore lying under deposit heads, an amount of ₹ 185.33 crore was lying in PDA (MH 8443-106) at the end of 2016-17 in contravention of the Rule. The status of PDA during 2016-17 is given in **Table-2.9**.

Table-2.9: Status of PD Accounts (MH 8443-106) during 2016-17

(₹ in crore)							
Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
25	229.24	19	84.24	25	128.15	19	185.33

The **Table-2.9** above indicates that overall number of PD accounts and amount involved have come down over the previous year.

Further scrutiny of accounts of the Chief Treasury Officer, Dehradun showed that there was a decrease in number and increase in amount of deposit accounts at the end of 2016-17. The status of deposit accounts from 2014-15 to 2016-17 is detailed in **Table-2.10**.

Table-2.10: Status of the deposit accounts

Deposit Heads	2014-15		2015-16		2016-17	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
8338-Deposit of Local Fund	6	76.39	05	82.28	05	90.98
8443-Civil Deposit	11	106.30	06	130.74	05	123.71
8448-Deposit of Local Funds	20	61.55	17	33.08	17	38.18
Total fund Parked/transferred	37	244.24	28	246.10	27	252.87

Source: Records of Chief Treasury Officer, Dehradun.

During scrutiny of these accounts, it was seen that ₹ two crore, ₹ 18.22 crore and ₹ 11.88 crore were transferred between 26 and 31 March into the deposit head at the end of the years 2014-15, 2015-16 and 2016-17 respectively to avoid budgetary lapse (*Appendix- 2.12*).

Detailed scrutiny of the Personal Ledger Account (PLA) of the District Magistrate (DM), Dehradun showed that ₹ 11.88 crore was transferred on the last day of the financial year 2016-17 to avoid budgetary lapse as shown in **Table-2.11**.

Table-2.11: Amount of fund transferred at the end of 2016-17 into DM, Dehradun PLA

(₹ in crore)

Date of fund transfer	From where transferred (Head of Account)	Where transferred (HOA-Deposit Heads)	Amount transferred to deposit heads
31 March 2017	2250-00-800-01	8443-00-106-00	11.88
Total fund transferred			11.88

Source: Chief Treasury Officer, Dehradun.

On being enquired about transferring the fund of ₹ 11.88 crore on the last day of 2016-17, the administrator of PDA intimated that the details of funds transferred and reason of transferring the funds to PDA would be intimated after getting information from concerned departments.

It was further observed that in the PLA of DM Dehradun, an unspent closing balance of ₹ 87.49 crore, ₹ 119.50 crore and ₹ 112.07 crore was kept blocked in contravention of the Rule as on 31 March 2015, 31 March 2016 and 31 March 2017 respectively due to non-closure of PDA.

Thus, the unspent closing balance and the correspondence made with different departments indicated that the administrator had not taken effective steps to close such accounts on the last working day of the financial year.

2.4 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant No. 13-Water Supply, Housing & Urban Development and Grant No. 15-Welfare for the period 2014-15 to 2016-17 revealed the following position:

Grant No. 13 - Water Supply, Housing & Urban Development

A. Revenue Expenditure

The overall revenue expenditure showed decrease during 2015-16 by 18.62 per cent and increase of 18.16 per cent during 2016-17 over the previous years, as summarised in the **Table-2.12**.

Table-2.12: Summarised position of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
2215 & 2217- Water Supply, Housing & Urban Development	2014-15	659.70	290.69	950.39	774.53	175.86	18.50	-
	2015-16	513.63	416.70	930.33	630.34	299.99	32.25	(-)18.62
	2016-17	1,083.08	78.01	1,161.09	744.80	416.29	35.85	(+)18.16

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 175.86 crore (18.50 per cent) and ₹ 416.29 crore (35.85 per cent) during 2014-15 to 2016-17. During 2016-17, there was unnecessary supplementary provision of ₹ 78.01 crore as the original allotment (₹ 1,083.08 crore) was more than actual expenditure (₹ 744.80 crore).

Test check of certain heads revealed significant trends of major variations (more than ₹ 50 lakh in any year) in expenditure over previous years, as shown below in **Table-2.13**.

Table-2.13: Trends of major variations in expenditure over previous years in grant

Sl. No.	Head	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
		2014-15	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
1.	2215-01-101-01	55.00	0.00	56.77	(-)55.00	(+)56.77	(-)100.00	--
2.	2215-01-101-05	18,399.11	16,539.81	15,792.19	(-)1,859.30	(-)747.62	(-)10.11	(-)4.52
3.	2215-01-102-01	14,898.35	5,855.90	7,754.27	(-)9,042.45	(+)1,898.37	(-)60.69	(+)32.42
4.	2215-01-102-04	1,872.57	74.66	0.00	(-)1,797.91	(-)74.66	(-)96.01	(-)100.00
5.	2215-01-102-07	4,471.54	3,000.00	1,330.91	(-)1,471.54	(-)1,669.09	(-)32.91	(-)55.64
6.	2215-01-102-08	2,580.00	0.00	541.11	(-)2,580.00	(+)541.11	(-)100.00	--
7.	2215-01-102-11	500.00	392.80	361.85	(-)107.20	(-)30.95	(-)21.44	(-)7.88
8.	2215-01-102-13	1,500.00	0.00	0.00	(-)1,500.00	0.00	(-)100.00	0.00
9.	2215-01-102-97	9,844.87	3,100.00	0.00	(-)6,744.87	(-)3,100.00	(-)68.51	(-)100.00
10.	2215-01-190-03	2,500.00	2,500.00	4,450.00	0.00	(+)1,950.00	0.00	(+)78.00
11.	2215-01-190-05	0.00	0.00	3,000.00	0.00	(+)3,000.00	0.00	--
12.	2215-01-800-04	300.00	0.00	100.00	(-)300.00	(+)100.00	(-)100.00	--
13.	2215-01-800-08	0.00	0.00	200.00	0.00	(+)200.00	0.00	--
14.	2215-02-105-01	13,856.98	3,709.60	18,762.73	(-)10,147.38	(+)15,053.13	(-)73.23	(+)405.79
15.	2215-02-106-03	1,304.37	58.57	699.33	(-)1,245.80	(+)640.76	(-)95.51	(+)1,094.01
16.	2215-02-107-01	0.00	1,724.00	0.00	(+)1,724.00	(-)1,724.00	-----	(-)100.00
17.	2217-03-191-03	2,350.89	7,241.74	5,022.91	(+)4,890.85	(-)2,218.83	(+)208.04	(-)30.64
18.	2217-03-800-01	1,269.87	17,036.00	14,331.36	(+)15,766.13	(-)2,704.64	(+)1,241.55	(-)15.88
19.	2217-80-001-03	346.02	239.94	220.93	(-)106.08	(-)19.01	(-)30.66	(-)7.92
20.	2217-80-800-03	15.91	123.35	76.70	(+)107.44	(-)46.65	(+)675.30	(-)37.82
21.	4215-01-101-01	200.00	56.44	0.00	(-)143.56	(-)56.44	(-)71.78	(-)100.00
22.	4215-01-101-03	5,790.70	2,837.12	8,495.44	(-)2,953.58	(+)5,658.32	(-)51.01	(+)199.44
23.	4215-01-102-03	3,636.88	1,577.90	1,294.64	(-)2,058.98	(-)283.26	(-)56.61	(-)17.95
24.	4215-01-102-04	8.31	70.90	0.00	(+)62.59	(-)70.90	(+)753.19	(-)100.00
25.	4215-01-102-05	0.00	0.00	11,487.42	0.00	(+)11,487.42	0.00	--
26.	4217-03-191-97	7,312.30	11,265.28	8,657.82	(+)3,952.98	(-)2,607.46	(+)54.06	(-)23.15
27.	4217-03-800-01	6,616.46	22,103.24	471.93	(+)15,486.78	(-)21,631.31	(+)234.06	(-)97.86

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall capital expenditure showed increase of 60.88 per cent during 2015-16 and decrease of 18.26 per cent during 2016-17 over the previous years, as summarised below in **Table-2.14**.

Table-2.14: Summarised position of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Exp.	Saving	In per cent	
							Saving	Variation in Expenditure
4215 & 4217	2014-15	695.50	18.00	713.50	235.65	477.85	66.97	-
	2015-16	390.38	145.80	536.18	379.11	157.07	29.29	(+)60.88
	2016-17	378.79	105.53	484.32	309.87	174.45	36.02	(-)18.26

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 157.07 crore (29.29 per cent) and ₹ 477.85 crore (66.97 per cent) during 2014-15 to 2016-17. During 2014-15, there was unnecessary supplementary provision of ₹ 18 crore as the original allotment (₹ 695.50 crore) was more than actual expenditure (₹ 235.65 crore). Similarly during 2015-16, there was unnecessary supplementary provision of ₹ 145.80 crore as the original allotment (₹ 390.38 crore) was more than actual expenditure (₹ 379.11 crore). Similarly during 2016-17, there was unnecessary supplementary provision of ₹ 105.53 crore as the original allotment (₹ 378.79 crore) was more than actual expenditure (₹ 309.87 crore).

C. Non-Utilisation of entire Provision

Test check of sub-heads revealed that the departments did not utilise the entire provision during 2014-15 to 2016-17 at the end of the year (₹ one crore and above) are given in **Table-2.15**.

Table-2.15: Summarised position of Non-Utilisation of entire Provision during 2014-15 to 2016-17

(₹ in lakh)

Sl. No.	Year	Head of Account	Original	Supplementary	Total
1.	2014-15	2215-01-102-12	1,000.00	0.00	1,000.00
2.		2215-01-800-01	0.00	150.00	150.00
3.		2217-03-191-01	1,659.00	0.00	1,659.00
4.		2217-03-191-97	1,580.00	0.00	1,580.00
5.		4215-01-101-04	2,500.00	0.00	2,500.00
6.	2015-16	2215-01-102-08	100.00	0.00	100.00
7.		2215-01-102-12	1,000.00	0.00	1,000.00
8.		2215-01-800-06	100.00	0.00	100.00
9.		2217-03-191-97	2,000.00	0.00	2,000.00
10.		2217-80-800-09	100.00	0.00	100.00
11.		4215-01-101-04	500.00	0.00	500.00
12.		4215-01-102-05	0.00	7,500.00	7,500.00
13.	2016-17	2215-01-102-97	2,000.00	0.00	2,000.00
14.		2215-01-800-06	100.00	0.00	100.00
15.		2217-03-191-01	2,370.00	0.00	2,370.00
16.		2217-03-191-04	100.00	0.00	100.00
17.		2217-03-191-97	1,400.00	0.00	1,400.00
18.		2217-03-800-13	300.00	0.00	300.00
19.		4215-01-101-01	200.00	0.00	200.00
20.		4215-01-101-04	400.00	0.00	400.00
Total			17,409.00	7,650.00	25,059.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0215 and 0217 Major Head of the selected grant during 2014-15 to 2016-17 is summarised in **Table-2.16**.

Table-2.16: Position of revenue receipts under 0215 and 0217 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ short fall	Per cent Variation to R.E
2014-15	6.00	6.00	4.20	(-)1.80	30.00
2015-16	8.00	8.00	4.07	(-)3.93	49.13
2016-17	8.80	10.63	10.63	0.00	0.00

Source: Budget and Finance Accounts.

Test-check of certain heads revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years as given in **Table-2.17**.

Table-2.17: Summarised position of Receipts during 2014-15 to 2016-17

(₹ in crore)							
Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0215-01-103	2014-15	3.00	3.00	0.00	(-)3.00	(-)100.00
		2015-16	4.00	4.00	0.00	(-)4.00	(-)100.00
		2016-17	4.40	7.36	7.36	0.00	0.00
2.	0217-03-800	2014-15	3.00	3.00	4.20	(+)1.20	40.00
		2015-16	4.00	4.00	4.07	(+)0.07	1.75
		2016-17	4.40	3.27	3.27	0.00	0.00

Source: Budget and Finance Accounts.

Thus, there were significant variations in respect of actual receipts and Revised Estimates which indicated deficiency in estimation.

Grant No. 15- Welfare

A. Revenue Expenditure

The overall revenue expenditure showed increase of 2.33 per cent during 2015-16 and 6.07 per cent during 2016-17 over the previous years, as summarised in **Table-2.18**.

Table-2.18: Summary of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

(₹ in crore)								
Head of Account	Year	Original	Supp.	Total	Actual Exp.	Saving	Saving (in per cent)	Growth in expenditure (in per cent)
2225, 2235, 2250 & 2251- Welfare	2014-15	1,171.05	238.91	1,409.96	1,067.40	342.56	24.30	-
	2015-16	1,228.17	260.96	1,489.13	1,092.24	396.89	26.65	(+)2.33
	2016-17	1,461.33	201.88	1,663.21	1,158.55	504.66	30.34	(+)6.07

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 342.56 crore (24.30 per cent) and ₹ 504.66 crore (30.34 per cent) during 2014-15 to 2016-17. During 2014-15, there was unnecessary supplementary provision of ₹ 238.91 crore as the original allotment (₹ 1,171.05 crore) was more than actual expenditure (₹ 1,067.40 crore). Similarly during 2015-16, there was unnecessary supplementary provision of ₹ 260.96 crore as the original allotment (₹ 1,228.17 crore) was more than actual expenditure (₹ 1,092.24 crore). Similarly during 2016-17, there was unnecessary supplementary provision of ₹ 201.88 crore as the original allotment (₹ 1,461.33 crore) was more than actual expenditure (₹ 1,158.55 crore).

Test-check of certain head revealed significant trend of major variations (more than ₹ 50 lakh in any year) in expenditure over previous years as shown below in **Table-2.19**.

Table-2.19: Trend of major variations in expenditure over previous years in grant

Sl. No.	Head	Expenditure (₹ in lakh)			Variations (₹ in lakh)		Variations (in per cent)	
		2014-15	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
1.	2225-01-001-03	148.59	191.20	252.27	(+)42.61	(+)61.07	(+)28.68	(+)31.94
2.	2225-01-001-05	896.71	1,042.64	1,061.64	(+)145.93	(+)19.00	(+)16.27	(+)1.82
3.	2225-01-001-06	0.00	69.53	12.42	(+)69.53	(-)57.11	--	(-)82.14
4.	2225-03-102-01	0.00	700.99	45.37	(+)700.99	(-)655.62	--	(-)93.53
5.	2225-03-277-01	5,301.37	1,211.70	21.34	(-)4,089.67	(-)1,190.36	(-)77.14	(-)98.24
6.	2235-02-101-20	4,702.75	4,733.34	5,990.88	(+)30.59	(+)1,257.54	(+)0.65	(+)26.57
7.	2235-02-102-01	14,167.05	14,292.18	13,239.56	(+)125.13	(-)1,052.62	(+)0.88	(-)7.37
8.	2235-02-102-03	19,060.36	19,317.37	18,960.50	(+)257.01	(-)356.87	(+)1.35	(-)1.85
9.	2235-02-102-06	4,558.93	1,496.93	4,036.82	(-)3,062.00	(+)2,539.89	(-)67.16	(+)169.67
10.	2235-02-103-01	0.00	69.34	141.61	(+)69.34	(+)72.27	--	(+)104.23
11.	2235-02-103-12	7,000.00	16,727.50	5,201.50	(+)9,727.50	(-)11,526.00	(+)138.96	(-)68.90
12.	2235-02-103-14	0.00	0.00	55.50	0.00	(+)55.50	0.00	--
13.	2235-02-103-15	8,779.50	8,228.17	11,683.54	(-)551.33	(+)3,455.37	(-)6.28	(+)41.99
14.	2235-02-103-20	36.25	101.29	235.80	(+)65.04	(+)134.51	(+)179.42	(+)132.80
15.	2235-02-103-24	200.00	100.00	100.00	(-)100.00	0.00	(-)50.00	0.00
16.	2235-02-104-06	1,078.65	2,526.12	1,993.46	(+)1,447.47	(-)532.66	(+)134.19	(-)21.09
17.	2235-02-800-04	379.50	70.00	150.00	(-)309.50	(+)80.00	(-)81.55	(+)114.29
18.	2235-02-800-07	13.91	52.53	0.00	(+)38.62	(-)52.53	(+)277.64	(-)100.00
19.	2235-60-102-05	22,085.33	22,658.96	32,040.18	(+)573.63	(+)9,381.22	(+)2.60	(+)41.40
20.	2235-60-102-06	231.28	1,203.07	1,966.84	(+)971.79	(+)763.77	(+)420.18	(+)63.49
21.	2235-60-107-03	723.31	1,160.89	884.15	(+)437.58	(-)276.74	(+)60.50	(-)23.84
22.	2235-60-200-03	2,149.67	2,833.71	2,833.93	(+)684.04	(+)0.22	(+)31.82	(+)0.01
23.	2235-60-200-07	200.00	0.00	3,350.00	(-)200.00	(+)3,350.00	(-)100.00	--
24.	2235-60-200-08	100.00	0.00	127.43	(-)100.00	(+)127.43	(-)100.00	--
25.	2235-60-800-01	6,206.91	4,647.48	5,008.04	(-)1,559.43	(+)360.56	(-)25.12	(+)7.76
26.	2235-60-800-06	380.01	405.63	0.00	(+)25.62	(-)405.63	(+)6.74	(-)100.00
27.	2250-00-800-01	3,778.59	2,010.84	2,625.62	(-)1,767.75	(+)614.78	(-)46.78	(+)30.57
28.	2250-00-800-05	329.27	324.24	568.25	(-)5.03	(+)244.01	(-)1.53	(+)75.26
29.	2250-00-800-08	0.00	0.00	100.00	0.00	(+)100.00	0.00	--
30.	2250-00-800-16	1,428.75	150.93	103.37	(-)1,277.82	(-)47.56	(-)89.44	(-)31.51
31.	2250-00-800-19	200.00	25.00	0.00	(-)175.00	(-)25.00	(-)87.50	(-)100.00
32.	2250-00-800-20	400.00	300.00	0.00	(-)100.00	(-)300.00	(-)25.00	(-)100.00
33.	2250-00-800-22	0.00	65.00	0.00	(+)65.00	(-)65.00	--	(-)100.00
34.	2250-00-800-23	200.00	0.00	0.00	(-)200.00	0.00	(-)100.00	0.00
35.	2250-00-800-26	0.00	70.00	200.00	(+)70.00	(+)130.00	--	(+)185.71
36.	4235-02-102-01	4,905.50	16.60	300.00	(-)4,888.90	(+)283.40	(-)99.66	(+)1,707.23
37.	4235-02-103-10	1,600.86	400.00	69.88	(-)1,200.86	(-)330.12	(-)75.01	(-)82.53
38.	4250-00-800-05	114.60	0.00	0.00	(-)114.60	0.00	(-)100.00	0.00
39.	4250-00-800-06	0.00	0.00	150.00	0.00	(+)150.00	0.00	--
40.	4250-00-800-09	396.24	0.00	0.00	(-)396.24	0.00	(-)100.00	0.00
41.	4250-00-800-10	599.39	100.00	0.00	(-)499.39	(-)100.00	(-)83.32	(-)100.00
42.	4250-00-800-11	0.00	965.95	1,291.23	(+)965.95	(+)325.28	--	(+)33.67

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall Capital Expenditure showed a decrease of 78.92 per cent during 2015-16 and an increase of 6.77 per cent in 2016-17 over the previous year, as summarised in Table 2.20.

Table -2.20: Summarised position of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

(₹ in crore)

Head of Account	Year	Original	Supplementary	Total	Actual Exp.	Saving	In per cent	
							Saving	Variation in Exp.
4225, 4235 & 4250	2014-15	1,44.93	12.11	1,57.04	82.75	74.29	47.31	-
	2015-16	31.56	25.00	56.56	17.44	39.12	69.17	(-)78.92
	2016-17	36.28	0.00	36.28	18.62	17.66	48.68	(+)6.77

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 17.66 crore (48.68 per cent) and ₹ 74.29 crore (47.31 per cent) during 2014-15 to 2016-17. During 2014-15, there was unnecessary supplementary provision of ₹ 12.11 crore as the original allotment (₹ 144.93 crore) was more than actual expenditure (₹ 82.75 crore). Similarly during 2015-16, there was unnecessary supplementary provision of ₹ 25.00 crore as the original allotment (₹ 31.56 crore) was more than actual expenditure (₹ 17.44 crore).

C. Non-Utilisation of the entire Provision

Test check of certain sub-heads revealed that the departments did not utilise the entire provision during 2014-15 to 2016-17 at the end of the year (₹ one crore and above) are given in **Table-2.21**.

Table-2.21: Summarised position of Non-Utilisation of entire Provision during 2014-15 to 2016-17

Sl. No	Year	Head of Account	Original	Supplementary	Total (₹ in lakh)
1.	2014-15	2235-02-102-16	0.00	750.00	750.00
2.		2235-02-103-14	0.01	144.01	144.02
3.		2235-02-103-21	350.00	100.00	450.00
4.		2250-00-800-14	0.00	300.00	300.00
5.		4235-02-102-03	100.00	0.00	100.00
6.	2015-16	2235-60-200-07	0.00	200.00	200.00
7.		2235-60-200-08	0.00	150.00	150.00
8.		4235-02-102-03	100.00	0.00	100.00
9.		4250-00-800-01	300.00	0.00	300.00
10.	2016-17	2225-03-800-09	100.00	0.00	100.00
11.		2235-02-800-01	5,010.00	0.00	5,010.00
12.		2235-60-800-06	400.00	0.00	400.00
13.		2250-00-800-06	500.00	0.00	500.00
14.		2250-00-800-19	200.00	0.00	200.00
15.		2250-00-800-20	300.00	0.00	300.00
16.		2250-00-800-30	100.00	0.00	100.00
17.		2250-00-800-31	100.00	0.00	100.00
18.		4235-02-102-03	100.00	0.00	100.00
19.		4250-00-800-01	300.00	0.00	300.00
20.		4250-00-800-08	100.00	0.00	100.00
21.	4250-00-800-10	100.00	0.00	100.00	
Total			8,160.01	1,644.01	9,804.02

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0235 and 0250 major head of the grant during 2014-15 to 2016-17 is summarised in **Table-2.22**.

Table-2.22: Position of revenue receipts under 0235 and 0250 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Variation to Revised Estimate (in per cent)
2014-15	10.01	10.01	5.45	(-)4.56	45.55
2015-16	16.67	17.27	11.71	(-)5.56	32.19
2016-17	18.94	46.17	46.13	(-)0.04	0.09

Source: Budget and Finance Accounts.

Test-check of certain heads revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years as given in **Table-2.23**.

Table-2.23: Position of Receipts, Minor Head-0235 & 0250

							(₹ in crore)
Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/Shortfall	Variation to Revised Estimate (in per cent)
1.	0235-60-800	2014-15	6.01	6.01	0.88	(-)5.13	(-)85.36
		2015-16	11.67	11.67	6.09	(-)5.58	(-)47.81
		2016-17	12.84	17.10	17.10	0.00	0.00
2.	0250-00-102	2014-15	3.20	3.20	0.00	(-)3.20	(-)100.00
		2015-16	4.00	4.60	0.00	(-)4.60	(-)100.00
		2016-17	5.00	28.57	0.00	(-)28.57	(-)100.00
3.	0250-00-800	2014-15	0.80	0.80	4.57	(+)3.77	471.25
		2015-16	1.00	1.00	5.62	(+)4.62	462.00
		2016-17	1.10	0.50	29.03	(+)28.53	5706.00

Source: Budget and Finance Accounts.

Thus, there were significant variations in respect of actual receipts and Revised Estimates which indicated deficiency in estimation.

2.5 Outcome of Inspection of Treasuries

There were 91 units i.e. 18 treasuries and 71 sub-treasuries, one Cyber Treasury at Dehradun and one Pay & Accounts Office at New Delhi, in the State during 2016-17. Major irregularities noticed during inspection of 51³ units during 2016-17 are contained in **Table-2.24**.

Table-2.24: Outcome of inspection of Treasuries

Sl. No.	Category	Amount (₹ in crore)
1.	Unadjusted AC Bills	8.05
2.	Uncontrolled withdrawal from PLA Accounts	15.59
3.	Non deduction of TDS from pensioners during 2015-16	0.34

Source: Annual Review 2016-17 of Treasuries by Accountant General (A&E), Uttarakhand.

There is a need to tighten the controls at the level of the treasuries to prevent recurrence of the above mentioned irregularities.

2.6 Advances from Contingency Fund

The Contingency Fund of the State, in the nature of an imprest, has been established vide Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001) in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund stood at ₹ 750 crore at the end of 2016-17. Any drawal of advances from the Fund needs to be recouped from the Consolidated Fund of the State within the same financial year. However, as on 31 March 2017, advances to the tune of ₹ 227.70 crore drawn from the Contingency Fund during the year 2016-17, remained to be recouped from Service Heads to the Contingency Fund after authorisation of the Legislature as required as per Section 5 of the Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001) (**Appendix-2.13**).

Further scrutiny showed that the Government had also not yet recouped (August 2017) the advance drawn from Contingency Fund to the tune of ₹ 63.14 crore pertaining to 2015-16.

³ 21 Treasuries and 30 Sub Treasuries.

The year wise non-recouped amount of Contingency Fund under the Grants and Major Heads is shown in the **Appendix-2.14**.

Also, the Government resorted to advances from the Contingency Fund during the year 2016-17 for meeting the capital expenditure (₹ 15.46 crore) which was in contravention of the rules governing operation of the Fund.

2.7. (A) Pendency in submission of Detailed Countersigned Contingent (DCC) Bills against Abstract Contingent (AC) Bills

As per Financial Rules, every Drawing Officer has to certify in each AC bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective Controlling Officers for countersignatures and transmission to the Accountant General (Accounts and Entitlement). Detailed bills aggregating ₹ 8.06 crore, drawn on 123 AC bills were pending as at the end of March 2017. Year wise details are given in **Table-2.25**.

Table-2.25: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2017)

Year	Outstanding DC Bills	
	Number	Amount
Up to 2014-15	06	0.35
2015-16	03	0.01
2016-17	114	7.70
Total	123	8.06

(₹ in crore)

Source: Information as compiled from Accountant General (A&E), Uttarakhand.

Out of the total outstanding DCC bills amounting to ₹ 8.06 crore, 47 outstanding DCC bills of ₹ 4.43 crore pertained to the Election Department.

Position of Department/office wise pending DCC bills for the years up to 2016-17 has been given in **Appendix- 2.15**.

Non-submission of DCC bills for long periods after drawal of AC bills is fraught with the risks of misappropriation and, therefore, needs to be monitored closely.

2.7. (B) Un-reconciled Expenditure

To enable the Controlling Officers of the Departments to exercise effective control over expenditure to keep it within the budgetary allocation and to ensure accuracy of their accounts, Paragraph 109 of the Uttarakhand Budget Manual 2012 stipulates that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2016-17 also.

During the year 2016-17, such reconciliations had been completed fully by 32 CCOs out of 62 CCOs (51.61 per cent) for an amount of ₹ 24,265.73 crore (80.28 per cent) out of total expenditure of ₹ 30,225.72 crore.

The cases where amounts exceeding ₹ 10 crore involving a total of ₹ 1,575.76 crore (5.21 per cent of total expenditure) remained un-reconciled in respect of eight Controlling Officers during the year 2016-17 are detailed in **Table-2.26**.

Table-2.26: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2016-17 (₹ in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1.	Chief Revenue Commissioner Ring Road, Ladpur, Dehradun	62.76
2.	Commissioner, Relief, Revenue Department, Government of Uttarakhand	319.24
3.	Principal Secretary, Finance, Government of Uttarakhand	390.81
4.	Director, Information and Public relation, Uttarakhand Dehradun	36.28
5.	Deputy Director, Directorate, Sainik Kalyan evam Punarvas Uttarakhand	663.08
6.	Commissioner, Labour, Government of Uttarakhand, Dehradun	38.47
7.	Finance Controller, G.B. Pant Agriculture and Technical University Pantnagar	11.11
8.	Chief Engineer, Irrigation Department, Uttarakhand, Dehradun	54.01
Total		1,575.76

Source: Information compiled from Accountant General (A&E), Uttarakhand.

The Chief Controlling Officers of the above mentioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received till date (September 2017). The non-reconciliation of accounts by the controlling authorities has led to the continuation of deleted sub-major heads being operated upon by some controlling authorities.

The Government must ensure reconciliation of accounts by the Controlling Officers concerned to obviate the possibilities of fraud and misuse of funds.

2.8 Deficiencies in Budgeting Process

The following deficiencies were noticed in the budgeting process of the State Government in the financial year 2016-17.

- i. In the Budget Document Vol.- IV, Minor Head 900-Deduct Recoveries under Major Heads 0029, 0039 and Minor Head 901-Deduct Recoveries under Sub-Major Head 01-Judicial Stamp under Major Head 0030 have been shown below Sector-A Tax-Revenue, while the list of Major & Minor Heads of Account (Volume-I) provides that the deduct recoveries shall be shown under the sub head under appropriate Minor Head below every Major, Sub-Major Head coming under the Sector-A Tax-Revenue.
- ii. As per the Budget Document Vol.-V Part I, in Grant No.-7 under Major Head 3454, Minor Head 001 Direction and Administration has been shown below Sub-Major Head 02 Survey instead of 01 Census as provided in the List of Major and Minor Heads of Accounts.
- iii. As per the Budget Document Vol.-V Part II, Grant No.-14 Sub-Major Head 60- Others is shown under the Major Head 4059. However, as per the List of Major and Minor Heads of Accounts, there is the provision of other buildings under the Sub-Major Head 60.

- iv. In the Major Head 2059, under Grant Number 22 of the Budget Document Vol.-V Part III, Minor head 102 under Sub-Major Head 80 has been shown as “Repair and Maintenance”, whereas as per the List of Major and Minor Heads of Accounts it should have been Minor Head 053 under Sub-Major Head 80.
- v. Under the Major Head 2245-only one Sub-Major Head 05-has been shown, under which there is the provision of Minor Head 800 whereas the list of Major and Minor Heads of Accounts provides for the provision of two more Sub-Major Heads 01-Drought and 02-Flood and Cyclone.
- vi. As per the Budget Document Vol.-V Part II, Grant No.-15 in the Major Head 4235, ‘Welfare of Handicapped’ has been shown against Minor Head 104 under Sub-Major Head 02 instead of ‘Welfare of Aged, Infirm and Destitute’ provided in the List of Major and Minor Heads of Accounts.
- vii. As per the Budget Document Vol.-V Part II in Major Head 2401 under Grant Number 17, Minor Heads 800 “other scheme” was shown, whereas these should have been shown as ‘other expenditure’ as per the List of Major and Minor Heads of Accounts.
- viii. As per the Budget Document Vol.-V Part I, Grant No.-06 Minor Head 800- Other buildings is shown under the Major Head 4059. However, as per the List of Major and Minor Heads of Accounts, there is the provision of other expenditure under the Minor Head 800.
- ix. Minor Heads 101- “Special Component Plan for Scheduled Castes” in the Major Head 2211 under Grant Number 30 has been shown according to the Budget Document Vol.-V Part IV whereas Minor Head 101 “Rural Family Welfare Services” has been mentioned in the List of Major and Minor Heads of Accounts.
- x. In Major Head 2052, Minor Heads 800 other Expenditure was shown, whereas there are provisions of ‘091-Attached Offices’ and ‘092-Other offices’ sub heads as per the List of Major and Minor Heads of Accounts.

Similar shortcomings were also mentioned in the Audit Report (2015-16). However, cognizance of the same has not been taken by the Government.

2.9 Conclusions and Recommendations

During 2016-17, there was an overall savings of ₹ 4,684.19 crore against the total grants and appropriations of ₹ 41,930.08 crore. There was an excess expenditure of ₹ 5,457.33 crore in three grants and one appropriation which requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 1,418.56 crore obtained in 41 cases proved unnecessary. Re-appropriation of funds in 109 cases was made injudiciously resulting either in savings or excesses over provisions. The departments surrendered ₹ 573.24 crore on the last working day of the financial year leaving no scope for utilising

these funds for other development purposes. In three cases, ₹ 0.22 crore was surrendered in excess of actual savings.

The State Government may assess the savings and surrender these well before the close of the financial year so that they can be effectively utilised in other areas/schemes.

Excess expenditure amounting to ₹ 15,323.44 crore pertaining to the years 2005-06 to 2015-16 was yet to be regularised by the State Legislature.

The State Government may plan their expenditure budgets more rigorously so as to avoid exceeding the approved grants and appropriations. Further, the State Government may ensure timely submission of explanations for excess expenditure so that these could be regularised.

An amount of ₹ 537.84 crore drawn by the State Government during the month of March 2017 was deposited in the deposit heads to avoid lapse of budget grants.

The State Government may consider ensuring that the funds drawn in March are not transferred to deposit heads in order to avoid lapse of budget.

A significant amount of ₹ 227.70 crore was sanctioned under Contingency Fund in 29 cases and the entire amount has remained un-recouped.

Government may ensure that advances from the Contingency Fund are resorted to only to meet the expenditure that is contingent in nature and also that funds drawn from the Fund are recouped on time.

The Controlling Officers did not submit (March 2017) the Detailed Countersigned Contingent Bills in respect of ₹ 8.06 crore drawn on Abstract Contingent Bills up to March 2017.

The State Government may consider putting in place a rigorous monitoring mechanism to adjust the advances drawn against Abstract Contingent Bills within the stipulated period.

Inspection of treasuries also indicated deficiencies in their functioning. Thirty controlling officers did not reconcile their expenditures with the Accountant General (Accounts & Entitlement), Uttarakhand. Consequently, deficiencies in classification of heads of accounts, noticed in the budgeting process of the State Government for the financial year 2016-17, could not be pre-empted.

The State Government may consider issuing directions to the Controlling Officers to timely/ periodically reconcile their expenditure with the Accountant General (Accounts & Entitlement).

