

CHAPTER-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

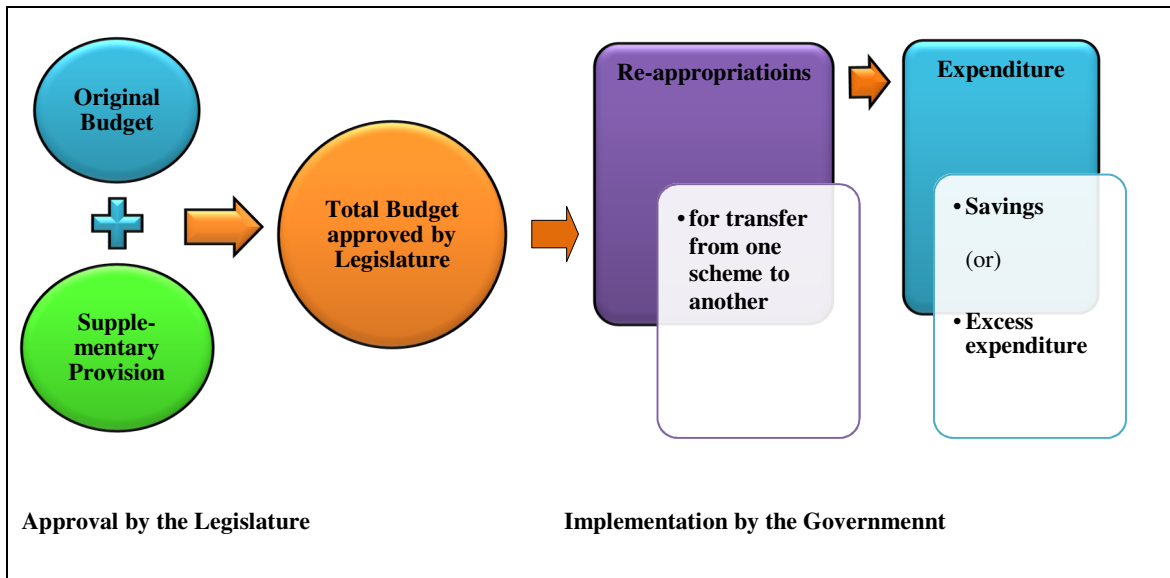
CHAPTER-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations 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.

Chart-2.1: Flow chart of budget implementation



2.1.2 Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure 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

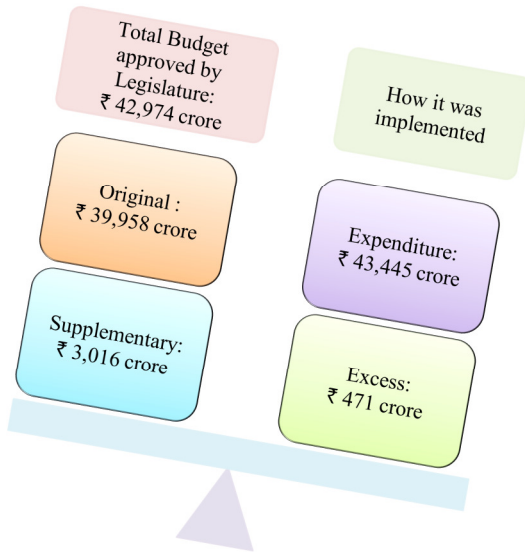
The summarised position of actual expenditure during 2017-18 against 31 grants/appropriations is given in **Table-2.1** and **Chart-2.2**.

Table-2.1: Summarised position of Original/Supplementary Provisions vis-à-vis Actual expenditure during the year 2017-18

(₹ 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	26,834.00	2,165.44	28,999.44	25,032.46	(-)3,966.98	162.72	162.72	100
	II Capital	5,511.37	827.61	6,338.98	6,633.44	(+)294.46	70.93	70.93	100
	III Loans and Advances	252.35	18.00	270.35	76.83	(-)193.52	00	00	00
Total Voted		32,597.72	3,011.05	35,608.77	31,742.73	(-)3,866.04	233.65	233.65	100
Charged	IV Revenue	4,716.83	4.70	4,721.53	4,050.41	(-)671.12	3.64	3.64	100
	V Capital	3.00	0.00	3.00	00	(-)3.00	00	00	00
	VI Public Debt-Repayment	2,640.23	0.00	2,640.23	7,651.62	(+)5,011.39	00	00	00
Total Charged		7,360.06	4.70	7,364.76	11,702.03	(+)4,337.27	3.64	3.64	100
Grand Total		39,957.78	3,015.75	42,973.53	43,444.76	(+)471.23	237.29	237.29	100

Source: Appropriation Accounts.

Chart-2.2: Summarised position of provision vis-à-vis Actual Expenditure

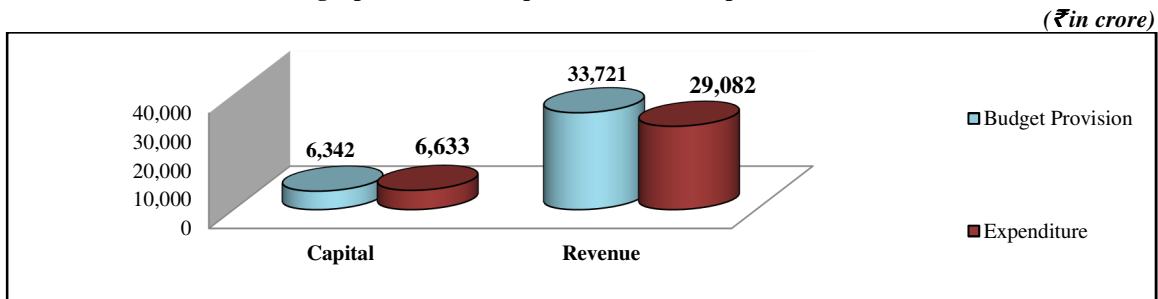


As shown in Table-2.1, there was an overall excess expenditure of ₹ 471.23 crore which was the result of excess expenditure of ₹ 6,413.38 crore in six grants under Capital Voted and one Appropriation under Capital Charged Section and saving of ₹ 5,942.15 crore in 30 grants and eight appropriations.

2.2.1 Capital and Revenue

Excess expenditure was reported in the Capital Account. However, Savings were observed in Revenue Account (*Chart-2.3*).

Chart-2.3: Budget provision and expenditure under Capital and Revenue sections



Source: Appropriation Accounts.

Departments and Sections against which significant excess expenditure over the allotment were noticed during the year 2017-18 are given in **Table-2.2**.

Table-2.2: Details of significant excesses noticed during 2017-18

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Excess Expenditure
1.	7	Finance, Tax, Planning, Secretariat & Miscellaneous Services	Capital (Charged)	5,011.39
2.	25	Food	Capital (Voted)	1,322.39
Total				6,333.78

As is evident from above table, 98.76 per cent excess occurred in only one grant and one appropriation.

Similarly, departments against which significant savings over the allotments was noticed during the year 2017-18, were Revenue and General Administration (₹ 969.95 crore), Finance, Tax, Planning, Secretariat & Miscellaneous (₹ 1,134.71 crore), Education, Sports, Youth Welfare & Culture (₹ 551.38 crore), Medical, Health and Family Welfare (₹ 592.79 crore), Water Supply, Housing & Urban Development (₹ 364.75 crore), Welfare (₹ 368.84 crore), Rural Development (₹ 612.98 crore), Energy (₹ 196.67 crore) and Welfare of Scheduled Castes (₹ 307.01 crore).

The savings/excess (Detailed Appropriation Accounts) were intimated (July 2018) to the Controlling Officers requesting them to furnish reasons for the substantial savings/excess. Their replies were yet to be received (February 2019).

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 objectionable and must be avoided. In six cases, expenditure aggregating ₹ 10,810.75 crore exceeded the approved provision by ₹ 6,412.89 crore which was more than ₹ one crore in each case or 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 2013-14 to 2017-18

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of excess expenditure				
		2013-14	2014-15	2015-16	2016-17	2017-18
Capital-Voted						
1.	25-Food	1,775.56	1,738.25	2,203.83	2,245.80	1,322.39

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. Such repeated excess expenditure over grants approved by the State Legislature are in violation of the will of the Legislature and the basic principle of democracy that not a rupee can be spent without the approval of the State Legislative Assembly, and, therefore, need to be viewed

seriously. All the existing cases of excess expenditure need to be got regularised at the earliest and, in future, such un-voted expenditure may be completely stopped, except in case(s) of dire and extreme emergency, the cost of which cannot be met from the Contingency Fund.

2.3.2 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 Article 205 (1) (b) of the Constitution. **However, excess expenditure amounting to ₹ 20,780.77 crore pertaining to previous years from 2005 to 2017 was yet to be regularised by the State Legislature.** The year-wise amount of excess expenditure pending regularisation is summarised in **Table-2.4**.

Table-2.4: 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
2005-06	7	7,8,17,20,22,25&29	663.50
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
2016-17	4	07, 17, 25 & 29	5,457.33
Total			20,780.77

Source: Appropriation Accounts.

This is contrary to legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public money. Excess expenditure remaining unregularised for such extended period needs to be viewed seriously as this dilutes the legislative control over the exchequer and therefore, all existing cases of excess expenditure need to be got regularised at the earliest and strict departmental action is taken against controlling officer who exceed the budget.

2.3.3 Excess over provisions during 2017-18 requiring regularisation

Table-2.5 contains the summary of total excess expenditure registered under six grants and one appropriation amounting to ₹ 6,413.39 crore over authorisation from the Consolidated Fund of the State (CFS) during the year 2017-18.

Table-2.5: Excess over provision requiring regularisation during 2017-18

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Total Expenditure	Excess Expenditure
Capital –Charged					
1.	7	Finance, Tax, Planning, Secretariat & Miscellaneous Services	2,640.23	7,651.62	5,011.39
Capital (Voted)					
1.	14	Information	8.27	8.76	0.50
2.	17	Agriculture Works & Research	23.03	26.75	3.72
3.	20	Irrigation & Flood	292.18	337.88	45.70
4.	22	Public Work	1,369.20	1,395.28	26.08
5.	25	Food	19.27	1,341.67	1,322.39
6.	27	Forest	53.95	57.56	3.61
Total			4,406.13	10,819.52	6,413.39

Source: Appropriation Accounts.

Reasons for the excess had not been intimated by the State Government/Department as of February 2019.

2.3.4 Inadequate supplementary provision

Supplementary provision of ₹ 138.20 crore sought in respect of four cases proved insufficient by one crore or more than ₹ one crore thereby leaving an aggregate uncovered excess expenditure of ₹ 1,397.89 crore (*Appendix-2.2*).

2.3.5 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 sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding 25 per cent of the total expenditure for the year 2017-18 was incurred in March 2018 in respect of 33 major heads as listed in *Appendix-2.3*.

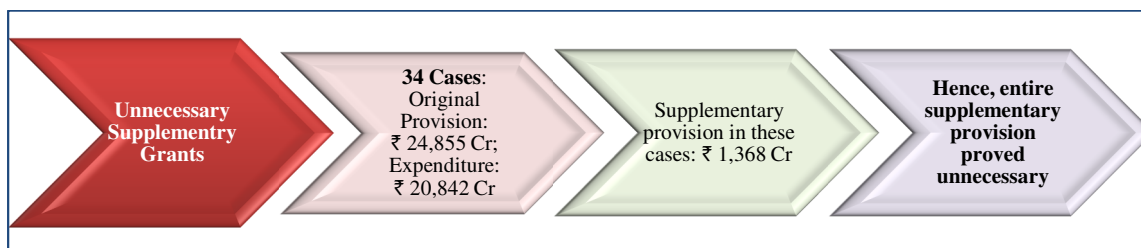
59.45 per cent of the total expenditure of ₹ 2,386.03 crore spent against 33 major heads during the year 2017-18 was incurred in the last quarter of the financial year.

2.3.6 Excess provision resulting in saving

2.3.6.1 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating ₹ 1,367.58 crore obtained in 34 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*.

Chart-2.4: Unnecessary Supplementary Provisions



Source: Appropriation Accounts.

2.3.6.2 *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 expenditure exceeding ₹ 10 lakh in 66 cases under 07 grants as detailed in **Appendix-2.5**.

Reasons for the savings were not furnished by the Government as of February 2019.

2.3.6.3 *Substantial surrenders*

Substantial surrenders (the cases where more than 30 *per cent* of total provision was surrendered) were made in respect of 80 sub-heads, in 13 grants. Out of the total provision amounting to ₹ 343.03 crore in these 80 sub-heads, ₹ 148.03 crore (43.15 *per cent*) were surrendered which included *per cent* surrender in 43 schemes (₹ 28.35 crore) in Voted Grants detailed in **Appendix-2.6(A)** and substantial surrenders (exceeding 30 *per cent* of total provision) in respect of five sub-heads, under two grants. Out of the total provision amounting to ₹ 4.18 crore under five sub-heads, ₹ 1.36 crore (32.47 *per cent*) was surrendered in two appropriations as detailed in **Appendix-2.6(B)**.

2.3.6.4 *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 ₹ 15.75 crore in three cases, the amount surrendered was ₹ 15.90 crore resulting in excess surrender of ₹ 0.15 crore. Details are given in **Appendix-2.7**.

2.3.6.5 *Anticipated savings not surrendered/partially 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 2017-18, there were, however, 17 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 ₹ 2,408.87 crore (40.54 *per cent* of the total savings¹) as given in **Appendix-2.8**.

Similarly, out of savings of ₹ 5,912.82 crore (individual cases where savings were more than ₹ one crore) amount aggregating ₹ 155.90 crore only was surrendered resulting in non-surrender of remaining ₹ 5,756.92 crore (97.36 *per cent* of the savings of ₹ 5,912.82 crore), details of which are given in **Appendix-2.9**. **Besides, in four cases surrender of funds in excess of ₹ 10 crore amounting to ₹ 166.50 crore were surrendered (Appendix-2.10) on the last day of March 2018, thereby defeating the intended purpose of surrenders as these funds could not be utilised for other purposes.**

¹ Of total savings of ₹ 5,942.15 crore.

2.3.6.6 Appropriation vis-à-vis expenditure

Appropriation audit shows that in 55 cases, savings exceeded ₹ one crore or more than 20 per cent of total provision in each case (**Appendix-2.11**). Against the total savings of ₹ 5,941.69 crore, savings of ₹ 5,524.05 crore (92.97 per cent)² occurred in 24 cases relating to 16 grants and one Appropriation as given in **Table-2.6**.

Table-2.6: 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
Revenue –Voted					
1.	06	Revenue and General Administration	1,752.67	823.29	46.97
2.	07	Finance, Tax, Planning, Secretariat & Misc. Services	7,629.63	226.15	2.96
3.	11	Education, Sports, Youth Welfare and Culture	6,670.18	439.41	6.59
4.	12	Medical, Health and Family Welfare	1,951.34	510.18	26.15
5.	13	Water Supply, Housing and Urban Development	755.41	171.25	22.67
6.	15	Welfare	1,496.97	324.83	21.70
7.	17	Agriculture Works and Research	901.30	64.05	7.11
8.	19	Rural Development	1,212.25	557.81	46.01
9.	22	Public Work	705.46	63.62	9.02
10.	25	Food	237.71	55.36	23.29
11.	27	Forest	633.80	82.90	13.08
12.	29	Horticulture Development	271.11	55.47	20.46
13.	30	Welfare of Scheduled Castes	1,006.21	245.12	24.36
14.	31	Welfare of Scheduled Tribes	315.42	90.34	28.64
Total			25,539.46	3,709.78	14.52
Revenue Charged					
1.	07	Finance, Tax, Planning, Secretariat & Misc. Services	4,634.33	646.15	13.94
Total			4,634.33	646.15	13.94
Capital Voted					
1.	06	Revenue and General Administration	728.90	146.15	20.05
2.	07	Finance, Tax, Planning, Secretariat & Misc. Services	452.00	262.41	58.06
3.	11	Education, Sports, Youth Welfare and Culture	277.14	111.97	40.40
4.	12	Medical, Health and Family Welfare	146.55	82.61	56.37
5.	13	Water Supply, Housing and Urban Development	831.00	193.49	23.28
6.	19	Rural Development	1,183.16	55.16	4.66
7.	21	Energy	339.00	196.67	58.01
8.	23	Industries	63.74	57.77	90.63
9.	30	Welfare of Scheduled Castes	306.24	61.89	20.21
Total			4,327.73	1,168.12	26.99
Grand Total			34,501.52	5,524.05	16.01

Source: Appropriation Accounts.

The reasons for the savings though called for, were yet to be received (February 2019).

2.3.6.7 Persistent Savings

During the last five years, there were persistent savings of more than ₹ one crore in 45 cases as detailed in **Table-2.7**.

² Exceeding ₹ 50 crore in each case.

Table-2.7: List of Grants indicating persistent savings during last five years (2013-14 to 2017-18)

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of Saving				
		2013-14	2014-15	2015-16	2016-17	2017-18
Revenue-Voted						
1.	04-Judicial Administration	36.52	35.73	29.67	54.67	19.38
2.	06-Revenue & General Administration	1,466.73	1,037.70	669.86	1,284.98	823.29
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	116.17	480.27	786.13	1,020.53	226.15
4.	08-Excise	2.02	1.44	1.91	5.13	2.59
5.	10-Police & Jail	23.71	100.55	60.74	149.77	73.90
6.	11-Education, Sports, Youth Welfare & Culture	635.48	741.48	811.98	1,313.18	439.41
7.	12-Medical, Health & Family Welfare	116.11	397.34	514.02	452.31	510.18
8.	13-Water Supply, Housing & Urban Development	308.25	175.86	299.99	416.29	171.25
9.	14-Information	1.16	1.01	2.19	4.76	3.30
10.	15-Welfare	178.11	342.56	396.89	504.66	324.83
11.	16-Labour & Employment	28.70	58.20	86.03	72.37	19.06
12.	17-Agriculture Works & Research	186.93	91.09	215.51	252.03	64.05
13.	18-Co-operative	8.53	7.93	6.60	16.69	2.84
14.	19-Rural Development	179.22	651.46	126.96	485.65	557.81
15.	20-Irrigation & Flood	36.48	63.40	49.57	100.57	36.58
16.	22-Public Works	95.65	205.45	119.55	61.65	63.62
17.	23-Industries	20.89	14.02	34.66	106.40	43.01
18.	24-Transport	3.22	5.27	5.60	11.69	9.43
19.	25- Food	226.55	224.72	129.08	171.66	55.36
20.	26-Tourism	13.43	42.46	4.17	18.69	8.40
21.	27-Forest	31.00	1,19.93	80.72	2,10.08	82.90
22.	28-Animal Husbandry	24.93	33.92	24.21	73.87	22.33
23.	29-Horticulture Development	40.87	41.31	61.45	49.46	55.47
24.	30-Welfare of Scheduled Castes	210.01	269.50	490.39	542.21	245.12
25.	31-Welfare of Scheduled Tribes	58.99	95.59	117.85	138.15	90.34
Revenue-Charged						
1.	04-Judicial Administration	5.52	7.59	8.77	28.12	7.20
2.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	646.03	657.44	414.76	226.69	646.15
3.	09-Public Service Commission	2.40	1.59	1.64	9.49	10.11
4.	22-Public Works	1.75	4.71	5.09	1.38	3.95
Capital-Voted						
1.	01-Legislature	22.00	19.97	23.50	9.93	0.46
2.	04-Judicial Administration	7.94	19.54	29.06	38.67	3.76
3.	06-Revenue & General Administration	13.78	4.85	4.42	74.61	146.15
4.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	40.81	23.09	15.31	310.53	262.41
5.	10-Police & Jail	46.89	7.55	2.91	17.12	8.43
6.	11-Education, Sports, Youth Welfare & Culture	184.55	189.88	370.80	152.73	111.97
7.	12-Medical, Health & Family Welfare	188.14	24.27	33.80	32.28	82.61
8.	13-Water Supply, Housing & Urban Development	275.08	477.85	157.08	174.45	193.49
9.	15-Welfare	6.75	74.29	39.12	17.66	44.01
10.	19-Rural Development	62.82	219.63	51.80	70.26	55.16
11.	21-Energy	325.76	361.66	102.42	314.05	196.67
12.	23-Industries	28.21	25.81	16.29	34.66	57.77
13.	24-Transport	95.18	30.00	59.21	44.41	19.23
14.	26-Tourism	47.68	179.95	63.10	71.64	5.22
15.	30-Welfare of Scheduled Castes	300.94	299.68	134.77	117.96	61.89
16.	31-Welfare of Scheduled Tribes	81.60	42.37	61.52	59.85	36.65

Reasons for savings in 2017-18 were not intimated by the Government (February 2019). Despite being mentioned in the Report on State Finances of the Comptroller & Auditor General of India for the year 2016-17 of the State, a substantial number of cases were noticed where savings persisted during the current

year also which is indicative of persistent over assessment of requirement of funds. This needs to be reviewed.

2.3.7 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.

At the end of 2017-18, unspent balances to the tune of ₹ 235.52 crore remained untransferred to the Consolidated Fund. Further, it was also noticed that an amount of ₹ 0.41 crore and ₹ 0.66 crore drawn under Major Heads 4225 and 4235 were transferred to PD Accounts in March.

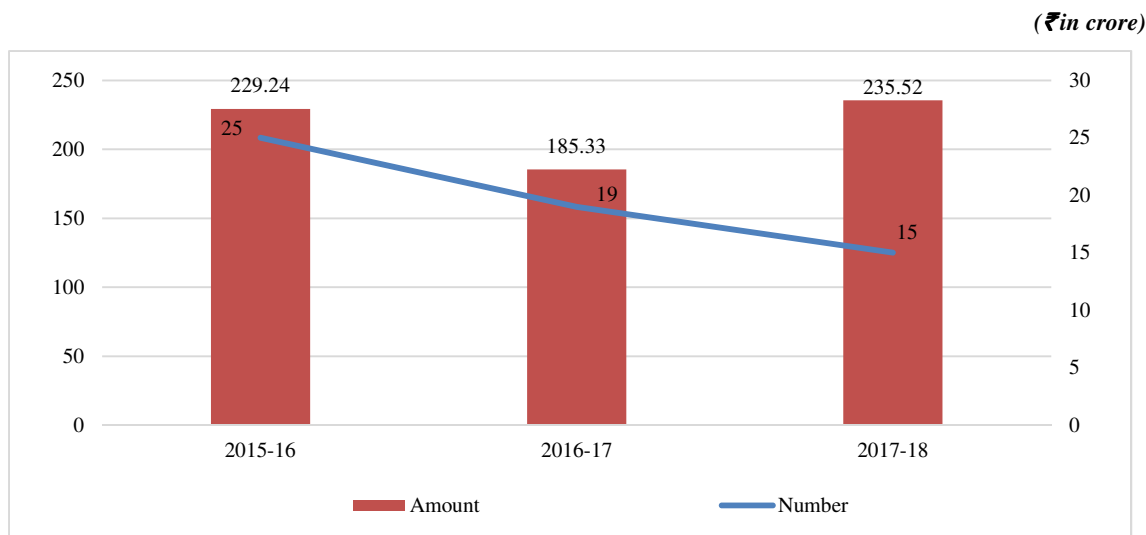
The status of PDA during 2017-18 is given in Table-2.8.

Table-2.8: Status of PD Accounts (MH 8443-106) during 2017-18

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
19	185.33	15	135.76	19	85.57	15	235.52

Chart-2.5: PD Accounts



Overall number of PD accounts has come down while the amount involved has increased over the previous year.

An analysis of the 15 PD accounts disclosed that ₹ 144.14 crore was lying unspent for more than one year. Transferring money to PD accounts from Consolidated Fund of State and not spending these amount leads to over statement of expenditure from Consolidated Fund of State.

Further scrutiny of accounts of the Chief Treasury Officer, Dehradun showed that there was no change in the number but there was an increase in amount of deposit accounts at the end of 2017-18.

The status of deposit accounts from 2015-16 to 2017-18 is detailed in Table-2.9.

Table-2.9: Status of the deposit accounts

(₹ in crore)

Deposit Heads	2015-16		2016-17		2017-18	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
8338-Deposit of Local Fund	05	82.28	05	90.98	05	91.18
8443-Civil Deposit	06	130.74	05	123.71	04	105.06
8448-Deposit of Local Funds	17	33.08	17	38.18	19	109.24
Total fund Parked/transferred	28	246.10	27	252.87	28	305.48

Source: Records of Chief Treasury Officer, Dehradun.

These Personal Deposit accounts were required to be closed on the last working day of the financial year and unspent balances were required to be transferred to the Consolidated Fund. However, this was not done.

Non-reconciliation of balances in PD accounts periodically and not transferring the unspent balances lying in PD accounts to Consolidated Fund before the closure of the financial year entails the risk of misuse of public funds, fraud and misappropriation.

2.4 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant No. 06-Revenue & General Administration and Grant No. 19- Rural Development for the period 2015-16 to 2017-18 revealed the following position:

Grant No. 06-Revenue & General Administration

A. Revenue Expenditure

The overall revenue expenditure showed decrease during 2016-17 by 6.65 per cent and further decreased by 41.19 per cent during 2017-18 over the previous year, as summarised in the Table-2.10.

Table-2.10: Summarised position of actual expenditure vis-à-vis original provision during 2015-16 to 2017-18

(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
2029-Land Revenue, 2052-Secretariat- General Services, 2053-District Administration, 2070-Other Administrative Service, 2075-Miscellaneous General Service, 2245-Relief on Account of Natural Calamities	2015-16	2,082.10	284.81	2,366.91	1,696.36	670.55	28.33	---
	2016-17	2,666.17	203.23	2,869.40	1,583.60	1,285.80	44.81	(-) 6.65
	2017-18	1,735.54	19.52	1,755.06	931.26	823.80	46.94	(-) 41.19

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 670.55 crore (28.33 per cent) and ₹ 1,285.80 crore (44.81 per cent) during 2015-16 to 2016-17. During 2017-18, there was unnecessary supplementary provision of

₹ 19.52 crore as the original allotment (₹ 1,735.54 crore) was more than actual expenditure (₹ 931.26 crore).

Test check of certain heads revealed trends of major variations (more than ₹ 50 lakh in any year) in expenditure over previous years, as shown below in **Table-2.11**.

Table-2.11: Trends of major variations in expenditure over previous years in grant

Sl. No.	Head	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
		2015-16	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
1.	2029-00-103-03	10,896.72	10,493.35	11,525.00	(-)403.37	(+)1,031.65	(-)3.70	(+)9.83
2.	2029-00-800-03	817.22	917.04	0.00	(+)99.82	(-)917.04	(+)12.21	(-)100.00
3.	2070-00-104-04	663.28	809.56	1,007.46	(+)146.28	(+)197.90	(+)22.05	(+)24.45
4.	2070-00-107-04	432.46	531.42	719.69	(+)98.96	(+)188.27	(+)22.88	(+)35.43
5.	2070-00-107-11	276.82	132.85	0.00	(-)143.97	(-)132.85	(-)52.01	(-)100.00
6.	2245-05-800-13	14,613.65	35,567.54	0.00	(+)20,953.89	(-)3,5567.50	(+)143.39	(-)100.00
7.	2245-80-800-01	32,720.45	18,689.98	16,792.74	(-)14,030.50	(-)1,897.24	(-)42.88	(-)10.15
8.	2245-80-800-03	4,886.14	2,166.46	0.00	(-)2,719.68	(-)2,166.46	(-)55.66	(-)100.00
9.	2245-80-800-97	70,000.00	79,153.00	0.00	(+)9,153.00	(-)79,153.00	(+)13.08	(-)100.00
10.	2245-05-101-01	27,436.00	22,000.00	23,100.00	(-)5,436.00	(+)1,100.00	(-)19.81	(+)5.00

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall capital expenditure showed decrease of 20.16 per cent during 2016-17 over the previous year. However, it showed a steep increase of 8,119.32 per cent during 2017-18, as summarised below in **Table-2.12**.

Table-2.12: Summarised position of actual expenditure vis-à-vis original /supplementary provision during 2015-16 to 2017-18

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Expenditure
4059- Capital Outlay on Public Work,	2015-16	4.81	8.50	13.31	8.88	4.43	33.28	--
	2016-17	80.70	1.00	81.70	7.09	74.61	91.32	(-)20.16
4250-Capital Outlay on Other Social Services	2017-18	708.40	20.50	728.90	582.75	146.15	20.05	(+)8,119.32

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings of ₹ 4.43 crore (33.28 per cent), ₹ 74.61 crore (91.32 per cent) and ₹ 146.15 crore (20.05 per cent) in the years 2015-16, 2016-17 and 2017-18 respectively. During 2016-17, there was unnecessary supplementary provision of ₹ 1.00 crore as the original provision (₹ 80.70 crore) was more than the actual expenditure (₹ 7.09 crore). Similarly, during 2017-18, there was unnecessary supplementary provision of ₹ 20.50 crore as the original allotment (₹ 708.40 crore) was more than actual expenditure (₹ 582.75 crore).

C. Non-Utilisation of entire Provision

Test check of sub-heads revealed that the department did not utilise the entire provision during 2015-16 to 2017-18 at the end of the year (₹ one crore and above) under following sub-heads:

Table-2.13: Summarised position of Non-Utilisation of entire Provision during 2015-16 to 2017-18

(₹ in lakh)

Sl.No.	Year	Head of Account	Original	Saving
1.	2015-16	2029-00-103-01	2,500.00	2,500.00
2.		2245-80-102-01	150.00	150.00
3.	2016-17	2029-00-103-01	2,000.00	2,000.00
4.		2070-00-800-01	177.74	177.74
5.		2245-80-102-01	150.00	150.00
6.		2245-80-800-05	1,000.00	1,000.00
7.	2017-18	2245-80-102-10	500.00	500.00
8.		2245-80-800-12	120.00	120.00
9.		4059-60-051-07	200.00	200.00
10.		4059-60-051-09	120.00	120.00
11.		4250-00-101-01	500.00	500.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0029, 0070 and 0075 Major Head of the selected grant during 2015-16 to 2017-18 is summarised in **Table-2.14**.

Table-2.14: Position of revenue receipts under 0029, 0070 and 0075 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ short fall	Per cent Variation to Revised Estimate
2015-16	74.02	73.85	65.56	(-)8.29	(-)11.23
2016-17	89.35	210.88	192.25	(-)18.63	(-)8.83
2017-18	124.67	95.67	178.96	(+)83.29	(+)87.06

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-2.15**.

Table-2.15: Summarised position of Receipts during 2015-16 to 2017-18

(₹ in crore)

Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0029-01-101	2015-16	11.00	11.00	27.88	(+)16.88	(+)153.45
		2016-17	20.20	29.24	29.21	(-)0.03	(-)0.10
		2017-18	34.00	30.00	11.23	(-)18.77	(-)62.57
2.	0029-01-103	2015-16	5.00	5.00	0.00	(-)5.00	(-)100.00
		2016-17	5.50	0.40	0.40	0.00	0.00
		2017-18	6.00	6.00	0.12	(-)5.88	(-)98.00
3.	0029-01-105	2015-16	0.00	0.00	0.00	0.00	0.00
		2016-17	0.00	100.01	100.01	0.00	0.00
		2017-18	0.00	0.00	0.00	0.00	0.00
4.	0029-01-800	2015-16	1.12	1.12	0.00	(-)1.12	(-)100.00
		2016-17	1.23	29.95	29.90	(-)0.05	(-)0.17
		2017-18	30.03	7.03	12.72	(+)5.69	(+)80.94
5.	0070-01-102	2015-16	31.60	31.60	43.16	(+)11.56	(+)36.58
		2016-17	34.76	41.00	38.81	(-)2.19	(-)5.34
		2017-18	44.60	44.60	143.55	(+)98.89	(+)221.43
6.	0070-01-800	2015-16	0.11	0.11	0.00	(-)0.11	(-)100.00
		2016-17	0.12	0.73	0.06	(-)0.67	(-)91.78
		2017-18	0.00	0.00	0.01	(+)0.01	0.00
7.	0070-02-800	2015-16	0.00	0.00	0.00	0.00	0.00
		2016-17	0.00	0.05	0.00	(-)0.05	(-)100.00
		2017-18	0.01	0.01	0.00	(-)0.01	(-)100.00
8.	0070-60-105	2015-16	0.00	0.00	0.02	(+)0.02	0.00
		2016-17	0.00	0.24	0.00	(-)0.24	(-)100.00
		2017-18	0.15	0.15	0.00	(-)0.15	(-)100.00
9.	0070-60-110	2015-16	0.13	0.13	0.00	(-)0.13	(-)100.00
		2016-17	0.14	0.25	0.00	(-)0.25	(-)100.00
		2017-18	0.30	0.30	0.00	(-)0.30	(-)100.00
10.	0075-01-105	2015-16	21.00	21.00	19.14	(-)1.86	(-)8.86
		2016-17	23.10	5.63	5.64	(+)0.01	(+)0.18
		2017-18	6.00	4.00	0.70	(-)3.30	(-)82.50

11.	0075-01-108	2015-16	2.00	2.00	0.00	(-)2.00	(-)100.00
		2016-17	2.20	1.00	4.89	(+)3.89	(+)389.00
		2017-18	2.00	2.00	4.23	(+)2.23	(+)111.50
12.	0075-01-800	2015-16	1.00	1.00	3.84	(+)2.84	(+)284.00
		2016-17	1.10	1.10	16.48	(+)15.38	(+)1,398.18
		2017-18	0.00	0.00	6.38	(+)6.38	0.00
13.	0075-01-900	2015-16	0.00	0.00	-28.47	(-)28.47	0.00
		2016-17	0.00	0.00	-33.17	(-)33.17	0.00
		2017-18	0.00	0.00	0.00	0.00	0.00

Source: Budget and Finance Accounts.

Grant No. 19- Rural Development

A. Revenue Expenditure

The overall revenue expenditure showed increase of 3.49 per cent during 2017-18 against a decrease of 18.95 per cent during 2016-17 over the previous years, as summarised in Table-2.16.

Table-2.16: Summary of actual expenditure vis-à-vis original provision during 2015-16 to 2017-18

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	₹ in crore	
							Saving (in per cent)	Growth in expenditure (in per cent)
2501- Special Programme for Rural Development, 2515-Other Rural Development Programmes	2015-16	833.11	73.99	907.10	780.14	126.96	14.00	-
	2016-17	1,112.82	5.18	1,117.99	632.34	485.65	43.44	(-)18.95
	2017-18	1,175.13	37.13	1,212.25	654.44	557.81	46.01	(+)3.49

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 126.96 crore (14.00 per cent) and ₹ 557.81 crore (46.01 per cent) during 2015-16 to 2017-18. During 2015-16, there was unnecessary supplementary provision of ₹ 73.99 crore as the original allotment (₹ 833.11 crore) was more than actual expenditure (₹ 780.14 crore). Similarly during 2016-17, there was unnecessary supplementary provision of ₹ 5.18 crore as the original allotment (₹ 1,112.82 crore) was more than actual expenditure (₹ 632.34 crore). During 2017-18, there was unnecessary supplementary provision of ₹ 37.13 crore as the original allotment (₹ 1,175.13 crore) was more than actual expenditure (₹ 654.44 crore).

Test-check of certain heads revealed significant variations (more than ₹ 50 lakh in any year) in expenditure over previous years as shown below in Table-2.17.

Table-2.17: Trend of major variations in expenditure over previous years in grant

Head	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
	2015-16	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
2515-00-003-03	645.17	696.75	830.29	(+)51.58	(+)133.54	(+)7.99	(+)19.17
2515-00-101-03	568.30	627.70	736.98	(+)59.40	(+)109.28	(+)10.45	(+)17.41
2515-00-102-01	110.39	60.11	40.00	(-)50.28	(-) 20.11	(-) 45.55	(-)33.46
2515-00-102-28	69.81	162.14	276.26	(+)92.33	(+)114.12	(+)132.26	(+)70.38
2515-00-102-97	5,041.89	7,283.44	7,500.00	(+)2,241.55	(+)216.56	(+)44.46	(+)2.97
2515-00-800-03	3,069.53	3,476.74	0.00	(+)407.21	(-)3,476.74	(+)13.27	(-)100.00
2515-00-800-06	414.20	202.99	0.00	(-)211.21	(-)202.99	(-)50.99	(-)100.00
2515-00-800-08	6,438.42	7,527.19	118.37	(+)1,088.77	(-)7,408.82	(+)16.91	(-)98.43

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall Capital Expenditure showed a decrease of 4.42 per cent during 2016-17 and an increase of 60.72 per cent in 2017-18 over the previous year, as summarised in Table-2.18.

Table-2.18: Summarised position of actual expenditure vis-à-vis original provision during 2015-16 to 2017-18
(₹ in crore)

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
4515- Capital Outlay on other Rural Development programmes	2015-16	638.11	148.00	786.11	734.31	51.80	6.59	-
	2016-17	772.10	0.00	772.10	701.85	70.26	9.10	(-) 4.42
	2017-18	972.50	210.66	1,183.16	1,128.00	55.16	4.66	(+) 60.72

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings under the Major Head-4515-Capital Outlay on Other Rural Development of ₹ 51.80 crore (6.59 per cent), ₹ 70.26 crore (9.10 per cent) and ₹ 55.16 crore (4.66 per cent) in the years 2015-16, 2016-17 and 2017-18 respectively.

C. Non-Utilisation of the entire Provision

Test check of certain sub-heads revealed that the department did not utilise the entire provision during 2015-16 to 2017-18 at the end of the year (₹ one crore and above) as given in **Table-2.19**.

Table-2.19: Summarised position of Non-Utilisation of entire Provision during 2015-16 to 2017-18

Sl. No.	Year	Head of Account	Original	Supplementary	Total (₹ in lakh)
1.	2015-16	2515-00-102-27	100.00	0.00	100.00
2.		2515-00-102-30	0.00	600.00	600.00
3.	2016-17	2515-00-102-07	120.40	0.00	120.40
4.		2515-00-102-12	200.00	0.00	200.00
5.		2515-00-102-27	100.00	0.00	100.00
6.		2515-00-102-31	1,000.00	0.00	1,000.00
7.	2017-18	2515-00-102-33	300.00	0.00	300.00
8.		2501-02-800-01	100.01	0.00	100.01
9.		2515-00-102-07	120.00	0.00	120.00
10.		2515-00-102-12	100.00	0.00	100.00
11.		2515-00-102-27	100.00	0.01	100.01
12.		2515-00-102-30	100.00	0.00	100.00
13.		4515-00-102-09	200.00	0.00	200.00
14.		4515-00-102-12	500.00	0.00	500.00
15.		4515-00-102-15	200.00	0.00	200.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0501, 0505 and 0515 major head of the grant during 2015-16 to 2017-18 is summarised in **Table-2.20**.

Table-2.20: Position of revenue receipts under 0501, 0505 and 0515 Major Head of the grant

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/Shortfall	Variation to Revised Estimate
					(in per cent)
2015-16	2.01	3.81	5.71	(+) 1.90	(+)49.87
2016-17	5.01	8.70	8.80	(+) 0.10	(+) 1.15
2017-18	9.91	9.91	4.83	(-) 5.08	(-) 51.26

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-2.21**.

Table-2.21: Position of Receipts, Minor Head-0501, 0505 and 0515

(₹ in crore)

Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0515-01-101	2015-16	2.01	3.81	5.65	(+)1.84	(+)48.29
		2016-17	5.00	0.14	8.79	(+)8.65	(+)6,178.57
		2017-18	1.51	1.51	4.73	(+)3.23	(+)213.90
2.	0515-01-102	2015-16	0.01	0.01	0.00	(-)0.01	(-)100.00
		2016-17	0.01	5.46	0.00	(-)5.46	(-)100.00
		2017-18	5.20	5.20	0.00	(-)5.20	(-)100.00
3.	0515-01-800	2015-16	0.00	0.00	0.06	(+)0.06	0.00
		2016-17	0.00	3.10	0.02	(-)3.08	(-)99.35
		2017-18	3.20	3.20	0.09	(-)3.11	(-)97.19

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. 19 treasuries and 70 sub-treasuries, one Cyber Treasury at Dehradun and one Pay & Accounts Office at New Delhi, in the State during 2017-18. Major irregularities noticed during inspection of 54 units³ during 2017-18 are contained in Table-2.22.

Table-2.22: Outcome of inspection of Treasuries

Sl. No.	Category	Amount (₹ in crore)
1.	Unadjusted amount withdrawn through TR 24	2.50
2.	Uncontrolled withdrawal from PLA Accounts	26.01
3.	Non deduction of TDS from pensioners during 2016-17	0.40

Source: Annual Review 2017-18 of Treasuries by Accountant General (A&E), Uttarakhand.

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 corpus of Contingency Fund was reduced by ₹ 250 crore during the year and stood at ₹ 500 crore at the end of 2017-18. 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 2018, advances to the tune of ₹ 231.50 crore drawn from the Contingency Fund during the year 2017-18, 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-2.12). The non-recouped amount of Contingency Fund under the Grants and Major Heads is shown in the Appendix-2.13.

³ 21 Treasuries and 33 Sub Treasuries.

During the Exit Conference (December 2018) it was stated that all the un-recouped amount has been recouped.

Table-2.23: Details of expenditure from Contingency Fund

(₹ in crore)

Financial Year	Contingency Fund Advance	Expenditure on Natural Calamity	Expenditure on other than Natural Calamity		Percentage of Expenditure other than Natural Calamity
			Capital Expenditure	Other Than Capital Expenditure	
2013-14	194.48	00	106.42	88.06	100.00
2014-15	194.15	10.00	58.38	125.77	94.85
2015-16	385.46	00	35.04	350.42	100.00
2016-17	227.70	1.77	15.46	210.47	99.22
2017-18	231.50	4.87	161.52	65.11	97.90
Total	1,233.29	16.64	376.82	839.83	

During the period of 2013-14 to 2017-18, it was observed that State Government incurred an expenditure on Natural Calamity, which is of emergent nature, ranging between zero and 5.15 per cent of Contingency Fund. However, the Government resorted to advances from the Contingency Fund to the tune of ₹ 376.82 crore (30.55 per cent) for Capital purposes over the period 2013-14 to 2017-18. An analysis of Capital Expenditure met out of Contingency Fund during the year 2017-18 revealed that expenditure was made on works not relating to natural calamity like Construction of Court Complex at Dehradun (₹ 10 crore); Construction of Uttarakhand Bhawan and Emporium in Mumbai (₹ 3.96 crore); refund of advance amount to a Kolkata based firm (₹ 1.91 crore); State share of National Rural Drinking Water Programme (₹ 3.83 crore) and irrigation works (₹ 12.00 crore). Besides, ₹ 128.33 crore was also spent on construction of Roads and Bridges by 39 divisions. A test check of records pertaining to five divisions which spent more than five crore from the Contingency Fund during the year 2017-18 disclosed that only ₹ 0.27 crore out of ₹ 51.56 crore was spent on works relating to natural calamity. The above expenditure was in contravention of the rules governing the operation of the Contingency 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 ₹ 0.59 crore, drawn on 16 AC bills were pending as at the end of March 2018. Year wise details are given in **Table-2.24**.

Table-2.24: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2018)

(₹ in crore)

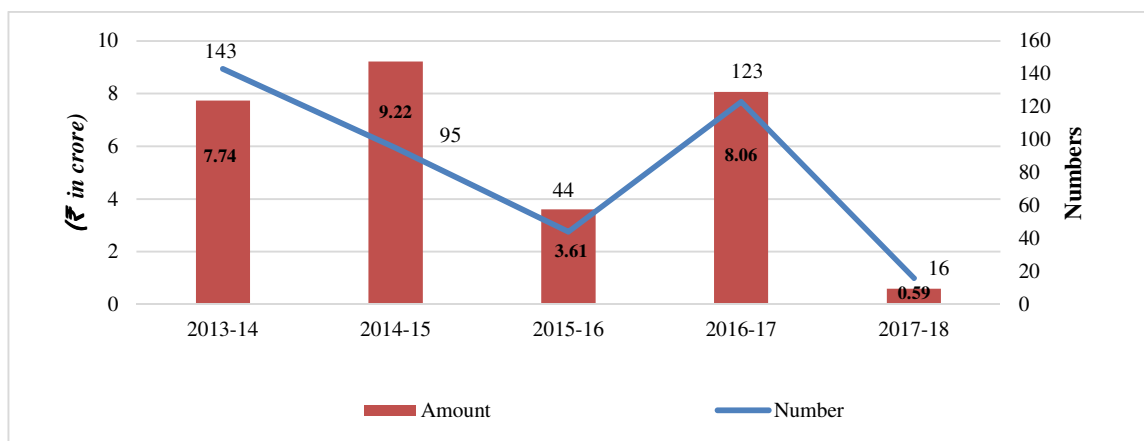
Year	Outstanding DC Bills	
	Number	Amount
Up to 2015-16	5	0.35
2016-17	7	0.18
2017-18	4	0.06
Total	16	0.59

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

Out of the total outstanding DCC bills amounting to ₹ 0.59 crore, seven outstanding DCC bills of ₹ 0.43 crore pertained to the Election Department. Position of Department / office wise pending DCC bills for the period up to 2017-18 has been given in **Appendix-2.14**.

The details of outstanding detailed counter signed contingent bills against AC bills during the last five years are given in the Chart below:

Chart-2.6: Outstanding DC Bills



There was a substantial reduction in the outstanding detailed bills against the AC Bills and only 16 DCC Bills amounting to ₹ 0.59 crore, were outstanding at the end of March 2018.

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 2017-18 also.

During the year 2017-18, such reconciliations had been completed fully by 48 CCOs out of 62 CCOs (77.42 per cent) for an amount of ₹ 31,263.90 crore (89.33 per cent) out of total expenditure of ₹ 34,997.06 crore.

The cases where amounts exceeding ₹ 10 crore involving a total of ₹ 2,333.18 crore (6.67 per cent of total expenditure) remained un-reconciled in respect of six Controlling Officers during the year 2017-18 are detailed in **Table-2.25**.

Table-2.25: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2017-18

Sl. No.	Controlling Officers	Amount not reconciled
1.	Chief Revenue Commissioner Ring Road, Lادpur, Dehradun	308.12
2.	Principal Secretary, Finance, Government of Uttarakhand	49.39
3.	Director, Information and Public relation, Uttarakhand Dehradun	40.16
4.	Deputy Director, Directorate, Sainik Kalyan evam Punarvas Uttarakhand	1,518.72
5.	Commissioner, Labour, Government of Uttarakhand, Dehradun	229.50
6.	Finance Controller, G.B. Pant Agriculture and Technical University Pantnagar	187.29
Total		2,333.18

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

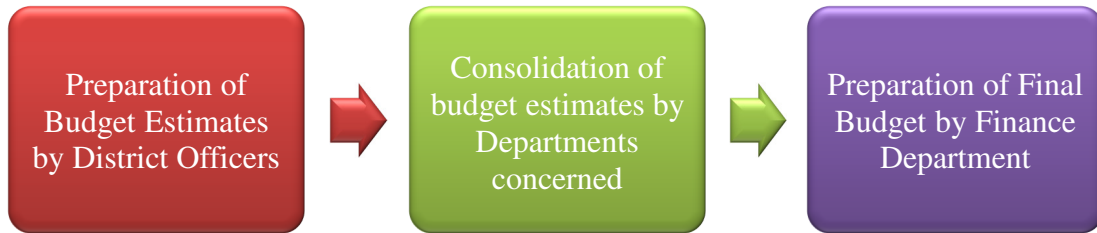
The Chief Controlling Officers of the abovementioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received till date (February 2019). Non-reconciliation of accounts by the controlling authorities has led to the continuation of deleted sub-major heads being operated by some controlling authorities.

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

2.8 Budgeting Process

The flow chart of budget preparation process is below:

Chart-2.7: Flow chart of Budget preparation process



Source: Based on para 210 of Budget Manual.

Both the departmental estimates and district estimates should receive careful attention of the officers who submit them, so that they may be neither inflated nor under pitched but as accurate as possible.

Audit analysis showed that budget preparation had several flaws that undermine its role in legislative control and as a tool for the Government to monitor the flow of funds.

2.8.1 Deficiencies in budgeting

The following deficiencies were noticed in the budgeting process of the State Government in the financial year 2017-18.

- Under the Major Head 2245, only one Sub-Major Head 05-has been shown in State Disaster Redemption Fund, under which there is the provision of Minor Head 800-Other Expenditure, whereas as per the List of Major and Minor Heads of Accounts, Sub-Major Heads 01-Drought and 02-Flood and Cyclone have not been shown.
- 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 –Repair and Maintenance under Sub-Major Head 80.
- iii. In the Major Head 2052, under Grant Number 07, Minor Head 800 has been shown as “other Expenditure”, whereas as per the List of Major and Minor Heads of Accounts there are provisions of Minor Head 091- “Attached Offices” and Minor Head 092- “Other offices”.
 - iv. In the Major Head 2211, under Grant Number 30 of the Budget Document Vol.-V Part IV, Minor head 101 has been shown as “Special Component Plan for Scheduled Castes”, whereas as per the List of Major and Minor Heads of Accounts it should have been 101-“Rural Family Welfare Services”.
 - v. In the Major Head 2055, under Grant Number 10 of the Budget Document Vol.-V Part I, Minor head 800 has been opened as “Other expenditure”, whereas as per the List of Major and Minor Heads of Accounts, there is no such provision.
 - vi. As per Budget Document, Minor Construction Work Expenditure provision was made in Major Head-4406 under Capital Account whereas as per rules Minor Construction Work Expenditure Provision must be made under Revenue Account.
 - vii. In the Major Head 4701, under Grant Number 20 of the Budget Document Vol.-V Part III, Minor head 006 under Sub-Major Head 80 has been shown as “High-tech of Educational Institutes and The idea”, whereas as per the List of Major and Minor Heads of Accounts there is no such provision.
 - viii. In the Major Head 4701, under Grant Number 20 of the Budget Document Vol-V Part III, Minor head 190 under Sub-Major Head 80 has been shown as “Investment in Government Sector and other undertaking”, whereas as per the List of Major and Minor Heads of Accounts it should have been “Investment in Public Sector and other undertaking”.
 - ix. In the Major Head 6801, under Grant Number 21 of the Budget Document Vol-V Part III, Minor head 190 under Sub-Major Head 05 has been shown as “Investment in Government Sector and other undertaking”, whereas as per the List of Major and Minor Heads of Accounts it should have been “Loan in Public Sector and other undertaking”.

Similar shortcomings were also mentioned in the Audit Report (2016-17). However, cognizance of the same has not been taken by the Government.

2.9 Conclusions and Recommendations

During 2017-18, there was an overall excess of ₹ 471.23 crore against the total grants and appropriations of ₹ 42,973.53 crore. The excess of ₹ 6,413.38 crore in six grants under Capital Voted and one Appropriation under Capital Charged Section and saving of ₹ 5,942.15 crore in 30 grants and eight appropriations requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 1,367.58 crore obtained in 34 cases proved unnecessary. Re-appropriation of funds in 66 cases was made injudiciously resulting either in savings or

excesses over provisions. Departments surrendered ₹ 237.29 crore on the last working day of the financial year leaving no scope for utilising these funds for other development purposes. In three cases, ₹ 0.15 crore was surrendered in excess of actual savings.

The State Government may assess the savings/excess and surrender the amount well before the close of the financial year so that they can be effectively utilised in other areas/schemes. It may obtain adequate funds to avoid incurring of excess expenditure.

Excess expenditure amounting to ₹ 20,780.77 crore pertaining to the years 2005-06 to 2016-17 was yet to be regularised by the State Legislature.

The State Government may plan its expenditure budgets more rigorously so as to avoid exceeding the approved grants and appropriations.

A significant amount of ₹ 231.50 crore was sanctioned under Contingency Fund in 22 cases and the entire amount has remained un-recouped as on 31 March 2018.

Government may ensure that advances from the Contingency Fund are resorted 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 ₹ 0.59 crore drawn on Abstract Contingent Bills up to March 2018.

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. Fourteen 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 2017-18, 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).