

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

The Comptroller and Auditor General of India performs the audit of appropriations to ascertain whether the expenditure actually incurred under various grants underlying in the budget, is within the authorisations given under the Appropriation Act for the year and whether charged appropriations are as required to be charged under the provisions of the Constitution. It also seeks to ascertain whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

The State Budget Manual (SBM), stipulates that the estimates of expenditure should be as accurate as possible. An avoidable excess in an estimate is as much a financial irregularity as an excess in the actual expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should neither be more nor less.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2018-19 against 55 grants/appropriations is given in **Table 2.1**.

Table 2.1: Actual Expenditure vis-à-vis Original/Supplementary Provisions

(₹ in crore)

Nature of expenditure		Original grant/ appropriation	Supple- mentary grant/ appro- priation	Total	Actual expenditure	Savings (-)/ Excess (+)	Percentage of savings against total Provision	Amount surrendered on 31 March 2019	Percentage of savings surrendered on 31 March 2019
1		2	3	4	5	6	7 (6/4*100)	8	9 (8/6*100)
Voted	I Revenue	1,51,149.64	9,712.16	1,60,861.80	1,48,485.32	(-) 12,376.48	7.69	11,467.66	92.7
	II Capital	27,246.07	915.17	28,161.24	21,340.12	(-) 6,821.12	24.22	6,672.27	97.8
	III Loans and Advances	580.31	559.44	1,139.75	1,113.09	(-) 26.66**	2.34	121.36	
Appropriation to Contingency Fund		-	-	-	-	-	-	-	
Total Voted		1,78,976.02	11,186.77	1,90,162.79	1,70,938.53	19,224.26	10.11	18,261.29	95.0
Charged	IV Revenue	21,621.41	371.87	21,993.28	21,920.42	(-) 72.86	0.33	63.73	87.5
	V Capital	- ¹	2.53	2.53	2.52	(-) 0.01	-	0.01	100
	VI Public Debt- Repayme nt	16,835.70	84.02	16,919.72	16,914.80	(-) 4.92	-	4.92	100
Total Charged		38,457.11	458.42	38,915.53	38,837.74	77.79	0.20	68.66	88.3
Grand Total		2,17,433.13	11,645.19	2,29,078.32	2,09,776.27*	19,302.05	8.43	18,329.95	95.0

* The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 3,632.55 crore and Capital: ₹ 1,704.44 crore Total: ₹ 5,336.99 crore).
** Less savings shown against surrender under loans and advances are due to savings offset by additional funds through re-appropriation in various Major Heads, mainly under grant no. 29-Urban Plan and Regional Development, 33-Social Security and Welfare, 37-Agriculture and 47-Tourism.

Source: Appropriation Accounts

¹ Only ₹ 8,000.

Table 2.1 indicates that supplementary provision aggregating to ₹ 11,645.19 crore obtained during 2018-19 proved unnecessary as the actual expenditure did not even come up to the level of original grant/appropriation. The overall saving of ₹ 19,302.05 crore was the result of savings in 49 grants and 45 appropriations under Revenue Section and 34 grants and four appropriations under Capital Section.

The Accountant General, Accounts and Entitlement (A&E), Rajasthan called for explanation from the Controlling Officers on the variations in expenditure i.e. savings/excesses in 1,444 sub-heads. However, explanations in respect of 667 sub-heads (saving: 555 and excess: 112) were not received (October 2019).

2.3 Financial Accountability and Budget Management

2.3.1 Excess Expenditure

As per para 8.5(5) of SBM, Budget Controlling Officer will ensure that expenditure does not exceed the budget allocation. Para 24.1 of SBM also provides that Expenditure shall neither be incurred in excess of the sanctioned allotment for any purpose nor on the items for which no provision has been made in the budget. Therefore, statement should be prepared with utmost care, as inaccurate statements of excesses and savings not merely cause inconvenience to the Finance Department but may lead to excess expenditure, for which concerned Budget Controlling Officer will be held responsible.

In 16 cases under four grants, there was excess expenditure of more than ₹ one crore which was also more than 10 *per cent* of the total provisions of the sub-heads of the grants (*Appendix 2.1*).

Excess expenditure incurred over budgetary allocation indicates deficient budgetary and expenditure controls.

2.3.2 Flow of expenditure

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

During 2018-19, 35.25 *per cent* (₹ 72,055 crore) of the total expenditure (₹ 2,04,439 crore) was incurred during last quarter of the financial year. However, it was also observed that 33.17 *per cent* (₹ 63,324 crore) of the total receipts (₹ 1,90,898 crore) were received during last quarter only. The expenditure incurred in the last quarter of the financial year 2018-19 has decreased by 5.23 *per cent* (₹ 3,980 crore) when compared to previous year 2017-18.

During 2018-19, in respect of 9 sub-heads (involving expenditure in each case) under 9 grants, total expenditure of ₹ 2,566.16 crore (exceeding ₹ 100 crore and more than 45 *per cent* of total expenditure in each case) was incurred in the last quarter of the financial year which was 58.6 *per cent* of

total expenditure (₹ 4,376.24 crore). Of this, ₹ 1,866.47 crore (42.7 per cent) was spent in March 2019 alone as detailed in **Appendix 2.2**.

Details of Major Heads, where expenditure exceeding ₹ 25 crore and more than 50 per cent of total expenditure was incurred either during the last quarter or during the last month of the financial year, are shown in **Table 2.2**:

Table 2.2: Cases of flow of expenditure towards the end of the Financial Year 2018-19

S. No.	Head of Account	Total expenditure during the year	(₹ in crore)			
			Expenditure during last quarter of the year		Expenditure during March 2019	
			Amount	% of total expenditure	Amount	% of total expenditure
1.	2059- Public Works	73.68*	77.60	105.32	38.65	52.46
2.	2075-Misc. General Services	538.79	536.91	99.65	536.13	99.51
3.	2245-Relief on Account of Natural Calamities	2,054.00	1,692.71	82.41	1,081.17	52.64
4.	2404-Dairy Development	39.13	36.00	92.00	36.00	92.00
5.	2801-Power	21,203.73	14,086.50	66.43	13,844.09	65.29
6.	4425- Capital Outlay on Co-operation	132.01	132.01	100.00	132.00	99.99
7.	4801-Capital Outlay on Power Project	3,822.35	3,000.05	78.49	3,000.05	78.49
8.	4802-Capital Outlay on Petroleum	146.80	146.80	100.00	146.80	100.00

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

* Less expenditure at the end of the year due to adjustment of recovery in this head.

Incidentally, out of ₹ 31,821.06 crore transferred/deposited in Personal Deposit Account, ₹ 5,002.11 crore (15.7 per cent) was transferred in March 2019 alone, as detailed in **Paragraph 3.5**.

Thus, expenditure incurred by the departments during the last quarter/month of the year is indicative of less control on progressive expenditure.

Recommendation 12:

The Departments may regularly monitor the progress of expenditure throughout the year and maintain uniform flow of expenditure during the last quarter/month.

2.3.3 Savings

The cases of substantial savings were noticed from budget allocation during the financial year, raising questions about the credibility of the budgeting process and budget monitoring.

The outcome of Appropriation audit revealed that out of total savings of ₹ 19,302.05 crore during the year 2018-19, in case of 23 grants amounting to ₹ 17,389.69 crore (90 per cent), the savings exceeded ₹ 100 crore in each case, as indicated in **Appendix 2.3**.

This indicates that the provisions of Chapter 13 of the SBM related to estimates of expenditure were not followed during preparation of budget estimates of expenditure by the departments and Budget Controlling Officers of these grants, which resulted in savings of ₹ 17,389.69 crore.

Recommendation 13:

The State Government may prepare budget as per actual requirement and ensure its optimum utilisation.

2.3.4 Persistent savings

In 7 cases involving 6 grants there were persistent savings of more than ₹ 100 crore ranging from 10.5 per cent to 55.5 per cent during last three years as per the details given in **Appendix 2.4**.

Reasons for persistent savings were mainly due to non/less release of share/funds by GoI/GoR. Other reasons reported were slow progress of work, non-receipt of sanction from GoI, non/less execution of work, non-availability of construction site to contractor, posts remaining vacant etc.

The persistent savings over the years were indicative of over assessment of requirement of funds by the State Government in their Appropriation Act without adequate scrutiny and proper monitoring of the flow of expenditure and trends of expenditure during previous years.

The Public Accounts Committee in its 86th (March 2016) and 153rd (March 2017) Reports had also recommended to take effective measure to avoid cases of persistent savings in future and ensure due diligence while preparing budget estimates. However, in spite of these recommendations, the incidence of persistent savings continued during 2018-19 also.

A detailed review of persistent savings under Grant No. 29-Urban Plan and Regional Development was undertaken on the basis of persistent savings of more than ₹ 100 crore for last three years under this grant. Significant audit findings are discussed below:

2.3.4.1 Grant No. 29–Urban Plan and Regional Development

Urban Development and Housing (UDH) Department is responsible for development of Urban Sector of Rajasthan. UDH Department is committed for systematic planning and development of cities. The Department is headed by Principal Secretary.

The overall position of budgetary provision, expenditure and savings during the period 2016-19 is detailed in **Table 2.3**.

Table 2.3: Budget vis-a-vis expenditure under UDH

(₹ in crore)

Head of Accounts	2016-17				2017-18				2018-19			
	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender	Provision (O+S)	Expenditure	Savings (Per cent)	Surrender
Revenue	4833.04*	4206.51	626.53 (12.96)	626.53	4984.89*	3881.28	1103.61 (22.14)	1103.61	5099.28*	4015.09	1084.19 (21.26)	873.60
Capital	1742.68*	959.45	783.23 (44.94)	767.44	1501.58*	950.74	550.84 (36.68)	531.81	1477.17*	1280.37	196.80 (13.32)	192.22
Total	6575.72	5165.96	1,409.76	1,393.97	6,486.47	4832.02	1,654.45	1,635.42	6,576.45	5,295.46	1,280.99	1,065.82

* Includes supplementary provision of ₹ 809.25 crore, ₹ 547.64 crore and ₹ 467.82 crore during 2016-17, 2017-18 and 2018-19 respectively under Revenue Section and supplementary provision of ₹ 2,000, ₹ 130.20 crore and ₹ 1,000 under Capital Section during 2016-17, 2017-18 and 2018-19 respectively.

Audit observations based on the review of grants/records are as under:

- The unutilised budget provision/savings under revenue section of the grant ranged from 12.96 *per cent* to 22.14 *per cent* for period from 2016-17 to 2018-19 while the unutilised budget provision/savings under capital section of the grant ranged from 13.32 *per cent* to 44.94 *per cent* during 2016-17 to 2018-19 indicative of over assessment of funds.
- During 2018-19, in revenue section, out of final savings of ₹ 1,084.19 crore, a sum of ₹ 210.59 crore and in capital section, out of final savings of ₹ 196.80 crore, a sum of ₹ 4.58 crore were not surrendered. This indicates that the Department failed to exercise necessary budgetary controls over the flow of expenditure through the monthly expenditure statement.
- During 2017-18 and 2018-19, supplementary grant of ₹ 547.64 crore and ₹ 467.82 crore respectively, allotted in revenue section proved unnecessary as the expenditure could not come up to the level of the original budget provision.

Sub-head wise position of savings:

It was observed that during 2016-17 to 2018-19, a substantial portion of the budget allocation remained unutilised every year under certain heads (on various sub schemes) as depicted in the **Table 2.4**, indicating non achievement of projected financial outlay in the respective years. This also indicates that the budget allocations were made without considering the past actuals in contravention to the provision under para 13.7 of the SBM.

Table 2.4: Sub-head wise position of saving

(₹ in crore)								
S. No.	Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Department Reply	Audit Comments
1.	2217-Urban Development 05-Other Urban Development Schemes 190- Assistance to Public Sector and other Undertakings 02- Rajasthan Transport Infrastructure Development Fund 03- Ajmer City Transport Services Limited	2016-17	6.80	0.00	6.80	100.00	Non-release of fund by State Government due to non-submission of audited accounts by the company.	Non-submission of audited accounts by the company indicates lack of monitoring at the Department level.
		2017-18	5.87	0.00	5.87	100.00		
		2018-19	1.37	0.00	1.37	100.00		
2.	2217-Urban Development 05-Other Urban Development Schemes 190- Assistance to Public Sector and other Undertakings 03- Global Environment Facility 01-Jaipur City Transport Services Limited	2016-17	5.40	0.00	5.40	100.00	Non-receipt of funds under Global Environment Facility Project (GEF) from GoI. Less receipt of funds from GoI.	Less/Non-receipt of fund from GoI indicates lack of pursuance for allotment of fund from GoI at the Department level. Provision of Para 13.7 of the Budget Manual was not kept in mind during preparation of budget.
		2017-18	5.00	0.00	5.00	100.00		
		2018-19	5.50	3.65	1.85	33.64		

S. No.	Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Department Reply	Audit Comments
3.	2217-Urban Development 05-Other Urban Development Schemes 800- Other expenditure 01- Smart city 01- Ajmer Smart City	2016-17	195.00	147.20	47.80	24.51	Non-submission of utilisation certificates in respect of funds allotted in 2016-17 and 2017-18. Therefore, subsequent funds were not released by GoI during 2018-19 as per guideline of this scheme.	This indicates systemic deficiency in utilization of grant by the Department. Non-receipt of subsequent installment of funds indicates failure of the Department to comply with rules, and procedures, and guidelines which is adversely impacting the achievement of objective of scheme.
		2017-18	160.00	102.00	58.00	36.25		
		2018-19	140.80	0.00	140.80	100.00		
4.	2217-Urban Development 05-Other Urban Development Schemes 800- Other expenditure 01- Smart city 02- Jaipur Smart City	2016-17	295.00	214.00	81.00	27.46		
		2017-18	160.00	0.00	160.00	100.00		
		2018-19	176.00	0.00	176.00	100.00		
5	2217Urban Development 05-Other Urban Development Schemes 800- Other expenditure 01- Smart city 03-Udaipur Smart City	2016-17	295.00	214.00	81.00	27.46		
		2017-18	160.00	0.00	160.00	100.00		
		2018-19	176.00	0.00	176.00	100.00		
6.	2217-Urban Development 05-Other Urban Development Schemes 800- Other expenditure 01- Smart city 04-Kota Smart City	2016-17	194.00	145.60	48.40	24.95		
		2017-18	160.00	103.00	57.00	35.62		
		2018-19	141.40	0.00	141.40	100.00		
7.	2217-Urban Development 80- General 001-Direction and Administration 03-Rent and Appellate Tribunal 01- Rent Tribunal - Committed	2016-17	2.91	2.17	0.74	25.43	Due to posts remaining vacant.	Keeping budgetary provision for vacant post was in contravention of provision of para 13.18.2(a) of the SBM, which states that provision shall not be made for vacant posts.
		2017-18	2.54	1.81	0.73	28.74		
		2018-19	2.89	1.97	0.92	31.83		
8.	2217-Urban Development 80- General 001-Direction and Administration 03-Rent and Appellate Tribunal 02- Appellate Rent Tribunal – Committed	2016-17	1.32	1.06	0.26	19.70		
		2017-18	1.28	0.78	0.50	39.06		
		2018-19	1.55	1.07	0.48	30.97		
9.	2217-Urban Development 80- General 191- Assistance to Municipal Corporations 30- Expenditure from Environment and Health fund 01- Sewerage Treatment Plant	2016-17	10.99	3.43	7.56	68.79	Less expenditure incurred due to land dispute and court stay.	This indicates lack of proper planning by the Department. Proposal should have been prepared with proper planning and feasibility study.
		2017-18	10.30	0.00	10.30	100.00		
		2018-19	11.33	0.00	11.33	100.00	Funds not released due to objection imposed by Finance Department and Election code of conduct during 2018-19.	
10.	2217- Urban Development 80- General 191- Assistance to Municipal Corporations 35- Grants under XIV Finance Commission 02- General Performance Grant under XIV Finance Commission Committed	2016-17	53.72	18.43	35.29	65.69	Calculation mistake in preparation of provision in 2016-17 and non-receipt of performance grant during 2017-18.	Non-receipt of performance grant from GoI indicates non-fulfilling the condition of grant as per XIV-FC recommendation.
		2017-18	57.23	0.00	57.23	100.00		
		2018-19	₹1000	0.00	₹ 1000	100.00		

S. No.	Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Department Reply	Audit Comments
11.	2217- Urban Development 80- General 191- Assistance to Municipal Corporations 39- Pradhan Mantri Awas Yojana 01- Housing for All (Urban)	2016-17	159.09	17.63	141.46	88.92	Less receipt of funds from GoL.	Trend of expenditure of previous year was not kept in view before making budget provision for ensuing year and huge savings indicate faulty estimation.
		2017-18	68.00	5.28	62.72	92.24	Less receipt of funds from GoI as the funds were released directly by GoI in the dedicated account of scheme.	
		2018-19	48.09	0.12	47.97	99.75		
12.	2217- Urban Development 80- General 800- Other expenditure 08- Rajasthan Transport Infrastructure Development Fund 01- Through the Local Self Government Department	2016-17	93.10	60.58	32.52	34.93	Delay in utility shifting for construction of Gaurav Path during 2016-17.	Huge savings indicate faulty estimation. Non-utilisation of funds within stipulated period led to blockage of fund.
		2017-18	370.88	254.00	116.88	31.51	Amount released as per requirement	
		2018-19	311.34	110.98	200.36	64.35		
13.	2217- Urban Development 80- General 800- Other expenditure 10- Master Plan and Other Schemes 01- Through the Town Planner Department	2016-17	10.27	6.95	3.32	32.33	Reduction in plan ceiling.	This indicates systemic deficiency in utilization of grant by the Department and is adversely impacting the achievement of the objective of schemes.
		2017-18	5.98	3.84	2.14	35.79	Non-submission of UCs in respect of previous year amount due to non-completion of work as per schemes by RISL.	
		2018-19	5.15	2.46	2.69	52.23		
14.	4217- Capital Outlay on Urban Development 60- Other Urban Development Schemes 050- Land 02- Development of Six main cities (EAP)-Works -through the Rajasthan Urban Infrastructural Development Project (RUIDP)	2016-17	5.00	-3.84*	8.84	176.80	Entire fund was not utilised during 2016-19 as case related to various packages of first stage is under consideration in Commercial Court and ACB.	As per SBM, trend of expenditure of previous year was not kept in view while allocation of fund for ensuing year. Huge savings indicate faulty estimation.
		2017-18	5.00	-1.00	6.00	120.00		
		2018-19	2.00	-0.98	2.98	149.00		
15.	4217- Capital Outlay on Urban Development 60- Other Urban Development Schemes 050- Land 04- Rajasthan Urban Sector Development Investment Programme (RUSDIP) R.U.I.D.P. Third Phase (EAP) Construction Works	2016-17	375.00	106.10	268.90	71.71	Delay in allotment of works.	It was the responsibility of the Departments to ensure required level of progress of work with timely decision, implementation and monitoring. Non-utilisation of fund within stipulated time led to blocking of funds. Further, escalation of cost cannot be ruled out on delayed works.
		2017-18	450.00	219.20	230.80	51.29	Slow progress of work.	
		2018-19	495.00	244.85	250.15	50.54		
16.	4217- Capital Outlay on Urban Development 04- Slum Area Improvement 800- Other expenditure 04- Rajeev Awas Yojana for Slum Free India	2016-17	131.61	29.72	101.89	77.42	Non-receipt of second installment from GoI due to non-submission of UCs of first installment.	Proposal for capital project should have been prepared with proper planning and as per scheme guidelines. The Department should have pursued the revised proposal

S. No.	Head	Year	Total (O+S)	Expenditure	Savings	Percentage of savings	Department Reply	Audit Comments
		2017-18	48.06	4.44	43.62	90.76	Work related to some project not started due to rejection of proposal by GoI, so no fund released by GoI in this regard.	with concerned authority for release of adequate funds for schemes.
		2018-19	52.87	24.65	28.22	53.38		
17.	4217- Capital Outlay on Urban Development 03- Integrated Development of Small and Medium Towns 800- Other expenditure 02- Urban Roads and Drains etc. (ROB) 07- For various Urban Bodies	2016-17	103.01	26.34	76.67	74.43	Less expenditure incurred on work due to non/late-availability of land for ROB work in 2016-19.	Proposals for capital expenditure should have been prepared with proper planning and feasibility study. Non/late allotment of land could have been avoided with proper planning.
		2017-18	48.07	41.72	6.35	13.21		
		2018-19	44.65	12.59	32.06	71.80		
18.	4217- Capital Outlay on Urban Development 03- Integrated Development of Small and Medium Towns 800- Other expenditure 01- Assistance to Local Bodies, Corporations, Urban Development Authorities, Urban Improvement Trusts etc. 02- Shahari Jan Sahbhagi Yojana	2016-17	17.17	6.83	10.34	60.22	Non-release of Administrative and Financial Sanction by concerned Collector due to non-receipt of public fund in 2016-19.	Trend of expenditure of previous year was not kept in view while allocation of fund for ensuing year. Persistent savings indicate faulty estimation.
		2017-18	17.03	8.11	8.92	52.38		
		2018-19	17.17	1.74	15.43	89.87		

* Minus figure indicates receipt during the year

It was further observed that:

- This grant included a provision of ₹ 2,253.20 crore for works of Smart City projects at Ajmer, Jaipur, Kota and Udaipur, however only an amount of ₹ 925.80 crore (41 per cent) was incurred against the provision during 2016-19. GoI did not release funds as the Department could not submit UCs in respect of utilisation of grants received earlier.
- During 2016-19, this grant included a provision of ₹ 275.99 crore for Housing for all (Urban) under the *Pradhan Mantri Awas Yojana*, however, only an amount of ₹ 22.98 crore (8.32 per cent) was incurred against the provision.
- During 2016-19, an amount of ₹ 32.59 crore was proposed for Sewerage Treatment Plant under this grant. It was, however, observed that an amount of ₹ 3.43 crore (10.5 per cent) was incurred towards the scheme. The Department intimated that less expenditure was incurred due to land dispute and court stay and objection imposed by the Finance Department.

Thus, the savings against total budget provision during 2016-19 exhibited persistent trends which were indicative of over assessment in requirement of funds under various heads by the Department without adequate scrutiny and proper monitoring of the flow of expenditure. Less expenditure on capital

projects also indicates that proposals were made without proper planning by the Department.

Token provision in grant

As per para 13.14 of SBM, new sub heads, group heads and object heads, however, may be introduced by the Finance Department if needed to suit the requirement of the State Government only with the concurrence of Accountant General (A&E). A sub-head or other unit of appropriation which remains inoperative for three consecutive years should be deleted from the Demands for Grants of the concerned Department.

During scrutiny of the grant it was observed that during 2015-16 to 2018-19, in 63 out of 101 total heads (62.4 per cent) token provision were made under this grant which remained token provisions without augmenting provision through re-appropriations and at the end of the financial year token provisions in all heads were surrendered. Regarding token provision, controlling officers of budget head intimated (July and August 2019) that token provisions were made in anticipation of requirement of heads in future in some cases. However, due to non-requirement of these heads, token provisions will be made zero in the next financial year.

The Public Account Committee had recommended to take effective measures to avoid cases of persistent savings in future and ensure due diligence while preparing budget estimates. However, in spite of these recommendations, the incidence of persistent savings continued during 2018-19 also.

2.3.5 Unnecessary/excessive supplementary provision

Para 24.2 of SBM stipulates that during the course of a financial year, if the amount provided for the purpose is found to be inadequate or the need arises for an expenditure on some object or service for which no provision has been made, a supplementary provision can be sanctioned by the Legislature. During 2018-19, supplementary provisions of ₹ one crore or more in each case, aggregating to ₹ 1,852.23 crore, obtained in 15 cases, proved unnecessary as the expenditure did not even come up to the level of the original provision (**Appendix 2.5**). Out of these, 6 cases where supplementary provisions of more than ₹ 100 crore in each case proved unnecessary are given in **Table 2.5**.

Table 2.5: Cases where supplementary provisions (more than ₹ 100 crore) proved unnecessary during 2018-19

(₹ in crore)					
Sl. No.	Number and Name of the Grant	Original Provision	Expenditure	Supplementary Provisions	Reasons for supplementary provisions
Revenue-Voted					
1	21- Roads and Bridges	1,535.23	1,362.34	133.41	For transfer of cess amount on Petrol and Diesel to Fund and expenditure on festivals and exhibitions during visits of high profile persons.
2	29- Urban Plan and Regional Development	4,631.46	4,015.09	467.82	For transfer of Funds to Rajasthan Transport Development Fund (RTIDF) and Mukhya Mantri Swawlabman Abhiyan.

Sl. No.	Number and Name of the Grant	Original Provision	Expenditure	Supplementary Provisions	Reasons for supplementary provisions
3.	30- Tribal Area Development	12,473.80	12,032.40	258.83	For incentivisation of digital inclusion of selected families related to National Food Security Act under Bhamashah Scheme and to match contribution of more fund received under PMAY by the GoI.
4.	51- Special Component Plan for Welfare of Scheduled Castes	14,046.25	13,683.69	360.53	For incentivisation of digital inclusion of selected families related to National Food Security Act under Bhamashah Scheme and to match contribution of more fund received under PMAY by the GoI.
Capital Voted					
5.	21- Roads and Bridges	4,620.21	4,025.55	309.10	For construction of Road from State Road Fund.
6.	24-Education, Art and Culture	588.51	561.67	100.72	Fund from NABARD Loan for construction work of school.

Source: Appropriation Accounts

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

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

2.3.6 Excessive/unnecessary re-appropriation of funds

As per para 23.3 of SBM, re-appropriations are permissible only when it is known or anticipated that appropriation for the unit from which funds are diverted will not be utilized in full or that savings can definitely be affected in it. Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed.

Injudicious re-appropriation of funds proved excessive, unnecessary or insufficient and resulted in excess expenditure of ₹ 134.60 crore in 77 sub-heads and final savings of ₹ 969.42 crore in 474 sub-heads. The final excesses/savings after re-appropriation was more than ₹ one crore in 43 head of accounts (**Appendix 2.6**). There was insufficient re-appropriation in 20 head of accounts, unnecessary re-appropriation in six head of accounts and excessive re-appropriation in 17 head of accounts.

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

2.3.7 *Anticipated savings not surrendered*

As per para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. In accordance with the provisions of the SBM, it is the duty of the Budget Controlling Officers to ensure that all anticipated savings are surrendered to Government immediately when they are foreseen, without waiting till the end of the year, unless they are definitely required to meet excesses under some other units under the same grant. No savings can be held in reserve by them for meeting possible future excesses.

In 24 cases (18 grants), where savings were ₹ one crore and above aggregating to ₹ 10,151.35 crore, an amount of ₹ 619.56 crore was not surrendered (*Appendix 2.7*). Early surrender could have ensured more productive use of resources in other areas where there may be shortfall.

This indicates lack of realistic financial planning/monitoring and weak financial control leading to savings not being surrendered.

The Departments did not furnish (October 2019) reasons/explanations for non-surrender of ₹ 619.56 crore.

Recommendation 14:

All anticipated savings may be surrendered immediately so that funds can be effectively utilised for other purposes.

2.3.8 *Lump sum provision*

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

During 2018-19, in 123 cases under 21 grants (where surrender was more than ₹ 15 crore and also more than 50 *per cent* of budget provision), lump sum provision of ₹ 9,069.71 crore was made in the estimates. Out of this, a sum of ₹ 6,960.31 crore (76.7 *per cent*) remained unutilized and was surrendered at the fag end of the year (*Appendix 2.8*). Reasons for making lump sum budget provisions in these cases were not furnished (October 2019) by the Government.

2.3.9 *Surrender in excess of actual savings/excess*

In two grants, an amount of ₹ 1,227.95 crore was surrendered against the savings/excess of ₹ 1,164.20 crore, which was in excess by ₹ 63.75 crore as given in the **Table 2.6**.

Table 2.6: Cases where excess surrendered

(₹ in crore)

S. No.		Number and Name of Grant	Saving (-)/ Excess (+)	Amount surrendered	Excess surrendered
1.	Revenue voted	21 – Roads and Bridges	306.30	312.67	6.37
2.		46 – Irrigation	618.77	646.88	28.11
3.	Capital voted	46 – Irrigation	239.13	268.40	29.27
		Total	1,164.20	1,227.95	63.75

Source: Appropriation Accounts

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

The Departments did not furnish any reasons/explanations regarding surrender in excess of actual savings (October 2019).

2.3.10 Non-utilization of entire provision under scheme/heads.

Estimates of expenditure contain details of financial requirements of Departments and constitute the Government's annual formal request to the Legislative Assembly for approval of the expenditures involved. Actual expenditure incurred in the last three years and also revised estimates for the current financial year should be taken into consideration for preparing estimates for the ensuing financial year.

During scrutiny of Appropriation Account it was observed that budget provisions were made under various schemes which remained entirely unutilized. During 2018-19, the entire provision of ₹ 10 crore or more in each case made under 74 schemes/heads aggregating to ₹ 4,343.08 crore was not utilized. The details are given in **Appendix 2.9**.

Further, it was also noticed that provisions were made continuously for last two to five years without keeping in view guiding principles of SBM and entire provision were being surrendered at the end of financial year. Some major heads are given in **Table 2.7**.

Table 2.7: Non-utilization of entire provision under scheme/heads

(₹ in crore)

S. No.	Grant	Heads	2014-15	2015-16	2016-17	2017-18	2018-19
1.	29-Urban Plan and Regional Development	2217-05-190-02-03 Ajmer City Transport Services Limited	-	-	6.80	5.87	1.37
2.	30-Tribal Area Development	2235-02-796-13-07 Mission Gramya Shakti	2.50	2.50	2.50	2.50	1.44
3.		3425-01-796-05 Sursek/Setcom Network	0.05	1.33	3.75	3.19	3.31
4.		4225-02-796-16-04 To connect Bastis with service centres	-	3.00 out of 4.00	2.50	2.00	2.00
5.		4225-02-796-17-03 To connect Tribal Bastis with Service Centres	-	2.00 out of 3.00	2.50	2.00	2.00
6.		32- Civil Supplies	5475-102-11-01 Consumer Affairs			1.00	1.00

S. No.	Grant	Heads	2014-15	2015-16	2016-17	2017-18	2018-19
7.	33- Social Security and Welfare	2235-02-103-20-01 Mission Gramya Shakti (through the Women Empowerment Department)	10.60	10.60	10.60	10.60	7.35
8.		4235-02-800-09-01 Construction of College level Hostel building	-	40.65	40.65	7.00	8.00
9.	35- Misc. Community and Economic Services	3454-02-203-01-07 State Data Centre	-	15.07	15.07	5.07	6.46
10.		3454-02-203-01-13 State Service Delivery Gate way	-	-	2.77	1.01	1.05
11.		3454-02-203-01-29 National e-Governance Action Plan (Capacity building)	1.74	1.74	2.27	1.14	1.22
12.	43- Minerals	4853-01-004-07-02 Through the Medical and Health Department, Medical facilities in mining areas	-	-	16.00	1.20	5.00
13.	51-Special Component plan for welfare of Scheduled castes	2235-02-789-01-06 Mission Gramya Shakti	3.50	3.50	3.50	3.50	1.91
14.		3425-01-789-05 Sursek/Setcom Network	0.07	0.41	5.02	4.29	4.75
15.		4236-02-789-02 Upgradation and maintenance of Aganbari centre including crèche construction under ICDS Mission mode	2.57	2.57	2.58	7.20	7.50

As per SBM, a sub-head or other unit of appropriation which remains inoperative for three consecutive years should be deleted from the Demands for Grants of the concerned Department.

This indicates that provisions for these schemes/heads were made without properly assessing financial requirements and necessity of Departments.

2.4 Review of selected grants

With a view to have detailed analysis of a particular grant, **Grant number: 51-Special Component Plan for Welfare of Scheduled Castes** was selected on the basis of expenditure against budgeted estimate for last three years. This analysis encompasses comment on Budget and Expenditure, Receipts with respect to Revised Estimates, Excess expenditure after re-appropriation/surrender, unnecessary/excessive supplementary provision, non-utilisation of entire provision, persistent savings and status of schemes in Chief Minister's previous Budget Speech under this grant.

Grant No.51- Special Component plan for Welfare of Scheduled Castes

The Schedule Castes Sub Plan (SCSP) schemes are strategies initiated and designed by Government of India for implementation by State Governments in order to bridge the gap in the socio-economic status of Scheduled Castes (SCs). Outlay for area oriented schemes directly benefiting Scheduled Castes villages having a majority of Scheduled Castes population and villages should be included in Scheduled Caste Sub Plan. As per guidelines issued by the Planning Commission, Annual Plan allocations of the State should be segregated into the Tribal Sub Plan (TSP) and Scheduled Caste Sub Plan (SCSP). Funds earmarked for SCSP should be in proportion to the population of Scheduled Castes (SCs) to the total population of the State. The Social

Justice and Empowerment Department is the nodal department for formulation and implementation of the Scheduled Caste Sub Plan.

The overall position of budget provision, expenditure and savings during 2016-19 is detailed in **Table 2.8**.

Table 2.8: Budget provisions

	2016-17				2017-18				2018-19			
	Total (O+S)	Expenditure	Savings (Saving Percent)	Surrender	Total (O+S)*	Expenditure	Savings (Saving Percent)	Surrender	Total (O+S)*	Expenditure	Savings (Saving Percent)	Surrender
Revenue	9,549.49	8,304.44	1,245.05 (13.04)	1,240.91	10,383.89	9,517.25	866.64 (8.35)	862.14	14,406.78	13,683.68	723.10 (5.02)	691.06
Capital	5,988.15	5,412.05	576.10 (9.62)	575.81	5,537.10	3,872.12	1,664.98 (30.07)	1,601.84	5,293.39	3,959.49	1,333.90 (25.20)	1,294.92
Total	15,537.64	13,716.49	1,821.15	1,816.72	15,920.99	13,389.37	2,531.62	2,463.98	19,700.17	17,643.17	2,057.00	1,985.98

* Includes supplementary provision of ₹ 1,379.05 crore and ₹ 360.53 crore under revenue section during 2017-18 and 2018-19 respectively and provision of ₹ 50.00 crore under capital section during 2018-19.

Detailed audit of Budget and expenditure under this grant showed that:

- The un-utilised budget provisions/savings under revenue section of the grant ranged from 5.02 *per cent* to 13.04 *per cent* during the period from 2016-17 to 2018-19.
- The un-utilised budget provisions/ savings under capital section of the grant ranged from 9.62 *per cent* to 30.07 *per cent* during the period from 2016-17 to 2018-19.
- During 2018-19, out of final savings of ₹ 723.10 crore in revenue section and ₹ 1,333.90 crore in capital section, a sum of ₹ 32.04 crore in revenue section and ₹ 38.98 crore in capital section was not surrendered.

Substantial Savings

Against the total provision of ₹14,406.78 crore under revenue head, an expenditure of ₹13,683.68 crore was incurred resulting in savings of ₹ 723.10 crore (5.02 *per cent*). Also against the total provision of ₹ 5,293.39 crore under capital head, ₹ 3,959.49 crore was spent resulting in saving of ₹ 1,333.90 crore (25.2 *per cent*).

During audit, it was observed that in 22 schemes/programme there were substantial saving of ₹ 989.37 crore (where savings were ₹ 10 crore or more) ranging from 50 *per cent* to 99.8 *per cent* of total grant/appropriation under the schemes/programme during 2018-19. The details are given in **Table 2.9**.

Table 2.9: Substantial Savings ₹ 10 crore or more

S. No.	Name of Head (2018-19)	Total	Expen-diture	Savings	
				Savings	% of savings
1.	2217-80-191-39-02-Housing for All-Sub-plan for Scheduled Castes	12.48	0.03	12.45	99.76
2.	2217-80-192-41-02-Housing for All-Sub-Plan for Scheduled Castes	36.55	0.08	36.47	99.78
3.	2211-789-03-03-National Urban Health Mission (NUHM)	19.75	9.00	10.75	54.43
4.	2401-789-02-05-For conversion from flow irrigation to drip irrigation (Pradhan Mantri Krishi Sinchai Yojana-Micro Irrigation)	21.27	6.16	15.11	71.04
5.	2401-789-03-01-Through the Agriculture Department	27.14	9.43	17.71	65.25
6.	2401-789-09-01-Through the Agriculture Department	32.72	13.29	19.43	59.38

S. No.	Name of Head (2018-19)	Total	Expenditure	Savings	% of savings
7.	2501-06-196-06-03-Grants	80.91	33.59	47.32	58.48
8.	2501-06-196-10-03-Grants	25.18	0.34	24.84	98.65
9.	2515-198-33-03-Functional/Activities	490.36	245.18	245.18	50.00
10.	4210-01-789-01-90-Construction Works	49.52	23.00	26.52	53.55
11.	4210-02-789-01-90-Construction Works	32.54	13.61	18.93	58.17
12.	4210-03-789-01-01-Medical College and Associated Group of Hospitals, Jaipur	18.43	4.80	13.63	73.96
13.	4215-01-789-01-58-Water Supply Project from Narmada to Shiv Tehsil, District Barmer (205 Villages)	25.94	11.79	14.15	54.55
14.	4215-01-789-01-63-National Rural Drinking Water Programme (DDP)	19.92	4.22	15.70	78.82
15.	4215-01-789-01-65-Percentage Charges on operation and Maintenance for National Rural Drinking Water Programme	43.35	15.31	28.04	64.68
16.	4215-01-789-02-46-Chambal, Dholpur, Bharatpur Project, Phase-I, Part-II (Urban)	18.90	1.95	16.95	89.68
17.	4215-01-789-02-58-Bisalpur-Jaipur Water Supply Project-II Phase (Urban)	36.00	0.99	35.01	97.25
18.	4515-789-04-01-For Zila Parishads (Rural Development Cell)	81.00	40.50	40.50	50.00
19.	4700-34-789-01-Construction Works	27.00	7.96	19.04	70.52
20.	4700-80-789-02-01-Rajasthan Water Sector Restructuring Project for Desert Area	199.14	71.89	127.25	63.90
21.	4802-02-190-04-02-Refinery (SCSP)	233.00	70.00	163.00	69.96
22.	5054-03-789-03-Strengthening, Modernisation, Renovation and Widening of Small District Roads	47.52	6.13	41.39	87.10
		1,578.62	589.25	989.37	

Various reasons were given by the Department including non/less receipt of funds from GoI, posts remaining vacant, non/less release of grants for creation of capital assets, slow progress of work, ownership dispute of land, unavailability of funds, delay in tendering process, less execution of work, non-receipt of sanction by GoI, non-submission of bills by firm, reduction in budget ceiling and availability of fund of previous year. The reply was indicative of the fact that Department lacked proper estimation of provisions and execution of financial plans.

Persistent savings

As per SBM actual expenditure incurred in last three years, and revised estimates for the current year should be taken into consideration for preparing estimates for the ensuing financial year and the estimates of expenditure should be as accurate as possible.

It was observed that during the last three years from 2016-17 to 2018-19, there were persistent savings in various schemes. There were grants where provision was ₹ 10 crore or more than in each cases and persistent savings were noticed during last three years. The details are given in **Table 2.10**.

Table 2.10: Persistent savings during last three years

Name of Head	Year	(₹ in crore)			
		Total (O+S)	Expenditure	Saving (-)/ Excess (+)	% of savings and excess
2202-02-107-14 Pre-matric scholarship to children of families engaged in scavenging works	2016-17	12.00	6.39	-5.61	46.75
	2017-18	10.00	4.88	-5.12	51.20
	2018-19	8.00	2.94	-5.06	63.25
2217-80-191-39-02 Housing for All-Sub-Plan for Scheduled Castes	2016-17	41.31	4.11	-37.20	90.05
	2017-18	18.00	5.53	-12.47	69.28
	2018-19	12.48	0.03	-12.45	99.76
2401-789-02-04 National Horticulture Mission	2016-17	17.03	4.94	-12.09	70.99
	2017-18	10.67	7.78	-2.89	27.09
	2018-19	11.74	3.40	-8.34	71.04

Name of Head	Year	Total (O+S)	Expenditure	Saving (-)/ Excess (+)	% of savings and excess
2401-789-02-05 For conversion from flow irrigation to drip irrigation (Pradhan Mantri Agriculture Irrigation Scheme-Micro Irrigation)	2016-17	36.61	4.23	-32.38	88.45
	2017-18	25.02	4.97	-20.05	80.14
	2018-19	21.27	6.16	-15.11	71.04
2401-789-03-01 Through the Agriculture Department	2016-17	36.75	25.91	-10.84	29.50
	2017-18	41.18	11.84	-29.34	71.25
	2018-19	27.14	9.43	-17.71	65.25
2501-05-196-07-03 Functional Related (For Scheduled castes)	2016-17	112.33	16.67	-95.66	85.16
	2017-18	96.16	65.85	-30.31	31.52
	2018-19	99.45	65.45	-34.00	34.19
4059-80-789-04 General building (Land Revenue)	2016-17	16.35	9.11	-7.24	44.28
	2017-18	21.06	5.54	-15.52	73.69
	2018-19	11.38	5.61	-5.77	50.70
4210-02-789-01-90 Construction Works	2016-17	29.25	5.25	-24.00	82.05
	2017-18	57.50	8.78	-48.72	84.73
	2018-19	32.54	13.61	-18.93	58.17
4210-03-789-01-03 Medical College and associated Group of Hospital, Bikaner	2016-17	8.47	2.00	-6.47	76.39
	2017-18	14.96	6.49	-8.47	56.62
	2018-19	16.61	11.18	-5.43	32.69
4215-01-789-01-45 Bisalpur Dudu Project -Chaksu, Phagi and Bassi	2016-17	81.07	42.91	-38.16	47.07
	2017-18	43.43	23.94	-19.49	44.88
	2018-19	8.71	3.96	-4.75	54.54
4215-01-789-01-55 Narmada Project-Cluster (D.R.)	2016-17	5.56	1.39	-4.17	75.00
	2017-18	9.07	7.73	-1.34	14.77
	2018-19	16.15	10.76	-5.39	33.37
4215-01-789-01-58 Water Supply Project from Narmada to Shiv Teshil District Barmer (205 Villages)	2016-17	7.34	4.33	-3.01	41.01
	2017-18	10.72	6.32	-4.40	41.04
	2018-19	25.94	11.79	-14.15	54.55
4215-01-789-01-63 National Rural Drinking Water Programme (D.D.P)	2016-17	25.85	8.70	-17.15	66.34
	2017-18	20.36	8.94	-11.42	56.09
	2018-19	19.92	4.22	-15.70	78.82
4217-03-789-07-01 For Various Urban Bodies	2016-17	26.74	6.84	-19.90	74.42
	2017-18	12.48	5.09	-7.39	59.21
	2018-19	11.59	3.27	-8.32	71.79
4217-04-789-02 Rajeev Aawas Yojana for slum free India	2016-17	34.17	7.70	-26.47	77.47
	2017-18	12.48	2.00	-10.48	83.97
	2018-19	13.72	6.40	-7.32	53.35
4250-789-01-01 Plants and Equipment	2016-17	22.31	11.41	-10.90	48.86
	2017-18	12.52	4.31	-8.21	65.58
	2018-19	5.34	3.93	-1.41	26.40
4225-01-789-05 Construction of hostel building for students	2016-17	14.63	0.79	-13.84	94.60
	2017-18	18.25	10.63	-7.62	41.75
	2018-19	15.17	6.22	-8.95	58.99
4401-789-04 Building construction for kisaan Sewa Kendra and village knowledge Centre	2016-17	17.10	14.39	-2.71	15.85
	2017-18	16.10	4.39	-11.71	72.73
	2018-19	4.00	1.50	-2.50	62.50
4700-04-789-02-01 Construction Works	2016-17	11.41	7.78	-3.63	31.81
	2017-18	11.00	5.49	-5.51	50.09
	2018-19	12.10	4.34	-7.76	64.13
4853-01-789-02-01 Through the Public Works Department Road Construction in mining areas	2016-17	11.00	0.99	-10.01	91.00
	2017-18	50.00	7.48	-42.52	85.04
	2018-19	55.00	29.50	-25.50	46.36
5054-03-789-03 Strengthening, Modernisation, renovation and widening of Small District Roads	2016-17	10.26	5.84	-4.42	43.08
	2017-18	21.04	2.77	-18.27	86.83
	2018-19	47.52	6.13	-41.39	87.10
5054-04-789-12-01 Rural Link Roads	2016-17	21.65	7.53	-14.12	65.22
	2017-18	18.23	7.69	-10.54	57.82
	2018-19	22.12	12.67	-9.45	42.72

Budget controlling officer attributed savings to slow progress of construction works by PWD and Contractor, delay in tendering process, posts remaining vacant, reduction in plan ceiling, late/non-receipt of financial and administrative sanction, non/less receipt of funds from Gol, non-submission of utilization certificate, mandatory allotment of budget under SCSP category

despite less demand, non-supply of some items by firm as per prescribed norms and non/delayed allotment of land etc.

Persistent savings indicate that the Department did not utilise the budgeted funds consistently in respect of these development works/programme/schemes. It also indicates unrealistic estimates of the anticipated expenditure during the period, poor control over expenditure and financial monitoring.

Non-utilisation of entire provision in various Schemes

As per SBM, the estimate of expenditure should be as accurate as possible. In 10 cases under the grant the entire provisions made under various schemes (₹ 10 crore or more in each case) aggregating to ₹ 255.61 crore remained unutilized during 2018-19, are given in **Table 2.11**.

Table 2.11: Details of unutilized provision in various schemes during 2018-19

(₹ in crore)					
S. No.	Name of Head (2018-19)	Total	Expen-diture	Savings	% of savings
1.	2217-80-191-42-05- Basic grants under XIV-FC	11.63	0.00	11.63	100
2.	2217-80-192-39-02 – Swachh Bharat Mission (for scheduled caste)	18.57	0.00	18.57	100
3.	2217-80-192-46-05- Basic grant under XIV-FC	28.93	0.00	28.93	100
4.	2401-789-09-04- Through the Watershed Development and Soil Conversion Department	14.96	0.00	14.96	100
5.	2851-789-26-01- Interest Grant on Loan	20.00	0.00	20.00	100
6.	2515-198-34-03- Functional/Activities	61.84	0.00	61.84	100
7.	4215-01-789-01-19-Barmer Lift Canal Water Supply Project Phase-II	12.94	0.00	12.94	100
8.	4515-789-13-01-For Zila Parishads (Rural Development Cell)	22.34	0.00	22.34	100
9.	4202-01-789-07-01- Sarva Shiksha Abhiyan- Construction works (Plan)	14.40	0.00	14.40	100
10.	4885-60-789-02-01-Award and Compensation for Soil Acquisition	50.00	0.00	50.00	100
		255.61		255.61	

Various reasons were given by the Department including non/less receipt of funds from GoI, direct transfer of funds by GoI, post remaining vacant, less receipt of funds from GoI under XIV-Finance Commission and slow progress of work. This shows that the Department failed to assess the requirement of provisions for plan for Welfare of Scheduled Castes and it was totally based on assumptions.

Excessive supplementary provision

As per SBM, supplementary grant is required to be taken when the amount sanctioned in the original appropriation is found inadequate for the expenditure to be incurred during the year. During 2018-19, supplementary grant of ₹ 360.53 crore was allotted in the revenue section and ₹ 50 crore was allotted in the capital section. In view of savings of ₹ 723.10 crore and ₹ 1,333.90 core under respective revenue and capital heads, supplementary provision of ₹ 360.53 crore and ₹ 50.00 crore proved unnecessary during 2018-19. Head-wise details of excess supplementary provision are given in **Table 2.12**.

Table 2.12: Excess supplementary provision

(₹ in crore)

Name of Head	Original Provision	Supplementary provision	Expenditure	Excessive Supplementary provision	Reasons for Supplementary provision
2018-19					
3454- Census Survey and Statistics 02 Surveys and Statistics 789-Special Component Plan for Scheduled Castes 05-Bhamashah Yojana 2014 01-Census Survey and Statistics Economic and Statistics Department	26.18	300.00	259.46	66.72	For incentivisation of digital inclusion of selected families related to National Food Security Act under Bhamashah Scheme
2017-18					
2202-General Education 01- Elementary Education 111-Serva Shiksha Abhiyan 02- Special Component Plan for scheduled castes (Education Guarantee Scheme)	779.85	918.00	952.47	745.38	For payment of salary under Sarva Shiksha Abhiyan
2505-Rural Employment 01-National Programme 196-Assistance to Zila Parishads/District level Panchayats 02-Pradhan Mantri Awas Yojana-Rural 03-Pradhanmantri Awas Yojana (Scheduled Castes)(Plan)	39.86	382.63	325.98	96.51	To match the contribution of additional funds received from Gol under Pradhanmantri Awas Yojana

Excess Expenditure

During the test check of appropriation account, it was observed that during 2018-19 in some heads of this grant there was excess expenditure which was against the provision of para 8.5(5) of SBM. The details of heads where excess expenditure was more than ₹ one lakh and above is given in **Table 2.13**.

Table 2.13: Excess expenditure against provisions

(₹ in crore)

S. No.	Head of Account	Total Provision*	Surrender/ re-appropriation	Availability of fund	Actual Expenditure	Excess
1.	4055-789-02-91- Percentage charges for establishment expenses (2059)	1.14	1.14	**	0.05	0.05
2.	4055-789-02-92- Percentage charges for Tools and Plants (2059)	0.28	0.28	***	0.01	0.01
3.	4055-789-02-93- Percentage charges for Roads and Bridges (3054)	0.43	0.43	***	0.02	0.02
4.	4215-01-789-01-29- Deeg Water Supply Scheme (CSS)	5.51	-	5.51	7.37	1.86
5.	4215-01-789-01-42-Gagrin Water Supply (CSS)	4.41	-	4.41	5.72	1.31
6.	4215-01-789-01-48 - Chambal-Bhilwara Water supply scheme cluster (CSS)	18.08	-	18.08	39.90	21.82
7.	4700-34-789-01 -Construction Work	27.00	20.04	6.96	7.96	1.00
8.	4700-40-789-01-01-Construction Work	7.20	1.82	5.38	5.40	0.02
9.	4701-69-789-01- Construction Work	9.90	-	9.90	10.23	0.33
10.	4702-789-02-01-Minor Irrigation Projects	18.76	-	18.76	19.98	1.22
11.	4702-789-02-03- Water Harvesting Structure	10.39	-	10.39	10.55	0.16
12.	4702-789-02-04- Modernisation/Up-gradation/Regeneration	3.60	1.05	2.55	2.56	0.01

S. No.	Head of Account	Total Provision*	Surrender/ re-appropriation	Availability of fund	Actual Expenditure	Excess
13.	4702-789-02-05- Accelerated Irrigation Benefit Programme	0.90	-	0.90	0.91	0.01
14.	4702-789-02-07- Regeneration/Modernisation/Up-gradation/ Renovation	11.36	0.20	11.16	11.33	0.17
15.	4711-01-789-02-01 – Through the Chief Engineer, Water Resources Department, Rajasthan, Jaipur (CSS)	2.39	-	2.39	3.85	1.46

* Includes re-appropriation, ** only ₹ 2,000, *** only ₹ 1,000

This shows that expenditure was incurred without availability of fund under these heads by the Department.

Excess expenditure incurred over budgetary allocation indicates deficient budgetary expenditure controls and lack of financial monitoring.

Expenditure incurred without availability of fund

During audit of appropriation account, it was noticed that in two cases expenditure was incurred after entire provision was surrendered. Details are given below in **Table 2.14**.

Table 2.14: Expenditure incurred without availability of funds

(₹ in crores)			
Head	Provision	Surrendered	Expenditure
4215-01-789-01-31 Narmada Gudamalani Water Supply Scheme (CSS)	₹ 1000*	₹ 1000*	0.65
4215-01-789-01-61 Water Supply Project for 256 villages of Bhinmal town and Bhinmal Tehsil	₹ 1000*	₹ 1000*	4.05

*In actual figures

Other significant issues:

- (i) During audit it was noticed that provision of ₹ 20 crore was made under Major Head '2851-789-26-01' for "Interest Grant under Mudra Yojana" during 2018-19. In this regard Department stated (July 2019) that no scheme was proposed by the Department. Entire provision was surrendered as per instruction of the Finance Department. This indicates that the provision was made by the Finance Department without requirement/proposal of the Department.
- (ii) During audit it was noticed that provision ₹ 22.34 crore was made under Major Head '4515-789-13-01' for Guru Golwalkar Jan Bhagidaari Vikas Yojana during 2018-19. No amount was released by GoR and the entire provision was surrendered as balance amount of previous year was lying in the PD account. Department stated (August 2019) that as per information received from 25 districts an amount of ₹ 122.48 crore was lying in PD accounts (balances as on 1.4.2018) related to this scheme. So, there would be no requirement to release extra amount this year. This indicates that provision was made without assessment of progress of the scheme.

Token provision in grant

During scrutiny of the grant it was observed that in 2018-19, out of total 870 heads, in 234 heads token provision was made under this grant which remained as token provision only without augmenting provision through re-appropriations and at the end of the financial year token provisions were either surrendered or made zero in Revised Estimates during Budget Finalisation Committee (BFC) meeting.

Status of schemes in previous Budget Speech's

Details of Budget speech and status of schemes are given **Table 2.15**.

Table 2.15: Announcements in Budget Speech and their follow up actions

S. No.	Brief announcements made in Budget Speech	Status of follow up action taken by the Department
1.	During Budget Speech of 2016-17, the State Government announced that one Awasiya Vidyalaya for Schedule caste Boys and one for Girls of all categories in Gram panchayat, Jaisidher, District Barmer will be made operational from 2016-17 session, which would entail an estimated expenditure of ₹ 4.44 crore.	The Department stated (September 2019 and January 2020) that schools could not be started for a period of more than three years as the construction work had not been completed.
2.	During Budget Speech of 2017-18, the State Government announced that the meritorious students of Schedule Caste and Schedule tribe, whose family's annual income is less than ₹ 2.50 lakh, would get financial assistance for education of MBBS and PG in Private Medical College and University for which a separate scheme will be implemented by the State Government.	The Department stated (September 2019 and January 2020) that regarding implementation of the scheme, proposal/ file had been sent to Medical Education Department but reply has not been received yet.
3.	During Budget Speech of 2018-19, the State Government announced 'Bhairon Singh Shekhawat Antodya Swarojgar Scheme' for providing livelihood to SC, ST and OBC families. In this scheme loans were to be provided for an amount of ₹ 50,000 at an interest rate of 4 per cent without any security deposit to 50,000 families in ensuing year.	The Department stated (September 2019 and January 2020) that directions were given by the Co- operative Department for implementation of the Scheme and forwarded to Finance Department for approval. Scheme has not been implemented due to non-approval of revised directions at the level of Co-operative Department. Scheme has been closed at the level of Finance Department.

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

Under rule 219 of GF&AR, the Controlling and Disbursing Officer are authorised to draw sum of money by preparing Abstract Contingent (AC) bills, by debiting service heads and are required to present Detailed Contingent bills (DC) (vouchers in support of final expenditure) to the Accountant General (A&E) through treasury. Rule 220(1) provides for submission of DC bills within a period of three months from the drawal of AC bills (except in case of

purchase of machinery/equipments and other articles from abroad by opening of letter of credit, where the DC bills may be rendered to the competent authority within six months of the drawal of AC bills).

Audit observed that State Government did not furnish DC bills in respect of 167 AC bills amounting to ₹ 62.03 crore, drawn upto March 2019, as on 30 June 2019. Year-wise details of outstanding DC bills are given in the **Table 2.16**.

Table 2.16: Pending submission of DC bills

(₹ in crore)		
Year	Outstanding DC bills	Amount of DC bills
Up to March 2011	7	2.93
2012-13	1	1.04
2014-15	3	2.47
2016-17	5	3.27
2017-18	10	34.81
2018-19	141	17.51
Total	167	62.03

Source: Finance Accounts and information provided by office of the AG (A&E).

As evident from the **Table 2.16** that 7 bills amounting to ₹ 2.93 crore were pending for 11 to 30 years and 19 bills amounting to ₹ 41.59 crore were pending for 2 to 5 years.

These outstanding DC bills are related to Medical and Public Health Department (8 AC bills amounting to ₹ 27.78 crore); Police Department (17 AC bills amounting to ₹ 13.29 crore); Land Revenue Department (2 AC bills amounting to ₹ 3.12 crore), Election (25 AC bills amounting to ₹ 2.27 crore), Relief Department (1 AC bills amounting to ₹ 1.04 crore) and Rajasthan Public Service Commission (73 AC bills amounting to ₹ 7.62 crore). Major Head wise details of pending AC bills as well as amount outstanding for the period upto June 2019 is detailed in **Appendix 2.10**.

Further, during 2018-19, 1,368 AC bills (₹ 143.84 crore) were drawn out of which 49 bills (3.58 per cent) amounting to ₹ 7.02 crore were drawn in March 2019 only. Significant amount of ₹ 6.41 crore was drawn by Police Department (14 AC bills amounting to ₹ 5.20 crore) and Medical & Health Department (5 AC bills amounting to ₹ 1.21 crore).

(i) Non-submission of DC bills

It was also noticed that out of 167 cases of outstanding DC bills, in 33 cases AC bills remained unadjusted despite lapse of period ranging from 8 months to 30 years, details are given in **Table 2.17**.

Table 2.17: Non-submission of DC bills

(₹ in lakh)					
S. No.	Name of Office	Major Head	AC Bill No. & Date	Amount	Reasons for delay given by Department.
1.	District Collector DMRD Alwar	2245	813/19.03.2013	103.50	Non deposit/ submission of embezzlement amount of ₹ 4,19,430 and detailed records for payment of ₹ 11,30,400.
2.	District Election Officer, Bikaner	2015	64/29.11.2018 73/02.12.2018	15.00 20.00	Bill not submitted by Election Returning Officer.
3.	Administrative Officer, NCC Headquarter, Jaipur	2204	76/21.12.2018 77/21.12.2018	7.35 2.64	Non-receipt of sanction of temporary tour by the State Government.
4.	Rajasthan Staff Selection Board, Jaipur	2051	299/06.10.2016	2.00	Efforts are being made by the Department for changing the demonetized notes.
			216/10.08.2018	6.91	Efforts are being made by the Department.
			260/30.08.2018	6.99	
			215/10.08.2018	7.82	
			194/06.08.2018	6.91	
195/06.08.2018	7.82				
5.	District Collector Bikaner	2052	230/13.08.2018	70.00	Direction has been given to the concerned Department for submission of DC bills.
6.	DEO Primary Udaipur	2202	642/10.12.2018	1.03	Adjustment is under process.
7.	Principal, SP Medical College, Bikaner	4210 2210	1487/30.03.2018 1317/29.03.2017	2125.67 20.25	No reasons were furnished by the office concerned.
8.	4-Raj AIR SQN NCC Jodhpur	2204	40/07.06.2018	1.14	
9.	Dy. Director (Accounts), State Forensic Laboratory, Rajasthan, Jaipur	2055	283/6.1.2015	57.00	DC bills for these procurements could not be furnished due to reasons such as pending approval of State Government for change in items procured, balance amount used for some other purchases where fund was short, submission of faulty bills by STC and in some cases, due to budget constraint and technical disqualification, order could not be placed and re-tendering was to be done. Further, after adjustment, an amount of ₹ 61.17 lakh was still pending with STC, New Delhi.
			395/27.03.2015	180.50	
			396/27.03.2015	9.60	
			347/22.03.2017	41.00	
			367/29.03.2017	25.00	
			368/29.03.2017	239.00	
			422/28.03.2018	6.00	
			421/28.03.2018	66.50	
348/09.02.2018	83.50				
347/09.02.2018	161.50				
<p>This indicates that Rule 8(2) and Rule 220 of GF&AR were overlooked and bills were drawn without ascertaining urgency of these procurements.</p>					

S. No.	Name of Office	Major Head	AC Bill No. & Date	Amount	Reasons for delay given by Department.
10.	Pr. DIET, Bikaner	2202	1989-1990	₹ 30,000	Departments intimated that as per record, bills were not withdrawn of such amount through AC bill in Bikaner, Banswara and Rajsamand.
11.	Zila Parishad, Banswara	4202	66/13.06.1992	₹ 23,700	
12.	Zila Parishad, Banswara	4202	59/27.02.1991	₹ 30,000	
13.	District Adult Education Officer, Rajsamand	2202	1996-1997	₹ 8,500	
14.	DEO (Boys), Kota	2202	30/30.05.1992	₹ 25,920	Recovery regarding Kota is still pending.
15.	Asstt. Director, DIET, Jalore	2202	1990-1991	₹ 30,000	Due to merger of old Department with another Department, DC bills could not be submitted. The Treasury and Accounts Department needs to track the AC bill and issue suitable directions to the concerned Department for adjustment as early as possible.
16.	Revenue Board, Ajmer	2029	183/5.3.2008	292.18	Due to pending recovery of ₹ 15.64 lakh from NICSI, New Delhi, DC bill is pending. Efforts are being made by the Department for recovery. This indicates that Rule 8(2) and Rule 220 of GF&AR were overlooked and bills were drawn without ascertaining urgency of this procurement.

The reasons given by the Departments are not tenable because non-submission of DC bills indicates lack of monitoring in the Departments as well as treasuries.

The withdrawal of money through an AC bill is accounted for against the functional Major Head in the consolidated fund. Unless the accounts are settled within the time allotted, the expenditure stands inflated to that extent.

(ii) Delay in submission of Detailed Contingent Bills

Rule 8(2) of General Financial and Accounts Rule (GF&AR), 2012 prescribed that funds shall be withdrawn only if required for immediate payment and the expenditure or payment is authorised by the competent authority.

During test check of DC bills during 2018-19 significant delay in furnishing DC bills were noticed, details are given in **Table 2.18**.

Table 2.18: Quantum of delay in submission of DC bills

(₹ in lakh)

S. No.	Name of office	No. of DC bills submitted with Delay	Period of delay (in months)	Amount deposited through challan (AC bill amount)*	Reason for delay
1.	District Collector, DMRD, Bharatpur	1	115	6.51 (19.01)	An amount of ₹ 19.01 lakh was drawn (September 2008) for work 'closing of breach of Kanawar dam, Bhagori dam, Mahgawa dam and Khatnowali dam' through AC bill. Work was to be completed in one month. However, an amount of ₹ 6.51 lakh was deposited back (July 2018) by challan while submitting DC bill. This shows that there was no urgency for immediate payment for the repair and restoration works related to dams despite which the Department had drawn amount through AC bill. DC bill was submitted after 10 years, indicating that provisions of GF&AR rules related to AC/DC bills was not followed by the Department.
2.	Assistant Director Ayurveda, Ajmer	1	54	0	Due to non-submission of vouchers along with DC bills in time.
3.	Principal S.P. Medical College, Bikaner	5	7 to 45	2.58 (18.27) 15.90 (169.96)	Due to replacement of broken machine and delay in supply order.
4.	District Collector, DMRD, Udaipur	3	3 to 18	2,330.68 (13,007.32) 56.06 (2,776.62) 112.08 (118.00)	For payment of Agriculture (Aadan) grant to affected farmers. Reason for delay not furnished by the office.
5.	District Election Officer, Sawaimadhopur	3	9 to 15	0.04 (0.30) 0.03 (1.00)	Delay was due to engagement of staff in preparation of voter list.
6.	District Election Officer, Rajsmand	2	9 to 12	0	
7.	Pr. Controller, S.N. Medical College, Jodhpur	4	9	0	
8.	Commandant-7 Raj. NCC, Kota	3	7 to 8	0	
9.	Additional Director (admn), Mines & Geology Department, Udaipur	3	6 to 8	0	Due to Delay in submission of UCs by Raj Comp.
10.	Medical Officer, Community Health Centre, Kaithun (Kota)	1	7	0	Delay was due to engagement of staff in preparation of voter list.
11.	Administrative Officers, NCC headquarter, Jaipur	2	33	0	
12.	Deputy Director, RDCC, Udaipur	1	18	0	
		29		2,523.88	

* Figures in bracket indicate the amount of AC bill drawn.

Delay in submission of detailed contingent bills indicate that funds were drawn without requirement for immediate payment. Controlling officer/ Disbursing officer should ensure that no amounts shall be drawn through AC Bills unless required for immediate disbursement.

Significant amount deposited through challan indicates that funds were withdrawn without assessment of actual requirement and necessity of works.

(iii) Other irregularities

Funds withdrawal through AC bills for work of routine nature

During checking of AC bills, it was found that Mines & Geology Department, Udaipur withdrawn an amount of ₹ 5.27 crore for advance payment to Raj COMP Info Services Ltd for 'Work of System Development & Maintenance Cost for 3 years' through AC Bill (12345/24.11.2017). Mines & Geology Department stated (July 2019) that the work is related to maintenance, therefore, utilisation certificate for the whole amount cannot be submitted by the Raj COMP before completion of 3 year period as payment was to be made to the vendor on completion of phase-wise work. Since, maintenance work is not of contingent nature requirement; advance payment and drawal of funds through AC Bill could not be justified.

Further, it was noticed that the delegation of financial powers to the head of the office is limited to maximum ₹ 75,000 at a time. Hence, the above said AC bill was drawn exceeding the delegation of power. The matter regarding non-submission of DC bills and exceeding delegation of financial power was brought to the notice of Finance Department, but reply is still awaited. The Finance Department had issued letter to the concerned Department for clarification in this regard.

Advances drawn and not accounted for, increases the possibility of wastage/mis-appropriation/malfeasance etc.

However, the position of pending DC bills in Rajasthan was far better than previous years as there has been significant decline in number and amount of pending DC bills from 1,082 bills amounting to ₹ 323.57 crore in year 2013-14 to 167 bills amounting to ₹ 62.03 crore in year 2018-19 indicating improvement in the internal control mechanism.